

PROSPECTUS



PGS ASA

(a public limited liability company registered in Norway)

Listing of 118,427,689 Shares issued in a Private Placement
Offering and listing of up to 45,841,000 Offer Shares in a Subsequent Offering to Eligible Shareholders

The information contained in this prospectus (the "Prospectus") relates to (i) the listing on Oslo Børs (the "Oslo Stock Exchange") of 118,427,689 shares in PGS ASA (the "Company", and taken together with its consolidated subsidiaries, "PGS" or the "Group"), each with a par value of NOK 3.00 (the "Listing Shares"), already issued in a private placement (comprising 229,250,000 new Shares in total, collectively the "Private Placement Shares") directed towards certain investors for gross proceeds of approximately NOK 1.5 billion (the "Private Placement") and (ii) a subsequent offering (the "Subsequent Offering") and listing of up to 45,841,000 shares in the Company, each with a par value of NOK 3.00 (the "Offer Shares") for gross proceeds of up to approximately NOK 307 million, pursuant to the terms and conditions set out in this Prospectus.

Table with 2 columns: Description and Value. Rows include Subsequent Offering, offer size (45,841,000 Offer Shares), Subscription Price (NOK 6.70 per Offer Share), and Subscription Period (From 09:00 hours (CET) on 28 November 2022 to 12:00 hours (CET) on 12 December 2022 (the "Subscription Period")).

In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Offer Shares to subscribers who (i) were shareholders of the Company as of 1 November 2022 as they appeared in in the Company's register of shareholders with the Norwegian Central Securities Depository (Nw: Verdipapirsentralen), Euronext Securities Oslo (the "VPS") as of expiry of 3 November 2022 (the "Record Date"), (ii) were not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (each such shareholder an "Eligible Shareholder", and collectively, "Eligible Shareholders"). For each share in the Company ("Share") recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of 0.07921 subscription rights (the "Subscription Right(s)"), rounded down to the nearest whole Subscription Right. One (1) Subscription Right will give the right to subscribe for one (1) Offer Share. The Shares of the Company began trading exclusive of Subscription Rights from and including 2 November 2022. Hence, the last day of trading inclusive of Subscription Rights was 1 November 2022. For the purposes of determining eligibility to Subscription Rights, the Company will, however, look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 1 November 2022 (and potentially shareholders that have purchased Shares thereafter with non-standard settlement cycle). Subscription without Subscription Rights will not be allowed. The Subscription Rights will not be tradable. Eligible Shareholders who do not use their Subscription Rights will experience dilution, see Section 14.6 "Eligibility for Participation in the Subsequent Offering". The Subscription Rights would normally have an economic value if the Shares trade above the Subscription Price during the Subscription Period. Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

Notifications of allocation in the Subsequent Offering are expected to be issued on or about 13 December 2022. The due date for payment of allocated Offer Shares is 15 December 2022 (the "Payment Due Date"). Delivery of the Offer Shares to investors' VPS accounts is expected to take place on or about 16 December 2022. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 16 December 2022 under the trading symbol "PGS".

For the definitions of capitalised terms used throughout this Prospectus, see Section 19 "Definitions". Investing in the Shares involves risks; see Section 2 "Risk Factors" beginning on page 10.

Joint Bookrunners and Managers:
Carnegie AS
Pareto Securities AS

The date of this Prospectus is 24 November 2022.

## IMPORTANT INFORMATION

This Prospectus has been prepared in order to provide information about the Company and its business in relation to the listing of the Listing Shares, the Subsequent Offering and listing of the Offer Shares and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the “**EU Prospectus Regulation**”). This Prospectus has been prepared solely in the English language.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Offer Shares between the time when this Prospectus is approved by the Norwegian FSA and the date of listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances create any implication that there has been no change in the Company’s affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give any information or to make any representation concerning the Group or in connection with the Subsequent Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, or Carnegie AS or Pareto Securities AS (the “**Managers**”) or by any of the affiliates, advisors or selling agents of any of the foregoing.

In making an investment decision, each investor must rely on his or her own examination, and analysis of, and enquiry into the Company and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult with its own advisors as to the legal, tax, business, financial and other aspects of a subscription or purchase of the Offer Shares.

The distribution of this Prospectus and the offering and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Listing Shares and the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. For further information on the manner of distribution of the Offer Shares and the selling and transfer restrictions to which they are subject, see Section 15 “*Selling and Transfer Restrictions*”.

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

THIS PROSPECTUS HAS NOT BEEN APPROVED NOR REVIEWED BY THE US SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES. FOR CERTAIN SELLING AND TRANSFER RESTRICTIONS SEE SECTION 15 “*SELLING AND TRANSFER RESTRICTIONS*”.

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

## CONTENTS

Clause	Page
1. SUMMARY .....	5
2. RISK FACTORS.....	10
2.1 Risks Relating to the Group’s Business Activities and Industry.....	10
2.2 Risks Relating to the Group’s Financial Situation .....	14
2.3 Risks Relating to the Subsequent Offering and the Shares.....	16
3. RESPONSIBILITY STATEMENT.....	17
4. GENERAL INFORMATION .....	18
4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority .....	18
4.2 Other Important Investor Information .....	18
4.3 Cautionary Note Regarding Forward-Looking Statements.....	18
4.4 Presentation of Financial Information .....	19
4.5 Presentation of Market Data .....	19
4.6 Other Information .....	19
5. THE PRIVATE PLACEMENT .....	21
5.1 Overview.....	21
5.2 Resolution to issue the Private Placement Shares and Offer Shares .....	21
5.3 Use of Proceeds.....	21
5.4 Dilution .....	21
5.5 The Company’s share capital following the Private Placement .....	22
5.6 Participation of major shareholders and members of the Management and Board of Directors ..	22
5.7 Managers and advisor .....	22
5.8 Interests of natural and legal persons involved in the Private Placement.....	22
6. BUSINESS OVERVIEW .....	23
6.1 Introduction .....	23
6.2 Operations and Principal Activities .....	23
6.3 Investments .....	32
6.4 Significant Recent Trends .....	32
6.5 Material Contracts.....	33
6.6 Legal and Arbitration Proceedings .....	34
6.7 Dependency on Contracts, Patents and Licenses .....	35
6.8 Regulation and Compliance .....	35
7. CAPITALISATION AND INDEBTEDNESS .....	36
7.1 Capitalisation .....	36
7.2 Net Financial Indebtedness .....	37
7.3 Working Capital Statement.....	37
7.4 Recent Developments.....	37
8. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES .....	39
8.1 Overview.....	39
8.2 Board of Directors and Executive Management .....	39
8.3 Disclosure of Conflicts of Interests.....	45
8.4 Nomination Committee .....	45
8.5 Disclosure About Convictions in Relation to Fraudulent Offences .....	45
8.6 Audit Committee .....	46
8.7 Remuneration and Corporate Governance Committee .....	46
8.8 Corporate Governance.....	46
9. RELATED PARTY TRANSACTIONS .....	47
10. DIVIDEND AND DIVIDEND POLICY .....	48
10.1 Dividend Policy.....	48
10.2 Dividend History .....	48
10.3 Loan Agreement Constraints on Dividend Payments.....	48
10.4 Legal Constraints on the Distribution of Dividends .....	48

11.	CORPORATE INFORMATION; SHARES AND SHARE CAPITAL .....	50
11.1	Incorporation; Registration Number; Registered Office and Other Company Information .....	50
11.2	Share Capital .....	50
11.3	Disclosure on Notifiable Holdings .....	51
11.4	Articles of Association .....	51
11.5	Certain Aspects of Norwegian Company Law .....	52
12.	SECURITIES TRADING IN NORWAY .....	55
12.1	Introduction .....	55
12.2	Trading and Settlement .....	55
12.3	Information, Control and Surveillance .....	55
12.4	The VPS and Transfer of Shares .....	56
12.5	Shareholder Register - Norwegian law .....	56
12.6	Foreign Investment in Shares listed in Norway .....	56
12.7	Disclosure Obligations .....	56
12.8	Insider Trading .....	56
12.9	Mandatory Offer Requirement .....	57
12.10	Compulsory Acquisition .....	57
12.11	Foreign Exchange Controls .....	58
13.	NORWEGIAN TAXATION .....	59
13.1	Norwegian Shareholders .....	59
13.2	Non-Resident Shareholders .....	60
13.3	Transfer Taxes etc.; VAT .....	61
14.	TERMS OF THE SUBSEQUENT OFFERING .....	62
14.1	The Subsequent Offering .....	62
14.2	Resolution to Issue the Offer Shares .....	62
14.3	Reasons for the Subsequent Offering and Use of Proceeds .....	62
14.4	Subscription Price .....	63
14.5	Subscription Period .....	63
14.6	Eligibility for Participation in the Subsequent Offering .....	63
14.7	Subscription Office; Subscription Procedures .....	63
14.8	Mandatory anti-money laundering procedures .....	65
14.9	Financial Intermediaries .....	65
14.10	Allocation of Offer Shares .....	65
14.11	Payment .....	66
14.12	Delivery; VPS Registration; Admission to Trading .....	67
14.13	Rights Conferred by the Offer Shares .....	67
14.14	Share capital following the Subsequent Offering .....	67
14.15	Legal Entity Identifier .....	67
14.16	Participation of Members of the Management and the Board of Directors in the Subsequent Offering .....	67
14.17	Expenses .....	67
14.18	Product Governance .....	68
14.19	Governing Law and Jurisdiction .....	68
15.	SELLING AND TRANSFER RESTRICTIONS .....	69
15.1	General .....	69
15.2	Selling Restrictions .....	70
15.3	Transfer Restrictions .....	72
16.	REGULATORY DISCLOSURES .....	74
17.	ADDITIONAL INFORMATION .....	80
17.1	Independent Auditors .....	80
17.2	Managers .....	80
17.3	Legal Advisors .....	80
17.4	VPS Registrar .....	80
18.	INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY .....	81
19.	DEFINITIONS .....	83

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## 1. SUMMARY

<b>Section A—Introduction and Warnings</b>									
<b>Warning</b> .....	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>An investment in the Company’s Shares involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>								
<b>The Securities</b> .....	<p>The Company has one class of shares in issue, and all shares in that class have equal rights in the Company. The Shares in the Company are subject to the Norwegian Public Limited Liability Companies Act. The existing Shares in the Company are, and the Offer Shares will be, registered in book-entry form with the Norwegian Central Securities Depository (<i>Nw. Verdipapirsentralen</i>) under ISIN NO0010199151. The Listing Shares will be registered under the Company’s regular ISIN NO0010199151 upon publication of this Prospectus.</p>								
<b>The Issuer</b> .....	<p>PGS ASA is a public limited liability company registered in Norway with registration number 916 235 291 and has its registered address at Lilleakerveien 4C, 0283 Oslo, Norway. The Company’s main telephone number is +4767526400 and the Group’s website can be found at <a href="http://www.pgs.com">www.pgs.com</a>. The Company’s Legal Entity Identifier (“LEI”) is 213800T66DRTE6O6BV87.</p>								
<b>Competent Authority Approving the Prospectus</b> .....	<p>The Financial Supervisory Authority of Norway (<i>Nw.: Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00, has reviewed and on 24 November 2022 approved this Prospectus.</p>								
<b>Key information on the Issuer</b>									
<b>Who is the Issuer of the Securities?</b>									
<b>Corporate Information</b> .....	<p>The Company was incorporated under the laws of Norway on 19 June 1962. It is a limited liability company subject to the Norwegian Public Limited Liabilities Companies Act.</p> <p>The Company’s registration number is 916 235 291 and its LEI is 213800T66DRTE6O6BV87. The Company’s registered address is at Lilleakerveien 4C, 0283 Oslo, Norway. The Group’s website can be found at <a href="http://www.pgs.com">www.pgs.com</a>.</p>								
<b>Principal activities</b> .....	<p>The Group is a fully integrated marine geophysical company that provides a broad range of seismic and reservoir services, including data acquisition, imaging, interpretation, and field evaluation. The Group’s services are provided to the oil and gas industry, as well as to the broader and emerging new energy industries, including carbon storage and offshore wind.</p>								
<b>Major Shareholders</b> .....	<p>Shareholders owning 5% or more of the Shares have an interest in the Company’s share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of 15 September 2022, which was the latest practicable date prior to the date of this Prospectus, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5% or more of the issued share capital of the Company:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shareholder</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Coltrane Asset Management LP</td> <td style="text-align: right;">15.60</td> </tr> <tr> <td>M&amp;G Investment Management Limited</td> <td style="text-align: right;">6.51</td> </tr> <tr> <td>DNB Asset Management AS</td> <td style="text-align: right;">5.05<sup>(1)</sup></td> </tr> </tbody> </table> <p><small>(1) As of 12 October 2022, based on a Major Shareholding Notification filed by DNB Asset Management AS on the same date.</small></p>	Shareholder	%	Coltrane Asset Management LP	15.60	M&G Investment Management Limited	6.51	DNB Asset Management AS	5.05 <sup>(1)</sup>
Shareholder	%								
Coltrane Asset Management LP	15.60								
M&G Investment Management Limited	6.51								
DNB Asset Management AS	5.05 <sup>(1)</sup>								
<b>Key managing directors</b> .....	<p>The Company’s key management comprises of the following members:</p>								

	<table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Rune O. Pedersen</td> <td>President &amp; CEO</td> </tr> <tr> <td>Gottfred Langseth</td> <td>Executive Vice President and CFO</td> </tr> <tr> <td>Nathan Oliver</td> <td>Executive Vice President of Sales &amp; Services</td> </tr> <tr> <td>Berit Osnes</td> <td>Executive Vice President, New Energy</td> </tr> <tr> <td>Rob Adams</td> <td>Executive Vice President, Operations</td> </tr> </tbody> </table>	Name	Position	Rune O. Pedersen	President & CEO	Gottfred Langseth	Executive Vice President and CFO	Nathan Oliver	Executive Vice President of Sales & Services	Berit Osnes	Executive Vice President, New Energy	Rob Adams	Executive Vice President, Operations
Name	Position												
Rune O. Pedersen	President & CEO												
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Nathan Oliver	Executive Vice President of Sales & Services												
Berit Osnes	Executive Vice President, New Energy												
Rob Adams	Executive Vice President, Operations												
Statutory auditor .....	The Company's independent auditor is Ernst & Young AS, with registered address at Dronning Eufemias gate 6A, 0191 Oslo, Norway.												
<b>What is the Key Financial Information Regarding the Issuer?</b>													
Selected Historical Key Financial Information .....	The tables below set out a summary of the Group's audited consolidated financial statements for the year ended 31 December 2021 and 31 December 2020 and the unaudited consolidated financial statements for the nine months ended 30 September 2022 and 30 September 2021.												

#### Selected income statement information (Consolidated)

*USD million*

	For the year ended 31 December 2021	For the year ended 31 December 2020	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
Total revenue	703.8	512.0	608.4	493.3
Operating profits (loss)	(66.2)	(188.0)	72.9	(39.6)
Net profit (loss)	(179.4)	(321.5)	(27.8)	(125.9)

#### Selected Balance Sheet Information (Consolidated)

*USD million*

	For the year ended 31 December 2021	For the year ended 31 December 2020	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
Total assets	1,792.8	2,093.8	1,719.5	1,843.0
Total equity	245.1	396.4	371.5	297.5

**Selected cash flow information (Consolidated)**

<i>USD million</i>	For the year ended 31 December 2021	For the year ended 31 December 2020	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
Cash flows from operating activities	326.6	366.5	284.9	284.5
Cash flows provided by (used in) investing activities	(171.9)	(254.6)	(127.8)	(137.2)
Cash flows provided by (used in) financing activities	(141.4)	4.2	(148.0)	(111.0)

<b>Selected Key Pro Forma Financial Information</b> .....	Not applicable. No pro forma financial information is included in this Prospectus.
<b>Profit Forecast or Estimate</b> .....	Not applicable. No profit forecast or estimate is included in this Prospectus.
<b>Audit Report Qualification</b> .....	Not applicable.
<b>What are the Key Risks That are Specific to the Issuer?</b>	
<b>Key Risks Specific to the Issuer</b> .....	<p>A characteristic of many of the key risk factors mentioned below, is that the Group - by having incurred a substantial amount of interest bearing debt - is more exposed to the outlined risk factors compared to some of its peers within the seismic industry that have lower levels of indebtedness.</p> <p><i>Risks relating to the Group's business activities and industry, including:</i></p> <ul style="list-style-type: none"> <li>• The performance of the Group's business largely depends on the level of capital expenditures by the oil and gas industry, which can be significantly affected by volatile oil and natural gas prices.</li> <li>• The Group is subject to rapid and unpredictable transitions in its industry as a result of the shift from hydrocarbons to renewable energy sources.</li> <li>• The Group is dependent upon a small number of key clients that may vary between years, and the absence of a stable stream of revenues from a subset of the Group's customer base from one year to the next could adversely affect the Group.</li> <li>• The Group is subject to intense competition in the markets where the Group is carrying out its operations which could limit the Group's ability to maintain or increase its market share or to increase its prices to reach profitable levels.</li> </ul> <p><i>Risks relating to the Group's financial situation, including:</i></p> <ul style="list-style-type: none"> <li>• The Group has substantial debt which could adversely affect the Group's financial health, by, among other things, making it difficult for the Group to satisfy its debt obligations, dedicate large portions of its cash flow towards debt service and restricting the ability to raise additional capital in the future.</li> <li>• The Group has substantial debt maturing in 2023 and 2024 and is dependent on being able to refinance its debt maturities in 2024 in order to continue its business.</li> </ul>



	<ul style="list-style-type: none"> <li>The TLB, the ECF and certain leasing arrangements contain, and future credit facilities may contain, one or more financial covenants which the Group could fail to meet, and such failure to meet the financial covenants may, among other things, trigger repayment of the debt or enforcement of security.</li> <li>A substantial amount of the Group's assets secures indebtedness and enforcement of the underlying security upon events of default under such indebtedness may lead to the Group losing instrumental parts of its assets.</li> <li>Restrictions imposed by the Group's outstanding debt arrangements may limit the Group's ability to take certain actions, such as paying out dividends to the Company's shareholders or taking on additional debt.</li> </ul>
<b>Key Information on the Securities</b>	
<b>What are the Main Features of the Securities?</b>	
<b>Type, Class of Securities Identification and ISIN Number</b> .....	The existing Shares are, and the Offer Shares will be, registered in book-entry form with the Norwegian Central Securities Depository ( <i>Nw. Verdipapirsentralen</i> ) under ISIN NO0010199151. The Listing Shares will be registered under the Company's regular ISIN NO0010199151 upon publication of this Prospectus.
<b>Currency, Number and Par Value of the Securities</b> .....	As of the date of this Prospectus, the Company's share capital is NOK 2,728,649,142, divided into 909,549,714 Shares, each having a nominal value of NOK 3.00.
<b>Rights Attaching to the Securities</b> .....	All Shares provides equal rights in the Company in accordance with the Norwegian Public Limited Liability Companies Act and the Articles of Association of the Company. The holders of the Shares have certain preferential rights to subscribe for new Shares issued by the Company, which may be waived by a resolution supported by at least two-third of the attending Shares at the General Meeting. The holders of Shares have no pre-emptive rights in connection with transfer of Shares.
<b>Restrictions on Transfer</b> .....	The Articles of Association do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors.
<b>Dividend Policy</b> .....	<p>The Board has adopted a dividend policy whereby it is the intention to distribute 25 to 50 percent of annual net income as dividends over time. The Board has no general authorisation to distribute dividends. Each year's dividend (if any) is decided by the annual general meeting after a proposal from the Board.</p> <p>The Company has not distributed dividends in recent years due to a weak market, operating losses and a need to maintain an adequate liquidity reserve. Going forward, the Company's capacity to pay dividends will be assessed by the board in light of, among other things, the market outlook and the Company's equity and funding positions. Since the Company currently has net interest bearing debt which is above the targeted level, priority is given to debt reduction before resuming dividend payments. In addition, the Company is restricted in its main credit facility (the TLB (as defined in Section 2.2)) from proposing dividends until the later of 9 February 2023 or the deferred amounts under the ECF (as defined in Section 2.2) being repaid, and must also fulfill certain conditions before it may propose a dividend payment in the future.</p>
<b>Where will the securities be traded?</b>	
<b>Admission to Trading</b> .....	<p>The Shares are, and the Listing Shares and the Offer Shares are expected to be, admitted to trading on the Oslo Stock Exchange under the trading symbol "PGS" on or about the date of this Prospectus and 16 December 2022, respectively.</p> <p>The Company has not applied for admission to trading of the Listing Shares or the Offer Shares on any other stock exchange or regulated market or a multilateral trading facility (MTF).</p>
<b>What are the key risks that are specific to the securities?</b>	

<b>Key Risk Specific to the Securities</b> .....	<ul style="list-style-type: none"> <li>Eligible Shareholders who do not participate in the Subsequent Offering may experience significant dilution in their shareholding.</li> </ul>
<b>Why is this Prospectus being produced?</b>	
<b>Reasons for the Offering</b> .....	<p>In addition to the consideration of the equal treatment of the Company’s shareholders following the Private Placement, the Company intends to use the net proceeds from the Private Placement and the Subsequent Offering to reduce its leverage. The proceeds will position the Company to manage 2023 debt amortization and extend the re-financing window to March 2024. A strengthened balance sheet, together with the ongoing market recovery in the marine geophysics market, will reduce the refinancing risk and the expected cost of a refinancing.</p>
<b>Use of proceeds</b> .....	<p>The proceeds from the Private Placement and the Subsequent Offering will be used to repay debt and for general corporate purposes.</p>
<b>Underwriting</b> .....	<p>Not applicable, the Subsequent Offering is not subject to an underwriting agreement.</p>
<b>Material and Conflicting Interests</b> .....	<p>The Managers or their affiliates have provided, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers, their employees and any affiliate may currently own Shares in the Company.</p> <p>Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may be entitled to be allocated Offer Shares in the Subsequent Offering (if they were registered as shareholders of the Company as of expiry of the Record Date) and may exercise their right to take up such Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares (or other investments) for its own account and may offer or sell such Offer Shares (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.</p> <p>In accordance with market practice, the Managers will receive fees in connection with the Private Placement and the Subsequent Offering (if any) and, as such, have an interest in the Private Placement and the Subsequent Offering (if any).</p> <p>Other than as set out above, the Company is not aware of any interest of any natural and legal persons involved in the Private Placement or Subsequent Offering that is material to the Private Placement or Subsequent Offering.</p>

## 2. RISK FACTORS

*An investment in the Shares involves inherent risks. An investor should consider carefully all information set forth in this Prospectus and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow, which may affect the ability of the Group to pay dividends and cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Shares. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

*The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. Additional factors of which the Company is currently unaware or which it currently deems not to be risks, may also have corresponding negative effects.*

### 2.1 Risks Relating to the Group's Business Activities and Industry

*The demand for the Group's services and products largely depends on the level of capital expenditures in the oil and gas industry.*

The demand for the Group's products and services has historically been dependent upon the level of capital expenditures by oil and gas companies for exploration, production and development activities. For the Group, these expenditures are significantly influenced by prevailing hydrocarbon prices and expectations regarding future hydrocarbon prices, as well as by various other factors including the availability of financing to fund these activities and societal trends towards a low carbon future. This makes the Company's market volatile. An actual decline, or the perceived risk of a decline, in oil and/or natural gas prices, or a reduction in the ability of oil and gas companies to access the capital necessary to finance expenditures, could cause oil and gas companies to reduce their overall level of activity or spending, in which case demand for seismic services and products provided by the Group may decline and revenue may be adversely affected.

Turmoil in the credit markets and specifically in the credit market for the energy sector could also adversely affect the Group and its customers. Limited access to external funding has in the past caused some customers to reduce their capital spending levels. Some companies have found their access to liquidity constrained or subject to more onerous terms. In this context, there can be no assurance that the Group's customers will be able to borrow money on a timely basis or on reasonable terms, which could have a negative impact on their demand for the Group's products and impair the ability of the Group's customers to pay for the Group's products and services on a timely basis, or at all.

Oil and gas prices may fluctuate based on relatively minor changes in the supply of and demand for oil and gas, expectations regarding future supply of, and demand for, hydrocarbons and certain other factors beyond the Group's control. During earlier periods of depressed commodity prices, many oil and gas exploration and production companies significantly reduced their levels of capital spending, including amounts dedicated to the purchase of marine seismic data and services, driving the volumes and prices for the Group's products and services down and consequently also the Group's profits. During the years 2014-2021, the demand for the Group's services weakened and, consequently, the Group reported for each of those years both losses as well as substantial impairment charges on longterm assets. Uncertainty about the global economy has had and may in the future continue to have a significant adverse impact on commercial performance and financial condition of many companies, which may affect the Group's customers and suppliers. These developments could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

Factors affecting the prices of hydrocarbons (and, consequently, demand for the Group's products and services) include factors such as the demand for hydrocarbons, consequences of pandemics, as last seen through the COVID-19, worldwide political, military and economic conditions, including the current conflict between Russia and Ukraine and the sanctions regime imposed against Russia by the United States, United Kingdom and European Union, changes in the laws and policies affecting trade, actions by the members of the Organization of the Petroleum Exporting Countries (OPEC) and announcements of potential changes in such levels and technological changes.

Increases in oil and natural gas prices may not increase demand for the Group's services or may otherwise not have a positive effect on the Group's financial condition or results of operations. Previously forecasted trends in oil and gas exploration and development activities may not continue, and demand for the Group's products may not reflect the level of activity in the industry. For example, the relative attractiveness of conventional versus unconventional resources and onshore versus offshore resources may change. Further, the cost of extracting unconventional resources may be reduced to a level where conventional resources are less attractive. Unconventional resources are typically extracted without using the Group's product or services. Moreover, even during periods of high commodity prices, customers may reduce their levels of capital expenditures for seismic exploration and production for a variety of reasons, including their lack of success in exploration efforts. The Group is dependent on utilizing its vessels and providing its services, and as such a change in attractiveness in the operational segments that the Group operates may have significant adverse effects on the Group.

As the Group has incurred a substantial amount of debt, the Group is more exposed to a lack of capital expenditure by the oil and gas industry and similar forms of market volatility compared to other companies in the seismic industry with lower indebtedness. Such decrease in expenditure could materially impact the Group's ability to generate sufficient cash from its operations to pay interest and amortization on its interest bearing debt or its capability to satisfy financial covenants.

***The Group is subject to rapid and unpredictable transitions in its industry.***

The pace and magnitude of the demand to shift from hydrocarbons to renewables remains unclear and difficult to predict. Civil society and numerous stakeholders (including governments) are increasingly encouraging the reduced consumption of carbon-based energy sources and the establishment of a more balanced energy mix, geared to low-carbon and renewable energy, to combat climate change. As social interest worldwide regarding the energy transition continues to grow, demand for renewables (as a partial or complete substitute for hydrocarbons) continues to increase. In this context, oil and gas companies may experience a shift in demand away from traditional oil and gas and toward lower-carbon sources of energy such as renewables. A major shift toward renewables could significantly impair the Group's business by reducing demand for its services and impairing the value of its MultiClient library, vessels and other assets.

As the Group mainly derives its income from activities related to hydrocarbons, the above-mentioned trends may over time reduce the demand for the Group's products and services and consequently reduce its income. Such reduction in the Group's activities will adversely affect its results of operations and thus reduce the value of the Shares.

***The Group is dependent upon a small number of key clients.***

The Group derives a significant amount of its revenues from a small number of clients each year. In 2021, the Group's two largest customers accounted for 10% and 7% of its consolidated revenues, compared to 13% and 10% in 2020 and 24% and 9% in 2019, respectively. However, the Group's clients that contribute the largest proportion of the Group's consolidated revenues may vary between years. This is attributable in part to the variable levels of capital expenditures, including spending for marine seismic data services, across the oil and gas industry. The absence of a stable stream of revenues from a subset of the Group's customer base from one year to the next could adversely affect the Group's business, results of operations, financial condition and cash flows, including the Group's ability to be in compliance with its debt obligations.

***The Group is subject to intense competition.***

A majority of the Group's contracts are obtained through a competitive bidding process, which is standard for the seismic services industry in which the Group operates. Important factors in winning contracts include price, performance and timeliness of service, service quality, technological capacity, reputation, experience of personnel, customer relations and length of relationship. The Group has a number of competitors in marine 3D and 4D seismic acquisition, MultiClient data sales and imaging, and some of these competitors have greater financial and other resources than the Group. These and other competitors may be better positioned to withstand and adjust more quickly to volatile market conditions such as fluctuations in oil and gas prices and production levels, as well as changes in government regulations.

The marine seismic market is in recovery from the low levels caused by the COVID-19 pandemic and disruptions to the oil market experienced in 2020. Despite a considerable reduction in the industry's overall capacity, there is no guarantee that

the capacity adjustment will result in improved pricing or profitable operations. In addition, if competitors increase their capacity (or do not further reduce capacity if demand decreases), the excess supply in the seismic services market could cause further downward pressure on prices. The competitive environment in which the Group operates could have a material adverse effect on the Group's results of operations.

***Technological changes and new products and services are frequently introduced in the market.***

The development of seismic data acquisition, processing and interpretation equipment has been characterized by rapid technological advancements. While the Group commits substantial resources to research and development, the Group may encounter resource constraints or technical or other difficulties that could delay the introduction of new and enhanced products and services in the future. The Group could see increased interest among its customers to utilize technologies other than those the Group operates, such as ocean bottom nodes ("OBN"). This may result in that the Group's technology and equipment becoming obsolete. Moreover, new and enhanced products and services by the Group, if introduced, may not gain market acceptance and may be materially adversely affected by technological changes or product or service introductions by one of the Group's competitors.

***The Group carries high fixed costs.***

The Group is subject to high fixed costs which primarily consist of depreciation, maintenance expenses associated with the Group's seismic data acquisition, processing and interpretation equipment and certain crew costs. Extended periods of significant unanticipated downtime or low productivity caused by reduced demand, weather interruptions, equipment failures, permit delays or other causes could reduce the Group's profitability and have a material adverse effect on the Group's financial condition and results of operations because the Group will not be able to reduce its fixed costs as fast as revenues decline.

The Group makes significant investment in property and equipment. As of 30 September 2022, the book value of the Group's property and equipment was \$748.8 million. A decline in demand for the Group's services or changes in competitor capacity and technology may adversely impact the Group's ability to recover the value of the assets invested and result in an impairment of those assets. Such impairment will directly affect the value of the Shares and thus reduce the value of any shareholder's investment.

***The Group is exposed to fuel price fluctuations.***

During the first three quarters of 2022 the Group had six 3D vessels available for operation. Operation of seismic vessels requires substantial fuel purchases, thus the Group is exposed to fuel price fluctuations. In the Group's business, the Group incurred significant fuel costs, which in 2021 was approximately \$45 million. Fuel costs can vary significantly depending on the supply location, local regulations and the price of crude oil and the refined fuels used by the Group at a given time. The increased fuel prices seen in 2022 has led to increased fuel expenses for the Group. In 2021, the total fuel costs for the Group were \$45 million while for 2022 the Company expects total fuel costs in the range of \$70-80 million based on current fuel prices. Of this cost increase, approximately 70% is driven by the price increase and the rest by increased activity level for the fleet. As of the date of this Prospectus, the fuel prices remain at a level which is materially higher than what has been the case over the last years.

Only a portion of the variation of the fuel prices can be contractually charged to or negotiated with the client. The Group does not hedge against this exposure. Sudden and/or significant changes in fuel price could significantly affect fuel and other costs. The additional cost relating to fuel prices that will be borne by PGS may lead to reduced profit margins.

***The Group's significant investments in its MultiClient seismic data may not be recovered.***

The Group invests significant amounts of money in acquiring and processing seismic data that the Group owns or has (exclusive) license rights to, which is called MultiClient data. The Group's MultiClient data library has a book value of \$322.4 million as of 30 September 2022. The Group's future MultiClient data license sales, including the timing of such licenses, are uncertain and depend on a variety of factors, many of which are beyond the Group's control. By making such investments, the Group assumes the risk that it may not fully recover the cost of acquiring and processing the data through future sales.

Subsequent to investing, technological or regulatory changes or other developments could materially adversely affect the value of the data. Regulatory changes that affect the ability of the Group's customers to develop exploration programs (such as limitation on drillings), either generally or in a specific location where the Group has acquired seismic data, could

materially adversely affect the value of the seismic data contained in the Group's library. Technology changes could also make existing data obsolete.

The value of the Group's MultiClient data could be significantly adversely affected if any material adverse change occurs in the general prospects for oil and gas exploration, development and production activities in the areas where the Group acquires MultiClient data or more generally.

The Group attempts to protect its MultiClient seismic data from misuse by customers primarily through contractual provisions that permit the use of the data only by that particular customer on a non-transferable basis. Such provisions can be effective only if misuse of the data by customers or third parties can be detected and if the Group's rights can be enforced through legal action. If widespread misuse were to occur, the Group's MultiClient revenues would be adversely affected.

Any reduction in the market value of such data will require the Group to write down its recorded value, which could have a material adverse effect on the Group's results of operations and financial condition, including the Group's future ability to be compliant with the financial covenants pertaining to the TLB (as defined in Section 2.2).

***The Group performs several contracts under turnkey arrangements.***

Many of the Group's contracts for seismic data acquisition are turnkey contracts, where the Group's work is delivered at a predetermined fixed price. In submitting a bid on a turnkey contract, the Group estimates its costs associated with the project. However, the Group's actual costs can vary from its estimated costs because of changes in assumed operating conditions (including weather, fishing activity, interference from other seismic vessels and other operating disturbances), exchange rates, fuel prices and equipment productivity, among others. In addition, the Group may bid too low as a result of market pricing pressure. As a result, the Group may experience reduced profitability or losses on projects if the Group's bids on turnkey contracts are too low and/or actual costs exceed estimated costs. As the Group has incurred a substantial amount of debt, the Group is far more exposed to the outlined risks invariably connected with turnkey arrangements compared to similar companies in the seismic industry with lower levels of indebtedness.

***The Group is subject to taxation in many jurisdictions around the world.***

The Group operates its vessels and production capacity in many jurisdictions around the world with increasingly complex tax laws, different laws may apply for MultiClient and contract services. The amounts of taxes the Group pays in these jurisdictions may depend on a variety of factors such as the length of a survey, legal or contractual structure, changes in laws or their interpretations by the relevant taxing authorities, which could have a material adverse effect on the Group's liquidity and results of operations. In addition, those authorities could review the Group's tax returns and impose additional taxes and penalties, which could be material. For example, the Company has ongoing tax disputes relating to the charter of vessels into Brazil. The assessments, which inter alia seek to levy 15% withholding tax and 10% CIDE (service) tax, amounts to \$36.6 million in total per 30 September 2022. The Group has identified issues in several jurisdictions that could eventually make the Group liable to pay material amounts in taxes relating to prior years. For example, in Brazil, the Group may be liable for certain withholding taxes on intragroup payments from Brazil to Norway. In addition, there may in the future be other claims from governmental tax authorities for unpaid tax amounts as well as additional issues the Group identify that it is currently not aware of.

***The Group's order book estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations.***

The Group's order book estimates represent those estimated future revenues relating to projects for which a client has executed a contract, the Group has received a written letter of intent or where all major contract terms are agreed. Order book estimates are based on a number of assumptions and estimates including assumptions related to foreign exchange rates and proportionate performance of contracts and the Group's valuation of assets, such as seismic data, to be received by the Group as payment under certain agreements. The realization of the Group's order book estimates is further affected by the Group's performance under day rate contracts, as the early or late completion of a project under day rate contracts will generally result in decreased or increased, as the case may be, revenues derived from these projects.

In accordance with industry practice, contracts for the provision of seismic services typically can be cancelled at the sole discretion of the client without payment of significant cancellation costs to the service provider. As a result, even if contracts are included in the Group's order book, there can be no assurance that such contracts will be wholly executed by the Group, generate actual revenue or not be renegotiated at a lower price, or even that the total costs already incurred by us in connection with the contract would be covered in full pursuant to any cancellation clause. Even where a project

proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Material delays, payment defaults and cancellations could reduce the amount of the Group's order book currently reported, and consequently, could inhibit the conversion of that order book into revenues.

Due to having substantial amounts of debt, breach of assumptions or clients cancelling contracts would to a greater extent impact the Group's financial condition compared to its peers within the seismic industry that have lower levels of indebtedness and are thus not as exposed to unexpected events such as clients cancelling service agreements.

## **2.2 Risks Relating to the Group's Financial Situation**

*The Group has substantial debt which could adversely affect its financial health.*

The Group has a substantial amount of debt and significant debt service obligations. As of 30 September 2022, as adjusted to give effect to the Private Placement and Subsequent Offering, based on the assumptions as described under Section 7.1 "Capitalisation" and Section 7.2 "Net Financial Indebtedness", the Group would have had a total debt including leases (including accrued interest of \$1.2 million and gross of deferred debt issuance costs) of \$942.6 million. See Section 7 "Capitalisation and Indebtedness". The Group's debt could have important negative consequences for the Group. For example, the Group's substantial debt could:

- make it difficult for the Group to satisfy its debt obligations;
- require the Group to dedicate a large portion of its cash flow from operations to service debt and fund repayments on the Group's debt, thereby reducing the availability of its cash flow to fund growth and necessary capital expenditures;
- increase the Group's vulnerability to adverse general economic or industry conditions;
- limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates;
- limit the Group's ability to raise additional debt or equity capital in the future;
- restrict the Group from making strategic acquisitions or exploiting business opportunities; and
- place the Group at a competitive disadvantage compared to its competitors that have less debt.

In addition, a major portion of the Group's debt bears interest at variable rates that are linked to changing market interest rates. With the variable interest rate debt portion as of 30 September 2022, an immediate increase of the variable market interest rate by 1 percentage point will increase the annual interest cost for the Group by approximately \$5.1 million. As of 30 September 2022, the Group had \$726.4 million of outstanding floating interest rate debt, with interest rates based on three to six-month LIBOR rates, plus a margin. As of 30 September 2022, \$50 million of the floating interest rate debt was hedged into fixed rate using interest rate swaps. Although the Group may hedge a portion of its exposure to variable interest rates by entering into interest rate swaps, financial hedging products may be expensive and there is no assurance that the Group can or will continue to hedge its interest exposure in the future. As a result, an increase in market interest rates would increase the Group's interest expense and its debt service obligations, which would exacerbate the risks associated with the Group's leveraged capital structure.

Moreover, volatility in the financial markets could have a material adverse effect on the Group's ability to refinance all or a portion of its indebtedness and to otherwise fund the Group's operational requirements.

The accumulation of the Group having a substantial amount of interest bearing debt and only having six 3D vessels operating out of its 11 vessels makes the Group disproportionately more exposed to the outlined impacts, invariably tied with market volatility as a risk factor in the seismic industry, compared to its peers within the same industry that have lower levels of indebtedness.

*The Group has substantial debt maturing in 2023 and 2024.*

The Group has substantial debt and lease amortization and maturity payments falling due during the fourth quarter of 2022 (\$35 million), through 2023 (\$399 million) and in the first quarter of 2024 (\$520 million). While the Private Placement and

Subsequent Offering will make the Group better placed to make the scheduled debt repayments in 2023, the Group is still dependent on being able to refinance its debt or finding other solutions with its current creditors in order not to end up in financial distress. A substantial amount of the Group's outstanding debt is secured with pledges over its assets, and substantially all agreements governing substantial debt obligations have cross default clauses which will trigger repayment if a member of the Group fails to make the scheduled amortizations and thus triggers an event of default under the relevant loan arrangement. Should the Group fail to repay scheduled amortizations, there is a risk that the debt obligations would be accelerated and security interests enforced. The assets of the Group may not be sufficient to repay the debt, which may lead to financial distress, bankruptcy proceedings and ultimately the equity in the Company being lost entirely.

***The Group's credit facilities contain, and future credit facilities may contain, financial covenants which the Group could fail to meet.***

The Group's main credit agreement - the Term Loan B - (the "TLB") requires the Group to satisfy a maximum total net leverage test and a minimum liquidity test. The same tests apply for the export credit facilities for the four Ramform Titan-class vessels (the "ECF") in an amortization deferral period ending in September 2023. There are also other financial covenants in the ECF and certain of the Group's vessel leases. In addition, future credit facilities entered into by the Group may require it to satisfy similar and potentially additional financial covenants. The ability of the Group to comply with these tests may be affected by events beyond their control, such as the risks related to market and commodity trading prices, and the Group cannot reassure that it will continue to meet these tests. The failure of the Group to comply with these obligations could lead to a default under these credit facilities unless it can obtain waivers or consents in respect of any breaches of these obligations. The Group cannot guarantee that any such waivers or consents will be granted. A breach of any of these covenants or the inability to comply with the required financial covenants could result in a default under these credit facilities. In the event of any default under these credit facilities, the lenders under these facilities could elect to declare all outstanding borrowings and indebtedness, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable. Any event of default under these credit facilities can trigger cross default clauses in other financing arrangements. If the debt under the TLB and the ECF or any other credit facility (as a result of cross acceleration under the applicable agreement) were to be accelerated, the Group cannot guarantee that the Group's assets would be sufficient to repay such debt in full. This may in turn have a material adverse effect on the Group's financial position and results, and possibly lead to insolvency or insolvency related proceedings and financial restructuring.

***A substantial amount of the Group's assets secures indebtedness.***

A substantial amount of the Group's assets are security for its financial indebtedness, including the TLB and the ECF. The key pledged assets are all of the Group's vessels and its seismic equipment, the Group's MultiClient data library (directly or indirectly), bank accounts and receivables under material intercompany agreements. Upon an event of default, there is a risk that the TLB lenders who, among other things, have a pledge over the shares in PGS Holding II Ltd (a holding company that indirectly owns and controls all material subsidiaries of the Group), by 50% majority will accelerate and enforce this and other pledges over major assets. Such enforcement would likely have implications on the continued operations for the operating companies in the group, and there is a risk that the Company, as a corporate entity left without its material subsidiaries and/or assets, will then be insolvent. The lenders under the ECF may also enforce their security, including the mortgages over the four Ramform Titan-class vessels. Enforcement of the mortgages and other security interests would lead to substantial disruptions of the Group's operations.

***Restrictions imposed under the Group's credit facilities may limit the Group's flexibility.***

Certain loan agreements governing the Group's outstanding debt, currently or in the future, may limit the Group's flexibility in operating its business. For example, these agreements do and may restrict the ability of the Group to, among other things:

- borrow money;
- pay dividends or make other distributions;
- create certain liens;
- make certain asset dispositions;
- give certain loans or make certain investments;
- issue or sell share capital of the Company's subsidiaries;



- guarantee indebtedness;
- enter into transactions with affiliates; or
- merge, consolidate or sell, lease or transfer all or substantially all of the Group's assets.

It is a risk that the operating and financial restrictions and covenants in the financing arrangements of the Group's outstanding debt may adversely affect the Group's ability to finance its future operations or capital needs or engage in other business activities that may be in the Group's interest. The operating and financial restrictions and covenants pursuant to the Group's credit facilities may not permit the Group to execute its business strategy as it intends. In addition to limiting the Group's flexibility in operating its business, a breach of the covenants in the TLB or ECF could cause an event of default under the terms of the Group's other financing agreements, including in the ECF or vice versa the TLB, causing all the debt under those agreements to be accelerated. If this were to occur, no assurances can be made that the Group would have sufficient assets to repay its debt, which could lead the Company into bankruptcy or similar proceedings.

### **2.3 Risks Relating to the Subsequent Offering and the Shares**

***Eligible Shareholders who do not participate in the Subsequent Offering may experience significant dilution in their shareholding.***

Subscription Rights that are not exercised by the end of the Subscription Period will have no value and will automatically lapse without compensation to the holder. To the extent that an Eligible Shareholder does not exercise its Subscription Rights prior to the expiry of the Subscription Period, whether by choice or due to a failure to comply with procedures set forth in Section 14 "*Terms of the Subsequent Offering*", or to the extent that an Eligible Shareholder is not permitted to subscribe for Offer Shares as further described in Section 15 "*Selling and Transfer Restrictions*", such Eligible Shareholder's proportionate ownership and voting interests in the Company after the completion of the Subsequent Offering will be diluted.

***The Company's ability to pay dividends is restricted.***

The Group's credit facilities have restrictive conditions for dividend payments. Dividends or similar cannot be paid (with certain exceptions) until the later of 9 February 2023 or the deferred amounts under the ECF being repaid. Thereafter, dividend payments or similar transactions are permitted out of cumulative distributable earnings (as defined therein) provided that the total net leverage ratio does not exceed 2.0:1.0. Under the Group's existing credit facilities there are no restrictions on dividend payments or similar transactions from 31 March 2023, provided the net leverage ratio is below 1.0:1.0. Cumulative distributable earnings, as defined, primarily comprises 50% of net income (with a 100% deduction for losses) and accumulates over time starting 1 October 2019. There is a risk that future credit facilities may contain similar restrictions.

The Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions, including but not limited to legal restrictions in the Group's loan agreements (as set out in Sections 10.3 "*Dividend and Dividend Policy—Loan Agreement Constraints on Dividend Payments*" and 10.4 "*Dividend and Dividend Policy—Legal Constraints on the Distribution of Dividends*") and other factors that the Company may deem to be significant from time to time.

***Future sales, or the possibility for future sales of substantial numbers of Shares may affect the Shares' market price.***

The market price of the Shares could decline as a result of sales of a large number of Shares in the market after the date hereof or the perception that these sales could occur. Due to the fact that the Company remains highly leveraged, there is also a risk that it may need to raise more share capital by capital injection or debt conversion into equity. This may, in each case, have a dilutive effect for, and reduce the value of the Shares held by, the existing shareholders.

### **3. RESPONSIBILITY STATEMENT**

The Board of Directors of PGS ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 24 November 2022

#### **The Board of Directors of PGS ASA**

Walter Hafslø Qvam  
Anne Grethe Dalane  
Richard Herbert  
Marianne Kah  
Trond Brandsrud  
Ebrahim Attarzadeh  
Shona Grant  
Anette Valbø  
Gunhild Myhr  
Eivind Rødnes Vesterås

## 4. GENERAL INFORMATION

*This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Prospectus. You should read this information carefully before continuing.*

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

This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the “**Norwegian FSA**”) as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

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

### 4.2 Other Important Investor Information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Private Placement and the Subsequent Offering. The Managers will not regard any other person (whether or not a recipient of this document) as its respective clients in relation to Private Placement or the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Private Placement, the Subsequent Offering or any transaction or arrangement referred to herein.

Neither the Company, the Managers, nor any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

### 4.3 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company’s current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to the Company’s business and/or future earnings, its ability to distribute dividends, solve contractual disagreements with counterparties, and implement of strategic initiatives, as well as other statements relating to the Company’s future business development and economic performance. These forward-looking Statements can be identified by the use of forward-looking terminology; including but not limited to the terms “assumes”, “projects”, “forecasts”, “estimates”, “expects”, “anticipates”, “believes”, “plans”, “intends”, “may”, “might”, “will”, “would”, “can”, “could”, “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts. They appear in a number of places throughout this Prospectus, including Section 5 “*Business Overview*” and Section 10 “*Dividend and Dividend Policy*” and include statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

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

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

assumption prove to be incorrect, the Company's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

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

The forward-looking statements speak only as at the date of this Prospectus. Except as required according to Section 7-15 of the Norwegian Securities Trading Act, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

#### **4.4 Presentation of Financial Information**

The Group's audited consolidated financial statements as of and for the years ended 31 December 2021 and 2020 and the Group's unaudited consolidated interim financial statements as of and for the nine months' period ended 30 September 2022 and 30 September 2021 have been incorporated by reference hereto. See Section 18 "*Incorporation by Reference; Documents on Display*".

The annual financial statements for 2021 and 2020 have been prepared in accordance with IFRS and have been audited by Ernst & Young AS, as set forth in their auditor reports included therein. The Company's auditor, Ernst & Young AS, has issued all audit opinions without qualifications, but for the 2021 audit opinion included an emphasis of matter related to going concern. The audit opinion for both the annual financial statements of 2021 and 2020 have identified the following key audit matters: "impairment evaluation of MultiClient library" and "impairment evaluation of vessels and seismic equipment".

The Group presents its financial statements in USD (presentation currency).

#### **4.5 Presentation of Market Data**

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

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

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Prospectus. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Prospectus and estimates based on those data may not be reliable indicators of future results.

#### **4.6 Other Information**

In this Prospectus, all references to "NOK" are to the lawful currency of Norway and all references to "U.S. dollar", "\$" or "USD" are to the lawful currency of the United States of America.

In this Prospectus, all references to “EU” are to the European Union and its Member States as of the date of this Prospectus; all references to “EEA” are to the European Economic Area and its member states as of the date of this Prospectus; and all references to “US”, “U.S.” or “United States” are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

## **5. THE PRIVATE PLACEMENT**

### **5.1 Overview**

On 1 November 2022, the Company announced a successfully placed Private Placement raising gross proceeds of approximately NOK 1.5 billion through the issuance of a total of 229,250,000 new Shares, each at a subscription price of NOK 6.70 through an accelerated bookbuilding process. The Private Placement was managed by Carnegie AS and Pareto Securities AS as joint bookrunners.

The Private Placement Shares were subscribed for on 23 November 2022 and were issued on 24 November 2022 by registration with the Norwegian Register of Business Enterprises. The Listing Shares will be registered under the Company's regular ISIN NO0010199151 upon publication of this Prospectus. The Shares are issued in NOK.

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

Please refer to Section 14 "*Terms of the Subsequent Offering*" for further information about the Subsequent Offering.

### **5.2 Resolution to issue the Private Placement Shares and Offer Shares**

The Private Placement Shares were on 23 November 2022 resolved to be issued by an extraordinary general meeting in the Company (the "EGM") in accordance with the resolution proposed by the Board of Directors. The extraordinary general meeting further authorised the Board of Directors to carry out the Subsequent Offering and issue the Offer Shares (to the extent subscribed).

The Board of Directors proposed, and the EGM resolved, to set aside the shareholders' preferential rights to subscribe for the Private Placement Shares. The decision to derogate from the preferential rights was considered by the Board of Directors in light of the equal treatment obligations under the Norwegian Public Limited Companies Act, the Norwegian Securities Trading Act and the Oslo Rule Book II for companies listed on the Oslo Stock Exchange and the Oslo Stock Exchange's Guidelines on the rule of equal treatment. In reaching its conclusion, the Board of Directors found it to be in the common interest of the Company and its shareholders to raise equity through the Private Placement, in particular in view of the current market conditions and the Group's need for refinancing of its debt, reduce execution and completion risk, allow for the Company to raise capital more quickly, raise capital at a lower discount compared to a rights issue and without the underwriting commissions normally seen with rights offerings. Furthermore, the Board of Directors has resolved to invite Eligible Shareholders to subscribe for shares in the Subsequent Offering, limiting the dilutive effect of the Private Placement for existing shareholders.

### **5.3 Use of Proceeds**

The gross proceeds from the Private Placement were approximately NOK 1.5 billion. Assuming the Subsequent Offering is fully subscribed, the Company estimates that the gross proceeds from the Subsequent Offering will be approximately NOK 307 million.

The Company estimates that the total expenses in connection with the Private Placement and the Subsequent Offering will amount to approximately NOK 34 million. Hence, the net cash proceeds from the Private Placement and the Subsequent Offering are estimated to amount to approximately NOK 1.8 billion, assuming the maximum number of Offer Shares are issued in the Subsequent Offering.

The proceeds from the Private Placement and the Subsequent Offering will be used to repay debt and for general corporate purposes. The proceeds will position the Company to manage 2023 debt amortization and extend the re-financing window to March 2024. A strengthened balance sheet, together with the ongoing market recovery in the marine geophysics market, will reduce the refinancing risk and the expected cost of a refinancing.

### **5.4 Dilution**

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 25%. Eligible Shareholders who do not use their Subscription Rights in the Subsequent Offering will experience further dilution of approximately 4.8%, assuming that the Subsequent Offering is fully subscribed (see Section 14.6 "*Eligibility for Participation in the Subsequent Offering*" for further information). Shareholders who did not participate in the Private Placement, but who use their Subscription Rights in the Subsequent Offering, will on balance still experience dilution of their respective ownership in the Company.

The net asset value per existing Share as at 30 September 2022 was NOK 5.91 calculated as total equity divided by the number of outstanding Shares as per 30 September 2022. The subscription price per Share in the Private Placement and the Subsequent Offering is NOK 6.70.

### **5.5 The Company's share capital following the Private Placement**

Upon issuance of the Private Placement Shares, the Company's share capital is NOK 2,728,649,142 divided into 909,549,714 Shares, each with a par value of NOK 3.00.

### **5.6 Participation of major shareholders and members of the Management and Board of Directors**

The following members of the Management and Board of Directors in the Company were allocated shares in the Private Placement:

- Trond Brandsrud, Director was allocated 20,000 Private Placement Shares;
- Richard Herbert, Director, was allocated 46,000 Private Placement Shares;
- Marianne Kah, Director, was allocated 15,000 Private Placement Shares;
- Shona Grant, Director, was allocated 45,000 Private Placement Shares;
- Anette Valbø, Director, was allocated 5,000 Private Placement Shares;
- Eivind Vesterås, Director, was allocated 5,000 Private Placement Shares;
- Rune Olav Pedersen, President & CEO, was allocated 175,000 Private Placement Shares;
- Gottfred Langseth, EVP & CFO, was allocated 300,000 Private Placement Shares;
- Nathan Oliver, EVP Sales & Services, was allocated 15,000 Private Placement Shares;
- Lars Ragnar van der Bijl Mysen, General Counsel, was allocated 50,000 Private Placement Shares;
- Kristin Omreng, SVP Global Human Resources, was allocated 20,000 Private Placement Shares; and
- Bård Stenberg, VP IR & Corporate Communication, was allocated 5,238 Private Placement Shares.

The following major shareholders were allocated shares in the Private Placement:

- Coltrane Asset Management LP, was allocated 55,000,000 Private Placement Shares;
- M&G Investment Management Limited, was allocated 7,640,149 Private Placement Shares; and
- DNB Asset Management AS, was allocated 10,500,000 Private Placement Shares.

### **5.7 Managers and advisor**

Carnegie AS and Pareto Securities AS are acting as Managers and Advokatfirmaet BAHR AS is acting as legal advisor to the Company in connection with the Private Placement and the Subsequent Offering.

### **5.8 Interests of natural and legal persons involved in the Private Placement**

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

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

## 6. BUSINESS OVERVIEW

*This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Group's plans and estimates; see Section 4.3 "General Information – Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2 "Risk Factors".*

### 6.1 Introduction

PGS is a fully integrated marine geophysical company that provides a broad range of seismic and reservoir services, including acquisition, imaging, interpretation, and field evaluation. The Group's services are provided to the oil and gas industry, as well as to the broader and emerging new energy industries, including carbon storage and offshore wind.

The Group's MultiClient data library is among the largest in the seismic industry, with modern 3D coverage in all significant offshore hydrocarbon provinces of the world. Headquartered in Oslo, Norway, the Group currently manages a fleet of 11 high-end (i.e. 3D seismic vessels capable of towing 12 or more streamers) seismic acquisition vessels, of which six are currently operated, while five are stacked (of which some are occasionally used as source vessels) as a response to the weak market. The fleet is dominated by the unique Ramform design vessels. The Group has offices in 12 countries around the world.

### 6.2 Operations and Principal Activities

#### 6.2.1 Business Units

The Group is organized in four primary business units:

- **Sales & Services**, that promotes and sells all PGS' products and services to energy companies;
- **New Energy**, that assesses and develops business opportunities within the energy transition markets where PGS can diversify its service portfolio and generate revenues;
- **Technology & Digitalization**, that manages research and development, PGS digital transformation projects and Enterprise IT; and
- **Operations**, that manages vessel operations and marine seismic acquisition projects.

#### 6.2.2 Business Strengths

In the Company's opinion, the Group benefits from the following key strengths:

(a) Integrated offering

By offering all seismic streamer acquisition methods and business models, the Group allows its customers to choose what best meets their project objectives. Depending on the circumstances, exclusive access to the data may be more preferential, whereas, the MultiClient model may present additional advantages when immediate access to the data or efficient acquisition and cost sharing is the determining factor. As an integrated provider, PGS discusses imaging, MultiClient data library coverage and contract acquisition with its clients. PGS has a portfolio of MultiClient acquisition agreements with host nations and can acquire data using either the MultiClient or the Contract business model. As a result, PGS is involved in more client dialogues and able to design bespoke solutions that it believes provide the best commercial value for clients and for PGS. If a client requests proprietary data in an area where they have recently been awarded acreage, and PGS has a permit to acquire MultiClient data, acquisition can start early and gives clients a time value advantage. Alternatively, it enables the client to spend more time analyzing the data, which generally results in better well-placement and improves their chances of making a discovery. This is a core advantage of the MultiClient business, and one in which the Group intends to continue to invest. By owning capacity, the Group has access to vessels used for MultiClient acquisition at cost throughout the cycle providing the Group with more efficient resource visibility and planning capabilities. In addition, the Group's MultiClient library has consistent technical data quality as it uses its own vessels and technology.

An integrated approach allows the Group to undertake and conduct several tasks in parallel, such as data acquisition and processing, thereby providing for time efficiencies and allowing the Group to decrease the time required from planning to data delivery to its customers. The Group's focus on developing differentiating technology is bolstered by real-time testing of new developments on its fleet, before they are commercialized and put into use. Over the last years, the Group has



increasingly focused on the 4D segment, where PGS has a large market share. The GeoStreamer technology, steerable streamers and sources for optimal positioning, give PGS a competitive advantage in the 4D segment.

(b) Marine seismic services provider with modern fleet

PGS is of the opinion that it is a leading provider of marine data acquisition services in major offshore oil and gas basins worldwide, operating one of the largest world-class technologically advanced seismic fleets. The Group's seismic data acquisition capabilities are complemented by a suite of imaging and reservoir services that adds significant value for its customers. PGS is one of the leading companies in seismic acquisition and data processing. The ability to tow large, dense streamer spreads as well as rapid streamer deployment and retrieval, together with other technological innovations on the Group's Ramform vessels, such as dual workboat capacity and unique gear handling systems, result in greater data acquisition capacity and cost efficiency for larger projects compared with conventional vessels. The Group currently operates six 3D seismic vessels, of which four Ramform vessels are in the ultra-high-end capacity segment and are capable of towing up to 22 streamers. PGS' active fleet has an average age of approximately 11 years, and is viewed to have the lowest average age of any active fleet in the industry.

(c) Technological leadership

The Group has, in its own opinion, some of the most advanced technologies in the marine seismic services industry. PGS' flagship GeoStreamer platform utilized the first dual-sensor streamer in the industry, yielding enhanced resolution, better depth imaging and improved operational efficiency as compared to conventional streamers. Combined with the Group's suite of imaging solutions, the GeoStreamer platform is designed to generate sharper, more precise imaging for complex targets, at great depth or beneath salt, basalt and other complex geological structures, providing the Group with a competitive advantage both during the market downturns and recoveries. PGS recognizes the importance of technological leadership in enabling the Group's customers to obtain new insight into mature exploration and production areas and more accurately predict reservoir parameters.

(d) MultiClient business reducing financial volatility

The Group owns what it believes to be one of the largest and most geographically diverse libraries of marine MultiClient data with a library that as of 31 December 2021 comprised approximately 1,100,000 km<sup>2</sup> of high-quality worldwide 3D seismic data and approximately 590,000 line kilometers of 2D data uncovering frontier and developing hydrocarbon areas. For the last twelve months up to 30 September 2022, 62% (\$506.4 million) of our revenues were derived from MultiClient sales. PGS seeks to mitigate the cost-recovery risks associated with acquiring the MultiClient library through pre-funding of acquisition costs and have a long track record of achieving the target pre-funding levels of 80-120%. The Group's ability to rapidly switch capacity between MultiClient and contract business opportunities provides flexibility to handle changeable and cyclical markets. The Group's high-quality MultiClient business has demonstrated resilience in the recent downturn with pre-funding segment revenues corresponding to 127% of capitalized MultiClient cash investment and total revenues of 2.45 times investments in the MultiClient library measured as average over the last three years (2019 to 2021).

(e) Positioned for an improving Contract market and a growing demand relating to carbon storage

Historically, in periods, the contract market has yielded higher returns than PGS or peers have been able to generate in the MultiClient market. By retaining ownership to vessels and the integrated product offering, PGS believes it is well positioned to take advantage of an improving marine seismic contract market. For the full year 2021, contract services revenues increased by \$61 million, or 42%, compared to the full year 2020. The increase is driven by increased activity in the contract market at improving rates in the second half of 2021.

Owning and operating high end 3D seismic vessels will be key in the prospective market for offshore carbon storage. Seismic 4D solutions will be required as part of identification and development of offshore carbon storage reservoirs and subsequent monitoring throughout the injection phase of such projects. The Group is already in 2022 acquiring 4D baseline surveys for four significant carbon capture and storage ("CCS") projects, the Northern Endurance, the Northern Lights and the Smeaheia CCS projects, in addition to a 4D over the Snøhvit field, of which parts relate to CCS.

(f) High operational efficiency

The Ramform vessels and GeoStreamer technology provide the platform, but the Group's efficient streamer handling and operation of seismic surveys is achieved through strong maintenance programs, homogenous work processes and equipment pools, and continuous improvement efforts of PGS' personnel and crew to ensure that the Group vessels and equipment are

operating effectively. These efforts have resulted in several back-deck equipment advances that are proprietary to the Group's seismic survey acquisition.

(g) Experienced, tested management and highly qualified workforce

PGS' executive management team has significant experience in the industry and has demonstrated strong execution through a long period of challenging market conditions. The management has improved HSEQ and operational efficiency, which has been evidenced by a solid performance through the recent oil price downturn. Substantial reductions in cost and capital expenditures, enabled among other things through organizational measures by centralizing, simplifying and streamlining, have demonstrated the ability to drive through change. Since 2013, the Group's gross cash cost level has been reduced by more than 50% to adjust to the adverse cyclical development and the impact of the COVID-19 disruption. The management has effectively addressed the capital structure throughout the industry downturn. All of these measures were taken to improve the Group's liquidity, support its operations during the recent downturn and strengthen the Group's financial endurance. The Group employs geophysicists, geologists, engineers and other highly-skilled persons who, in PGS' opinion, have maintained its operational excellence and leading technology in the industry. PGS believes that the strength of its management team and its highly-qualified workforce will be a significant factor in maintaining its competitive advantages and shaping its strategy for the future.

### 6.2.3 Financial and Business Strategy

PGS is a fully integrated marine seismic acquisition and imaging company, offering a full range of towed streamer acquisition and imaging services through both the proprietary contract and MultiClient business models. Being in control of seismic acquisition vessels, imaging and technology, positions PGS to deliver what the Group believes to be the best and most flexible solutions to clients under any project type.

Capital expenditures relating to the Ramform Titan-class new build program, followed by a prolonged industry downturn from 2014 to 2018 and a severe impact from the COVID-19 pandemic, has led to a level of interest bearing debt which is higher than targeted. The Company has over this period raised equity and the Group has extended debt maturities on several occasions to manage its debt obligations. The Group's financial strategy is to prioritize cash flow and debt reduction before growth. Debt reduction will be given priority until PGS reaches a capital structure that is sustainable considering company size and market cyclicity. Net interest bearing debt (excluding lease liabilities) was \$773.0 million as of 30 September 2022 and, pro forma for the Private Placement net interest bearing debt is \$627.6 million. PGS has significantly adjusted its cost base and capital expenditures to mitigate the impact of lower revenues, and with the equity raise it is close to achieving the target of a net interest bearing debt level not exceeding \$500-600 million, excluding lease liabilities. PGS' business strategy comprises the following key priorities:

- **Leverage integration across the PGS value chain** - PGS aims to fully utilize the contract and the MultiClient market in combination with integrated commercial models to build vessel campaigns maximizing fleet utilization. The Group intends to capitalize on selling joint acquisition and imaging services as a complete solution to optimize revenues and margins.
- **Provider of near-field exploration and production (4D) seismic** - The energy transition drives increasing focus towards near-field exploration and production seismic. PGS believes that it is well positioned in these market segments with the Ramform acquisition platform and GeoStreamer technology. PGS intends to improve exposure and profitability further by creating geologically driven geophysical workflows and solutions tailored towards infrastructure lead exploration, appraisal, and development. Rich azimuth illumination of GeoStreamer data, GeoStreamer X, targets exploration in mature hydrocarbon basins has been rolled out in Europe with success. PGS intends to industrialize the technology further and launch it into other core markets. PGS believes there are untapped opportunities in the hybrid streamer and OBN market and is positioned to take advantage of that by cooperating with OBN providers.
- **Develop New Energy into a significant business unit** - PGS has an ambition to build a substantial and recognized presence in markets within the offshore renewables' domain or related to the ongoing energy transition ("**New Energy**"). PGS intends to build a business with growing revenues as fast as these opportunities materialize. PGS has identified carbon storage, offshore wind and marine minerals as domains where the Group can match its assets, competence, and capabilities to address industry challenges. Already in 2021, the Group made several MultiClient data sales related to carbon storage, and in 2022, the Group completed four significant carbon capture and storage ("**CCS**") acquisition projects, the Northern Endurance, the Northern Lights and the Smeaheia CCS projects, in addition to a 4D over the Snøhvit field, of which parts relate to CCS. Within offshore wind, PGS is in the process

of creating and executing on a market entry plan. Within marine minerals, PGS intends to stay relevant without further significant investments and continues to monitor the market development.

- **Increase speed and penetration of digitalization** - PGS started on its digital transformation process in 2019 by establishing a dedicated digitalization team. Scope and speed of digitalization is accelerating and PGS is working on three main digitalization projects:
  - PGS Digital Factory - Includes a suite of initiatives to deliver on the PGS strategy and create tangible value by enabling machine learning and artificial intelligence to optimize costs, tracking trends, improving predictability and performance, reducing project execution time, and revealing commercial opportunities.
  - PGS Solis - A cloud-based MultiClient sales platform that enables new sales models and allows clients to collaborate on high-quality data and achieve faster decisions and subsurface insights.
  - PGS Eos - Enabling faster processing and imaging of seismic data, using automated workflows and cloud scalability.
- **Reduce operating cost and increase efficiency** - Fleet operations are a dominant part of the Group's cost base. PGS intends to optimize fleet cost and improve efficiency by developing and implementing new and more flexible crewing models, without negatively impacting safety. Further, the Group is increasingly taking advantage of its digital toolbox to improve operational efficiency.
- **Reduce environmental footprint from the Group's operations** - PGS works towards an environmental transformation of the Group's operations by delivering services with the smallest environmental footprint possible. Delivering on PGS environment, social and governance goals is PGS' license to operate. PGS continues to develop towards its goal of a 50% reduction in CO2 per common mid-point kilometers by 2030. Further, PGS is targeting 100% renewable energy for the compute capacity used and power to the offices. For the seismic acquisition, PGS aims at minimal acoustic impact with maximum efficiency in acquisition projects, and no conflicts with fisheries or local communities where the Group operates. PGS intends to minimize waste, and targets 100% reuse or recycle.

#### 6.2.4 PGS' History

PGS ASA was established with the merger of Geoteam a.s. and Nopec a.s. in January 1991 and is a public limited liability company established under the laws of Norway. The Company is organized as a holding company that owns subsidiary companies that conduct substantially all of the Group's business. The Company's ordinary shares were listed on the Oslo Stock Exchange in 1992, commenced an initial public offering and listing in the United States on NASDAQ in 1993, and in 1997 listed PGS' American depository shares ("ADS") on the New York Stock Exchange. Today, the Company's shares remain listed on the Oslo Stock Exchange, while the ADS program in the U.S. is terminated.

In the late 1990s, PGS designed, built and deployed six proprietary Ramform survey vessels and made some key acquisitions to become one of the worldwide leaders in developing and industrializing 3D marine seismic acquisition. As the year 2000 approached, the Group encountered financial difficulties due to aggressive growth in an unfavorable market straining the Group's liquidity. Certain non-core asset sales and other dispositions provided some assistance, but, due to several factors, including a weakening seismic market, the Group voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in July 2003, emerging four months later.

PGS is now a focused marine geophysical company, with its foremost competitive advantage being the integrated service offering, the Ramform seismic fleet, the GeoStreamer and imaging products built on the GeoStreamer technical platform and its New Energy business.

#### 6.2.5 Business Activities

The core activity of PGS' business units is to provide seismic data that describes the geology beneath the ocean floor, which energy companies rely on to find oil and gas reserves worldwide. To widen its business footprint, PGS established New Energy in early 2021. Since 2021, the Group has used the initial period to assess commercial opportunities within emerging markets related to the ongoing energy transition and identify where PGS could match its assets, competence and capabilities to address industry challenges. The Group has now defined CCS and offshore wind as markets where there is potential to build a profitable business. Within marine minerals, PGS intends to stay relevant without further significant investments and continues to monitor the market development.

PGS' main products and services include:

- Marine seismic acquisition
- MultiClient data library

- Seismic imaging
- Reservoir characterization

### **Contract Acquisition Services**

Contract work is seismic data acquisition under contracts directly with customers, where the customers exclusively own the acquired data. PGS delivers fast and efficient acquisition of high-quality seismic data with safe and environmentally sound operations.

Production seismic, or 4D, is a growing segment of the seismic contract market that enables energy companies to optimize resource extraction from producing fields. Operational precision, data resolution and survey repeatability are essential, and are areas where PGS excels. The value of using 4D seismic is increasingly acknowledged outside of the traditional areas of the North Sea, Brazil, and Angola. High-resolution 3D surveys are repeated at regular intervals during a producing field's life cycle, and those first acquired with GeoStreamer multisensor technology are generally repeated with multisensor. During down-cycles in the oil and gas industry, energy companies may temporarily reduce the frequency of 4D surveying to save cost and protect cash flow. Despite this, production seismic and near-field exploration deliver short-cycle return on investment and these markets tend to be more resilient than pure exploration projects. The ongoing energy transition drives seismic demand towards infrastructure lead exploration and production as the energy companies extract more value from producing fields and existing portfolio acreage. PGS expects 4D acquisition activity to grow further.

During 2022, PGS completed four significant CCS acquisition projects, the Northern Endurance, the Northern Lights and the Smeaheia CCS projects, in addition to a 4D over the Snøhvit field, of which parts relate to CCS. Carbon storage plays a significant role in all energy transition scenarios and identification, characterization and monitoring of carbon storage sites could develop to become a significant new seismic acquisition market.

### **MultiClient**

MultiClient data is acquired, imaged, and owned by PGS (or data which PGS has exclusive commercialization rights over). Energy companies buy a license from PGS to use a specific data set, and a single data set is typically licensed to multiple energy companies. To build and maintain the MultiClient data library, PGS makes significant investments in developing, acquiring, and imaging new surveys. By continuously investing in the MultiClient data library the Group expands its footprint in proven hydrocarbon basins and selective frontier areas.

The ability to identify and initiate new MultiClient programs with solid economics over the life of the data library asset is a key success criterion for the MultiClient business model. PGS de-risks new programs by securing prefunding commitments from energy companies, with a targeted prefunding level for the combined portfolio in the range of 80-120% of the capitalized MultiClient cash investment.

### **Initiation of New MultiClient Surveys**

The MultiClient business is about having the right data, in the right place, at the right time. PGS initiates attractive new MultiClient projects by capitalizing on its existing data library, in combination with applying in-house imaging and reservoir expertise, and feedback from customers regarding exploration and production areas of interest. The PGS MultiClient data library provides information about the geology in all the world's major hydrocarbon basins. By analyzing these data, including available public or 'open file' data, PGS imaging and reservoir experts can propose extensions to the existing library and new areas of hydrocarbon resource potential that have a high likelihood of being of interest to energy companies. These findings are assessed against feedback from clients on where they see hydrocarbon potential and would like more seismic data to support their exploration and production activity.

The information is combined with an overall risk analysis of the area, such as geological prospectivity, geophysical imaging challenges, political risks, past performance of surveys in the region, and the likelihood of future license rounds or other sales trigger events to ensure the business model is robust.

A key part of the MultiClient business involves assisting governments to explore and promote their resource potential, noting that every country and basin requires a slightly different approach. PGS has supported many governments by providing high-quality data and advice on how to promote interest and optimize offshore hydrocarbon opportunities.

### **MultiClient Data Library Sales**

PGS has a modern and diverse global MultiClient data library focused in largely mature areas of high oil and gas prospectivity. By accessing PGS' data library, customers can evaluate hydrocarbon potential faster, compared to acquiring and processing a new seismic survey on a proprietary basis. The rapid access to high-quality seismic data enables oil companies to assess the subsurface risks before applying for acreage in licensing rounds, guides exploration efforts, and evaluations of farm-in opportunities.

License rounds serve as important sales triggers for the PGS MultiClient data library and guide long-term investment decisions for new MultiClient data acquisition. The geographical diversity and strategic positioning of PGS global MultiClient library enables the Group to benefit from license rounds around the globe.

A large MultiClient library with continuous coverage has obvious benefits. Geology is broad scale in nature, and it is difficult to understand and predict the characteristics of a local area if it is not set in context of the larger geological system. By re-imaging existing data in the MultiClient library, PGS creates regional data sets, which make it possible to interpret and analyze a whole basin in a consistent manner. Santos Vision in Brazil, Flex Vision in the Gulf of Mexico and GeoStreamer PURE in Norway, are three such examples of reimaged regional data sets. PGS also employs geological expertise, which is used to plan and market MultiClient projects and advise governments how to maximize the value of their subsurface acreage, from licensing and exploration through to appraisal, development and production, and now also carbon storage.

PGS MultiClient data library is orientated towards 3D, with a total 3D footprint as of year-end 2021 of more than 1,100,000 square kilometers (sq. km). This is comprised of several hundred individual 3D surveys that fall into the following categories: GeoStreamer 3D acquired using multisensor technology (577,000 sq. km), Conventional 3D (329,000 sq. km) and surveys that have been combined and reprocessed which include Vision 3D (107,000 sq. km) and MegaSurveyPlus (103,000 sq. km). PGS' MultiClient 2D library comprise approximately 590,000-line kilometers, of which approximately 70% are GeoStreamer data. In addition, the Group has more than 875,000 square kilometers of MegaSurvey, built by integration of available public data together with PGS-owned 3D data to produce large-scale geologically continuous regional 3D datasets.

PGS GeoStreamer MultiClient data can also be used to minimize uncertainty and failure risk when selecting carbon storage sites. In addition to new seismic data acquisition for development of CCS projects, PGS has made several MultiClient sales for the same purpose.

#### **Imaging Services**

PGS has the capability to run several of its imaging algorithms in the cloud, which offers unconstrained scalability and efficiency on an almost unlimited virtual-CPU capacity. All of the Group's imaging centers globally, where PGS images all new MultiClient data acquired and provides proprietary imaging services, have the capability of using cloud compute. In addition, PGS uses its state-of-the-art imaging technology and innovative workflows to rejuvenate existing MultiClient library data. The Group's external imaging activities supply bespoke high-end, high-value services to a wide range of energy companies. Imaging services comprise GeoStreamer-based imaging technology, reservoir characterization, 4D processing solutions, and advanced imaging of ocean bottom node data.

#### **Reservoir Characterization**

PGS' modern, broadband 3D GeoStreamer seismic data is especially well-suited to reliably determine subsurface properties, even in the absence of well-data. Seismic data in combination with PGS' highly experienced geoscientists can help clients to maximize the value of their subsurface assets, ranging from licensing and exploration through to appraisal development, production and carbon reinjection.

#### **6.2.6 Customers**

PGS has a diversified client base for both its contract and MultiClient services consisting of a wide range of the world's international, national and independent oil and gas companies, such as ExxonMobil, BP, Shell, Petrobras, Total, Petronas, ENI, Equinor, BHP and JOGMEC (Japan Oil, Gas and Metals National Corporation). In 2021, the Group's two largest customers accounted for 10% and 7% of the Group's consolidated revenues, compared to 13% and 10% in 2020 and 24% and 9% in 2019, respectively. Because PGS works on different projects for various clients on a regular basis, it is not uncommon for its top clients to change from year-to-year.

#### **6.2.7 Competition - The MultiClient, Contract and Imaging Market**

Most projects for contract acquisition and imaging work are obtained through a competitive bidding process. Important factors in awarding contracts include price, performance and timeliness of service, service quality, technological capacity, HSEQ statistics, reputation, experience of personnel, customer relations and long-standing relationships. In the contract market PGS primarily competes with Shearwater and to some extent certain other smaller participants in the industry. In the MultiClient market the Group competes primarily with TGS, WesternGeco and CGG. Some of the Group's competitors have greater financial and other resources.

The marine towed streamer seismic industry has over the last years had five main participants: PGS, Shearwater, CGG, TGS and WesternGeco. TGS, CGG and WesternGeco do not operate their own data acquisition capacity, but charter capacity from seismic companies that own and operate vessels (e.g. Shearwater and others).

Based on the estimated average number of streamers on vessels in operation, PGS' estimated market share was approximately 45% in 2021. In 2013 the industry operated approximately 60 seismic 3D vessels. This has subsequently been significantly reduced because of a cyclical downturn post 2013 and the COVID-19 market disruption. The Group estimates that there were 14 3D seismic vessels active in the international market at the end of 2021. In an improving market PGS expects some of the industry's cold-stacked vessels to be reactivated. The Group has estimated the investment needed to buy new in-sea equipment for a vessel planned to be reactivated to be approximately \$50 million. In addition, there is a lead time to produce the equipment, install it and to get crew for the vessel, which in total will be approximately 9-12 months.

The processing, imaging and reservoir interpretation sector is competitive. PGS' processing operations compete with WesternGeco and CGG and several other companies. The Group competes for processing contracts based primarily on price and technology, but processing capacity, performance, turnaround time, dependability and processing location are also important factors. This market is characterized by greater client loyalty than the acquisition sector. Processing capacity has multiplied in recent years as a result of improvements in computing technology as well as the adoption of cloud processing.

#### 6.2.8 Regulatory and Environmental Matters

In various areas of the world, PGS is required to obtain and have licenses to acquire MultiClient seismic data. Licensing and permitting requirements vary widely. The Group believes that it has complied in all material respects with the licensing and permitting requirements relating to its acquisition of MultiClient data.

PGS' operations are also guided and impacted by the exploration and production licensing policies and requirements of various governmental authorities. The timing and extent of licensing of areas for exploration and production activities can influence the level of seismic activity within a particular country.

Prospective licensees often purchase MultiClient seismic data prior to or shortly after the award of a license. Following a license award, license holders will generally acquire proprietary or MultiClient seismic data over their acreage, if they have not previously obtained MultiClient data.

Many countries hold regular license rounds in order to attract interest and investment from oil companies who value these as a mechanism to secure new acreage. In the North Sea, the governments of both Norway and the United Kingdom generally hold licensing rounds for exploration and production every year. In Brazil, the regulatory body, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP), holds license rounds. Canada Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) also holds a series of license rounds, which are part of a five year strategic plan for the area.

In other areas of the world, the timing and extent of these licensing rounds might be more irregular, blocks may be direct-awarded outside a license round and occasionally licenses awarded may be subject to resolution of border disputes. In Africa and the Mediterranean PGS works closely with many governments and national oil companies to support more structured license rounds, promoting that country's prospectivity, acreage and data to the international oil industry. Recent countries that PGS have supported include Cyprus and Egypt.

The length of the actual license and the work commitments required from oil companies to explore for oil and natural gas vary from region to region and the perceived hydrocarbon potential. Additionally, the Group's operations are affected by a variety of other laws and regulations, including laws and regulations relating to:

- permitting or licensing agreements for oil and natural gas exploration, development and production activities;
- exports and imports;
- currency;
- taxes;
- occupational health and safety;
- the protection of the environment; and
- anti-corruption.

The Group's operations are subject to a variety of laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Numerous governmental departments issue rules and regulations implementing their laws, which are often complex. Compliance with these rules and regulations is often costly, and failure to comply can carry substantial penalties or fines. Under these laws, rules and regulations, PGS may be liable for remediation or removal costs, damages and other costs associated with releases of hazardous materials including oil into the environment.

Efforts to improve safety and environmental performance over recent years continued as some procedures were strengthened and others implemented to increase awareness among personnel and subcontractors, including obligatory regular meetings in the field and onboard the Group's vessels. A comprehensive Health, Safety and Environment management system, placing particular emphasis on risk management, has been in place for many years, covering all activities and is continuously adapted.

PGS believes that it is in compliance in all material respects with these regulations. PGS cannot assure, however, that any future changes in the requirements or mode of enforcement of these laws and regulations will not have a material adverse effect on the Group's business, financial condition, results of operations or cash flows. See "*Risk Factors—Risks Relating to the Group's Business Activities and Industry—The Group is a multinational organization subject to taxation in many jurisdictions around the world.*".

#### 6.2.9 Asset Base

PGS considers itself recognized throughout the industry for its Ramform vessels. The ships have a delta-shaped hull and uniquely wide back-decks, 70 meters on the largest Ramforms. This allows for efficient deployment, acquisition and retrieval of streamers and seismic sources. The Ramform Titan-class has enough thrust to tow a 1.7-kilometer-wide spread of streamers that are more than eight kilometers long. The acknowledged efficiency and productivity benefits of the Group's Ramform vessels, and the operational effectiveness of its personnel, make the PGS fleet, in PGS' opinion, industry leading.

PGS acquires marine seismic data using owned and chartered vessels that have been constructed or modified to its specifications and outfitted with a complement of data acquisition, recording, navigation and communications equipment. Its crews direct the positioning of a vessel using sophisticated navigation equipment, deploy and retrieve streamers, cables, receivers and energy sources, and operate all of the seismic systems. PGS' seismic crews do not perform maritime operation of the vessels. The vessel maritime crews are employed by PGS, by the owner of a chartered vessel, or by a contract operator.

The Group's fleet is split into active vessels and cold-stacked capacity. The active fleet is the youngest in the seismic industry and consists of the Group's five newest ultra-high capacity Ramforms, both Titan-class and S-class, as well as the Ramform Vanguard, which is an earlier generation Ramform vessel. The cold-stacked capacity portion of the fleet comprises two modern and efficient conventional hulled ships (occasionally used as source vessels) on charter and three older Ramform hulled vessels. The lead time for re-activating one of the cold-stacked vessels when market conditions improve is approximately one year. The in-sea equipment has to be produced and installed as well as getting crew for the vessel. The Group has indicated the capital expenditures related to the in-sea equipment needed to reactivate one cold-stacked vessel to be approximately \$50 million. Each vessel is equipped with geophysical recording instrumentation, digital geophysical streamer cable, cable location and geophysical data location systems, multiple navigation systems, a source control system that controls the synchronization of the energy source, and a firing system that generates the acoustic impulses. Streamer cables contain hydrophones that receive the acoustic impulses reflected by variations in the subsurface strata.

PGS launched the GeoStreamer technology in 2007. The GeoStreamer has geophones in addition to hydrophones and is often referred to as multisensor streamer. During 2008, the GeoStreamer technology was commercialized, followed by wide acceptance among oil companies. The Group started rolling out the new streamer technology on 2D vessels in 2008 to prove its benefits to customers. In 2009, the Group extended the rollout to 3D operations, in 2015 all of the Group's vessels were GeoStreamer equipped.

Along with delivering better seismic data quality, GeoStreamer significantly widens the weather window in rough-sea surveys, because GeoStreamer can be towed deeper than conventional streamers. For example, North Sea efficiency has on individual surveys seen improvements of up to 20% to 25% using GeoStreamer. Improved operational efficiency is a clear advantage the Group has over its competitors and a significant contributor to increased margins, while customers benefit from shorter cycle times. The Group is evolving the technology to increase durability, while maintaining data quality. The useful life of the streamer has been increased from seven years, for the earlier design, to more than ten years for the latest version.

In 2019 PGS launched GeoStreamer X, which capitalizes on the GeoStreamer technology with an innovative acquisition configuration. Adding new azimuths to existing data offers a highly cost-efficient alternative to improve illumination and subsurface understanding versus ocean bottom node systems.

#### 6.2.10 Fleet

The Group manages a fleet of 11 high-end 3D seismic acquisition vessels, of which nine are owned and two is on long term charter. PGS views the newest ultra-high-end Ramforms, both the Ramform Titan-class and the *Ramform Sovereign*, as the core of its fleet operation. The core fleet is supplemented by modern and efficient high-end conventional hulled vessels on charter and earlier generations of the Ramform design vessels. The Group currently operates six ultra-high-end and high-end conventional 3D vessels. The remaining five are stacked as a response to the weak market (occasionally used as source vessels). The stacked vessels can be brought back into service as streamer acquisition vessels when market conditions improve, however, this will require capital expenditures since most of the in-sea seismic equipment required to operate these vessels has been deployed to vessels currently in operation in order to reduce the Group's maintenance capital expenditures.

All of the Group's active vessels are equipped with dual-sensor, broadband GeoStreamer technology enabling efficient deep-towed operations, fully exploiting the available weather window and producing better data quality in all conditions and locations.

Vessel Name	Year Built	Owned/ chartered	Flag	Length (m)	Width (m)	Max streamer capacity <sup>(2)</sup>	Status
<b>3D seismic vessels:</b>							
<i>Ramform Hyperion</i> <sup>(1)</sup> .....	2017	Owned	Norwegian International Ship Register	104.2	70	24	Active
<i>Ramform Tethys</i> <sup>(1)</sup> .....	2016	Owned	Bahamas	104.2	70	24	Active
<i>Ramform Atlas</i> <sup>(1)</sup> .....	2014	Owned	Norwegian International Ship Register	104.2	70	24	Active
<i>Ramform Titan</i> <sup>(1)</sup> .....	2013	Owned	Norwegian International Ship Register	104.2	70	24	Active
<i>Ramform Sovereign</i> .....	2008	Owned	Bahamas	102.2	40	22	Active
<i>Ramform Vanguard</i> .....	1999	Owned	Norwegian International Ship Register	86.2	39.6	20	Active
<i>Sanco Swift</i> .....	2013	Charter	Gibraltar	96.15	23	14	Active as source vessel/2D
<i>PGS Apollo</i> .....	2010	Owned <sup>(4)</sup>	Bahamas	106.8	19.2	12	Active as source vessel
<i>Ramform Victory (Shigen)</i> .....	1999	Owned	Bahamas	86.2	39.6	20	Cold-stacked <sup>(3)</sup>
<i>Ramform Valiant</i> .....	1998	Owned	Bahamas	86.2	39.6	20	Cold-stacked <sup>(3)</sup>
<i>Ramform Explorer</i> .....	1995	Owned	Norwegian International Ship Register	83.1	39.6	12	Cold-stacked <sup>(3)</sup>



- (1) Comprises Collateral under the Export Credit Facilities.
- (2) The maximum number of streamers stated in the table represents the estimated technical maximum. The number of streamers actually operated is dependent on a number of factors, including the length of streamers, streamer separation and other survey-specific factors, the quantity of streamers that the Group elects to keep on the vessel and operational considerations. Generally the vessels operate fewer streamers than the maximum capability.
- (3) The term “cold-stacked” is used when a vessel is taken out of operation for an extended period of time. Costs are reduced to a minimum, with the vessel preserved for a long idle time, all or most in-sea seismic equipment removed from the vessel, and typically the crew required to operate the vessel is terminated. Use of the term “warm stacked” means that the vessel is temporarily taken out of operation with streamers and all other equipment necessary to perform seismic operation still onboard the vessel and the crew required to operate the vessel is available or can be sourced with limited delay
- (4) On a sale-leaseback arrangement.

The Group also charters four support vessels from the operator PF Thor, as part of long-term arrangements of initially 10-year terms, which expire in 2024 and 2025. These vessels act as transport and accommodation during crew change and as refueling vessels during long projects.

The following table shows the utilization of the Group’s vessels (excluding cold stacked vessels):

	For the Nine Months Ended 30 September 2022 (unaudited)	For the Year Ended 31 December 2021
Contract	40%	41%
MultiClient	28%	34%
Steaming	18%	16%
Yard	3%	3%
Stacked/standby	11%	6%

### 6.3 Investments

No material investments have been made by the Company since 31 December 2021.

### 6.4 Significant Recent Trends

#### 6.4.1 Production and sales

The markets for PGS’ products and services are impacted by the energy transition as well as cyclicity.

PGS expects global energy consumption to continue to increase longer term with oil and gas remaining an important part of the energy mix, as the global energy transition evolves. Offshore reserves will be vital for future energy supply and support demand for marine seismic services. With high oil and gas prices, the seismic market has entered a recovery phase. Russia’s invasion of Ukraine has significantly increased the general focus on energy security and, combined with several years of low investment in new oil and gas supplies, has further increased oil and gas prices and investment pressures on energy companies. The seismic acquisition market is likely to benefit from a significant reduction of operated vessel supply over several years.

Short-term, PGS experiences an increasing focus on near-field exploration and 4D production seismic from higher investments in producing fields. In 2022, the Group has also experienced a recovery of exploration interest with increasing demand for MultiClient library data and more interest from customers in committing pre-funding for new MultiClient surveys.

Over time PGS expects that the demand for products and services relating to oil and gas related exploration will enter into decline. The pace and magnitude of the demand shift from hydrocarbons to renewables remains uncertain and difficult to

predict, and the impact on the Group's business is subject to a number of factors. At the same time, the energy transition also presents possible new markets for PGS' services, and PGS New Energy is capitalizing on PGS' expertise and assets to develop energy transition businesses. In the near term, offshore carbon storage is believed to be most significant. PGS will complete at least two seismic surveys over offshore carbon storage sites in 2022 and expect revenues from carbon storage related activities to exceed \$20 million in 2022.

Russia's invasion of Ukraine on 24 February 2022 is deeply concerning with severe humanitarian consequences. The war is likely to significantly impact the political and security situation, as well as energy and financial markets. At this stage it is not possible to estimate what impact the conflict could have on PGS' markets or operations. PGS has very limited direct business activity in Russia or Ukraine.

The oil price has increased by approximately 20% so far this year, driven by a period of under-investments, the acknowledgement of the importance of oil and gas as the global energy transition evolves and the risk of global oil capacity being fully exhausted on the back of escalating Russian sanctions, declining Russian oil production and continued demand growth. A higher oil price is generally positive for future investment plans among energy companies, which benefits the oil service industry.

#### 6.4.2 Financial performance

There has been no significant change in the Group's trading position since 31 December 2021. The Group's balance sheet is strengthened with a private placement and subsequent offering of shares conducted during the second and third quarter of 2022, respectively, the Private Placement and possibly the Subsequent Offering. The foregoing share offerings (excluding the Subsequent Offering) adds up to approximately a net USD 240 million. In addition the Group drew an USD 50 million in new senior secured debt (the "SSL") in October 2022. These transactions have significantly strengthened the Company's balance sheet and liquidity position. PGS believes that the seismic market is gradually recovering which should lead to higher activity of seismic acquisition services and improved MultiClient revenues. Pricing of seismic acquisition services is higher in the second half of 2022 compared to the second half of 2021. MultiClient revenues will vary based on a number of factors. As of 30 September 2022, late sales have increased from \$139.5 million in 2021 to \$234.7 million in 2022, partly impacted by recognition of significant transfer fees.

#### 6.4.3 Other significant trends

Other than as disclosed above, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at the current financial year.

### 6.5 Material Contracts

Apart from those listed below in this Section 6.5, the Group has neither entered into (i) any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus, nor (ii) any other contracts outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group. The material contracts are listed below:

- *Sale of the Ramform Sterling and attached service contract.* On 7 January 2019, the Company's subsidiary PGS Geophysical AS sold the *Ramform Sterling* to Japan Oil, Gas and Metals National Corporation ("JOGMEC"), an incorporated administrative agency of Ministry of Economy, Trade and Industry. JOGMEC took delivery of the vessel on 24 April 2019. The sale was made in relation to a tender for a service contract. The subsidiary participated in the tender and JOGMEC awarded the service contract to the newly incorporated Japanese company, Ocean Geo-Frontier Co., Ltd ("OGF"), 34% of which is owned by PGS Geophysical AS. The other shareholders in OGF are Nippon Yusen Kabushiki Kaisha ("NYK") and Hitachi, Ltd ("Hitachi"). The service contract became effective on 7 April 2019 and has a term of up to 10 years, with annual renewals during its term. JOGMEC and OGF has entered into an agreement where OGF is bareboat chartering the former *Ramform Sterling* to be used for the service contract. NYK is responsible for vessel operation, Hitachi for data processing and PGS Geophysical AS will provide technical and operational services, support and training. The sale of the *Ramform Sterling* did not include the seismic streamer package, and this is provided to OGF under a separate lease contract with PGS Geophysical AS. Following the sale of the *Ramform Sterling*, PGS reintroduced the *Ramform Vanguard* into active service during the second quarter 2019. PGS Geophysical AS also agreed to re-purchase the vessel formerly known as Shigen, now re-named to *Ramform Victory*.
- *Acquisition Vessel Charter Agreements.* On 2 June 2015, the Company's subsidiary PGS Falcon AS entered into an agreement to sell the vessel PGS Apollo to OMP Apollo AS. Simultaneously, OMP Apollo AS leased and delivered back the vessel to another wholly owned affiliate of the Company, PGS Shipping AS (now merged into PGS Falcon AS). The bareboat agreement is based on BIMCO Barecon 2001 with amendments and rider clauses. In July 2017 OMP

Apollo AS transferred the ownership of the vessel and the bareboat agreement to OMP Seismic Limited. The vessel is mortgaged by its financiers, which have issued a letter of quiet enjoyment to PGS Shipping AS (now PGS Falcon AS). The charter agreement has a term of 10 years from delivery with one option to extend the term by one period of five years and has payment terms based on a per diem basis. The payment obligations of the PGS Falcon AS are guaranteed by the Company. The charter agreement and the letter of quiet enjoyment are terminable upon the occurrence of certain conditions other indemnification and cancellation terms customary for sale lease back charter agreements of this type.

- *Sanco Swift Charterparty.* On 16 October 2015, the Company's subsidiary PGS Geophysical AS entered into a time charter party with Sanco Holding AS for the chartering of the acquisition vessel Sanco Swift, as later amended. The Sanco Swift was delivered to the Group in December 2015. The agreement is based on BIMCO Supplytime 2005 with adjustments and rider clauses. The Sanco Swift charter had initially a term of 67 months from delivery, which period has been extended by another 24 months through an amendment. The Sanco Swift charter party has options for three additional 24 months extensions and will absent an agreement to extend expire during the third quarter 2023. The agreement is terminable upon the occurrence of certain conditions and has payment terms based on a per diem basis with other indemnification and cancellation terms customary for charter contracts of this type. The per diem payments escalate according to pre-agreed per diem rates.
- *Support Vessel Charter Agreements.* On 12 September 2012, the Company's subsidiary PGS Geophysical AS entered into four charter agreements with P/F THOR for the hire of four new seismic support vessels (*Thor Magni*, *Thor Modi*, *Thor Frigg* and *Thor Freyja*) to assist the Group's seismic operations worldwide. These charter agreements were later amended and assigned by P/F Thor to special purpose vehicles owned or controlled by P/F Thor. This amendment and assignment occurred in relation to CIT Group's agreement with P/F Thor and its affiliates dated 2 July 2014, to purchase and lease back the vessels to P/F Thor and its affiliates following their delivery from the yard. On 10 April 2018, these vessels were transferred and sold to Seismic Support Limited. The vessels were built in Turkey and are operated by P/F THOR and its affiliated companies and chartered by the Group on ten-year time charter contracts, in each case, with options for two additional five-year extensions. *Thor Magni* was delivered on 20 February 2015, *Thor Modi* on 13 May 2015, *Thor Frigg* on 29 July 2015, and *Thor Freyja* on 29 September 2015. These vessels replaced certain of the Group's older support vessel capacity and provide the necessary support for the Ramform Titan-class and other of the Group's seismic acquisition vessels. The agreements are terminable upon the occurrence of certain conditions, and each has payment terms based on a per diem basis with other indemnification and cancellation terms customary for charter contracts of this type.
- *Cloud Agreement.* On 16 July 2019, the Company's subsidiary PGS Geophysical AS entered into an agreement with Google for Google cloud platform services. The agreement initially had a term of 3 years and PGS was committed to purchase a certain volume of services against discounts for an amount of \$10 million for the first two years, and \$20 million for the third year. PGS has however renegotiated the term to be 4 years with service purchase volume to be \$4 million for the two first years, \$7 million for the third year and \$19 million for the fourth year, and is in the process of further renegotiating the purchase commitment with the aim of signing a new three or four year termed agreement by the end of 2022.
- *Teledyne Agreement.* On 9 December 2021, the Company's subsidiary PGS Geophysical AS issued a purchase order (the "Purchase Order") to Teledyne Instruments, Inc under the 5 year-termed *Restated and Amended Strategic Supply Agreement* signed in December 2016 between the same parties. Under the Purchase Order, PGS has ordered a sizeable number of GeoStreamer sections required for renewing the Group's streamer pool. The total Purchase Order value is approximately \$48,4 million payable over the subsequent 14 months period. The final streamer sets will be delivered on or about the end of 2023 or the beginning of 2024.

## 6.6 Legal and Arbitration Proceedings

From time to time, the Group is involved in or threatened with various legal proceedings arising in the ordinary course of business. As of the date of this Prospectus, PGS is not aware of any governmental, legal or arbitration proceedings during the course of the preceding twelve months, including any such proceedings which are pending or threatened, of such importance that they have had in the recent past, or may have, a material adverse effect on the Group's financial position or profitability. However, the result of any pending disputes or litigation cannot be predicted with any certainty. PGS does however point out the below matter:

**Brazilian tax cases:** PGS has ongoing tax disputes related to charter of vessels into Brazil. The assessments, which inter alia seek to levy 15% withholding tax and 10% CIDE (service) tax, amount to \$36.6 million in total per 30 September 2022. As PGS disagrees with the tax authorities, PGS has challenged the tax assessments at the administrative level, and for one case relating to 2008, PGS has filed a lawsuit before the courts in Brazil. The Group holds a legal deposit amounting to

\$18.5 million, that covers the total liability for the 2008 dispute. The deposit is held in an interest-bearing escrow account with a commercial bank.

**Transfer fees:** Certain subsidiaries of the Company are in negotiations with a client for the payment of transfer fees because of a change in control in the client having licensed multiclient data. The subsidiaries have also opened formal arbitration proceedings for parts of the transfer fees. For further details, please see “MultiClient Late Sales” under Note 2 to the Notes to the Condensed Interim Consolidated Financial Statements for the Third Quarter 2022.

### **6.7 Dependency on Contracts, Patents and Licenses**

PGS’ patents, trademarks, service marks, copyrights, and licenses protect its proprietary technology. The Group undertakes significant expenditure on research and development, and its intellectual property rights collectively represent a material business asset. The Group holds a substantial number of patents under the laws of various jurisdictions, including the United States, the United Kingdom and Norway. Additional innovations that are patent protected sharpen focus on competitive advantages achieved through technological differentiators. PGS owns or have rights to trademarks or trade names that the Group uses in conjunction with the operation of its business. In addition, the Group name and logo are PGS’ service marks or trademarks. Each trademark, trade name or service mark by any other company appearing in this Prospectus belongs to its holder. Some of the more important trademarks that is used include Ramform™ in association with seismic vessels as well as PGS®, the GEOSTREAMER®, GEOSOURCE®, SWIM™, NUCLEUS™, and A Clearer Image™ in association with various technology suites.

### **6.8 Regulation and Compliance**

From the period 31 December 2021 to the date of this Prospectus, the Company is not aware of any material changes in the Group’s regulatory environment.

## 7. CAPITALISATION AND INDEBTEDNESS

This Section provides information about (a) the Group's capitalisation and net financial indebtedness on an actual basis as of 30 September 2022 and (b) in the "As Adjusted" columns, the Group's capitalisation and net financial indebtedness on an adjusted basis to show the estimated effects of the Private Placement and the Subsequent Offering only to the Group's capitalisation and net financial indebtedness.

The information presented below should be read in conjunction with the other parts of this Prospectus, including the Company's Financial Statements and the notes related thereto incorporated by reference to this Prospectus.

### 7.1 Capitalisation

<i>USD million</i>	As of 30 September 2022 (unaudited)		
	Actual	Adjustment <sup>(1)</sup>	As Adjusted
<b>Total current liabilities</b>	<b>660.9</b>	<b>(174.8)</b>	<b>486.1</b>
–Guaranteed <sup>(2)</sup>	2.5	-	2.5
–Secured <sup>(3)</sup>	372,5	(174.8)	197.7
–Unguaranteed/unsecured	285,9	-	285.9
<b>Total non-current liabilities</b>	<b>687.1</b>	<b>-</b>	<b>687.1</b>
–Guaranteed	-	-	-
–Secured <sup>(4)</sup>	655.1	-	655.1
–Unguaranteed/unsecured	32.0	-	32.0
<b>Total liabilities (A)</b>	<b>1,348.0</b>	<b>(174.8)</b>	<b>1,173.2</b>
<b>Shareholders' equity</b>			
–Share capital	1,203.6	79.7	1,283.3
–Legal reserves	(828.3)	95.1	(733.2)
–Other reserves	(3.8)	-	(3.8)
<b>Total equity (B)</b>	<b>371.5</b>	<b>174.8</b>	<b>546.3</b>
<b>Total capitalisation (A)+(B)</b>	<b>1,719.5</b>	<b>-</b>	<b>1,719.5</b>

(1) The Company intends to use the net proceeds from the Private Placement and Subsequent Offering to reduce its leverage. Adjustment is based on the estimated effects of the Private Placement, which raised gross proceeds of approximately \$150 million, and the Subsequent Offering, which is expected to raise gross proceeds of approximately \$30 million, net of fees, only to the Group's capitalisation.

(2) Norwegian employee tax included in Accrued Expenses and other current liabilities, secured by a restricted cash deposit.

(3) \$227.7 million TLB and \$144.8 million ECF. Substantially all assets of the Group are pledged as security for - and all material subsidiaries of the Company guarantee for - the indebtedness.

(4) \$510.2 million TLB and \$144.9 million ECF. Substantially all assets of the Group are pledged as security for - and all material subsidiaries of the Company guarantee for - the indebtedness.

## 7.2 Net Financial Indebtedness

USD	As of 30 September 2022 (unaudited)		
	Actual	Adjustment <sup>(1)</sup>	As Adjusted
A. Cash	179.1	-	179.1
B. Cash equivalents	41.2	-	41.2
C. Other financial assets	134.6	-	134.6
<b>D. Liquidity (A)+(B)+(C)</b>	<b>354.9</b>	<b>-</b>	<b>354.9</b>
E. Current financial debt	34.3	-	34.3
F. Current portion of non-current debt	372.5	(174.8)	197.7
<b>G. Current financial debt (E)+(F)</b>	<b>406.8</b>	<b>(174.8)</b>	<b>232.0</b>
<b>H. Net current financial (assets) indebtedness (G)-(D)</b>	<b>51.9</b>	<b>(174.8)</b>	<b>(122.9)</b>
I. Non-current financial debt	709.4	-	709.4
J. Debt instruments	-	-	-
K. Other non-current financial debt	-	-	-
<b>L. Non-current financial debt (I)+(J)+(K)</b>	<b>709.4</b>	<b>-</b>	<b>709.4</b>
<b>M. Total financial indebtedness (H)+(L)</b>	<b>761.3</b>	<b>(174.8)</b>	<b>586.5</b>

(1) The Company intends to use the net proceeds from the Private Placement and Subsequent Offering to reduce its leverage. Adjustment is based on the estimated effects of the Private Placement, which raised gross proceeds of approximately \$150 million, and the Subsequent Offering, which is expected to raise gross proceeds of approximately \$30 million, net of fees, only to the Group's net financial indebtedness.

### Indirect and Contingent Indebtedness

The Company is not aware of any indirect or contingent indebtedness.

## 7.3 Working Capital Statement

As of the date of this Prospectus, the Company is of the opinion that the Group's working capital, when including the proceeds from the Private Placement and irrespective of the amount of proceeds from the Subsequent Offering (if any), is sufficient for its present requirements and for at least the next twelve months from the date of this Prospectus.

In the Company's 2021 Audit Report, the auditor of the Company draw attention to the companys statement that there is a risk that the Company might not, for the next 12 months, generate sufficient liquidity to repay the 2022 loan maturities whilst also meeting the other requirements in the TLB, along with other matters as set forth in note 22 of the 2021 Annual Report, indicating that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

However, as a result of measures taken, including obtaining new equity in the Private Placements conducted 3 May 2022 and 1 November 2022, together with the subsequent offering registered 18 July 2022, the Company no longer considers a material uncertainty to be present at the date of this Prospectus.

## 7.4 Recent Developments

Other than the Private Placement and drawing USD 50 million from the SSL, there has been no significant change in the Group's financial position since 30 September 2022. The SSL is senior to the TLB, but replicates the material terms and condition of the TLB, except for the interest rate paid on the loans. The interest rate on the SSL equals Term SOFR plus a

credit margin of 6.75%. The SSL has a final maturity on the same date as the TLB, 18 March 2024, but can be extended by 2 years for a fee.

## 8. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

*This Section provides summary information about the Board of Directors and the Executive Management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company.*

### 8.1 Overview

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Group's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the executive management of the Group (the "Executive Management").

The Group's Executive Management is responsible for the day-to-day management of the Group's operations in accordance with instructions set out by the board of directors. Among other responsibilities, the Company's CEO is responsible for keeping the Group's accounts in accordance with existing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, at least once a month the Company's CEO must brief the Board of Directors about the Group's activities, financial position and operating results.

### 8.2 Board of Directors and Executive Management

#### Board of Directors

The Company's Articles of Association provide that the Board of Directors shall have between three and 13 members. As of the date of this Prospectus, the Board has 10 directors whereof seven are shareholder elected and three are elected by and among the employees of the Norwegian subsidiary of the Company PGS Geophysical AS. In accordance with the Norwegian Public Limited Liabilities Act, the CEO and at least half of the members of the Board of Directors must either be resident in Norway or be citizens of and resident in an EU/EEA country. The shareholder elected Directors are elected for a period of one year (until the next annual general meeting), whereas the employee elected Directors are elected for a period of two years.

The Company's Board of Directors currently consists of the following members:

<u>Name</u>	<u>Position</u>	<u>Served Since</u>	<u>Expiration of Term</u>
Walter Hafslø Qvam	Chairperson	2013	2023
Anne Grethe Dalane	Vice Chairperson	2013	2023
Richard Herbert	Director	2017	2023
Marianne Kah	Director	2018	2023
Trond Brandsrud	Director	2019	2023
Ebrahim Attarzadeh	Director	2022	2023
Shona Grant	Director	2022	2023
Anette Valbø	Director (employee elected)	2015	2023
Gunhild Myhr	Director (employee elected)	2021	2023
Eivind Rødnes Vesterås	Director (employee elected)	2021	2023

The Company's registered business address, Lilleakerveien 4C, 0283 Oslo, Norway serves as c/o address for the members of the Board of Directors in relation to their directorship of the Company.

Set out below are brief biographies of the directors of the Company, along with disclosures about the companies and partnerships of which each director has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and executive management positions in the Company or any of its subsidiaries.

#### *Walter Hafslø Qvam, Chairperson*

Mr. Qvam was the president and chief executive officer of Kongsberg Group ASA and he has held leading positions in various prominent Norwegian and international businesses in a variety of fields, including oil and gas, shipping (DNV - Det Norske Veritas), IT (Capgemini), transportation (the Norwegian state railway) and consultancy (Gemini Consulting). In addition to



his role as chairperson of the Company, Mr. Qvam chairs the boards of the research organization SINTEF, the cyber security company mnemonic, the robotics company wheel.me and the digital innovation hub DigitalNorway. Mr. Qvam graduated M.Sc. from the Norwegian University of Science and Technology (NTNU).

Current other directorships and management position:      Directorships:  
Wheel.ME AS (Chairperson)  
SINTEF (Chairperson)  
mnemonic (Chairperson)  
DigitalNorway (Chairperson)  
CapeOmega

Management position(s): N/A

Previous directorships and management positions held during the last five years:      Directorships:  
HydrogenPro AS (Chairperson)  
DNV Council (Chairperson)

Management position(s): N/A

*Anne Grethe Dalane, Vice Chairperson*

Ms. Dalane is a senior leader at Yara International and previously held a number of senior positions at Norsk Hydro. She is currently VP Finance Data & Development. Her previous experience covers a range of fields including human resources, as well as oil and gas. She has been the chief financial officer for Crop Nutrition, regional director Latin America, and country manager of Argentina at Yara. She serves as a director of BW LPG and Arendals Fossekompni ASA. Ms. Dalane's background is in economics and she holds a business degree from the Norwegian School of Economics (NHH).

Current other directorships and management positions:      Directorships:  
BW LPG Limited  
Yara UK Ltd  
Arendals Fossekompni ASA

Management position(s):  
Yara International (VP Finance Data & Development)

Previous directorships and management positions held during the last five years:      Directorships: N/A

Management position(s):  
Yara International (various positions)

*Richard Herbert, Director*

Mr. Herbert is a petroleum geologist with 40 years of experience in the global upstream industry. His career started with Phillips Petroleum. He spent 19 years at BP, in senior international exploration and development positions in southeast Asia, Latin America, the USA, and Angola, as well as the UK North Sea. From 2003-2008 he worked for TNK-BP in Russia, as the exploration vice president and subsequently as executive vice president of technology. From 2009-13, he was exploration vice president of Talisman Energy in Canada. He returned to BP from 2013 until the end of 2016, as the chief operating officer for exploration. In 2017, he joined the board of Frontera Energy Corporation, then from 2018 until March 2021 became their chief executive officer, based in Bogota, Colombia. Richard Herbert holds a BSc in Geology from the University of Bristol in the UK.

Current other directorships and management positions:      Directorships: N/A

Management position(s): N/A

Previous directorships and management positions held during the last five years:

Directorships:  
Frontera Energy Corp.

Management position(s):  
Frontera Energy Corp. (CEO)  
BP (COO for exploration)

*Marianne Kah, Director*

Ms. Kah was the chief economist of ConocoPhillips for 25 years, retiring in November 2017. She was a member of the strategy committee of ConocoPhillips and was responsible for oil and gas market outlooks, scenario planning, and assessing disruptive risks to the company. She was also involved with planning and participating in strategy meetings with ConocoPhillips' board of directors. She currently serves on the advisory board of the University of Texas Energy Institute, and she is an adjunct senior research scholar and member of the advisory board of Columbia University's Center on Global Energy Policy. In 2019, Kah joined the board of directors in Allegheny Technologies Inc. She has served as president of the U.S. Association for Energy Economics, and currently co-chairs the Energy Roundtable for the National Association for Business Economics.

Current other directorships and management positions:

Directorships:  
Columbia Univ. Advisory Board on Global Energy Policy  
Nat'l Association for Business Economics  
US Ass. for Energy Economics  
Houston Grand Opera  
Allegheny Tech Inccy

Management position(s): N/A

Previous directorships and management positions held during the last five years:

Directorships: N/A

Management position(s):  
ConocoPhillips (Chief Economist)  
Columbia University Center on Global Energy Policy  
(Adjunct Senior Research Scholar)

*Trond Brandsrud, Director*

Mr. Brandsrud is an advisor as well as a board member and non-executive director of several listed and private equity owned companies. These include Aker BP, where he chairs the audit and risk committee, and Lowell, where he chairs the Audit Committee as well as the Risk Committee and serves as a member of the audit and remuneration committees. Brandsrud has 30 years of experience in the oil and gas industry. He has served as group chief financial officer at both Aker and Seadrill and has held a wide range of senior financial positions in Royal Dutch Shell. Recently, he has also held group CFO and CEO positions in privately-owned companies Lindorff and Lowell, in the financial services sector. He currently serves as an interim CFO of Waterise on a part-time basis. Trond Brandsrud is a Norwegian citizen and holds a master's degree from the Norwegian School of Economics (NHH).

Current other directorships and management positions:

Directorships:  
Aker BP ASA (Director and chair of audit and risk committee)  
Lowell Finans AS (Chairperson)  
Lowell group  
Nordbrand Invest AS (Chairperson)  
Waterise Solutions AS  
Waterise Solutions Spain SL

Management position(s):  
Waterise Group (CFO part time)

Previous directorships and management positions held during the last five years:

Directorships: N/A

Management position(s):  
Lindorff Group (CFO)  
"RemCo" (CEO)  
Lowell Group (CEO)

*Ebrahim Attarzadeh, Director*

Mr. Attarzadeh was until recently CEO of Stifel Europe Bank AG (formerly Mainfirst) and is currently in the process of setting up an advisory company. He has held several roles in Deutsche Bank and various leadership roles within Mainfirst, both in Frankfurt, London, Zurich and New York. In addition to PGS, he has a supervisory board position in MusicBird AG and in Ontex. Mr. Attarzadeh holds a master's in economic science from Ruprecht-Karls-Universität Heidelberg. He is a German citizen residing in Switzerland.

Current other directorships and management positions:

Directorships:  
MusicBird AG (Supervisory board)  
Ontex

Management position(s): N/A

Previous directorships and management positions held during the last five years:

Directorships: N/A

Management position(s):  
Stifel Europe Bank AG (CEO)

*Shona Grant, Director*

Dr. Grant is currently chairperson at qWave AS and a non-executive director at Hydrawell Holding AS, Hydra Well Intervention AS, Khangela Consulting and Wellwork Innovation, as well as being the CEO of Khangela Consulting. She has previously served as a non-executive director at GMS Plc Bluware Corporation, Hav Energy AS, Eco Inhibitors AS, CapeOmega Holding AS and Canrig Drilling Technology (Norway) AS where she also acted as CEO. Dr. Grant enjoyed a long career in leadership roles at BP, including as a Performance Unit leader in Norway. Dr. Grant is a geologist by training, with a PhD from the University of Leicester. She is a UK citizen residing in Norway.

Current other directorships and management positions:

Directorships:  
qWave AS (Chairperson)  
Hydrawell Holding AS (Non-executive director)  
Hydra Well Intervention AS (Non-executive director)  
Khangela Consulting (Non-executive director)  
Wellwork Innovation (Non-executive director)

Management position(s):  
N/A

Previous directorships and management positions held during the last five years:

Directorships:  
GMS Plc  
Bluware Corporation  
Hav Energy AS  
Canrig Drilling Technology (Norway) AS  
Eco Inhibitors AS  
CapeOmega Holding AS

Management position(s):  
Canrig Drilling Technology (Norway) AS (CEO)

*Anette Valbø, Director (Employee elected)*

Ms. Valbø joined PGS in 2002. Her current position is Bid Manager. She has previously held various business controller positions within Marine Contract and Operations business area. Prior to joining the Company, Ms. Valbø served in various positions within auditing and accounting in Frontline Ltd. and DNB. Ms. Valbø holds a bachelor's degree in accounting and auditing from Molde University College, Norway.

Current other directorships and management positions: Directorships: N/A

Management position(s): N/A

Previous directorships and management positions held during the last five years: Directorships: N/A

Management position(s): N/A

*Gunhild Myhr, Director (Employee elected)*

Ms. Myhr joined PGS in 1992 and is Business Development Manager Europe/New Energy, tasked with finding opportunities for the Group's fleet of seismic vessels, both in the external contract market and as assets in integrated PGS initiatives. She also works with government liaison and in developing growth and value potential using PGS seismic and operational technology. She has previously served in a variety of senior sales roles. Earlier, she was stationed offshore, processing seismic data on PGS vessels, and has also managed the Group's seismic imaging center in Oslo. Gunhild holds an M.Sc. in Geophysics from the Norwegian University of Science and Technology.

Current other directorships and management positions: Directorships: N/A

Management position(s): N/A

Previous directorships and management positions held during the last five years: Directorships: N/A

Management position(s): N/A

*Eivind Vesterås, Director (Employee elected)*

Mr. Vesterås joined PGS in 2008 as a geophysicist, first offshore and then based in Oslo, analysing both seismic and electromagnetic data. He is currently a Special Projects Manager in the Group's Operations division. He has worked in research, operations, and sales support roles, with experience that spans from the development of technical solutions through to their introduction to the market. Since 2018, he has been the chief union representative of Tekna in PGS' Oslo office. Eivind holds an M.Sc. in applied physics from the Norwegian University of Science and Technology.

Current other directorships and management positions: Directorships: N/A

Management position(s): N/A

Previous directorships and management positions held during the last five years: Directorships: N/A

Management position(s): N/A

**Executive Management**

The Group's Executive Management comprises of the following members:

<u>Name</u>	<u>Position</u>	<u>Employed From</u>
Rune O. Pedersen	President & CEO	2010
Gottfred Langseth	Executive Vice President and CFO	2003
Nathan Oliver	Executive Vice President of Sales & Services	1993
Berit Osnes	Executive Vice President of New Energy	2006

Set out below are brief biographies of the members of the Executive Management, along with disclosures about the companies and partnerships of which each member of the Executive Management has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and Executive Management positions in the Group.

*Rune O. Pedersen, President & CEO*

Rune joined PGS in October 2010 and became President and CEO in 2017. Previously, he combined the roles of PGS General Counsel and Head of Legal, with responsibility for communication, strategic customer relations, marketing, and corporate development. Prior to joining PGS, he served for four years as a partner in the law firm Arntzen de Besche, specializing in oil and gas, and before that worked as an attorney and associate in the same firm. He started his career as a junior research fellow at the University of Oslo and has served as a deputy judge at district court level, in Norway. He serves as a board member of the E&P company OKEA. Rune has a law degree from the University of Oslo, a post-graduate diploma in European competition law from Kings College London, and an MBA from London Business School.

Current other directorships and management positions:	Directorships: Okea ASA
	Management position(s): N/A
Previous directorships and management positions held during the last five years:	Directorships: N/A
	Management position(s): N/A

*Gottfred Langseth, CFO*

Gottfred joined the Company in November 2003 and was appointed Executive Vice President and Chief Financial Officer in January 2004. Before joining PGS, he was the chief financial officer at the information technology company Ementor ASA from 2000 to 2003. Gottfred was Senior Vice President of Finance and Control at the offshore construction company Aker Maritime ASA from 1997 to 2000. He worked at Arthur Andersen in Norway from 1991 to 1997. Gottfred was certified as a Norwegian state authorized public accountant in 1993 and holds a Master of Business Administration degree from the Norwegian School of Economics (NHH).

Current other directorships and management positions:	Directorships: N/A
	Management position(s): N/A
Previous directorships and management positions held during the last five years:	Directorships: Mesta AS
	Management position(s): N/A

*Nathan Oliver, Executive Vice President of Sales & Services*

Nathan joined PGS in 1993 and was appointed EVP Sales and Services in January 2020. He has served PGS globally in various locations, managing international teams in London, Houston, Singapore, and KL, with regional responsibilities for Europe, West Africa, North and South America, and Asia Pacific, running a range of PGS activities from advanced imaging to MultiClient. Prior to joining PGS, he worked at Digicon Geophysical. Nathan holds an MSc Geoscience from the University of Sheffield, and a BSc in Geology from Kingston University.

Current other directorships and management positions:	Directorships: N/A
	Management position(s): N/A
Previous directorships and management positions held during the last five years:	Directorships: N/A
	Management position(s): N/A

*Berit Osnes, Executive Vice President of New Energy*

Berit joined PGS in 2006 and assumed her current position in April 2021. She has served in various MultiClient sales management roles, including Vice President Geophysics Europe, Africa, and Middle East, Vice President MultiClient Europe, Senior Vice President MultiClient, SVP Strategic Projects and SVP Eurasia. She was also an employee-elected member of the PGS Board of Directors in 2015 and 2016. Before joining PGS she held technical management positions with Geoteam AS and Veritas DGC Ltd. Prior to this, she spent 11 years with Norsk Hydro working within field development, exploration, and geophysical operations. Berit holds an MSc Geophysics from the Norwegian University of Science and Technology (NTNU).

Current other directorships and management positions:      Directorships: N/A  
Management position(s): N/A

Previous directorships and management positions held during the last five years:      Directorships: N/A  
Management position(s): N/A

*Rob Adams, Executive Vice President of Operations*

Rob joined PGS in 1998, becoming EVP Operations in January 2020. He has experience from all of the Group's business areas, including offshore, and has carried regional responsibility for projects and teams running acquisition and processing activities in Europe, Africa, and Asia Pacific. As SVP New Ventures (2018 - 2020) he was responsible for new MultiClient projects across all continents. Rob has been involved in framing the Group's initiatives for reducing turnaround and future visioning. Rob holds a BSc in Geology and Geophysics from the University of Durham.

Current other directorships and management positions:      Directorships: N/A  
Management position(s): N/A

Previous directorships and management positions held during the last five years:      Directorships: N/A  
Management position(s): N/A

### **8.3 Disclosure of Conflicts of Interests**

There are currently no actual or potential conflicts of interest between any duties carried out on behalf of PGS and the private interests or other duties of any member of the Board of Directors or Executive Management, including any family relationships between such persons as of the date of this Prospectus.

As of the date of this Prospectus, all shareholder elected directors are considered to be independent of the Company's management. All directors are also independent of the Group's major business relations and major shareholders. No member of the Company's Board of Directors may be an executive of PGS. Directors are not permitted to perform paid consultancy work for PGS.

### **8.4 Nomination Committee**

The Company's Articles of Association provide for a nomination committee composed of between three and five members who are elected by the General Meeting. The nomination committee is responsible for nominating the members of the Board of Directors and the nomination committee, as well as proposing remuneration for members of the Board of Directors and the nomination committee. As of the date of this Prospectus, the nomination committee of the Company has three members being: Terje Valebjørg (chair), Alexandra Herger and Jon Arnt Jakobsen.

### **8.5 Disclosure About Convictions in Relation to Fraudulent Offences**

During the last five years preceding the date of this Prospectus, no member of the Board of Directors or the Executive Management has to the Company's knowledge:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative,

management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

## 8.6 Audit Committee

The Company has an audit committee, the members of which as of the date of this Prospectus are: Anne Grete Dalane (chair), Trond Brandsrud, Marianne Kah, Ebrahim Attarzadeh and Anette Valbø.

The committee's functions are to assist the Board of Directors in its supervision of the integrity of the Company's financial statements; to monitor the independent auditor's qualifications, independence and performance; to monitor the performance of the internal audit function; and to promote and review compliance with laws and regulatory requirements.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations. The majority of the members have relevant qualifications within accounting/auditing.

## 8.7 Remuneration and Corporate Governance Committee

The Company has a remuneration and corporate governance committee, the members of which as of the date of this Prospectus are: Walter Hafslø Qvam (chair), Richard Herbert, Shona Grant, Gunhild Myhr and Eivind Vesterås.

The committee's functions are to assist the Board of Directors in matters relating to the compensation, benefits and perquisites of the Company's Chief Executive Officer and other senior executives, and to review and modify the Company's guidelines for good corporate governance.

The remuneration and corporate governance committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

## 8.8 Corporate Governance

The Company's corporate governance principles are based on, and comply with, the Norwegian Code of Practice ("NUES"), with the following exceptions:

- ***Equity and dividends:*** Separate General Meeting votes are held for (a) authorizations to increase the share capital for certain business purposes, (b) authorization to issue convertible loans and (c) authorization to acquire treasury shares. When a proposed resolution encompasses share capital increases and/or the issuance of convertible loans and/or acquisition of treasury shares for various purposes, the Company does not find it practical to hold separate votes on each element of proposals. Hence, the Company deviates from NUES Recommendation No. 3 where it is recommended that when the General Meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting.
- ***General meetings:*** In accordance with the Company's Articles of Association, the chairperson of the Board of Directors chairs General Meetings. This is a deviation from the NUES Recommendation No. 6 for making arrangements to ensure an independent chairperson for the General Meetings. The reason for this deviation is that the Company has found this more practical and that it wishes to ensure that General Meetings are chaired by a competent person having proper insight into PGS' overall operations.

## 9. RELATED PARTY TRANSACTIONS

*This Section provides information certain transactions which the Group is, or has been, subject to with its related parties during the years ended 31 December 2021 and 31 December 2020. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Group pursuant to IAS 24 "Related Party Disclosures".*

The following transactions were carried out with related parties:

<b>Sales of goods and services</b>	Per 31 December 2021	Per 31 December 2020
Associates - MultiClient data	-	-
Associates - Other services	\$36.4 million	\$31.7 million

For detailed information on related party transactions, please refer to Note 28 in the 2021 Annual Report. The Group had \$1.6 million and \$2.0 million in outstanding balances with related parties as of 31 December 2021 and 2020, respectively.

There have been no significant transactions with related parties from 31 December 2021 to the date of this Prospectus. All transactions with related parties are priced on an arm's length basis.

The Company's Chief Executive Officer, other executive officers and directors of the Company are also on the board of certain customers and suppliers. As of 31 December 2021 and 31 December 2020, the Company did not have any significant outstanding balances with any of these companies.



## 10. DIVIDEND AND DIVIDEND POLICY

*This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Norwegian Public Limited Liability Companies Act (Nw. allmennaksjeloven). Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.3 "General Information—Cautionary Note Regarding Forward-Looking Statements".*

### 10.1 Dividend Policy

The Board of Directors has adopted a dividend policy whereby it is the intention to distribute 25 to 50 percent of annual net income as dividends over time. The Board of Directors has no general authorization to distribute dividends. Each year's dividend is decided by the AGM after a proposal from the Board of Directors. The Company has not distributed dividends in recent years due to a weak market, operating losses and a need to maintain an adequate liquidity reserve. Going forward, the Company's capacity to pay dividend will be assessed by the Board of Directors in light of, among other things, the market outlook and the Company's equity and funding positions. Since the Company currently has a net interest bearing debt which is above the targeted level, priority will going forward be given to debt reduction before resuming dividend payments. In addition, covenants in the TLB restricted the Company from proposing a dividend for 2021 and these agreements require certain conditions to be fulfilled before the Company may propose a dividend payment going forward, see Section 10.3. The Board is authorized to buy back up to 10 percent of the Company's share capital (treasury shares). The current authorization expires on 30 June 2023. Purchase of treasury shares are subject to restrictions in the Company's main credit facility identical to those applicable for distribution of dividends.

There can be no assurances that in any given period will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Company's Board of Directors will take into account legal restrictions, as set out in Section 10.4 "Dividend and Dividend Policy—Legal Constraints on the Distribution of Dividends", the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

### 10.2 Dividend History

Last time the Company paid dividend was for the fiscal year 2014.

### 10.3 Loan Agreement Constraints on Dividend Payments

Under the TLB, the Company may not pay dividends or similar (with certain exceptions) until the later of 9 February 2023 or the deferred amounts under the ECF being repaid. Thereafter, dividend payments or similar transactions are permitted out of cumulative distributable earnings (as defined therein) provided that the total net leverage ratio does not exceed 2.0:1.0. On or after 31 March 2023, if the net leverage ratio is below 1.0:1.0, there are no restrictions on dividend payments or similar transactions. Cumulative distributable earnings, as defined, primarily comprises 50% of net income (with 100% of losses deducted) and accumulates over time starting 1 October 2019.

### 10.4 Legal Constraints on the Distribution of Dividends

Dividends may be paid in cash or, in some instances, in kind. The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Unless the Company follows the procedures stipulated in Sections 12-4 and 12-6 of the Norwegian Public Limited Liability Companies Act in respect of reduction of share capital, dividends are payable only out of distributable equity of the Company. Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that a company may only distribute dividends to the extent that the company following the distribution still has net assets which provide coverage for the company's share capital and other non-distributable reserves.
- Certain items shall be deducted from the distributable equity, being the total nominal value of treasury shares which the Company has acquired for ownership or pledge prior to the balance sheet date, and credit and security that, pursuant to Sections 8-7 to 8-9 of the Norwegian Public Limited Liability Companies Act, prior to the balance sheet date fall within the limits of distributable equity, provided that such credit and security have not been repaid or cancelled prior to the resolution date, or a credit to a shareholder to the extent such credit is cancelled by offset in the dividends. In the event the Company after the balance sheet date has carried out any disposals

that pursuant to the Norwegian Public Limited Liability Companies Act shall fall within the distributable equity, such disposals shall be deducted from the distributable equity.

- The Company cannot distribute dividends which would result in the Company not having an equity which is adequate in terms of the risk and scope of the Company's business.
- The calculation of dividends shall be on the basis of the balance sheet in the Company's last approved annual financial statements, but the Company's registered share capital at the time of the resolution shall still apply. It is also possible to distribute extraordinary dividends on the basis of an interim balance sheet which is prepared and audited in accordance with the rules for annual financial statements and approved by the General Meeting of the Company. The interim balance sheet date cannot be dated more than six months prior to the resolution by the General Meeting of payment of such extraordinary dividend.
- The amount of distributable dividends is calculated on the basis of the Company's separate financial statements and not on the basis of the consolidated financial statements of the Company and its consolidated subsidiaries.
- Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 13.2 "*Norwegian Taxation—Non-Resident Shareholders*".

## 11. CORPORATE INFORMATION; SHARES AND SHARE CAPITAL

The following is a summary of certain corporate information and other information relating to the Company, the shares and share capital of the Company, summaries of certain provisions of the Company's Memorandum of Association and Bye-laws and applicable law in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by the Company's Bye-laws and applicable law.

### 11.1 Incorporation; Registration Number; Registered Office and Other Company Information

PGS ASA is a Norwegian public limited liability company (Nw. *allmennaksjeselskap* or ASA), incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Liability Companies Act, which its Shares are subject to. The Company's business registration number is 916 235 291 and its LEI is 213800T66DRTE6O6BV87. The Company was incorporated on 19 June 1962.

The head office and registered address of the Company is Lilleakerveien 4C, 0283 Oslo, Norway, its telephone number is +47 67 52 64 00, and its website is [www.pgs.com](http://www.pgs.com). The information on the Company's website does not form part of this Prospectus, unless that information is incorporated by reference to this Prospectus.

The Company's shares are listed on the Oslo Stock Exchange under the trading symbol "PGS".

### 11.2 Share Capital

As of the date of this Prospectus, the Company has an issued share capital of NOK 2,728,649,142, divided into 909,549,714 Shares. 791,122,025 Shares are registered on the Company's ISIN NO0010199151, while the Listing Shares will be registered under the Company's regular ISIN NO0010199151 upon publication of this Prospectus. The Offer Shares, if and when issued, will be registered on the Company's regular ISIN NO0010199151. The Company has a single share class, and all shares carry the same rights. At the Company's shareholder meetings, each share carries one vote. The Company owns 294,562 own shares, corresponding to approximately 0.03% of the Company's share capital.

#### Share based payment programs

In the period 2019-2022, the company only awarded performance restricted stock units ("PRsUs") under the long term incentive plans (the "LTI Plans"), which are made and approved by the Company's annual general meeting ("AGM") to ensure continued long-term incentives linked to the Group's financial performance and relative share price development. Settlement of the PRsUs granted and subsequent transfer of shares to the eligible employee will take place three years after the grant subject to the Group achieving satisfactory financial performance on certain metrics. The two metrics used in the LTI Plans are *Total Shareholder Return* ("TSR") compared to the companies in *LTI Comparator Group* adjusted for dividends and *Return On Capital Employed* ("ROCE"). For PRsUs granted under the LTI Plans, 75% of the PRsUs will settle subject to the TSR goal outlined above and 25% of the PRsUs will settle subject to the ROCE. Previously, under earlier long-term incentive plans, the Company has also granted restricted stock units ("RSUs"), which requires the participant's continued employment with the company (or a subsidiary) and is settled three years after grant. The Company has not opted for awarding RSUs for the LTI Plans.

The tables below detail the Company's outstanding share awards (RSU and PRSU) for the years presented.

Grant Date	RSUs as of 31 December 2020	RSUs granted 2021	RSUs forfeited 2021	RSUs released 2021	RSUs as of 31 December 2021	Weighted average remaining contractual term
2016	13,800	-	-	(13,800)	-	-
2017	-	-	-	-	-	-
<b>Total</b>	<b>13,800</b>	<b>-</b>	<b>-</b>	<b>(13,800)</b>	<b>-</b>	<b>-</b>

Grant Date	PRSUs as of 31 December 2020	PRSUs granted 2021	PRSUs forfeited 2021	PRSUs exercised 2021	PRSUs adjusted (due to performance) 2021	PRSUs as of 31 December 2021	Weighted average remaining contractual term
2018	1,577,350	-	-	-	(1,577,350)	-	-
2019	2,158,900	50,000	(103,000)	-	-	2,105,900	0.47 years
2020	2,384,550	-	(161,000)	-	-	2,223,500	1.65 years
2021	-	5,993,000	(275,000)	-	-	5,718,000	2.37 years
<b>Total</b>	<b>6,120,800</b>	<b>6,043,000</b>	<b>(539,000)</b>	<b>-</b>	<b>(1,577,350)</b>	<b>10,047,450</b>	<b>-</b>

Details of PRSUs held by directors and officers as of 30 September 2022 were as follows:

Director or Officer	Total
Rune Olav Pedersen	1,057,000
Gottfred Langseth	446,000
Nathan Oliver	446,000
Berit Osnes	315,000
Rob Adams	446,000

### 11.3 Disclosure on Notifiable Holdings

As of 15 September 2022, which was the latest practicable date prior to the date of this Prospectus, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5% or more of the issued share capital of the Company (which constitutes a notifiable holding under the Norwegian Securities Trading Act):

Shareholder	%
Coltrane Asset Management LP.....	15.60
M&G Investment Management Limited.....	6.51
DNB Asset Management AS.....	5.05 <sup>(1)</sup>

(1) As of 12 October 2022, based on a Major Shareholding Notification filed by DNB Asset Management AS on the same date.

None of the major shareholders have different voting rights than the other shareholders of the Company.

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, where a shareholder's proportion of shares and/or rights shares reaches, exceeds or falls below 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 1/3, 50 percent, 2/3 or 90 percent of the share capital or voting rights of a company listed on Oslo Stock Exchange must make a public disclosure immediately. The table above shows the percentage held by each such shareholder, and each shareholder with 5 percent or more of the Shares is subject to the disclosure requirement when such shareholder reaches, exceeds or falls below any of these thresholds.

The Company is not aware of any arrangements, the operation of which may at a date subsequent to the date of this Prospectus result in a change of control in the Company.

To this effect, the Company is not directly or indirectly controlled by any individual shareholder.

### 11.4 Articles of Association

The Company's Articles of Association are incorporated by reference to this Prospectus. Below is a summary of certain provisions of the Articles of Association.

#### Objective

Pursuant to Section 2 of the Articles of Association, the Company's objective is to provide services to and participate and invest in energy related businesses.

#### Board of Directors

Pursuant to Section 5 of the Articles of Association, the Company's Board of Directors shall consist of a minimum of three and a maximum of 13 members.

## **No Restrictions on Transfer of Shares**

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

## **General Meetings**

Pursuant to Section 7 of the Articles of Association, notice of ordinary General Meetings shall be given with at least four weeks' notice and any notice of extraordinary General Meetings shall be given with at least three weeks' notice.

An owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares shall within two working days before the General Meeting provide the Company with his name and address together with a confirmation from the custodian to the effect that he is the beneficial owner of the shares held in custody, and provided further the Board of Directors shall not disapprove such beneficial ownership after receipt of such notification in accordance with Section 7 of the Articles of Association.

Documents that shall be considered at the General Meeting may be published on the Company's website. The same applies to documents that due to statutory requirements must be attached to or included in the calling notice to the General Meeting. If the documents are published in such manner, the statutory requirements for distribution to the shareholders shall not apply. A shareholder may still request to be sent documents that shall be considered by the general meeting.

Written and/or electronic voting in accordance with section 5-8 (b) of the Norwegian Public Limited Liability Companies Act shall be allowed for meetings where such method of voting is arranged by the Board of Directors.

The General Meeting shall be chaired by the Chairman of the Board of Directors.

## **11.5 Certain Aspects of Norwegian Company Law**

### **General Meetings**

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to June 30. Norwegian law requires that written notice of General Meetings setting forth the time, date and agenda of the meeting be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. A shareholder may vote at the General Meeting either in person or by proxy. Although Norwegian law does not require the Company to send proxy forms to its shareholders for General Meetings, the Company plans to include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings, without any requirement of pre-registration.

Apart from the Annual General Meeting, Extraordinary General Meetings of shareholders may be held if the Board of Directors considers it necessary. An Extraordinary General Meeting of shareholders must also be convened for the consideration of specific matters at the written request of the Company's auditor or of shareholders representing a total of at least 5 per cent of the Company's share capital. The requirements for notice and admission to the Annual General Meeting of the Company's shareholders also apply for Extraordinary General Meetings of shareholders.

### **Voting Rights; Amendments to the Articles of Association**

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

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

In general, only shareholders registered in the VPS are entitled to vote on Shares. Neither beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote on Shares under Norwegian law, nor are persons who are designated in the VPS register as the holder of such Shares as nominees.

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

#### **Additional Issuances and Preferential Rights**

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

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

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

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

#### **Minority Rights**

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may require the courts to dissolve the Company as a result of such decisions. Minority shareholders holding 5 per cent or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an Extraordinary General Meeting of the Company's shareholders to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if at least two weeks remain before the General Meeting is to be held.

#### **Rights of Redemption and Repurchase of Shares**

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the

share capital represented at a General Meeting of the Company's shareholders. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting of the Company's shareholders with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10 per cent of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 24 months.

#### **Shareholder Vote on Certain Reorganisations**

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

#### **Liability of Directors**

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

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

#### **Indemnification of Directors**

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the members of the Board of Directors. However, the Company has entered into indemnification agreements with the Directors and the President & CEO, and it has been the practice of the Company that the AGM passes a resolution providing an indemnification for the Board of Directors and the President & CEO relating to liability and claims made against them arising out of their service for the Company during the preceding year of service. At the Extraordinary General Meeting of the Company held 13 December 2006, the general indemnification agreement for the Board of Directors was first approved. The Group is also permitted to purchase, and has purchased, insurance to cover the Company's directors against certain liabilities they may incur in their capacity as such.

#### **Distribution of Assets on Liquidation**

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

## 12. SECURITIES TRADING IN NORWAY

*The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian securities law, including the Norwegian Securities Trading Act, in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.*

### 12.1 Introduction

As a company listed on Oslo Børs, the Company will be subject to certain duties to inform the market under the Norwegian Securities Trading Act, the EU Market Abuse Regulation as well as Oslo Børs obligations applicable to stock exchange listed companies. Furthermore, the Company will be subject to Norwegian securities regulations and supervision by the relevant Norwegian authorities.

### 12.2 Trading and Settlement

The Oslo Stock Exchange comprise three separate trading markets for trading in equities, Oslo Børs, a stock exchange operated by Oslo Børs ASA, Euronext Expand, a regulated market operated by Oslo Børs ASA, and Euronext Growth, a multilateral trading facility operated by Oslo Børs ASA.

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Optiq®. This trading system is in use by all markets operated by Euronext.

Official trading on the Oslo Stock Exchange takes place between 9:00 CEST and 16:30 CEST each trading day, with pre-trade period between 08:15 CEST and 9:00 CEST, a closing auction from 16:20 CEST to 16:25 CEST, and a post-trade period from 16:25 CEST to 17:30 CEST. Reporting of after exchange trades can be done until 17:30 CEST.

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

Oslo Børs offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

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

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

### 12.3 Information, Control and Surveillance

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

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

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or



commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

#### **12.4 The VPS and Transfer of Shares**

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

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

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

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

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

#### **12.5 Shareholder Register - Norwegian law**

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

#### **12.6 Foreign Investment in Shares listed in Norway**

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

#### **12.7 Disclosure Obligations**

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

#### **12.8 Insider Trading**

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in the EU Market Abuse Regulation Article 7. The same applies to the

entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

### **12.9 Mandatory Offer Requirement**

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

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

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

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

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

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

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

### **12.10 Compulsory Acquisition**

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

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

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

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

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

#### **12.11 Foreign Exchange Controls**

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

## 13. NORWEGIAN TAXATION

*This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes (“Norwegian Shareholders”) and to shareholders who are not resident in Norway for tax purposes (“Foreign Shareholders”). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.*

### 13.1 Norwegian Shareholders

#### Taxation of Dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) resident in Norway for tax purposes (“Norwegian Corporate Shareholders”) are subject to the Norwegian tax exemption method. Under the exemption method, only 3% of the dividend income on shares in Norwegian limited liability companies shall be taxed as ordinary income (22% flat rate), implying that such dividends are effectively taxed at a rate of 0.66%. For financial institutions resident in Norway for tax purposes the tax rate for ordinary income is 25%, resulting in an effective tax rate for dividends of 0.75%.

Dividends distributed to Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian Corporate Shareholders) (“Norwegian Individual Shareholders”) and taken together with Norwegian Corporate Shareholders (“Norwegian Shareholders”) are taxable under the “shareholder model”. According to the shareholder model, dividends distributed to individual shareholders are multiplied with a factor of 1.6 before taken to taxation at the ordinary income rate of 22% (resulting in an effective tax rate of 35.2%) to the extent the dividend exceeds a basic tax-free allowance. It is proposed that the factor is increased to 1.72 (resulting in an effective tax rate of 37.84%) with effect as of 6 October 2022.

The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owing the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share (“unused allowance”) may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same share the following year.

Norwegian Individual Shareholders may hold the Shares through a Norwegian share saving account (*Nw. aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.2% (proposed to be increased to 37.84% as of 6 October 2022). Norwegian Individual Shareholders will still be entitled to a calculated tax-free allowance. Please refer to the Section “Taxation of Capital Gains” below for further information in respect of share saving accounts.

#### Taxation of Capital Gains

Sale, redemption or other disposal of shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies are subject to the Norwegian tax exemption method and therefore tax exempt. Net losses from realisation of shares and costs incurred in connection with the purchase and realisation of such shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains on the realization of shares, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the individual shareholder and irrespective of how many shares that are realized. Gains are taxable as ordinary income in the year of realization, and losses can be deducted from ordinary income in the year of realization. Any gains or losses are also multiplied with a factor of 1.6 before taken to taxation at the tax rate for ordinary income of 22% (resulting in an effective tax rate of 35.2%). Again, this factor is proposed increased to 1.72 with effect as of 6 October 2022. Under current tax rules, gain or loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the individual shareholder’s purchase price for the share. Costs incurred in

connection with the acquisition or realization of the shares may be deducted in the year of sale. Unused tax-free allowance connected to a share may be deducted from a capital gain on the same share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a share may not be set off against gains from realization of other shares.

If Norwegian Shareholders realizes shares acquired at different point of time, the shares that were first acquired will be deemed as first sold (the “first in first out”-principle) upon calculating taxable gain or loss.

Gains derived from the realisation of shares held through a share saving account will be exempt from immediate Norwegian tax and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Individual Shareholder’s paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 35.2% (proposed to be increased to 37.84% as of 6 October 2022). Norwegian Individual Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see Section “*Taxation of Dividends*” above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances

### **Taxation of Subscription Rights**

A Norwegian Shareholder’s subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian tax exemption method. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such subscription rights are not deductible for tax purposes.

For Norwegian Individual Shareholders, a capital gain or loss generated by a realisation of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for the computation of ordinary income in the year of disposal. The ordinary income is taxable at a flat rate of 22%.

### **Net Wealth Tax**

The value of shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 0.95% for net wealth exceeding a threshold of NOK 1,700,000 (proposed increased to 1% from 2023) and 1.1% for net wealth exceeding a threshold of NOK 20,000,000. Norwegian limited liability companies and similar entities are exempted from net wealth tax.

Shares listed on the Oslo Stock Exchange are valued at 75% of the quoted value at 1 January in the assessment year (proposed set to 80% from 2023). The value of debt allocated to the shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

### **Inheritance Tax**

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

## **13.2 Non-Resident Shareholders**

### **Taxation of Dividends**

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. Norway has entered into tax treaties with a number of countries and withholding tax is normally set at 15% under these treaties. The shareholder’s home country may give credit for the Norwegian withholding tax imposed on the dividend.

Foreign corporate shareholders (i.e. limited liability companies and similar entities) (“**Foreign Corporate Shareholders**”) which are genuinely established and carry out genuine economic activities within the EEA are not subject to Norwegian withholding tax.

Dividends paid to foreign individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) (“**Foreign Individual Shareholders**”) are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 13.1 “*Norwegian Shareholders—Taxation of Dividends*”. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Central Office for Foreign Tax Affairs. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

#### **Taxation of Capital Gains**

Gains from realisation of shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

#### **Taxation of Subscription Rights**

A Foreign Shareholder’s subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Foreign Shareholders are not subject to taxation in Norway unless the Foreign Shareholder are holding the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

#### **Net Wealth Tax**

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

### **13.3 Transfer Taxes etc.; VAT**

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

## 14. TERMS OF THE SUBSEQUENT OFFERING

*This Section provides important information on the terms of the Subsequent Offering. Investing in the Offer Shares involves inherent risks. In making an investment decision, each investor must rely on their own examination, and analysis of, and enquiry into the Company and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a subscription of the Offer Shares. You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2 “Risk Factors”.*

### 14.1 The Subsequent Offering

The Subsequent Offering consists of up to 45,841,000 Offer Shares, each with a par value of NOK 3.00, offered by the Company at a Subscription Price of NOK 6.70 per Offer Share (equal to the per Share subscription price that applied to the Private Placement), for gross proceeds of up to approximately NOK 307 million.

The table below provides certain indicative key dates for the Subsequent Offering, subject to change.

	<u>Date</u>
Last day of trading in the Company's Shares inclusive of Subscription Rights .....	1 November 2022
Record Date for determination of Eligible Shareholders .....	3 November 2022
Commencement of the Subscription Period .....	28 November at 09:00 CET
Expiry of the Subscription Period .....	12 December at 12:00 CET
Allocation of Offer Shares .....	On or about 13 December 2022
Distribution of allocation letters .....	On or about 13 December 2022
Payment Due Date .....	On or about 15 December 2022
Date of issuance of the Offer Shares .....	On or about 15 December 2022
Delivery of the Offer Shares to investors VPS' accounts .....	On or about 16 December 2022
Commencement of trading in the Offer Shares on the Oslo Stock Exchange .....	On or about 16 December 2022

The Company will use the information system of the Oslo Stock Exchange to publish information with respect to the Subsequent Offering, such as changes to the indicative dates set out in the table above and the results of the Subsequent Offering. Such information will be published under the trading symbol for the Shares of the Company, “PGS”, and also be made available on the Company's web site: [www.pgs.com](http://www.pgs.com).

### 14.2 Resolution to Issue the Offer Shares

On 23 November 2022, the extraordinary general meeting of the Company decided to carry out the Subsequent Offering on the terms as set out in this Prospectus, based on a proposal from the Board of Directors.

Pursuant to the resolution passed by the extraordinary general meeting, the Board of Directors may in its sole discretion, at any time prior to completion of the Subsequent Offering, cancel and terminate the issuance of the Offer Shares should the prevailing market conditions suggest such termination (including if the subscription price is higher than the trading price).

### 14.3 Reasons for the Subsequent Offering and Use of Proceeds

In addition to the consideration of the equal treatment of the Company's shareholders following the Private Placement, the Company will use the proceeds to repay debt and for general corporate purposes. The proceeds will position the Company to manage 2023 debt amortization and extend the re-financing window to March 2024. A strengthened balance sheet, together with the ongoing market recovery in the marine geophysics market, will reduce the refinancing risk and

the expected cost of a refinancing.

#### **14.4 Subscription Price**

The Subscription Price in the Subsequent Offering is NOK 6.70 per Offer Share. The Subscription Price is equal to the per Share subscription price that applied to the Private Placement, which was set on the basis of a book-building process. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Managers.

#### **14.5 Subscription Period**

The Subscription Period will commence at 09:00 CET on 28 November 2022 and expire at 12:00 CET on 12 December 2022. The Subscription Period may not be revoked, extended or shortened prior to the end of the Subscription Period.

#### **14.6 Eligibility for Participation in the Subsequent Offering**

In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Offer Shares to subscribers who (i) were registered as holders of Shares in the Company as at the expiry of 1 November 2022, as evidenced in the Company's register of shareholders with the VPS as of expiry of 3 November 2022 (the Record Date) (ii) were not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (each such shareholder an Eligible Shareholder, and collectively, Eligible Shareholders, as defined on the front page of this Prospectus). For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of 0.07921 Subscription Rights, rounded down to the nearest whole Subscription Right. One (1) Subscription Right will give the right to subscribe for one (1) Offer Share, subject to the selling and transfer restrictions set out in Section 15 "*Selling and Transfer Restrictions*". The price of NOK 6.70 per Offer Share is the same as the price that was paid per Private Placement Share, which was based on a minor discount to the transaction day volume-weighted average price for the Shares.

The shares of the Company began trading exclusive of Subscription Rights from and including 2 November 2022. Hence, the last of trading inclusive of Subscription Rights was 1 November 2022. For the purposes of determining eligibility to Subscription Rights, the Company will, however, look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 1 November 2022 (and potentially investors that have purchased shares in the Company thereafter with non-standard settlement cycle).

The Subscription Rights will not be tradable and hence not listed on the Oslo Stock Exchange during the Subscription Period, but will be visible as credited to the individual Eligible Shareholder's investor account with the VPS. The Subscription Rights will be registered in the VPS under ISIN NO0012766064 and will be distributed to each Eligible Shareholders' VPS account on or about 28 November 2022.

Eligible Shareholders who do not use their Subscription Rights will experience a significant dilution of approximately 4.8%, assuming that the Subsequent Offering is fully subscribed. The Subscription Rights would normally have an economic value if the Shares trade above the Subscription Price during the Subscription Period.

Subscription Rights that are not used to subscribe for Offer Shares before the end of the Subscription Period will have no value and will automatically lapse without compensation to the holder. Eligible Shareholders not utilizing their Subscription Rights will have no further Subscription Rights after expiry of the Subscription Period.

Oversubscription is allowed, but subscription without Subscription Rights will not be allowed.

Subscription Rights to shareholders who are resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts application or subscription for Offer Shares ("**Ineligible Jurisdiction**") will initially not be credited to such persons' ("**Ineligible Shareholders**") VPS accounts. If the relevant Ineligible Shareholder by 12:00 (CET) on 8 December 2022 documents to the Company a right to receive the Subscription Rights, the Managers will distribute the relevant Subscription Rights to the VPS account of the relevant Ineligible Shareholder.

#### **14.7 Subscription Office; Subscription Procedures**

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form to the subscription office during the Subscription Period or, for Norwegian citizens, made online as further described below.



Correctly completed subscription forms must be received by the subscription office set out below, or, in the case of online subscriptions, online subscriptions must be registered, by no later than 12:00 (CET) on 12 December 2022:

**Carnegie AS**  
Postboks 684 Sentrum  
0106 Oslo  
Norway  
+47 22 00 93 60  
subscriptions@carnegie.no  
www.carnegie.no

**Pareto Securities AS**  
Dronning Mauds gate 3  
P.O. Box 1411 Vika  
N-0115 Oslo  
Norway  
+47 22 87 87 50  
subscription@paretosec.com  
www.paretosec.com/transactions

Subscribers who are residents of Norway with a Norwegian personal identification number may subscribe for Offer Shares through the VPS online subscription system by following the link on the following internet page: <https://www.carnegie.no/ongoing-prospectuses-and-offerings/> (which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw. *personnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a subscription form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

Neither the Company nor the Managers may be held responsible for postal delays, internet lines, internet down-time or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the relevant subscription office. Subscription forms received after the end of the Subscription Period and/or incomplete or incorrect subscription forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the relevant subscription office, or in the case of applications through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information entered on the subscription form, or in the case of applications through the VPS online subscription system, the online subscription registration. By signing and submitting a subscription form, or by registration of a subscription with the VPS online subscription system, the subscribers irrevocably (i) confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein, (ii) confirms its order to purchase and subscribe, at the Subscription Price, the number of Offer Shares allocated to such subscriber up to the relevant subscription amount, and (iii) irrevocably authorises and instructs either of the the Managers (or someone appointed by the Managers) to formally subscribe for any Offer Shares allocated to such subscriber and to take all actions required to ensure delivery of the Offer Share to such subscriber in the VPS, on behalf of the subscriber.

There is no minimum or maximum subscription amount for subscriptions in the Subsequent Offering.

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

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a subscription form to the subscription office or through the VPS online subscription system.

#### **14.8 Mandatory anti-money laundering procedures**

The Subsequent Offering is subject to the Anti-Money Laundering Legislation. The Company has been subject to Anti-Money Laundering/Know Your Customer controls by the Managers. Subscribers who need to establish a VPS account must verify their identity to the Managers (or other VPS registrars, see below) in accordance with the requirements of the Anti-Money Laundering Legislation. Subscribers who are not registered as existing customers of the Managers must verify their identity to the relevant Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the subscription form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

#### **14.9 Financial Intermediaries**

Persons or entities holding Shares in the Company through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to subscription of Offer Shares on the basis of Eligible Shareholders' Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder. The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

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

Eligible Shareholders who hold their interests through a financial intermediary and who are ineligible for participation in the Subsequent Offering due to the selling restrictions set forth in Section 15 "*Selling and Transfer Restrictions*" below, will not be entitled to be allocated Offer Shares in the Subsequent Offering.

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

Eligible Shareholders who are not ineligible for participation in the Subsequent Offering and who wish to subscribe for Offer Shares in the Subsequent Offering, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the shareholders and for informing the Managers for the Subsequent Offering of their subscription instructions.

Eligible Shareholders who hold their interests through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made no later than the Payment Due Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Due Date.

#### **14.10 Allocation of Offer Shares**

Allocation of the Offer Shares will take place on or about 13 December 2022. Allocation will, subject to applicable securities laws, be made in accordance with granted Subscription Rights exercised in the Subscription Period with the following criteria:

- (a) Allocation will be made to subscribers in accordance with the Subscription Rights used to subscribe for Offer Shares in the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share, subject to the restrictions in Section 14.6 (*Terms of the Subsequent*

*Offering—Eligibility for Participation in the Subsequent Offering*) and Section 15 (*Selling and Transfer Restrictions*).

- (b) If not all Subscription Rights are used in the Subscription Period, subscribers having used their Subscription Rights and who have over-subscribed will be allocated remaining Offer Shares on a pro rata basis based on the number of Subscription Rights exercised. In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by lot drawing.

Subscription without Subscription Rights will not be allowed. No fractional Offer Shares will be allocated. The Company may round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. The subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the relevant subscription office, or in the case of applications through the VPS online subscription system, upon registration of the subscription.

The result of the Subsequent Offering is expected to be published on or about 12 December 2022 in the form of a stock exchange notice by Company through the information system of the Oslo Stock Exchange. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 13 December 2022. Subscribers having access to investor services through their VPS account manager are expected to be able to check the number of Offer Shares allocated to them from 12:00 (CET) on or about 13 December 2022. Subscribers who do not have access to investor services through their VPS account manager may contact the relevant Manager to obtain information about the number of Offer Shares allocated to them.

#### **14.11 Payment**

##### **Payment Due Date**

The payment for the Offer Shares allocated to a subscriber falls due on 15 December 2022.

##### **Subscribers Who Have a Norwegian Bank Account**

Subscribers who have a Norwegian bank account must, and will by signing the subscription form, or registering a subscription through the VPS online subscription system, provide each of the Managers, or someone appointed by them, with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber. The specified bank account is expected to be debited on or after the Payment Due Date. The Managers, or someone appointed by them, are only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Due Date. The subscriber furthermore authorizes each of the Managers, or someone appointed by them, to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting - Securities Trading", which are set out on page 2 of the subscription form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the subscription form, or registering a subscription through the VPS online subscription system, provide each of the Managers, or someone appointed by them, with a one-time irrevocable authorization to directly debit the specified bank account for the entire subscription amount.

##### **Subscribers Who Do Not Have a Norwegian Bank Account**

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

##### **Overdue Payments**

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.25% p.a. If a subscriber fails to comply with the terms of payment, the Offer Shares will not be delivered to the subscriber.

The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Due Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with applicable law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with applicable law.

#### **14.12 Delivery; VPS Registration; Admission to Trading**

The Company expects, subject to full payment being received, that the share capital increase pertaining to the Subsequent Offering will be carried out on or about 15 December 2022 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about 16 December 2022.

The Offer Shares will be registered in the VPS under ISIN NO0010199151. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence under the trading symbol "PGS" from on or about 16 December 2022.

The Company's registrar with the VPS is DNB Bank ASA, Registrars Department, Dronning Eufemias gate 30, 0191 Oslo, Norway.

#### **14.13 Rights Conferred by the Offer Shares**

The Offer Shares issued through the Subsequent Offering will be common shares in the Company having a par value of NOK 3.00 each and will be issued electronically in registered form in accordance with the Norwegian Public Limited Liability Companies Act. The Offer Shares will rank pari passu in all respects with the existing Shares of the Company (including the Private Placement Shares) and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends which the Company may declare after said registration. See Section 11 "*Corporate Information; Shares and Share Capital*" for a discussion of the rights attaching to the Company's Shares.

#### **14.14 Share capital following the Subsequent Offering**

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 45,841,000 Offer Shares, each with a nominal value of NOK 3.00. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital to maximum NOK 2,866,172,142, divided into 955,390,714 Shares, each with a par value of NOK 3.00. See Section 11 "*Corporate Information; Shares and Share Capital*" for a further description of the Company's share capital.

#### **14.15 Legal Entity Identifier**

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

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

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

#### **14.16 Participation of Members of the Management and the Board of Directors in the Subsequent Offering**

None of the members of the Company's Executive Management or the Board of Directors intends to participate in the Subsequent Offering.

#### **14.17 Expenses**

The Company estimates that the total expenses in connection with the Subsequent Offering will amount to approximately NOK 3,500,000.

#### **14.18 Product Governance**

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

Notwithstanding the Target Market Assessment, Distributors should note (A) that the price of the Shares may decline and investors could lose all or part of their investment, (B) that the Offer Shares offer no guaranteed income and no capital protection, and (C) that an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to Private Placement and the Subsequent Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to investors in Norway conducted pursuant to a prospectus that has been approved by and registered with the NFSA). For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor.

#### **14.19 Governing Law and Jurisdiction**

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

## 15. SELLING AND TRANSFER RESTRICTIONS

*This Prospectus does not constitute an offer of, or an invitation to purchase any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.*

### 15.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights and the offer of unsubscribed Offer Shares to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Norway, such investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Offer Shares being offered in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Offer Shares; (ii) this Prospectus may not be sent to any person in any jurisdiction in which it would not be permissible to offer the Offer Shares; and (iii) the crediting of Subscription Rights to an account of an holder or other person who is a resident of any jurisdiction in which it would not be permissible to offer the Offer Shares does not constitute an offer to such persons of the Offer Shares. Holders of Subscription Rights who are resident in any jurisdiction in which it would not be permissible to offer the Offer Shares may not exercise Subscription Rights.

If an investor exercises Subscription Rights to obtain Offer Shares, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- (a) the investor is not located or residing in a jurisdiction in which it would not be permissible to offer the Offer Shares;
- (b) the investor is not a person to which the Subsequent Offering cannot be unlawfully made;
- (c) the investor is not acting, and has not acted, for the account or benefit of a person to which the Subsequent Offering cannot be unlawfully made;
- (d) the investor acknowledges that the Company is not taking any action to permit a public offering of the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and
- (e) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company, the Managers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Managers. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in or subscribe for Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights and subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in a jurisdiction in which the Subsequent Offering cannot be lawfully made, or who is unable to represent or warrant that such person is not located or residing in such jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

## **15.2 Selling Restrictions**

### **15.2.1 United States**

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act, or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described in Section 15.3 "*Transfer Restrictions*".

Any offer or sale in the United States will be made by broker-dealers registered under the United States Exchange Act of 1934, as amended, which are either affiliates of the Managers or broker-dealers to which the Managers have a contractual relationship. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares

within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

### 15.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and
- (2) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

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

### 15.2.3 European Economic Area

In relation to each member state of the European Economic Area, other than Norway (each, a “Relevant Member State”), no Offer Shares have been offered or will be offered to the public in that Relevant Member State pursuant to the Subsequent Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under Regulation (EU) 2017/1129 (the “EU Prospectus Regulation”):

- (1) to persons who are ‘qualified investors’ within the meaning of Article 2(e) the EU Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer; or
- (3) in any other circumstances falling under the scope of Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an “offer to the public” in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares under, the Subsequent Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Managers that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Managers and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

### 15.2.4 Additional Jurisdictions

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



## 15.3 Transfer Restrictions

### 15.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

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

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution of the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- The purchaser understands and acknowledges that if, in the future, the purchaser or any such other QIBs for which it is acting, or any other fiduciary or agent representing such purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser understands that Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and that no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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

- (a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

## 16. REGULATORY DISCLOSURES

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by PGS ASA pursuant to the Norwegian Securities Trading Act on its ticker “PGS” on www.newsweb.no during the last twelve months prior to the date of this Prospectus.

### Inside Information

Date	Title	Description	Cross reference to section in this prospectus
1 November 2022	Private Placement Successfully Placed	Announcement of successful private placement raising gross proceeds of approximately NOK 1.5 billion (corresponding to approximately USD 150 million), through the allocation of 229,250,000 new shares in the Company.	5
1 November 2022	Contemplated Private Placement	Announcement that it is contemplating a private placement of new ordinary shares for gross proceeds of up to USD 150 million (approximately NOK 1.5 billion).	5
11 October 2022	Q3 2022 Update	Notification of preliminary reported revenues for Q3 2022.	N/A
4 May 2022	Private Placement Successfully Placed	Announcement of successful private placement raising gross proceeds of NOK 800 million (corresponding to approximately USD 85 million), through the allocation of 216,216,216 new shares in the Company.	N/A
3 May 2022	Contemplated Private Placement	Announcement that it is contemplating a private placement of new ordinary shares for gross proceeds of up to USD 75 million (approximately NOK 710 million).	N/A
11 January 2022	Q4 2021 Update	Notification of preliminary reported revenues for Q4 2021.	N/A

### Major Shareholding Disclosure

Date	Title	Description	Cross reference to section in this prospectus
4 November 2022	Disclosure of Voting Rights in Shares	Flagging that M&G Plc controls voting rights in 4.30% of the shares of PGS ASA, 2.20% out on loan (right of recall), which estimates to a 6.51% holding as of 3 November 2022, due to 12,400,000 shares going out on loan on 3 November 2022, leading to its holding in normal shares moving below 5%.	11.3
12 October 2022	Flaggemelding PGS ASA 5.05%	Flagging that DNB Asset Management AS exceeded the 5% threshold.	11.3
9 Septemeber 2022	Notification of major holdings	Flagging that DNB Asset Management AS fell below the 5% threshold.	N/A
6 September 2022	PGS - Disclosure of Voting rights in Shares	Flagging that M&G Plc controls voting rights in 5.44% of the shares of PGS ASA, 1.07% out on loan (right of recall), which estimates to a 6.51% holding as of 5 September 2022, due to the return of 3,628,451 shares from loan on 5 September 2022, pushing its holding in normal shares above 5%.	11.3
5 September 2022	Disclosure of Voting Rights in Shares - PGS	Flagging that M&G Plc controls voting rights in 4.91% of the shares of PGS ASA, 1.60% out on loan (right of recall), which estimates to a 6.51% holding as of 1 September 2022, due to the	11.3

		implementation of Directive 2013/50/EU, effective 1st September 2022.	
17 August 2022	Disclosure of Voting Rights in Shares	Flagging that M&G Plc controls voting rights in 6.51% of the shares of PGS ASA as of 16 August 2022. The trigger for this notification is due to The Prudential Assurance Company Limited moving below the 5% notifiable threshold, due to the conversion of the convertible bond loan into 25,237,631 new shares as announced by PGS ASA on 16 August 2022.	11.3
18 July 2022	Disclosure of Large Shareholding	Flagging that MH Capital's shareholding in the PGS ASA, as a % of outstanding shares, dropped to 4.89% (32,039,511 shares), following the subsequent offering concluded on 15 July 2022.	N/A
1 June 2022	Mandatory Notification of Trade	Flagging that Sculptor Capital LP, as a result of the private placement, crossed below the 5% threshold as of 31 May 2022.	N/A
27 May 2022	Disclosure of large shareholding	Flagging that MH Capital would own 32,500,000 or 5.27% of the issued shares in PGS.	11.3
22 February 2022	Disclosure of large shareholding	Coltrane Master Fund, LP and Coltrane Long Value Master Fund, LP as disclosing parties, both with Coltrane Asset Management, LP as manager., exceeded 15% shareholding in the Company.	11.3
16 February 2022	Goldman Sachs Group, Inc. Disclosure in Petroleum Geo Services	Flagging that the Goldman Sachs Group, Inc., fell below the 5% threshold.	N/A
15 February 2022	Disclosure of large shareholding	Flagging that Coltrane Asset Management, LP had exceeded the 10% threshold.	11.3
15 February 2022	Goldman Sachs Group, Inc. Disclosure in Petroleum Geo Services	Flagging that the Goldman Sachs Group, Inc., fell below the 5% threshold.	N/A
28 January 2022	Disclosure of large shareholding	Flagging that Coltrane Asset Management, LP had fell below the 10% threshold.	N/A
27 December 2021	Notification of Major Holdings	Flagging that the Goldman Sachs Group, Inc. exceeded the % threshold.	N/A

#### Primary Insider Trades

Date	Title	Description	Cross reference to section in this prospectus
2 November 2022	Mandatory Notification of Trade	Disclosure of primary insiders that were allocated shares in a private placement.	5.6
24 June 2022	Settlement of 2019 Long-term Incentive Plan	The PGS ASA 2019 Long Term Incentive Plan, under which Performance based Restricted Stock Units were awarded to employees and primary insiders in PGS ASA and its subsidiaries, settled on June 23, 2022.	11.2
7 June 2022	Mandatory Notification of Trade	Primary insider notice regarding Richard Herbert's sale of American depositary receipts of ordinary shares in PGS ASA.	N/A
13 May 2022	Implementation of 2022 Employee Long-term Incentive Plan	Announcement that the 2022 long term incentive plan, as approved by the AGM on 27 April 2022, had been implemented by allocating 6,669,000 PRSUs.	11.2
4 May 2022	Mandatory notification of trade	Disclosure of primary insiders that were allocated shares in a private placement.	N/A

#### Share Capital and Voting Rights

<u>Date</u>	<u>Title</u>	<u>Description</u>	<u>Cross reference to section in this prospectus</u>
16 August 2022	New share capital registered	The share capital increase pertaining to the convertible bond was registered with the Norwegian Register of Business Enterprises. The new share capital of the Company as of 16 August 2022 was NOK 2,040,899,142 comprising 680,299,714 shares, each with a nominal value of NOK 3.00.	5.5 and 11.2
18 July 2022	New share capital registered	The share capital increase pertaining to the subsequent offering comprising was registered with the Norwegian Register of Business Enterprises. The new share capital of the Company as of 18 July 2022 was NOK 1,965,186,249 comprising 655,062,083 shares, each with a nominal value of NOK 3.00.	5.5 and 11.2
31 May 2022	New share capital registered	On 27 May 2022, the Company's extraordinary general meeting resolved to approve the share capital increase pertaining to the Private Placement (both tranches), which was registered with the Norwegian Register of Business Enterprises.	5.5 and 11.2
5 January 2022	New Share Capital after Conversion of Parts of Convertible Bond	The Company received conversion notices from convertible bondholders representing NOK 67,101 in this bond issue to convert 67,101 bonds into shares with a conversion price of NOK 3 (i.e. 22,367 shares).	11

#### **Financial Reporting**

<u>Date</u>	<u>Title</u>	<u>Description</u>	<u>Cross reference to section in this prospectus</u>
26 October 2022	Third Quarter 2022 Results	Presentation of Q3 results for 2022.	18
21 July 2022	Second Quarter and First Half 2022 Results	Presentation of Q2 and H1 results for 2022.	18
28 April 2022	First Quarter 2022 Results	Presentation of Q1 results for 2022.	18
16 March 2022	PGS Annual Report 2021	Publication of annual report for 2021.	18
27 January 2022	Q4 and Preliminary Full Year 2021 Results	Presentation of Q4 earnings release and unaudited key figures.	18

#### **Additional regulatory information required to be disclosed**

<u>Date</u>	<u>Title</u>	<u>Description</u>	<u>Cross reference to section in this prospectus</u>
23 November 2022	Minutes from Extraordinary General Meeting - Approval of Private Placement and Subsequent Offering	The general meeting of the Company approved the share capital increase pertaining to the Private Placement and the Subsequent Offering.	18
7 November 2022	Financial Calendar	PGS ASA published its financial calendar for 2023.	N/A
2 November 2022	Notice of Extraordinary General Meeting - Private Placement and Subsequent Offering	Notice of the EGM to vote over the Private Placement and the Subsequent Offering.	5.2 and 14.2
2 November 2022	Key Information Related to the Subsequent Offering	The Board of Directors resolved to propose to the Company's extraordinary general meeting that the Company conducts a subsequent offering.	8 and 14

24 October 2022	PGS ASA Contract Award in West Africa	PGS was awarded a 3D exploration acquisition contract in Namibia by a major energy company.	N/A
11 October 2022	Audiocast Details for Presentation of Q3 2022 Results	Information regarding audiocast details for Q3 2022 presentation.	N/A
28 September 2022	PGS ASA Secures MultiClient Project in West Africa	PGS secured solid industry pre-funding for a MultiClient survey in West Africa.	N/A
14 September 2022	Presentation at Pareto Energy Conference	Announcement regarding presentation by the President & CEO Rune Olav Pedersen at the Pareto Energy Conference.	N/A
5 September 2022	Presentation at September Investor Conferences	PGS ASA published an updated presentation for the investor conferences the Company attended in September.	N/A
11 August 2022	PGS ASA Exercises Conversion Option of Convertible Bond	PGS ASA exercised its issuer conversion option under the convertible bond loan whereby all outstanding bonds under the convertible bond loan with a current aggregate nominal amount of NOK 75,712,893 were converted into shares in the Company.	N/A
8 August 2022	Financial Calendar	PGS ASA published its financial calendar for 2022.	N/A
21 July 2022	Awarded 2 Significant Contracts in Asia-Pacific	PGS ASA was awarded a significant 3D exploration acquisition contract offshore Indonesia by a major energy company, and a major 4D acquisition contract offshore Australia by an international energy company.	N/A
8 July 2022	Audiocast Details for Presentation of Q2 2022 Results	Information regarding audiocast details for Q2 2022 presentation.	N/A
1 July 2022	Commencement of the subscription period in the subsequent offering	Notifying that the subscription period for the subsequent offering commenced on 1 July 2022 at 09:00 (CET) and would close on 15 July 2022 at 12:00 (CET).	N/A
29 June 2022	Approval and publication of prospectus, listing of shares and subsequent offering	The Company published its prospectus for the listing of the Tranche 2 shares and the listing and offering of the shares in the subsequent offering, which was approved by the Norwegian Financial Supervisory Authority.	N/A
22 June 2022	Completion of share buy-back	PGS ASA purchased a total of 500,000 own shares at the Oslo Stock Exchange at an average price of NOK 7.2583 per share. As a result, the Company owns 500,590 own shares, corresponding to approximately 0.08% of the Company's share capital.	11.2
22 June 2022	Initiation of share buy-back for settlement of PRSU's granted under Long Term Incentive Plan for employees	PGS ASA decided to initiate a share buy-back program to cover settlement of Performance based Restricted Stock Units ("PRSU's") granted under the Company's 2019 Long Term Incentive Plan for employees.	11.2
21 June 2022	Awarded Large 4D Contract Offshore West Africa	PGS was awarded a significant acquisition contract, consisting of several 4D surveys, by an international oil company offshore West Africa.	N/A
17 June 2022	Conditional Award of Carbon Storage Acquisition Contract	PGS received a conditional award for an acquisition contract over the Smeaheia carbon storage site in the North Sea, operated by Equinor.	N/A
1 June 2022	Q2 2022 MultiClient Sales Update	Based on information currently available, PGS expected to report MultiClient late sales revenues in excess of \$100 million in Q2 2022.	7.4
27 May 2022	Minutes from Extraordinary General Meeting - Approval of Private Placement and Subsequent Offering	The general meeting of the Company approved the share capital increase pertaining to the Private Placement and the Subsequent Offering.	N/A

24 May 2022	PGS secures Commitment for Senior Secured Debt	PGS obtained commitments for \$50 million in new, senior secured debt on terms and conditions acceptable to the Company.	7.4
12 May 2022	PGS and TGS Expand MultiClient Coverage Offshore Canada	The Company, in partnership with TGS, secured pre-funding for the South Bank phase II MultiClient project offshore Canada, extending on the South Bank phase I survey acquired in 2020.	N/A
5 May 2022	Notice of Extraordinary General Meeting - Private Placement and Subsequent Offering	Notice of the EGM to vote over the Private Placement and the Subsequent Offering.	N/A
5 May 2022	Secures Large MultiClient Campaign in Norwegian Sea	Announcement that the Company had secured solid industry pre-funding for a large MultiClient survey on the Northwest shelf of the Norwegian Sea.	N/A
4 May 2022	Key Information Related to the Subsequent Offering	The Board of Directors resolved to propose to the Company's extraordinary general meeting that the Company conducts a subsequent offering.	N/A
3 May 2022	Contract Award in the Mediterranean	Announcement of contract award in the Mediterranean in in the summer of 2022.	N/A
27 April 2022	Annual General Meeting Completed	Notification that the AGM of the Company has been completed.	N/A
27 April 2022	Leverages Multiyear Equinor Frame Agreement	Award of 4D GeoStreamer monitoring surveys over the Visund field in the North Sea and the Snøhvit field in the Barents Sea.	N/A
19 April 2022	Revisions made to Calling Notice for Annual General Meeting	Notice of minor revisions to Appendices II and V to the Calling Notice for the Annual General Meeting.	N/A
11 April 2022	Q1 2022 Update	Notice of preliminary reported revenues for Q1 2022.	N/A
7 April 2022	Audiocast Details for Presentation of Q1 2022 Results	Information regarding audiocast details for Q1 2022 presentation.	N/A
6 April 2022	Q1 2022 Financial Disclosures	The Company will with effect from 1 January 2022 discontinue its previous Segment Reporting to simplify external and internal reporting.	N/A
29 March 2022	Calling Notice 2022 Annual General Meeting	Notice of AGM.	N/A
25 March 2022	Extraordinary General Meeting Completed	Notification of completion of extraordinary general meeting.	N/A
8 March 2022	Change of measurement basis for Segment Reporting	The Company approved a change in the Company's basis for Segment Reporting.	N/A
8 March 2022	Approval of 2021 annual financial statements and update on financing status	The Board of Directors has approved the 2021 annual financial statements and annual report.	N/A
3 March 2022	Calling Notice for Extraordinary General Meeting	Notice of extraordinary general meeting.	N/A
31 January 2022	Awarded 4D Contract in GoM	Notification that PGS was awarded a 4D contract in the Gulf of Mexico.	N/A
19 January 2022	Awarded Northern Lights CO2 Storage Acquisition Contract	PGS was awarded a seismic acquisition contract for CO2 storage offshore Norway by Equinor on behalf of Northern Lights JV DA.	N/A
18 January 2022	Awarded Endurance CCS Acquisition Contract	PGS was awarded a Carbon Capture and Storage ("CCS") 3D seismic acquisition contract by BP over the Endurance reservoir.	N/A
12 January 2022	Financial calendar	Disclosure of the Company's financial calendar.	N/A
10 January 2022	Audiocast Details for Presentation of Q4 2021 Results	Information regarding audiocast details for Q4 2021 presentation.	N/A
13 December 2021	Contract Award in West Africa	PGS was awarded a 3D exploration contract in West Africa.	N/A
3 December 2021	Significant 4D Survey in Brazil	PGS was scheduled to start a significant 4D acquisition survey for Petrobras over the Roncador	N/A

24 November 2021	Awarded 4D Contract in the North Sea	and Albacora Leste fields offshore Brazil in Q2 2022. PGS was awarded a 4D contract in the North Sea.	N/A
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## **17. ADDITIONAL INFORMATION**

### **17.1 Independent Auditors**

The Company's independent auditors are Ernst & Young AS which has their registered address at Dronning Eufemias gate 6A, 0191 Oslo, Norway, has served as the Company's independent auditors since June 2014. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants (Den Norske Revisorforening).

### **17.2 Managers**

Carnegie AS and Pareto Securities AS which have their registered addresses at Fjordalléen 16, 0250 Oslo, Norway and Dronning Mauds gate 3, 0115 Oslo, Norway, are acting as the joint bookrunners and managers in connection with the offering described herein.

### **17.3 Legal Advisors**

Advokatfirmaet BAHR AS which has their registered address at Tjuvholmen allé 16, 0252 Oslo, Norway, is acting as legal adviser to the Company in connection with the offering described herein.

### **17.4 VPS Registrar**

The Company's VPS registrar is DNB Bank ASA, Registrars' Department, which has their registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway.

## 18. INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY

The Norwegian Securities Trading Act and the Norwegian Securities Trading Regulations, implementing the EU Prospectus Regulation, allow the Company to incorporate by reference information into this Prospectus that has been previously filed with the Oslo Stock Exchange or the Norwegian Financial Supervisory Authority in other documents. The Company's articles of association, consolidated financial statements as of and for the year ended 31 December 2021 and consolidated interim financial statements as of and for the nine months ended 30 September 2022 are by this reference incorporated as a part of this Prospectus. Accordingly, this Prospectus is to be read in conjunction with these documents.

### Cross Reference Table

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the Commission Delegated Regulation (EU) 2019/980 supplementing the EU Prospectus Regulation.

Minimum Disclosure Requirement for Prospectuses (Annex III)		Reference Document	Page of Reference Document
Item 15.1	Articles of Association of Association	<b>Articles of Association:</b> <a href="https://www.pgs.com/globalassets/about-us/corporate-gov/pgs-asa-articles-of-association-23-11-23.pdf">https://www.pgs.com/globalassets/about-us/corporate-gov/pgs-asa-articles-of-association-23-11-23.pdf</a>	1 - 65
Item 11.1	Audited historical financial information and audit report	<b>Annual Report and Audit Report 2021:</b> <a href="https://www.pgs.com/investor-relations/reports-and-results/annual-reports/annual-report-2021/">https://www.pgs.com/investor-relations/reports-and-results/annual-reports/annual-report-2021/</a>	1 - 85
Item 11.1	Audited historical financial information and audit report	<b>Annual Report and Audit Report 2020:</b> <a href="https://www.pgs.com/investor-relations/reports-and-results/annual-reports/annual-report-2020/">https://www.pgs.com/investor-relations/reports-and-results/annual-reports/annual-report-2020/</a>	6 - 30
Item 11.2.3	Interim financial information	<b>Quarterly Report Q3 2022:</b> <a href="https://www.pgs.com/globalassets/reports-and-results/q3-2022-earnings-release.pdf">https://www.pgs.com/globalassets/reports-and-results/q3-2022-earnings-release.pdf</a>	1 - 85
Item 11.2.3	Interim financial information	<b>Quarterly Report Q3 2021:</b> <a href="https://www.pgs.com/globalassets/reports-and-results/q3-2021-earnings-release.pdf">https://www.pgs.com/globalassets/reports-and-results/q3-2021-earnings-release.pdf</a>	6 - 30

### Documents on Display

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays) and on the Company's website ([www.pgs.com](http://www.pgs.com)) at the corresponding links provided below:

- The Articles of Association of the Company.
  - (<https://www.pgs.com/globalassets/about-us/corporate-gov/pgs-asa-articles-of-association-23-11-23.pdf>)
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
  - (<https://www.pgs.com/company/investor-relations/reports-and-results/annual-reports/>)
- The Company's interim financial statements as of and for the nine months ended 30 September 2022 and as of and for the nine months ended 30 September 2021.
  - (<https://www.pgs.com/company/investor-relations/reports-and-results/quarterly-results/>)
- The Company's historical financial statements as of and for the year ended 31 December 2021 and as of and for the year ended 31 December 2020.
  - (<https://www.pgs.com/company/investor-relations/reports-and-results/annual-reports/>)
- The minutes of the General Meeting of the Company held on 23 November 2022.
  - (<https://newsweb.oslobors.no/message/576459>)

- This Prospectus.
  - (<https://www.pgs.com/company/investor-relations/reports-and-results/prospectus/>)

## 19. DEFINITIONS

*Capitalised terms used throughout this Prospectus shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.*

ADS	American depository shares.
ANP	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis, the regulatory body in Brazil for license rounds.
Anti-Corruption Laws	The Norwegian Criminal Code, the FCPA and the Bribery Act taken together.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, taken together.
Bribery Act	The United Kingdom Bribery Act of 2010, as amended.
CCS	Carbon capture and storage.
C-NLOPB	Canada Newfoundland and Labrador Offshore Petroleum Board, the regulatory body in Canada for license rounds.
Company	PGS ASA.
ECF	The export credit facilities for the four Ramform Titan-class vessels.
EEA	The European Economic Area and its member states as of the date of this Prospectus
EGM	The extraordinary General Meeting in the Company held on 23 November 2022.
Eligible Shareholder	Each subscriber who (i) was a shareholder of the Company as of 1 November 2022 as they appeared in in the Company's register of shareholders with the VPS as of expiry of the Record Date, (ii) was not allocated shares in the Private Placement, and (iii) is not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.
EU	European Union and its Member States as of the date of this Prospectus.
EU Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
EU Prosepctus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
Executive Management	The members of the Group's Executive Management.
FCPA	The U.S. Foreign Corrupt Practices Act of 1977, as amended.
Foreign Corporate Shareholders	Foreign corporate shareholders (i.e. limited liability companies and similar).
Foreign Individual Shareholders	Foreign individual shareholders (i.e. other foreign shareholders than Foreign Corporate Shareholders).
Forward-looking Statements	Has the meaning ascribed to it in Section 4.3.
FSMA	The Financial Services and Markets Act 2000, as amended.
General Meeting	The Company's general meeting of shareholders.
GLEIF	The Global Legal Identifier Foundation.
Google	Google LLC, a limited liability company incorporated under the laws of the State of California.
Group or PGS	The Company together with its consolidated subsidiaries.
Hitachi	Hitachi, Ltd.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards as adopted by the EU.
Ineligible Jurisdiction	Each jurisdiction where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts application or subscription for Offer Shares.
Ineligible Shareholder	Each shareholder who is resident in an Ineligible Jurisdiction.
JOGMEC	Japan Oil, Gas and Metals National Corporation.
Listing Shares	The 118,427,689 Shares to be listed on Oslo Børs upon approval of this Prospectus.
LOUs	Local Operating Units.

LTI Plan	Long term incentive plan.
Managers	Carnegie AS and Pareto Securities AS.
Member State	Each member state to the EU.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
New Energy	PGS' presence within the offshore renewables' domain or related to the ongoing energy transition.
NOK	The lawful currency of Norway.
Non-Norwegian Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norwegian Code of Practice	The Norwegian Corporate Governance Code of 17 October 2018.
Norwegian Corporate Shareholders	Norwegian corporate shareholders (i.e. limited liability companies and similar).
Norwegian Criminal Code	The Norwegian Criminal Code of 2005, as amended.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. <i>Finanstilsynet</i> ).
Norwegian Individual Shareholders	Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian corporate shareholders).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
Norwegian Shareholders	Norwegian Corporate Shareholders taken together with Norwegian Individual Shareholders.
NYK	Nippon Yusen Kabushiki Kaisha.
OBN	Ocean bottom node.
Offer Shares	The up to 45,841,000 shares in the Company offered in connection with the Subsequent Offering.
OGF	Ocean Geo-Frontier Co., Ltd.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Oslo Stock Exchange	Oslo Børs (a stock exchange operated by Oslo Børs ASA), or as the case may be, Euronext Expand (a regulated market place operated by Oslo Børs ASA).
p.a.	per annum.
Payment Due Date	15 December 2022.
Private Placement	The private placement of 229,250,000 new Shares directed towards certain investors for gross proceeds of approximately NOK 1.5 billion.
Private Placement Shares	The 229,250,000 Shares issued by the Company in connection with the Private Placement.
Prospectus	This prospectus dated 24 November 2022.
PRSU	Performance restricted stock unit.
Purchase Order	The purchase order issued by the to Teledyne Instruments, Inc under the 5 year-termed Restated and Amended Strategic Supply Agreement signed in December 2016.
QIB	Qualified Institutional Buyer, as defined in the U.S. Securities Act.
Record Date	3 November 2022.
Regulation S	Regulation S of the U.S. Securities Act.
Relevant Member State	Each member state of the European Economic Area, other than Norway.
ROCE	Return on capital employed.
RSU	Restricted stock unit.
Rule 144A	Rule 144A of the U.S. Securities Act.
Shares	The shares of the Company, each with a nominal value of NOK 3.00.
SSL	The Group's \$50 million super senior loan, which is senior to the TLB.
Subscription Period	The period from 09:00 hours (CET) on 28 November 2022 to 12:00 hours (CET) on 12 December 2022.
Subscription Right	Each subscription right allocated to the Eligible Shareholders to participate in the Subsequent Offering.
Subsequent Offering	The subsequent offering of up to 45,841,000 shares in the Company, each with a par value of NOK 3.00, for gross proceeds of up to approximately NOK 307 million, pursuant to the terms and conditions set out in this Prospectus.
SWIM	Separated Wavefield Imaging.
Target Market Assessment	A product approval process of the Offer Shares, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible

	counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
Term SOFR	The forward-looking term rate based on SOFR administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period.
TLB	The Group's main credit agreement - the Term Loan B.
TSR	Total shareholder return.
US, U.S. or United States	The United States of America.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
USD, U.S. dollar or \$	The lawful currency of the United States of America
VPS	The Norwegian Central Securities Depository (Nw. <i>Verdipapirsentralen</i> ), Euronext Securities Oslo.

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**APPENDIX A—SUBSCRIPTION FORM FOR SUBSEQUENT OFFERING**





**General information:** For complete information on the terms and conditions of the Subsequent Offering by PGS ASA (the "Company"), please refer to the Prospectus dated 24 November 2022. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. The notice of, and minutes from, the extraordinary general meeting (with appendices) held 23 November 2022, the Company's articles of association and annual accounts and annual reports for the last two years are available at the Company's registered office address Lilleakerveien 4C, 0283 Oslo, Norway and the Company's website www.pgs.com. The resolution to increase the share capital by the extraordinary general meeting is included in the Prospectus. All announcements referred to in this Subscription Form will be made through Oslo Børs' information system under the Company's ticker PGS.

**Subscription procedures:** Correctly completed subscription forms must be received by one of the subscription offices set out below before the expiry of the Subscription Period, at 12:00 hours (CET) on 12 December 2022.

**Subscription Offices:**

Carnegie AS, Postboks 684 Sentrum, 0106 Oslo, Norway, Tel.: +47 22 00 93 60, E-mail: subscriptions@carnegie.no, www.carnegie.no

Pareto Securities AS, Dronning Mauds gate 3, P.O. Box 1411 Vika, N-0115 Oslo, Norway, Tel: +47 22 87 87 50, subscription@paretosec.com, www.paretosec.com/transactions

The subscriber is responsible for the correctness of the information filled in on the Subscription Form. Subscription forms that are incomplete or incorrectly completed, or that are received after the end of the Subscription Period, and any subscription that may be unlawful, may be disregarded at the discretion of the Managers on behalf of the Company. Subscribers who are Norwegian residents with a Norwegian personal identification number may also subscribe for Offer Shares through the VPS online subscription system by following the link on the following website: <https://www.carnegie.no/ongoing-prospectuses-and-offerings/> (which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period. Neither the Company nor the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscriptions are irrevocable and binding upon receipt and cannot be withdrawn, cancelled or modified by the subscriber after having been received by a subscription office, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription.

**Subscription Price:** The Subscription Price in the Subsequent Offering is NOK 6.70 per Offer Share.

**Subscription Rights/Allocation:** In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Subscription Rights to subscribers who were registered as holders of Shares in the Company's register of shareholders with the VPS as of expiry of 3 November 2022 (the Record Date), who were not allocated Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus filing, registration or similar action (each such shareholder an Eligible Shareholder, and collectively, Eligible Shareholders), see Section 14.9 "Allocation of Offer Shares" of the Prospectus. For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be granted 0.07921 Subscription Rights, rounded down to the nearest whole Subscription Right. Subscription Rights will not be granted for the Shares held in treasury by the Company. One (1) Subscription Right will give a preferential right to subscribe for, and be allocated, one (1) Offer Share at the Subscription Price, subject to the selling and transfer restrictions set out in Section 15 "Selling and Transfer Restrictions" of the Prospectus. In order to allow existing shareholders of the Company who were not allocated Private Placement Shares in the Private Placement the opportunity to subscribe for Shares on the same terms as the investors in the Private Placement, the general meeting resolved that the shareholders' preferential right to subscribe for the Offer Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act could be deviated from. The Subscription Rights will not be tradable. Eligible Shareholders who do not use their Subscription Rights will experience

a significant dilution, see Section 5.4 "Dilution" of the Prospectus. The Subscription Rights would normally have an economic value if the shares trade above the Subscription Price during the Subscription Period. Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

**Allocation of Offer Shares:** The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. The Company will not allocate fractional Offer Shares. Allocation of fewer Offer Shares than subscribed for does not impact on the subscriber's obligation to pay for the Offer Shares allocated. Notification of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber is expected to be distributed in a letter from the VPS on or about 13 December 2022. Subscribers who have access to investor services through an institution that operates the subscriber's VPS account should be able to see how many Offer Shares they have been allocated from 12:00 hours (CET) on or about 13 December 2022.

**Payment:** The payment for the Offer Shares allocated to a subscriber falls due on 15 December 2022. By completing this subscription form or registering a subscription through the VPS online subscription system, subscribers authorise each of Carnegie AS and Pareto Securities AS, or anyone appointed by it, to debit the subscriber's Norwegian bank account for the total subscription amount payable for the Offer Shares allocated to the subscriber. Accounts will be debited on or about the Payment Date, 15 December 2022, and there must be sufficient funds in the stated bank account from and including the date falling two (2) banking days prior to the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Details and instructions can be obtained by contacting the Managers, Carnegie AS, Pareto Securities AS, or anyone appointed by it, is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 16 December 2022 if there are insufficient funds on the account on the Payment Date. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue Payments" below. **PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION**

**DETAILS OF THE SUBSCRIPTION**

Subscriber's VPS account:	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. oversubscription):	(For broker: consecutive no.):
→		Subscription Price per Offer Share: NOK 6.70	Subscription amount to be paid: NOK

**IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)**

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 6.70).	_____
	(Norwegian bank account no.)

I/we hereby irrevocably (i) confirm my/our request to subscribe for the number of Offer Shares specified above subject to the terms and conditions set out in this subscription form and in the Prospectus and authorise and instruct each of Carnegie AS and Pareto Securities AS or anyone appointed by it to subscribe on my/our behalf for such Offer Shares, (ii) authorise each of Carnegie AS and Pareto Securities AS or anyone appointed by it, to debit my/our bank account as set out in this subscription form for the amount payable for the Offer Shares allocated to me/us, and (iii) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein.

**Place and date**  
must be dated in the Subscription Period

**Binding signature**  
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

**INFORMATION ON THE SUBSCRIBER - ALL FIELDS MUST BE COMPLETED**

First name	
Surname	
Company and Legal Entity Identifier (LEI) Code	
Street address	

Post code/district/ country	
Personal ID number/ organisation number	
Nationality	
E-mail address	
Daytime telephone number	

#### ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

**Regulatory Matters:** In accordance with the Markets in Financial Instruments Directive ("MiFID") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Managers must categorise all new clients in one of three categories: eligible counterparties, professional clients and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorised as non-professional clients. Subscribers can, by written request to a Manager, ask to be categorised as a professional client if the subscriber fulfills the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of a decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

**Selling Restrictions:** The attention of persons who wish to subscribe for Offer Shares is drawn to Section 15 "Selling and transfer restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Offer Shares will only be offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act and cannot be sold to U.S. persons as defined in Regulation S. The Offer Shares have not been registered under the U.S. Securities Act and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. This subscription form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions.

**Execution Only:** The Managers will treat the subscription form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

**Information Exchange:** The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' group. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the relevant Manager will not have access to in its capacity as Manager for the Subsequent Offering.

**Information Barriers:** The Managers are securities firms that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the Managers' corporate finance department by information walls. Consequently the subscriber acknowledges that the relevant Managers' analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares.

**VPS Account and Mandatory Anti-Money Laundering Procedures:** The Subsequent Offering is subject to the Norwegian Money Laundering Act of 6 March 2009 No. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 No. 302. The Company has been subject to Anti-Money Laundering/Know Your Customer controls by the Managers. Subscribers who need to establish a VPS account must verify their identity to the Managers (or other VPS registrars, see below) in accordance with the requirements of the Anti-Money Laundering Legislation. Subscribers who are not registered as existing customers of the Managers must verify their identity to the relevant Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the subscription form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

**Terms and Conditions for Payment by Direct Debiting; Securities Trading:** Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

- The service "Payment by direct debiting - securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting - securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

**Overdue Payments:** Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.25% p.a. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Liability Companies Act, not be delivered to the subscriber. In order to enable timely registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, the Issuer reserves the right to make arrangements for advances of payment on behalf of subscribers who have not made payment of the Offer Shares by the Payment Date by a person other than the subscriber (a Payment Advancing Person) pursuant to Section 10-12 of the Norwegian Public Limited Liability Companies Act. To the extent such payment advance is made on behalf of a non-paying subscriber, the Offer Shares subscribed by the non-paying subscriber shall be provisionally registered in a separate account with the VPS, in anticipation of settlement by the non-paying subscriber. If the non-paying subscriber has not made payment within three days after the Payment Date, the Payment Advancing Person may from and including the fourth day after the Payment Date either assume ownership of the Offer Shares subscribed by the non-paying subscriber by notifying the Issuer, or sell such Offer Shares for the non-paying subscriber's account and risk without further notice to the subscriber in question in accordance with Section 10-12, fourth paragraph of the Norwegian Public Limited Liability Companies Act. The non-paying subscriber will be liable for any loss, cost and expenses suffered or incurred by the Issuer and/or a Payment Advancing Person as a result of or in connection with such disposals. The non-paying subscriber shall remain liable for payment

of the entire amount due; interest, costs, charges and expenses accrued (and will not be entitled to profits, if any), and the Company and/or the Payment Advancing Person may enforce payment for any such amount outstanding.

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## REGISTERED OFFICE AND ADVISORS

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### **Legal Advisor to the Company**

*(as to Norwegian law)*

#### **Advokatfirmaet BAHR AS**

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### **Auditor**

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