

Q4 2020 RESULTS

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Q4 2020

Operational highlights

- Atlantic Guardian cold stacked for the entire quarter
- Contract for multi-client survey in the Gulf of Mexico

Financial highlights

- Revenues of USD 4.0 million
- EBITDA of USD 1.5 million
- Adjusted EBITDA of USD 0.6 million

Subsequent events

- APA awards with firm EM commitment
- USD 7.3 million pledge account released
- USD 3.9 million of USD 5.0 million significantly past due receivables received

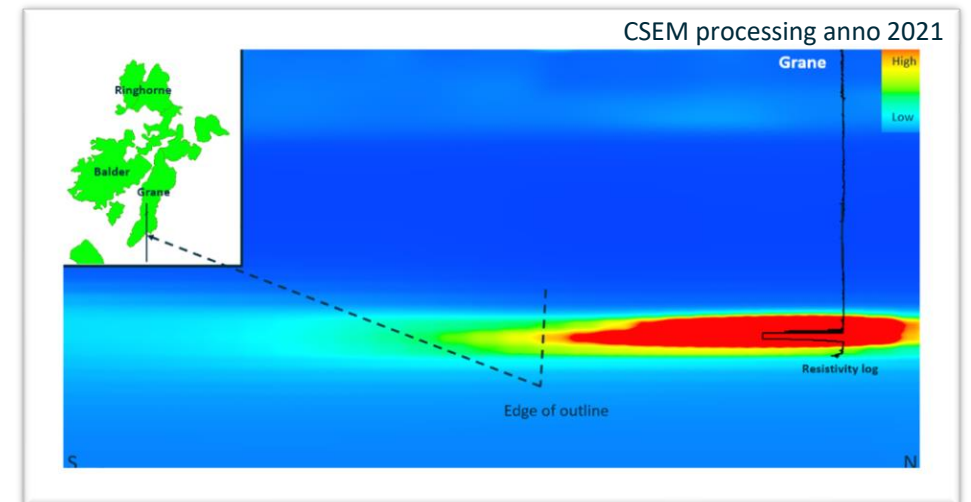
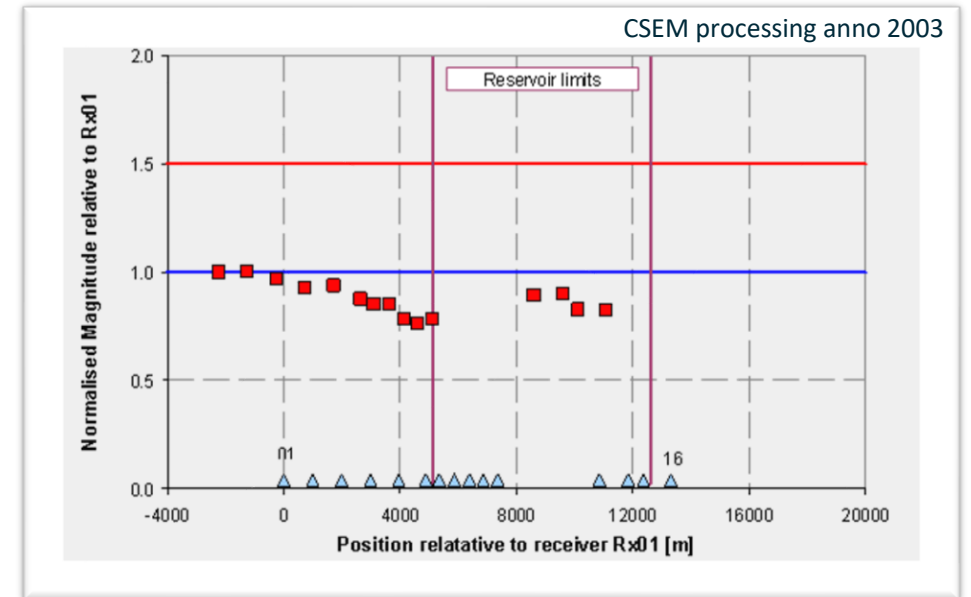




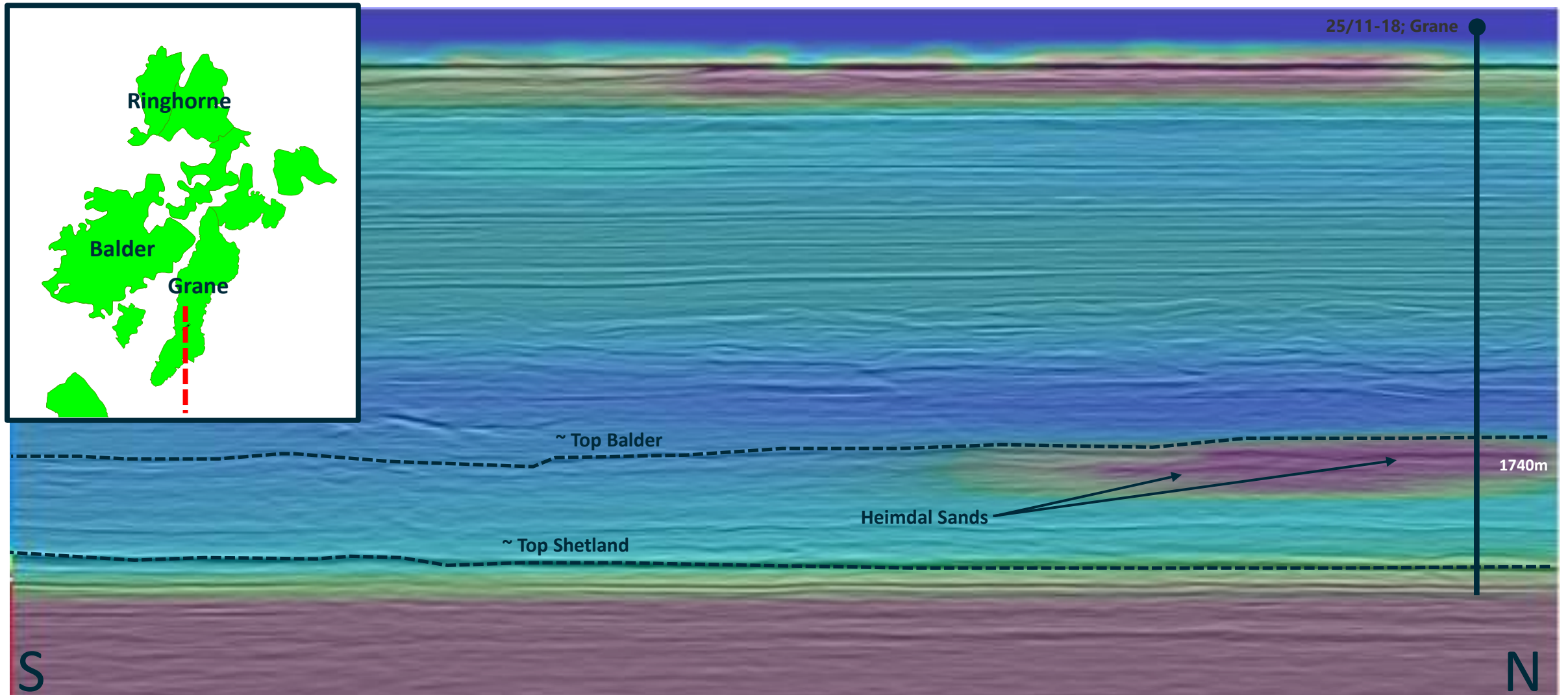
Operations, Market and Outlook

Reprocessing of Legacy Library CSEM data

- State of the art reprocessing and inversion with the 3D Gauss-Newton often reveals hidden information in legacy data
- EMGS is continuously “mining” the multi-client library for new project ideas
 - **Example 1:** Reprocessing of legacy 2006 data revealed that CSEM is sensitive to the Martin Linge reservoir and led to the Martin Linge and Liatårnet Multi-Client project
 - **Example 2:** Reprocessing of legacy 2003 data revealed that CSEM is sensitive to the Grane field and this led to the Utsira High Multi-Client project
- The erroneous conclusion in 2003 that CSEM was not sensitive to the Grane field led to industry perception that CSEM was only a deep-water technology



Grane Field – as seen by CSEM





Financial review

Fourth quarter 2020 performance EBITDA

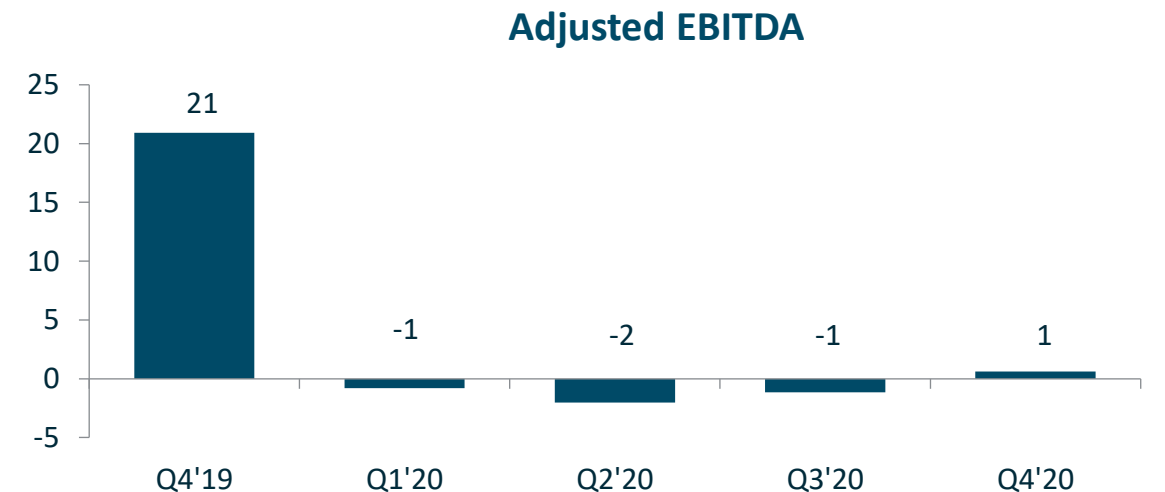
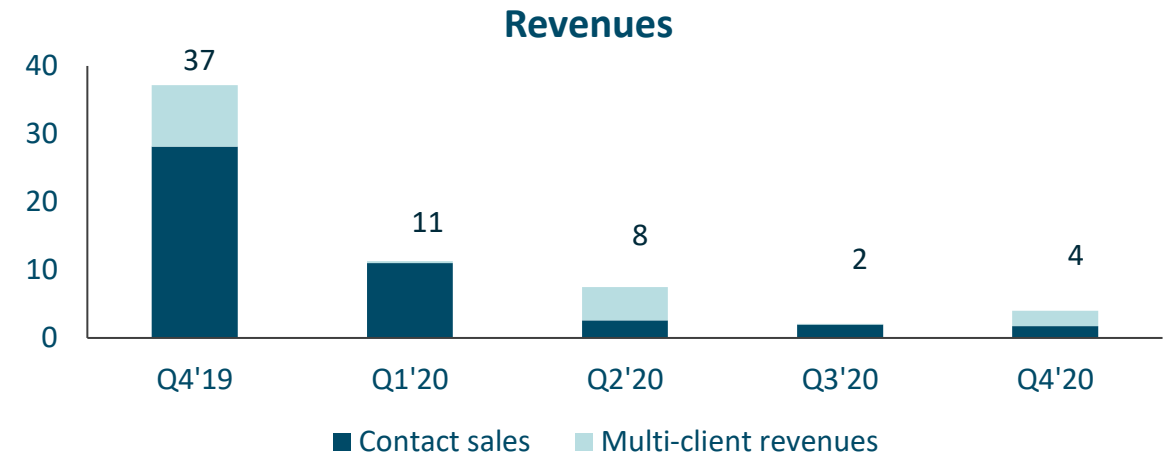
Key financial metrics

- Revenues
 - USD 4.0 million total revenue
 - USD 0.4 million contract sales
 - USD 2.3 million late sales
- Vessel utilisation of 0%
 - Atlantic Guardian stacked for the entire quarter
- EBITDA
 - USD 1.5 million
 - Adjusted EBITDA* of USD 0.6 million

*Adjusted EBITDA includes capitalised multi-client expenses and vessel and office lease expenses

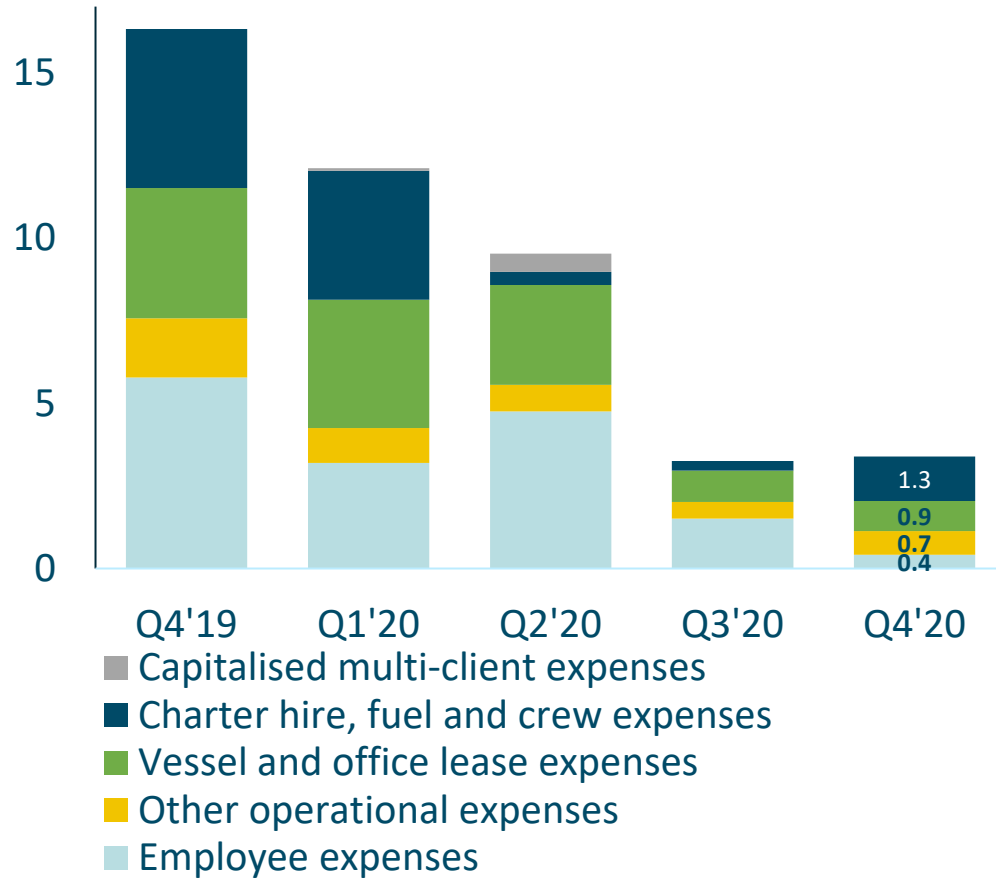
I Development in revenues and

Quarterly development (USD million)



Operational costs

Quarterly operational cost base* development (USD million)



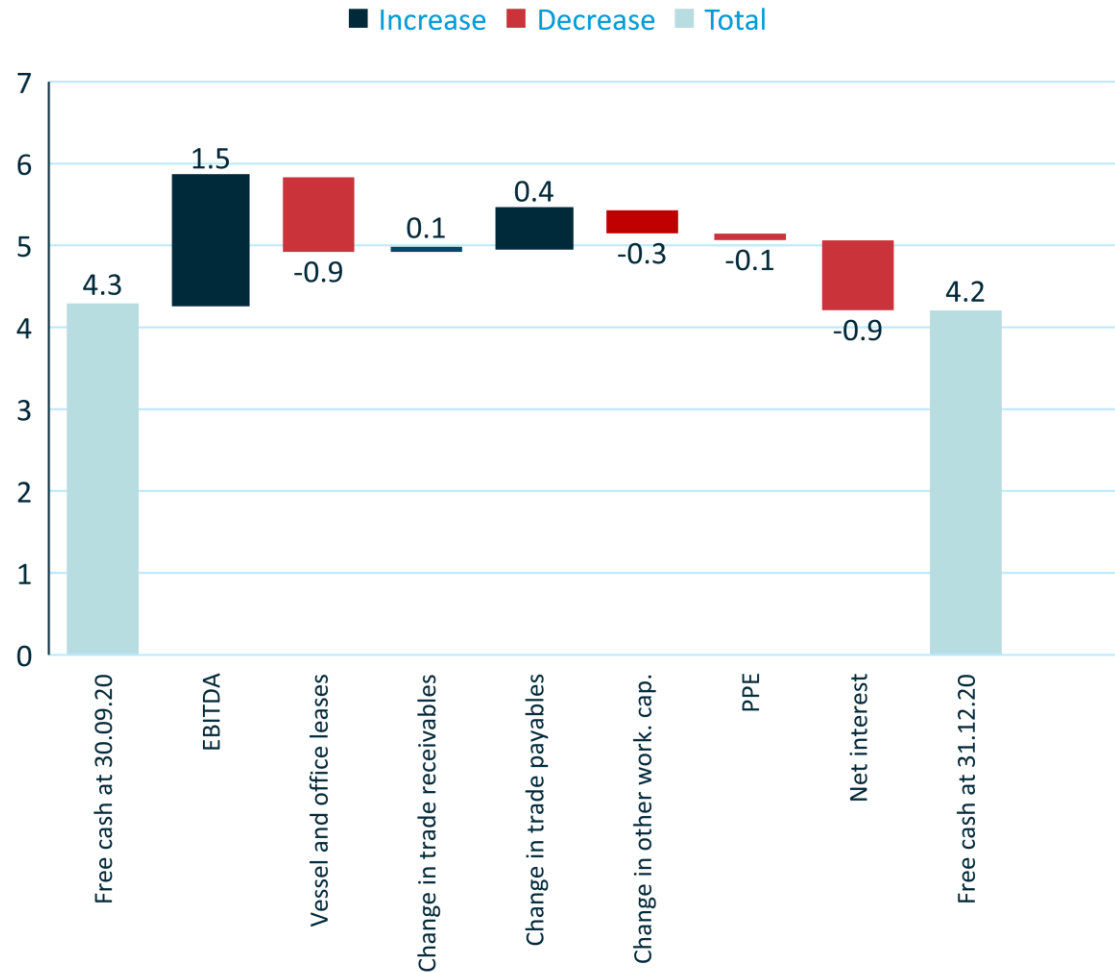
Comments

- Operational costs base in Q4 20 of USD 3.4 million
 - USD 145 thousand higher than Q3 20
 - Vessel and office lease expense remains low due to lower layup rate for the Atlantic Guardian while cold stacked
 - Increase in charter hire, fuel and crew expense in the fourth quarter is due to impairment of spare parts
 - Employee expenses lower than Q3 due in part to SkatteFUNN funds received

*Cost base is defined as operational costs (charter hire etc, employee expenses, other operating expenses) plus MC investments and vessel and office lease payments presented as financial leases from 1 January 2019, restructuring charges and other extraordinary items

Decrease in free cash in Q4 2020

Quarterly free cash development (USD million)



Comments

- Net decrease in free cash of USD 0.1 million to USD 4.2 million
 - Trade payables increased by USD 0.4 million to USD 1.5 million
 - Continued payment delays under the completed Pemex contract
 - Adjusted EBITDA of USD 0.6 million



Summary

Summary

- Significantly improved cash position
 - 2.3 MUSD in Q4 late sales
 - Payment of significantly past due invoices (Q4/Q1)
 - Release of cash from pledge account (Q1)
- Backlog for Atlantic Guardian for first half of 2021
 - Mexico multi-client project
 - Utsira High multi-client
- Positive Adjusted EBITDA in Q4
- Well positioned for market recovery

Please e-mail questions to: emgs@emgs.com

