

EMGS
Fourth
QUARTER
2022.

Highlights in the Fourth Quarter.

Operational highlights

- Successfully completed proprietary survey for Woodside in Trinidad and Tobago
- Atlantic Guardian placed in warm-stack in Norway at the end of the fourth quarter

Financial highlights

- Revenues of USD 15.2 million
- EBITDA of USD 10.3 million
- Adjusted EBITDA of USD 8.2 million
- Total available cash of USD 11.4 million
- Completed bond buy-back with an aggregate nominal value of USD 5.0 million
- 7th consecutive profitable quarter

Subsequent events

- Secured USD 1.7 million late sale revenue in January 2023

Key financial figures

	Q4 2022	Q4 2021	YTD 2022	2021	Q3 2022
Amounts in USD million (except per share data)	Unaudited	Unaudited	Unaudited	Audited	Unaudited
Contract sales	11.6	0.0	13.6	7.6	1.6
Multi-client sales	2.6	3.8	16.7	15.9	3.8
Other revenue	1.0	1.3	4.8	5.3	1.2
Total revenues	15.2	5.1	35.0	28.9	6.6
Operating profit/ (loss)	7.0	0.8	13.1	9.2	1.4
Income/ (loss) before income taxes	6.9	0.9	11.1	5.3	0.8
Net income/ (loss)	6.9	1.2	11.2	4.9	0.8
Earnings/ (loss) per share	0.05	0.01	0.09	0.04	0.01
Average number of shares outstanding (in thousands)	130,970	130,970	130,970	130,970	130,970
EBITDA	10.3	2.7	23.8	19.4	3.8
Multi-client investments	0.0	0.8	1.2	1.4	0.4
Vessel and office lease	2.1	1.5	6.5	6.9	2.0
Adjusted EBITDA	8.2	0.4	16.1	11.0	1.4

EBITDA = Operating profit/(loss) + Other depreciation and amortisation + Depreciation right-of-use assets + Multi-client amortisation + Impairment of long-term assets

Financial Review.

Revenues and operating expenses

For the fourth quarter of 2022, EMGS recorded revenues of USD 15.2 million, up from USD 5.1 million reported for the corresponding quarter of 2021. Contract and other sales totalled USD 12.6 million, while multi-client sales amounted to USD 2.6 million. For the fourth quarter of 2021, contract and other sales totalled USD 1.3 million, while multi-client sales amounted to USD 3.8 million.

For the full year 2022, revenues amounted to USD 35.0 million, compared with USD 28.9 million for the full year 2021.

For the fourth quarter of 2022, charter hire, fuel and crew expense, excluding vessel lease expenses and multi-client expenses, amounted to USD 2.4 million, compared with USD 0.9 million in the fourth quarter of 2021. The increase in charter hire, fuel and crew expenses in the fourth quarter of 2022 as compared to the fourth quarter of 2021 is due to increased transit and higher fuel prices in the fourth quarter of 2022. The Company did not capitalise any charter hire, fuel and crew expenses as multi-client expenses in the fourth quarter of 2022, while USD 0.8 million of charter hire, fuel and crew expenses were capitalised in the fourth quarter of 2021. When adding back the vessel lease expenses and the capitalised multi-client expenses, the charter hire, fuel and crew expenses have increased from USD 3.0 million in the fourth quarter of 2021 to USD 4.4 million in the fourth quarter of 2022. This increase is a result of increased activity in the fourth quarter of 2022 as compared to the fourth quarter of 2021.

For the full year 2022, charter hire, fuel and crew expenses totalled USD 4.2 million, up from USD 3.5 million in 2021.

For the fourth quarter of 2022, employee expenses amounted to USD 1.7 million, compared to USD 0.8 million in the fourth quarter of 2021. An accrual for employee bonus was made in the fourth quarter of 2022 in the amount of USD 0.7 million.

For the full year 2022, employee expenses were USD 3.9 million, up from USD 3.0 million in the same period of 2021.

For the fourth quarter of 2022, other operating expenses totalled USD 0.9 million, compared to USD 0.8 million in the fourth quarter of 2021.

For the full year 2022, other operating expenses amounted to USD 3.0 million, compared to USD 3.0 million in 2021.

Depreciation, amortisation and impairment

For the fourth quarter of 2022, other depreciation and amortisation totalled USD 1.0 million, compared to USD 1.0 million in the fourth quarter of 2021.

For the fourth quarter of 2022, no impairments of long-term assets were made, neither were they made in the same period last year.

For the full year 2022, other depreciation and amortisation totalled USD 4.2 million, compared to USD 4.2 million in 2021.

For the fourth quarter of 2022, multi-client amortisation amounted to USD 0.9 million, compared to USD 0.2 million in the fourth quarter of 2021. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful lifetime of 4 years.

For the full year 2022, multi-client amortisation totalled USD 2.5 million, compared to USD 2.5 million in 2021.

Net financial items

For the fourth quarter of 2022, net financial items ended at negative USD 85 thousand, compared with positive USD 138 thousand in the corresponding quarter last year. In the fourth quarter of 2022, a bond repurchase with an aggregate nominal value of USD 5.0 million was completed at 86.5 percent of par, resulting in a gain of USD 0.7 million. In the fourth

quarter of 2022, the Group recorded an interest expense of USD 0.8 million compared with an interest expense of USD 0.7 million in the fourth quarter of 2021. In the fourth quarter of 2022, the Company recorded a net currency loss of USD 48 thousand, compared with a currency loss of USD 46 thousand in the fourth quarter of 2021.

For the full year 2022, net financial items were negative USD 2.0 million, compared with a negative USD 3.9 million in 2021.

Income/(loss) before income taxes

For the fourth quarter of 2022, profit before income taxes amounted to USD 6.9 million, compared with profit before income taxes of USD 0.9 million in the corresponding quarter in 2021.

For the full year 2022, profit before income taxes amounted to USD 11.1 million, compared with a profit before income taxes of USD 5.3 million in 2021.

Income tax expenses

For the fourth quarter of 2022, income tax expense of negative USD 13 thousand was recorded, compared with negative USD 0.3 million income tax expense in the fourth quarter of 2021.

For the full year 2022, income tax expense was negative USD 46 thousand, compared with USD 0.4 million in 2021.

Net income for the period

For the fourth quarter of 2022, profit amounted to USD 6.9 million, up from a profit of USD 1.2 million in the same period last year.

For the full year 2022, profit was USD 11.2 million, up from a profit of USD 4.9 million in 2021.

Cash flow and balance sheet

In the fourth quarter of 2022, net cash flow from operating activities was positive USD 7.0 million, compared with positive net cash flow of USD 1.3 million in the fourth quarter of 2021.

For the full year 2022, net cash flow from operating activities was positive USD 16.2 million, compared with positive USD 23.6 million in the same period last year. Net cash flow from operating activities was positively affected by changes in trade receivables for the full year 2021 by USD 5.0 million, while changes in trade receivables negatively affected net cash flow from operating activities by USD 6.6 million for the full year 2022.

EMGS applied USD 0.1 million in investing activities in the fourth quarter this year, compared with USD 1.4 million in investing activities in the fourth quarter of last year.

Cash flow from investing activities for the full year 2022 amounted to a negative USD 2.0 million, compared with a negative USD 2.7 million in 2021. The Company invested USD 0.3 million in equipment, USD 33 thousand in intangible assets and USD 1.6 million in the multi-client library in the full year 2022.

The carrying value of the multi-client library was USD 1.5 million as of 31 December 2022, compared to USD 2.4 million as of 31 December 2021.

Given the uncertainty in timing of recovery related to taxes in various jurisdictions, EMGS has reclassified USD 2.7 million of other receivables from current to non-current assets. Included in the reclassified non-current assets is a USD 1.3 million refund expected from operations related to a 2019 acquisition in Malaysia. The remaining USD 1.4 million are related to activities in Mexico, Brazil and India.

Cash flow from financial activities was negative USD 6.9 million in the fourth quarter of 2022, compared with a negative cash flow of USD 4.8 million in the same quarter last year. The Company used USD 4.3 million in the fourth quarter of 2022 towards a bond buy-back which was completed in December 2022. The buy-back was completed at 86.5 per cent of par resulting in an aggregate principal reduction of USD 5.0 million. In the fourth quarter of 2021, the Company used USD 3.0 million in a bond buy-back

Cash flow from financial activities for the full year 2022 amounted to negative USD 12.6 million, compared with a negative USD 15.2 million in 2021.

The Company had a net increase in cash of USD 53 thousand during the fourth quarter of 2022. As of 31 December 2022, free cash and cash equivalents totalled USD 11.4 million and restricted cash totalled USD 0.2 million.

Financing

Total borrowings were USD 19.5 million as of 31 December 2022, down from USD 24.3 million as of 31 December 2021. This includes the Company's convertible bond loan, which had a carrying value of USD 19.5 million recorded as non-current borrowings and USD 1.9 million recorded as equity in accordance with IFRS.

The convertible bond loan contains a financial covenant requiring free cash and cash equivalents of at least USD 2.5 million. In addition, the convertible bond agreement has restrictions regarding the Company's ability to sell or otherwise dispose of the multi-client library, declare or make dividend payments, incur additional indebtedness, change its business or enter into speculative financial derivative agreements. As of 31 December 2022, the free cash and cash equivalents totalled USD 11.4 million and restricted cash totalled USD 0.2 million.

Operational Review.

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Proprietary work	46%	12%	0%	0%	0%
Multi-client projects	0%	10%	18%	0%	44%
Total utilisation	46%	22%	18%	0%	44%

Vessel utilisation and allocation

The vessel utilisation for the fourth quarter of 2022 was 46% compared with 44% in the corresponding quarter of 2021. For the full year 2022, the vessel utilisation was 22% compared with 32% in 2021.

In the fourth quarter of 2022, the Company's vessel was allocated 46% on proprietary work and no time was spent on multi-client projects. In the comparable quarter of 2021, 44% was allocated to multi-client projects and no time was spent on multi-client projects.

EMGS recorded 3.0 vessel months in the fourth quarter of 2022, as the Company did in the fourth quarter of 2021.

Vessel activity in the fourth quarter

	Utilisation	Status	Firm	Remaining
	Q4 2022	Q4 2022	charter period	Option periods
Atlantic Guardian	46%	In operation	20 October 2023	3 x 12 months

Atlantic Guardian

The Atlantic Guardian successfully completed the proprietary survey for Woodside in Trinidad and Tobago. Upon completion, the Atlantic Guardian returned to Norway to be placed in warm-stack until such time as additional backlog is secured.

Backlog

As of 31 December 2022, EMGS' backlog was USD 1.6 million, compared with a backlog of USD 0.1 million as of the end of the fourth quarter 2021.

Events during 2022

Convertible bond extended

In February 2022, the maturity date of the convertible bond (EMGS03) was extended by 24 months from May 2023 to May 2025. The interest margin of the convertible bond was increased by 100 bps from 5.5 to 6.5 per cent over the applicable reference rate.

Multi-client sales and change of control event

In March 2022, EMGS announced USD 2.8 million in revenue from late sales and a change of control event related to its existing multi-client library in Norway.

Multi-client uplift

In March 2022, EMGS announced net uplifts in the amount of approximately USD 1.0 million related to its existing multi-client library in Norway. In April 2022, additional uplifts of USD 1.0 million were announced.

Pre-funding secured

In April 2022, EMGS announced that the Company had secured a total of USD 2.8 million in pre-funding related to a multi-client survey in Norway.

Multi-client revenues in Norway

In June 2022, the Company announced USD 1.4 million in late sales and USD 1.2 million from a change of control event related to the existing multi-client library in Norway.

Secured multi-client late sales

In July 2022, EMGS was awarded a proprietary survey for CSEM acquisition in Trinidad and Tobago with a maximum value of approximately USD 11 million. The survey commenced in October 2022.

Secured multi-client uplifts

In July 2022, EMGS announced that the Company had secured USD 3.8 million in revenue from uplifts related to its existing multi-client library in Norway.

Secured multi-client pre-funding offshore East Canada

In July 2022, EMGS secured USD 2.0 million in pre-funding for a multi-client survey offshore East Canada. The survey was completed in September 2022.

Awarded Marine Mineral survey offshore Norway

In August 2022, EMGS was selected as the acquisition provider for the NTNU ATLAB consortium. The contract value was approximately USD 1 million, and acquisition was successfully completed in August 2022.

Completed bond buy-back

In December 2022, EMGS completed a USD 5.0 million bond buy-back at 86.5 per cent of par. This marks the third bond buy-back with a combined value of USD 13.0 million under the first, second and third voluntary bond buy-backs.

Subsequent events

In January 2023, EMGS secured USD 1.7 million in revenue from late sales related to its existing multi-client library in the Barents Sea.

Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. During the fourth quarter 2022, the EMGS share was traded between NOK 1.60 and NOK 1.90 per share. The last closing price on 31 December 2022 was NOK 1.60.

As of 31 December 2022, the Company had a total of 130,969,690 shares outstanding.

Risks and uncertainty factors

The most important risk factor for EMGS is the demand for EM services. Historically, demand for EM services has been correlated with the oil price, which can be volatile, unpredictable and is subject to upward and downward pressure from economic, environmental, political, and other factors. The Company expects that this correlation will remain going forward. As EM surveys are considered a niche product to many E&P companies, demand can quickly change in response to changes in the oil price.

The Company's convertible bond loan due in 2025 contains a financial covenant requiring free cash and cash equivalents of at least USD 2.5 million. As of 31 December 2022, the free cash and cash equivalents totalled USD 11.4 million.

Historically, lack of long-term visibility has led to unpredictable and sometimes volatile revenue generation. EMGS has partially addressed the risk of unpredictable revenue generation with a more flexible business model and continuously strives to increase backlog.

Reference is made to the 2021 Annual Report for a further description of other relevant and important risk factors.

Outlook

The Atlantic Guardian is currently in warm stack in Norway and EMGS is working towards securing backlog for the first half of 2023, with an aim to start up operations offshore Norway during the second quarter of 2023. While securing backlog is a priority for EMGS, the negotiated flexibility in the vessel charter for the Atlantic Guardian enables EMGS to significantly reduce cash burn during periods of low utilisation.

Multi-client late sales have been and will continue to be an important part of EMGS' revenue stream, generating cash in addition to acquisition contracts. Late sales typically have a short sales cycle and are not a predictable revenue stream.

The setup used in the ATLAB survey, as detailed in the Operational Review section of this report, will form the basis for EMGS's Multiphysics offering towards marine mineral exploration and potentially offshore wind site surveys.

The Company maintains its cutting-edge technological position in the EM market, and this has been confirmed by positive feedback from recent client projects, where the results of our surveys have exceeded our client's expectations. Given the recent re-focusing on the oil and gas industry back towards exploration, given geopolitical events and energy security realities made clear during 2022, we have a positive outlook for EMGS's participation in this recovery, though we are very mindful of the fact that our backlog situation as it currently stands does not reflect the more general market upturn in the oil and gas sector. With its more streamlined and efficient organisation, EMGS is well-positioned to be able to capitalise on any upturn in the market. Nevertheless, we will continue to balance the costs of operations carefully against the risk-adjusted economics of any potential projects.

Oslo, 07 February 2023

Board of Directors and CEO

Consolidated Income Statement.

Amounts in USD 1 000	Q4 2022 Unaudited	Q4 2021 Unaudited	2022 Unaudited	2021 Audited
Operating revenues				
Contract sales	11,644	41	13,561	7,634
Multi-client pre-funding	2,000	2,951	4,793	10,151
Multi-client late sales/uplift	568	825	11,874	5,785
Other revenue	995	1,294	4,751	5,304
Total revenues	15,206	5,112	34,979	28,874
Operating expenses				
Charter hire, fuel and crew expenses	2,367	894	4,241	3,502
Employee expenses	1,658	757	3,884	3,012
Depreciation right-of-use assets	1,423	714	4,049	3,524
Multi-client amortisation	862	224	2,513	2,457
Other depreciation and amortisation	1,012	981	4,159	4,207
Impairment of long-term assets	0	0	0	0
Other operating expenses	881	775	3,018	2,964
Total operating expenses	8,203	4,345	21,864	19,665
Operating profit/ (loss)	7,003	767	13,115	9,209
Financial income and expenses				
Interest income	220	5	388	28
Interest expense	-792	-675	-2,516	-2,925
Interest expense lease liabilities	-136	-147	-504	-762
Impairment financial assets	0	0	0	-1,920
Net gains/(losses) of financial assets and liabilities	671	1,000	671	2,000
Net foreign currency income/(loss)	-48	-46	-7	-290
Net financial items	-85	138	-1,969	-3,869
Income/ (loss) before income taxes	6,918	905	11,146	5,339
Income tax expense	-13	-316	-46	417
Income/ (loss) for the period	6,931	1,221	11,192	4,922

Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q4 2022 Unaudited	Q4 2021 Unaudited	2022 Unaudited	2021 Audited
Income/ (loss) for the period	6,931	1,221	11,192	4,922
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	-3	-2	-5	-25
Other comprehensive income/(loss)	-3	-2	-5	-25
Actuarial gains/(losses) on defined benefit plans	0	0	0	0
Other comprehensive income	-3	-2	-5	-25
Total other comprehensive income/(loss) for the period	6,928	1,219	11,187	4,897

Consolidated Statement of Financial Position.

Amounts in USD 1 000	31 December 2022 Unaudited	31 December 2021 Audited
ASSETS		
Non-current assets		
Multi-client library	1,504	2,412
Other intangible assets	106	422
Property, plant and equipment	9,252	12,747
Right-of-use assets	4,882	4,465
Other receivables	2,693	0
Financial lease receivables	0	72
Assets under construction	3	3
Total non-current assets	18,439	20,121
Current assets		
Spare parts, fuel, anchors and batteries	4,158	3,813
Trade receivables	7,898	1,267
Other receivables	506	3,759
Financial lease receivables	49	68
Cash and cash equivalents	11,434	9,855
Restricted cash	196	1,278
Total current assets	24,241	20,041
Total assets	42,681	40,162
EQUITY		
Capital and reserves attributable to equity holders		
Share capital, share premium and other paid-in equity	71,490	71,490
Other reserves	-1,575	-1,570
Retained earnings	-61,232	-72,433
Total equity	8,681	-2,514
LIABILITIES		
Non-current liabilities		
Provisions	0	4,812
Borrowings	19,484	24,295
Non-current leasing liabilities	118	522
Total non-current liabilities	19,601	29,629
Current liabilities		
Trade payables	2,928	1,981
Current tax liabilities	3,025	3,376
Other short term liabilities	3,104	1,451
Current leasing liabilities	5,341	6,239
Total current liabilities	14,398	13,048
Total liabilities	33,999	42,677
Total equity and liabilities	42,681	40,162

Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q4 2022 Unaudited	Q4 2021 Unaudited	2022 Unaudited	2021 Audited
Net cash flow from operating activities				
Income/(loss) before income taxes	6,918	905	11,146	5,339
Adjustments for:				
Withholding tax expenses	-108	292	-108	0
Total taxes paid	-234	-301	-234	-1,076
Depreciation right-of-use assets	1,423	1,208	4,437	4,751
Multi-client amortisation	862	224	2,513	2,457
Other depreciation and amortisation	1,012	981	4,159	4,207
Cost of share-based payment	1	2	4	6
Change in trade receivables	-4,894	-270	-6,632	4,979
Change in inventories	43	812	-345	913
Change in trade payables	928	472	947	520
Change in other working capital	1,158	-2,759	-1,388	55
Finance Income	-891	-1,005	-1,059	-2,028
Finance Cost	810	780	2,730	3,498
Net cash flow from operating activities	7,029	1,340	16,171	23,621
Investing activities:				
Purchase of property, plant and equipment	-98	-46	-317	-90
Investment in multi-client library	0	-1,319	-1,602	-2,659
Purchase of intangible assets	0	0	-33	0
Cash used in investing activities	-98	-1,366	-1,953	-2,749
Financial activities:				
Financial lease principal	-2,006	-1,161	-6,157	-6,206
Interest lease liabilities	-136	-147	-504	-762
Repayment of loan	-4,297	-3,000	-4,297	-6,000
Interest paid	-661	-501	-2,070	-2,257
Interest received	220	5	388	28
Cash used in/provided by financial activities	-6,878	-4,804	-12,639	-15,197
Net change in cash	53	-4,829	1,579	5,676
Cash balance beginning of period	11,381	14,685	9,855	4,179
Cash balance end of period	11,434	9,855	11,434	9,855
Net change in cash	53	-4,830	1,579	5,676

Consolidated Statement of Changes in Equity.

Amounts in USD 1 000	Share capital share premium and other paid-in- capital	Foreign currency translation reserves	Retained earnings	Total equity
Balance as of 31 December 2020 (Audited)	71,490	-1,544	-77,361	-7,417
Income/(loss) for the period	0	0	-3,602	-3,602
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	-3,602	-3,602
Cost of share-based payments	0	0	1	1
Balance as of 31 March 2021 (Unaudited)	71,490	-1,544	-80,962	-11,018
Income/(loss) for the period	0	0	2,640	2,640
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	2,640	2,640
Cost of share-based payments	0	0	2	2
Balance as of 30 June 2021 (Unaudited)	71,490	-1,544	-78,320	-8,376
Income/(loss) for the period	0	0	4,663	4,663
Other comprehensive income	0	-23	0	-23
Total comprehensive income	0	-23	4,663	4,640
Cost of share-based payments	0	0	2	2
Balance as of 30 September 2021 (Unaudited)	71,490	-1,567	-73,656	-3,735
Income/(loss) for the period	0	0	1,221	1,221
Other comprehensive income	0	-2	0	-2
Total comprehensive income	0	-2	1,221	1,219
Cost of share-based payments	0	0	2	2
Balance as of 31 December 2021 (Audited)	71,490	-1,570	-72,433	-2,514
Income/(loss) for the period	0	0	1,638	1,638
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	1,638	1,638
Cost of share-based payments	0	0	1	1
Balance as of 31 March 2022 (Unaudited)	71,490	-1,569	-70,794	-875
Income/(loss) for the period	0	0	1,851	1,851
Other comprehensive income	0	-2	0	-2
Total comprehensive income	0	-2	1,851	1,849
Cost of share-based payments	0	0	2	2
Balance as of 30 June 2022 (Unaudited)	71,490	-1,571	-68,941	976
Income/(loss) for the period	0	0	772	772
Other comprehensive income	0	-1	0	-1
Total comprehensive income	0	-1	772	771
Cost of share-based payments	0	0	2	2
Balance as of 30 September 2022 (Unaudited)	71,490	-1,572	-68,167	1,749
Income/(loss) for the period	0	0	6,931	6,931
Other comprehensive income	0	-3	0	-3
Total comprehensive income	0	-3	6,931	6,928
Cost of share-based payments	0	0	4	4
Balance as of 31 December 2022 (Unaudited)	71,490	-1,575	-61,232	8,681

Notes.

Accounting principles

These interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2021, which are available on www.emgs.com.

Segment reporting

EMGS reports its sales revenue as one reportable segment. The sales revenues and related costs are incurred worldwide. The amounts below show sales revenues reported by geographic region.

Amounts in USD million	Q4 2022 Unaudited	Q4 2021 Unaudited	YTD 2022 Unaudited	2021 Audited
Americas	13.8	0.3	14.0	10.2
Asia/Pacific	0.0	0.0	0.0	7.4
EAME	1.4	4.8	21.0	11.4
Total	15.2	5.1	35.0	28.9

Multi-client library

The multi-client library consists of electromagnetic data acquired through multi-client surveys i.e., EMGS owns the data. The EM data can be licensed to customers on a non-exclusive basis. Directly attributable costs associated with multi-client projects such as acquisition costs, processing costs, and other direct project costs are capitalised.

Amounts in USD million	Q4 2022 Unaudited	Q4 2021 Unaudited	YTD 2022 Unaudited	2021 Audited
Opening carrying value	2.4	1.3	2.4	2.2
Additions	0.0	1.3	1.6	2.7
Amortisation charge	-0.9	-0.2	-2.5	-2.5
Impairment	0.0	0.0	0.0	0.0
Closing carrying value	1.5	2.4	1.5	2.4

Disclaimer for forward-looking statements

This quarterly report includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ materially. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets and potential clients for EMGS ASA and its subsidiaries.

These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or could be major markets for EMGS' businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other

factors as may be relevant from time to time.

Although EMGS ASA believes that its expectations and the information in this report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this report. Neither EMGS ASA nor any other company within the EMGS Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the report, and neither EMGS ASA, any other company within the EMGS Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the report.

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Definitions – Alternative Performance Measures.

EMGS' financial information is prepared in accordance with IFRS. In addition, EMGS provides alternative performance measures to enhance the understanding of EMGS' performance. The alternative performance measures presented by EMGS may be determined or calculated differently by other companies.

EBITDA

EBITDA means Earnings before interest, taxes, amortisation, depreciation and impairments. EMGS uses EBITDA because it is useful when evaluating operating profitability as it excludes amortisation, depreciation and impairments related to investments that occurred in the past and are not cash-flow items. Also, the measure is useful when comparing the Company's performance to other companies.

Amounts in USD 1 000	Q4 2022 Unaudited	Q4 2021 Unaudited	YTD 2022 Unaudited	2021 Audited
Operating profit / (loss)	7,003	767	13,115	9,209
Depreciation and ord. amortisation	2,435	1,695	8,208	7,731
Multi-client amortisation	862	224	2,513	2,457
Impairment of long term assets	0	0	0	0
EBITDA	10,300	2,686	23,837	19,396

Adjusted EBITDA

Adjusted EBITDA means EBITDA (see above) less multi-client investment (capitalisation) and less the cost of vessel and office leases.

EMGS uses Adjusted EBITDA because the Company believes this provides users of the financial reporting with a clearer picture when evaluating the operating profitability regardless of whether the Company is working on a multi-client or a proprietary survey. The Adjusted EBITDA measure includes the gross cash costs of the Company. The Adjusted EBITDA adds back cash items as capitalised multi-client expenses and vessel and office lease expenses to the costs included in the adjusted EBITDA.

Backlog

Backlog is defined as the total nominal value of future revenue from signed customer contracts. EMGS believes that the backlog figure is a useful measure in that it provides an indication of the amount of committed activity in the coming periods.

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