



# PGS Investor Presentation September 2022



## Cautionary Statement

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- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with other quarterly earnings releases, the 2021 annual report and the disclosures therein
- The full disclaimer is included at the end of this presentation

# PGS – The Integrated Marine Geophysical Company



Total # of employees:  
**~1200**



Global operation with headquarters in Oslo and regional centers in UK and US



Active 3D Vessels:  
**6**

Business areas:

- 

**Sales & Services**  
*MultiClient, Contract and Imaging*
- 

**Operations**  
*Fleet management, Project delivery, Seismic acquisition & support*
- 

**Technology & Digitalization**  
*R&D, Enterprise IT, Digitalization portfolio*
- 

**New Energy**  
*Emerging markets, Solutions design, Partnerships*

2021 revenues:  
**\$703.8m**

2021 EBITDA:  
**\$434.0m**

Market Cap:  
**\$~600m**

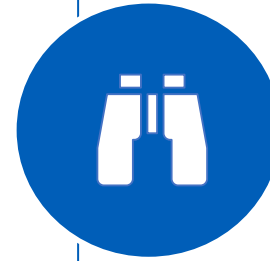
Revenues and EBITDA according to IFRS. Market capitalization as of September 2022.

# Improving Marine Seismic Market



## Supportive macro environment

- High oil and gas prices
- Increasing focus on energy security
- Investment pressure on energy companies



## Increasing E&P activity

- Renewed interest from several companies in frontier exploration data sets
- Higher E&P investments

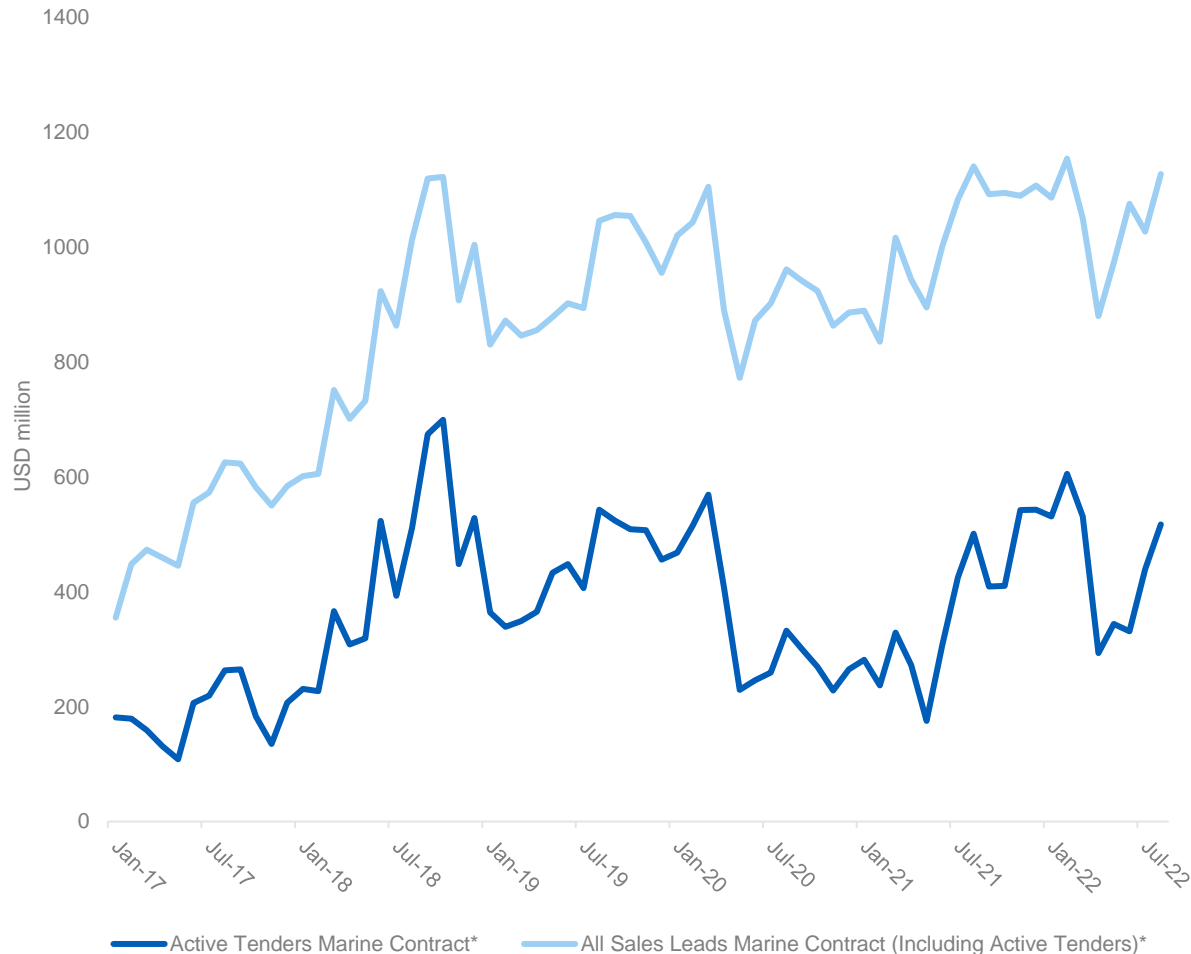


## Seismic

- Increasing industry MultiClient library sales
- More client interest in pre-funding new MultiClient surveys
- Contract activity and pricing continue on a positive trend
- Vessel schedule for winter season firming up

# Improving Marine Seismic Market with Seasonal Swings

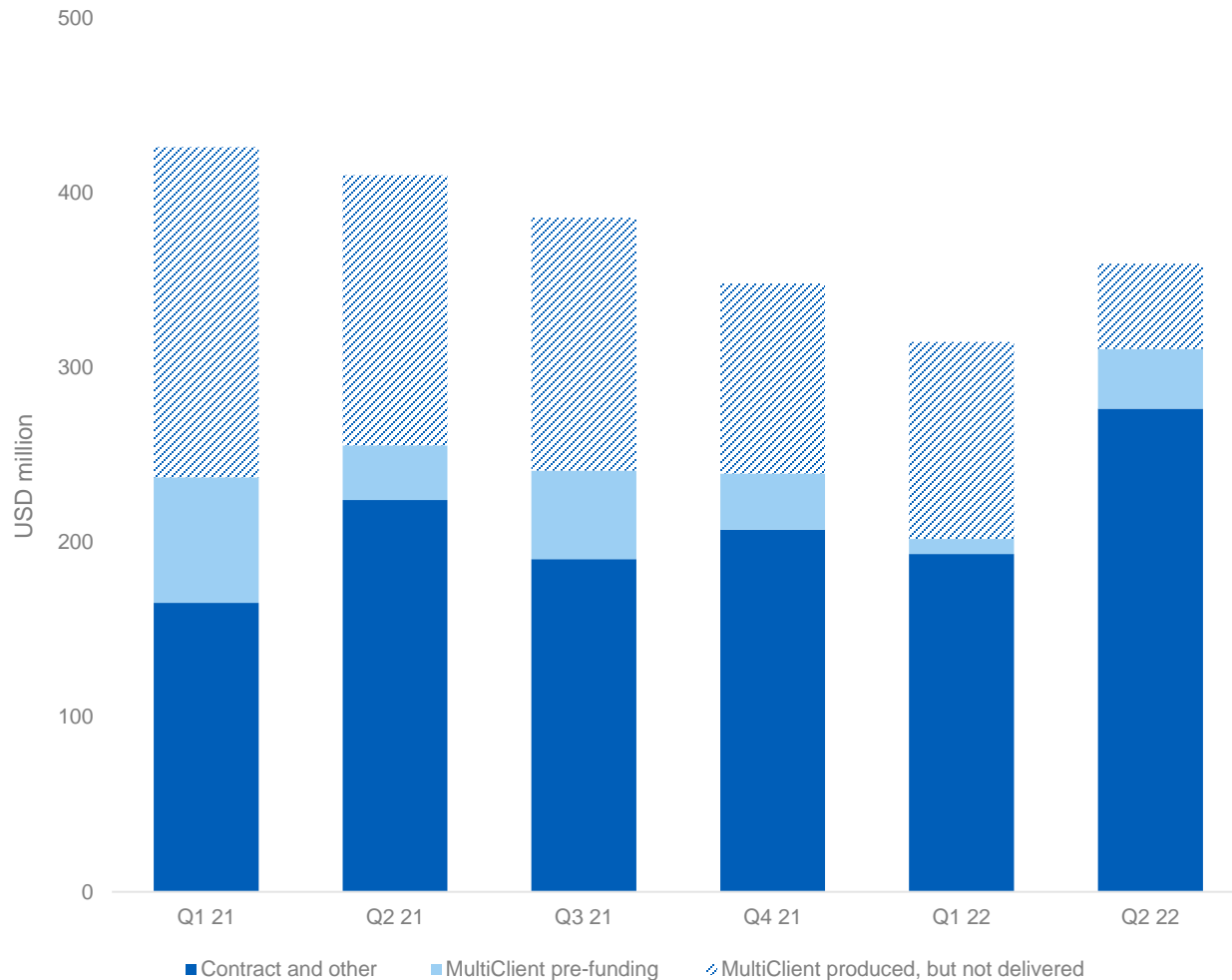
Sales leads and active tenders for contract work



- Improving sentiment positively impacts value of All Sales Leads and Active Tenders
- Continued large number of informal requests for pricing on programs for 2023
  - Often results in later contract tenders, hybrid MC/contract awards or MultiClient programs

\*Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of August 31, 2022.

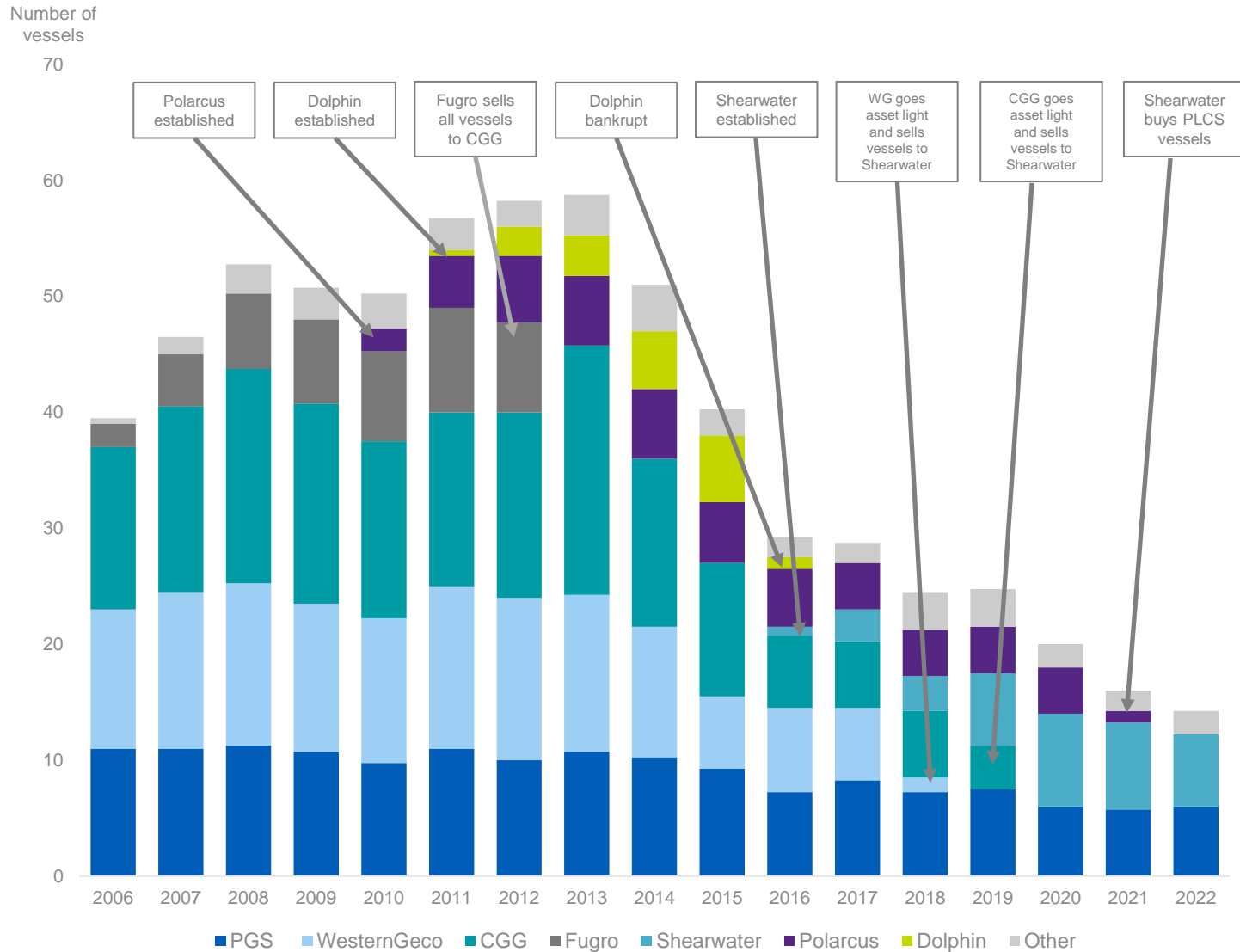
# Order Book Development



- Order book of \$359 million as of end Q2 2022
  - Approximately unchanged by end August
  
- 2022 almost fully booked\*
  - Q3 22: 18 vessel months
  - Q4 22: 17 vessel months
  - Q1 23: 7 vessel months
  
- Significant ongoing 4D contract award activity in Brazil

\*As of September 1, 2022. Booked positions include planned steaming and yard time.

# Historically Low Supply ~14 Vessels in Operation

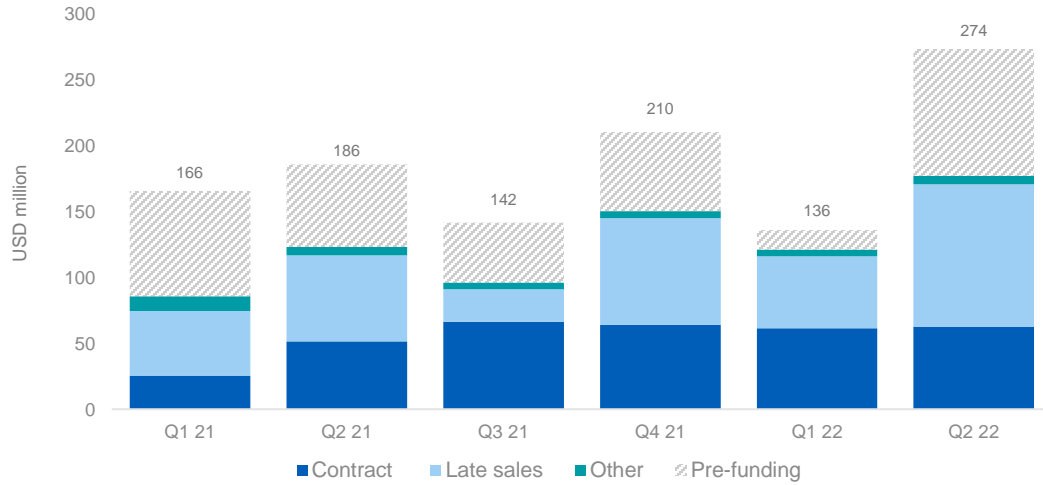


Source: PGS internal estimates

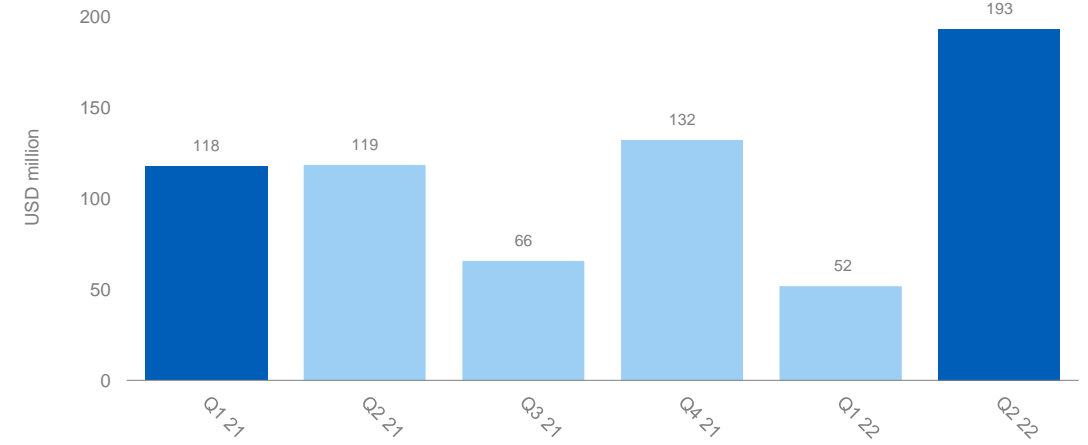
- Seismic supply is reduced from almost 60 3D vessels in 2013 to ~14 in today's market
  - A vast majority is controlled by PGS and Shearwater
  
- Supply remained stable during summer-season
  - Little warm-stacked capacity brought back opportunistically
  
- PGS operates 6 vessels

# PGS Financial Summary

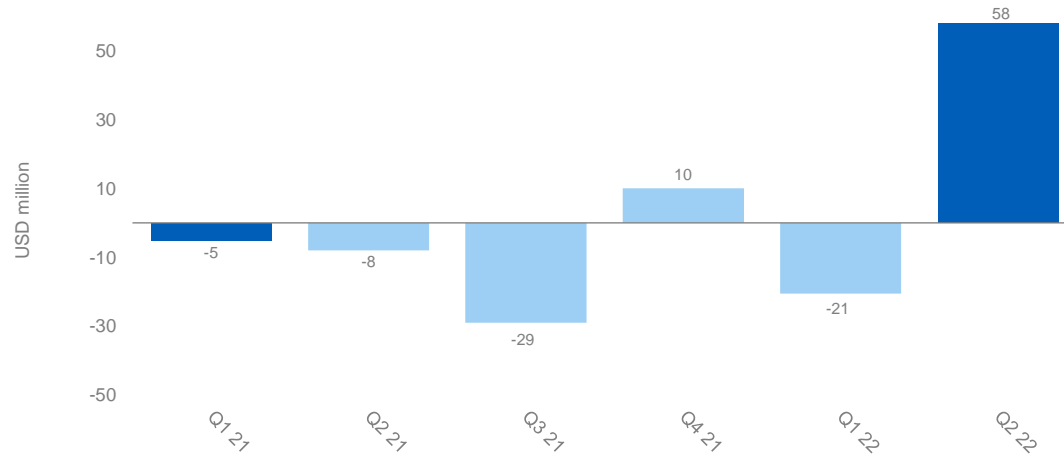
## Revenues and Other Income



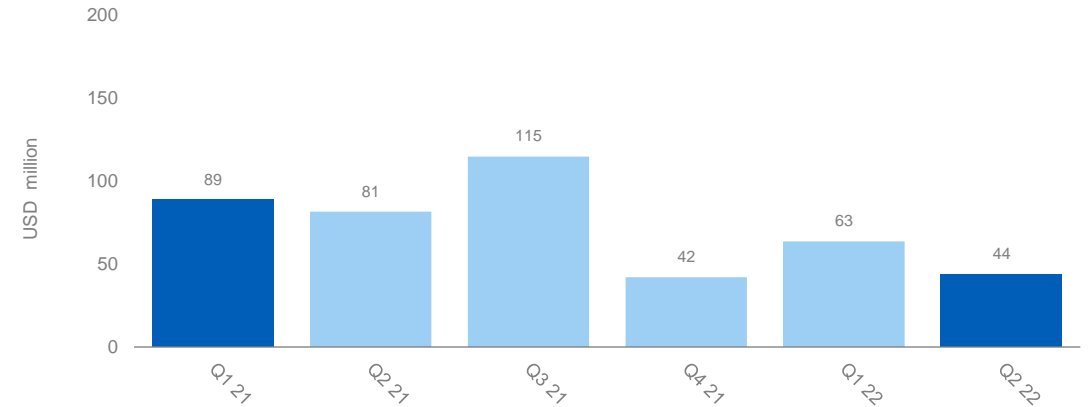
## EBITDA\*



## EBIT\*\*



## Cash Flow from Operations



\*EBITDA, when used by the Company, means EBIT excluding other charges, impairment and loss on sale of non-current assets and depreciation and amortization, as defined in Appendix of the Q2 2022 earnings release published on July 21, 2022

\*\*Excluding impairments and Other charges.



## Improving Financial Position



- Successful equity increase
  - Private placement of ~\$85 million in May at market price with minimal discount
  - Subsequent offering of ~\$14 million completed in July
  
- Secured commitments for \$50 million of new senior secured debt
  - Will draw in conjunction with the \$135 million TLB amortization in September
  
- Proceeds used for:
  - Debt amortization in Q3 2022
  - Increase liquidity buffer
  - Strengthening balance sheet
  
- Converted the remaining convertible bond (NOK 75.7 million) to shares in August
  
- Well positioned to refinance ahead of Q3 2023

## New Energy Gains Momentum: Establishing a Solid Position in the Carbon Storage Geoservices Market



Ramform Hyperion while acquiring the Endurance CCS survey during Q2 2022.

- Successfully completed four Carbon Capture and Storage (CCS) acquisition projects in 2022:
  - Northern Lights CCS 4D baseline
  - Endurance CCS
  - Snøhvit 4D, of which parts relate to CCS
  - Smeaheia CCS
  
- Entered into an agreement with deepC Store (dCS) to co-develop CCS projects in Asia Pacific
  - Provide advisory services in exchange for shares in dCS
  
- Expect to generate revenues of ~\$30 million relating to New Energy business in 2022

## Successfully Moving Imaging to the Cloud and Reducing Costs



- ~80% of PGS imaging work is in done the Cloud at a significant lower cost compared to on-premise compute
  - Lifting the most compute intensive workflows to the Cloud first
- August monthly imaging production in the Cloud was ~4X last year's monthly peak
- Imaging in the Cloud provides unprecedented flexibility and scalability, while always having access to state-of-the-art compute hardware

## Research & Development Accelerates Digital Transformation



- PGS Digital Factory delivers solutions to execute on many of the Company's strategic goals
- Vessel operations improved with tangible results driven by contextualizing and analyzing data
  - Optimizing acquisition speed
  - Proactive prevention of incidents
  - Emission monitoring and reporting
  - Asset monitoring and life cycle management
  - Solutions are implemented fleet wide
- In process of finalizing and rolling out software for improved MultiClient entitlement management and tools for responding quicker and more accurately to contract bids

## Digital Transformation Enables New Commercial Products

What makes Versal so valuable?

Let's take a closer look inside.

[www.versalearth.com](http://www.versalearth.com)

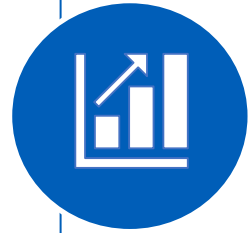


- PGS, TGS and CGG created Versal in 2020 and launched it in 2021
  - A unified, independent, secure, Cloud-based seismic data ecosystem giving access to MultiClient libraries via a single log-in
  - Schlumberger joined Versal in August
  - Versal includes a vast majority of the world's MultiClient data
  
- In December 2021 PGS announced a multi-year Data Management as a Service (“DMaaS”) agreement with a major customer
  
- In August 2022 Shell signed a multi-year agreement for access to a significant part of PGS’ MultiClient library
  - Cloud based access improves client’s exploration workflows and accelerates strategic decisions



# Summary

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Seismic market is improving



Well positioned to refinance ahead of Q3 2023



New Energy business continues to gain momentum



Ongoing digital transformation reduces costs and creates new business opportunities



# Questions?

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