

**EMGS  
SECOND  
QUARTER  
2024.**

# Highlights in the Second Quarter.

## Operational highlights

- Atlantic Guardian completed the fully-prefunded multi-client survey in Brazil
- Started transit towards Norway for the multi-client campaign in the North Sea and Barents Sea

## Financial highlights for the quarter

- Revenues of USD 13.8 million
- EBITDA of USD 7.8 million
- Adjusted EBITDA of USD 7.0 million

## Subsequent events

- EMGS secured several fully prefunded multi-client acquisitions scheduled for 2024 with a total value of USD 4.8 million.
- EMGS secured a fully pre-funded Ocean Bottom Node seismic survey scheduled for 2024 in the amount of USD 1.5 million. The survey will be undertaken in collaboration with Velocitas Geo Solutions.

## Key financial figures

	Q2 2024	Q2 2023	First half year	First half year	2023	Q1 2024
	Unaudited	Unaudited	2024	2023	Audited	Unaudited
Amounts in USD million (except per share data)						
Contract sales	0.5	0.1	0.7	0.3	0.8	0.2
Multi-client pre-funding	12.0	0.0	12.0	0.0	0.0	0.0
Multi-client late sales	1.3	0.1	1.3	4.9	7.2	0.0
Other revenue	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total revenues</b>	<b>13.8</b>	<b>0.2</b>	<b>14.0</b>	<b>5.2</b>	<b>8.0</b>	<b>0.2</b>
Operating profit/ (loss)	5.1	-2.7	-4.0	-1.9	-6.1	-3.3
Income/ (loss) before income taxes	5.0	-3.2	-5.0	-2.7	-8.2	-3.8
Income/ (loss) for the period	3.7	-3.2	-5.0	-2.7	-8.2	-3.8
Earnings/ (loss) per share	0.03	-0.02	-0.04	-0.02	-0.06	-0.03
Average number of shares outstanding (in thousands)	130,970	130,970	130,970	130,970	130,970	130,970
EBITDA	7.8	-1.1	5.8	1.9	1.0	-2.0
Multiclient investment	0.0	0.0	1.1	0.0	0.0	1.1
Vessel and office lease	0.7	0.6	1.4	1.3	2.8	0.7
<b>Adjusted EBITDA</b>	<b>7.0</b>	<b>-1.8</b>	<b>3.2</b>	<b>0.7</b>	<b>-1.8</b>	<b>-3.8</b>

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

# Financial Review.

## Revenues and operating expenses

EMGS recorded revenues of USD 13.8 million in the second quarter of 2024, compared to USD 0.2 million reported for the corresponding quarter of 2023. Contract and other sales totalled USD 481 thousand, while multi-client sales amounted to USD 13.3 million in the second quarter of 2024. For the second quarter of 2023, contract and other sales totalled USD 119 thousand, while multi-client sales amounted to USD 75 thousand.

Revenues for the first half of 2024 amounted to USD 14.0 million, compared to USD 5.2 million for the first half of 2023.

Charter hire, fuel and crew expenses, excluding vessel lease expenses and multi-client expenses, amounted to USD 4.6 million in the second quarter this year, compared to USD 0.3 million in the second quarter of 2023. The Company did not capitalise any multi-client expenses in the second quarter of 2024 or in the second quarter of 2023. When adding back the vessel lease expenses and the capitalised multi-client expenses, the charter hire, fuel and crew expenses have increased from USD 0.8 million in the second quarter of 2023 to USD 5.3 million in the same period this year.

For the first half of 2024, charter hire, fuel and crew expenses totalled USD 5.3 million, up from USD 0.6 million in the first half of 2023.

The difference between the last year's and this year's figures are largely the result of increased operations of the Atlantic Guardian during the first half of 2024.

Employee expenses amounted to USD 0.6 million in the second quarter of 2024, up from USD 0.5 million in the same quarter in 2023.

Employee expenses for the first half of 2024 were USD 1.5 million, compared to USD 1.3 million in 2023.

Other operating expenses totalled USD 0.7 million in the second quarter this year, compared to USD 0.6 million in the second quarter of 2023.

For the first half of 2024, other operating expenses amounted to USD 1.4 million, up from USD 1.3 million in the same period last year.

## Depreciation, amortisation and impairment

In the second quarter of 2024, other depreciation and amortisation totalled USD 0.9 million in the second quarter of 2024 up from USD 0.8 million in the second quarter of 2023.

No impairment of long-term assets was made in the second quarter of 2024 or the second quarter 2023.

Other depreciation and amortisation increased from USD 1.6 million in the first half of 2023 to USD 1.8 million in the first half of 2024.

Multi-client amortisation amounted to USD 1.3 million this quarter, compared to USD 0.1 million in the second quarter of 2023. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful lifetime of four years. The increase in multi-client amortization is the result of fully amortizing costs capitalized in the first quarter of 2024 as a result of the North Sea acquisition during Q1 2024, in the amount of USD 1.2, upon recognition of the acquisition revenue.

Multi-client amortisation totalled USD 1.5 million for the first half of 2024, up from USD 0.3 million in the same period of 2023.

Depreciation right-of-use assets amounted to USD 0.4 million this quarter, down from USD 0.7 million in the second quarter of 2023.

Depreciation right-of-use assets totalled USD 0.7 million for the first half of 2024, down from USD 2.0 million in the same period of 2023.

### Net financial items

Net financial items ended at negative USD 0.1 million in the second quarter of 2024, compared to negative USD 0.4 million in the corresponding quarter last year. In the second quarter of 2024, the Group recorded an interest expense of USD 0.7 million compared to an interest expense of USD 0.8 million in the second quarter of 2023. In the second quarter of 2024, the Company recorded a net currency loss of USD 253 thousand, compared to a currency gain of USD 87 thousand in the second quarter of 2023. The Company recognized a gain of USD 679 thousand in the second quarter of 2024 connected to a currency hedge related to the Brazilian multi-client acquisition project.

In the first half of 2024, net financial items were negative USD 0.6 million, compared to negative USD 0.9 million in the first half of 2023.

### Income/(loss) before income taxes

Income before income taxes amounted to USD 5.0 million in the second quarter 2024, compared to a loss of USD 3.2 million in the corresponding quarter in 2023.

Loss before income taxes for the first half of 2024 amounted to USD 183 thousand, compared to a loss before income taxes of USD 2.7 million in the same period last year.

### Income tax expenses

Income tax expenses of USD 1.3 million was recorded in the second quarter of 2024, while no income tax expense was recorded in the same period last year.

### Net income for the period

Net income for the second quarter of 2024 amounted to USD 3.7 million, up from a net loss of USD 3.2 million in the same period last year.

The net loss for the first half of 2024 was USD 183 thousand, up from a net loss of USD 2.7 million in the same period last year.

### Cash flow and balance sheet

In the second quarter 2024, net cash flow from operating activities was negative USD 1.5 million, compared to the net cash flow of USD 0.8 million in the second quarter of 2023. The cash flow from operating activities this quarter was negatively affected by changes in trade receivables of USD 11.8 million, a significant portion of which is a result of timing differences between billing and receipt of payment for work carried out by the Atlantic Guardian during the period.

In the first half of 2024, net cash flow from operating activities was negative USD 0.4 million, compared to net cash flow of USD 5.0 million in the same period last year.

EMGS applied USD 48 thousand in investing activities in the second quarter this year, compared to USD 0.4 million in the second quarter of last year.

Cash flow from investing activities in the first half of this year amounted to a negative USD 1.3 million, compared to a negative USD 0.5 million in the same period last year. This increase in investing activity is largely the result of investments in the multi-client library conducted during Q1 2024.

The carrying value of the multi-client library was USD 0.7 million as of 30 June 2024, down from USD 1.0 million as of 31 December 2023 and USD 1.3 million as of 30 June 2023.

Cash flow from financial activities was negative USD 1.3 million in the second quarter of 2024, compared to a negative cash flow of USD 1.2 million in the same quarter last year.

Cash flow from financial activities for the first half of 2024 amounted to negative USD 2.6 million, compared to a negative USD 2.5 million in the same period of 2023.

The Company had a net reduction in cash, excluding restricted cash, of USD 2.8 million during the second quarter of 2024. As of 30 June 2024, cash and cash equivalents totalled USD 5.9 million.

## Financing

Total borrowings were USD 19.5 million as of 30 June 2024, compared with USD 19.6 million as of 31 December 2023 and USD 19.5 million as of 30 June 2023. 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 Company's convertible bond has a maturity date of 9 May 2025 and as such has been moved from non-current to current liability on the Consolidated Statement of Financial Position.

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 30 June 2024, the free cash and cash equivalents totalled USD 5.9 million.

# Operational Review.

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Proprietary work	0%	0%	0%	0%	0%
Multi-client projects	51%	27%	0%	0%	0%
<b>Total utilisation</b>	<b>51%</b>	<b>27%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

## Vessel utilisation and fleet allocation

The vessel utilisation for the second quarter of 2024 was 51% compared to 0% in the corresponding quarter of 2023. For the first half of this year, the vessel utilisation was 39%, up from 0% for the same period last year.

The vessel was warm-stacked for the entire second quarter in 2023. In the second quarter of 2024, the Company's vessel was allocated 51% to multi-client projects and no time was spent on proprietary work.

EMGS recorded 3.0 vessel months in the quarter. In the second quarter 2023, the Company recorded 3.0 vessel months.

## Vessel activity in the second quarter

	Utilisation Q2 2024	Utilisation Q2 2023	Status Q2 2024	Firm charter period
Atlantic Guardian	51%	0%	In operation	20 October 2024

### Atlantic Guardian

The Atlantic Guardian completed the fully pre-funded multi-client survey in Brazil and started transit toward Norway for the multi-client campaign.

## Backlog

As of 30 June 2024, EMGS' backlog was USD 9.2 million compared with a backlog of approximately USD 0.8 million at the end of the second quarter 2023. Of the USD 9.2 million in backlog at 30 June 2024, USD 2.1 million is conditional upon receiving certain notice to proceed orders from the customer. The customer has indicated delays in the project and as such no notice to proceed orders are expected to be issued in 2024.

## Events during the first half of 2024

### Fully prefunded multi-client survey in Brazil

In January 2024, EMGS secured a multi-client contract with Petrobras, with an approximate contract value of USD 11.7 million.

### Fully prefunded multi-client survey in Norway

In February 2024, EMGS announced that the Company had entered into an agreement for a fully prefunded multi-client survey in the North Sea with a contract value of USD 2.0 million. Due to certain contract conditions, the total value of the contract has increased to USD 2.7 million.

### Secured late sales multi-client revenue

In May 2024, EMGS announced that the Company had entered into several late sales licensing agreements related to its existing Norwegian EM multi-client library with a total combined revenue of USD 1.3 million.

### Secures fully pre-funded multi-client surveys in Norway

In May 2024, EMGS entered into several agreements with Equinor and Partners for fully pre-funded multi-client survey acquisitions in the Barents Sea with a combined value of approximately USD 3.4 million.

## Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. During the second quarter of 2024, the EMGS share traded between NOK 2.14 and NOK 2.52 per share. The last closing price before 30 June 2024 was NOK 2.52.

As of 30 June 2024, 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. As EM surveys are considered a niche product to many E&P companies, demand can be volatile, unpredictable and is subject to upward and downward pressure from economic, environmental, political, and other factors. Changes in E&P companies' focus, and priorities will also typically impact the demand for EM services. For example, reduced investments in frontier exploration have historically resulted in lower demand for EM services.

The Company's convertible bond loan matures in May 2025. The convertible bond loan contains a financial covenant requiring free cash and cash equivalents of at least USD 2.5 million. As of 30 June 2024, the free cash and cash equivalents totalled USD 5.9 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 with a lower fixed cost base.

Reference is made to the 2023 Annual Report for a further description of other relevant and important risk factors.

## Outlook

The Atlantic Guardian completed the Brazilian multi-client acquisition and commenced transit towards Norway at the end of the second quarter.

The company has secured sufficient multi-client pre-funding work to occupy the vessel through the third quarter.

The company is working on securing additional acquisition work for the vessel, which can be combined with the current Norwegian multi-client campaign. EMGS is also engaged in a number of discussions with customers, both in Norway and internationally, regarding potential EM acquisition projects for 2025 and beyond. While uncertainty remains high, EMGS is encouraged by the level of customer interest.

## Statement of responsibility

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024, which has been prepared in accordance with IAS 34 Interim Financial Reporting, gives a true and fair view of Electromagnetic Geoservices ASA's consolidated assets, liabilities, financial position and results of operations.

Oslo, 21 August 2024

Frederik W. Mohn  
*Chairman*

Mimi Berdal  
*Director*

Beatriz Malo de Molina  
*Director*

Jørgen Westad  
*Director*

Bjørn Petter Lindhom  
*Chief Executive Officer*

# Consolidated Income Statement.

Amounts in USD 1 000	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
<b>Operating revenues</b>					
Contract sales	481	119	721	329	767
Multi-client pre-funding	12,011	0	12,011	0	0
Multi-client late sales	1,260	75	1,260	4,883	7,221
Other revenue	0	0	0	0	0
<b>Total revenues</b>	<b>13,752</b>	<b>194</b>	<b>13,991</b>	<b>5,212</b>	<b>7,988</b>
<b>Operating expenses</b>					
Charter hire, fuel and crew expenses	4,637	256	5,317	638	1,228
Employee expenses	642	463	1,538	1,340	2,950
Depreciation right-of-use assets	415	689	734	1,966	2,808
Multi-client amortisation	1,360	138	1,498	276	553
Other depreciation and amortisation	900	779	1,801	1,565	3,707
Other operating expenses	723	600	1,375	1,286	2,844
<b>Total operating expenses</b>	<b>8,677</b>	<b>2,926</b>	<b>12,264</b>	<b>7,072</b>	<b>14,090</b>
<b>Operating profit/ (loss)</b>	<b>5,075</b>	<b>-2,732</b>	<b>1,727</b>	<b>-1,860</b>	<b>-6,102</b>
<b>Financial income and expenses</b>					
Interest income	160	321	369	620	1,251
Interest expense	-655	-768	-1,410	-1,528	-3,094
Interest expense lease liabilities	-45	-72	-108	-170	-310
Gains on financial assets and liabilities	679	0	737	0	-1
Net foreign currency income/(loss)	-253	87	-188	224	58
<b>Net financial items</b>	<b>-113</b>	<b>-433</b>	<b>-600</b>	<b>-854</b>	<b>-2,097</b>
<b>Income/ (loss) before income taxes</b>	<b>4,962</b>	<b>-3,165</b>	<b>1,127</b>	<b>-2,714</b>	<b>-8,199</b>
Income tax expense	1,310	0	1,310	0	-21
<b>Income/ (loss) for the period</b>	<b>3,652</b>	<b>-3,165</b>	<b>-183</b>	<b>-2,714</b>	<b>-8,178</b>



# Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
<b>Income/ (loss) for the period</b>	<b>3,652</b>	<b>-3,165</b>	<b>-183</b>	<b>-2,714</b>	<b>-8,178</b>
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	0	-1	-2	-1	-4
<b>Other comprehensive income</b>	<b>0</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>-4</b>
<b>Total other comprehensive income/(loss) for the period</b>	<b>3,652</b>	<b>-3,166</b>	<b>-185</b>	<b>-2,715</b>	<b>-8,182</b>

# Consolidated Statement of Financial Position.

Amounts in USD 1 000	30 June 2024 Unaudited	30 June 2023 Unaudited	31 December 2023 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Multi-client library	674	1,227	951
Other intangible assets	7	18	12
Property, plant and equipment	4,868	8,279	6,584
Right-of-use assets	690	671	1,530
Other receivables and prepayments	2,785	2,874	2,929
Assets under construction	0	3	0
<b>Total non-current assets</b>	<b>9,025</b>	<b>13,072</b>	<b>12,006</b>
<b>Current assets</b>			
Spare parts, fuel, anchors and batteries	3,620	4,151	4,010
Trade receivables and accrued revenues	12,105	839	1,124
Other receivables and prepayments	1,781	883	179
Financial lease receivables	0	0	0
Cash and cash equivalents	5,856	13,469	10,255
Restricted cash	144	139	193
<b>Total current assets</b>	<b>23,505</b>	<b>19,481</b>	<b>15,761</b>
<b>Total assets</b>	<b>32,530</b>	<b>32,553</b>	<b>27,767</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital, share premium and other paid-in equity	71,589	71,405	71,589
Other reserves	-1,579	-1,576	-1,579
Retained earnings	-69,590	-63,946	-69,407
<b>Total equity</b>	<b>418</b>	<b>5,881</b>	<b>601</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	0	19,544	19,584
Non-current leasing liabilities	88	0	139
<b>Total non-current liabilities</b>	<b>88</b>	<b>19,544</b>	<b>19,722</b>
<b>Current liabilities</b>			
Trade payables	2,416	494	1,135
Current tax liabilities	5,262	2,975	2,945
Other short term liabilities	3,891	1,669	1,169
Borrowings	19,547	0	0
Current leasing liabilities	908	1,988	2,194
<b>Total current liabilities</b>	<b>32,024</b>	<b>7,127</b>	<b>7,443</b>
<b>Total liabilities</b>	<b>32,112</b>	<b>26,671</b>	<b>27,165</b>
<b>Total equity and liabilities</b>	<b>32,530</b>	<b>32,553</b>	<b>27,767</b>

# Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
<b>Net cash flow from operating activities</b>					
Income/ (loss) before income taxes	4,962	-3,165	1,127	-2,714	-8,199
<b>Adjustments for:</b>					
Total taxes paid	1,005	-32	1,007	-50	-59
Depreciation right-of-use assets	415	689	839	1,966	2,808
Multi-client amortisation	1,360	138	1,498	276	553
Other depreciation and amortisation	900	779	1,801	1,565	3,707
Impairment of other long term assets	0	0	0	0	0
Cost of share-based payment	0	-85	0	-85	101
Change in trade receivables	-11,753	2,657	-10,981	7,059	6,775
Change in inventories	66	0	390	7	148
Change in trade payables	569	-212	1,281	-2,434	-1,793
Change in other working capital	375	-618	1,313	-1,888	-1,792
Finance Income	0	0	0	0	0
Finance Cost	628	653	1,275	1,331	2,705
<b>Net cash flow from operating activities</b>	<b>-1,474</b>	<b>804</b>	<b>-449</b>	<b>5,034</b>	<b>4,952</b>
<b>Investing activities:</b>					
Purchase of property, plant and equipment	-48	-351	-80	-504	-946
Investment in multi-client library	0	0	-1,222	0	0
Purchase of intangible assets	0	0	0	0	0
<b>Cash used in investing activities</b>	<b>-48</b>	<b>-351</b>	<b>-1,301</b>	<b>-504</b>	<b>-946</b>
<b>Financial activities:</b>					
Principal amount leases	-664	-606	-1,337	-1,225	-2,580
Interest lease liabilities	-45	-72	-108	-170	-310
Interest paid	-598	-548	-1,203	-1,100	-2,295
<b>Cash used in/provided by financial activities</b>	<b>-1,307</b>	<b>-1,226</b>	<b>-2,649</b>	<b>-2,495</b>	<b>-5,185</b>
<b>Net change in cash</b>	<b>-2,828</b>	<b>-774</b>	<b>-4,399</b>	<b>2,035</b>	<b>-1,179</b>
Cash balance beginning of period	8,684	14,242	10,255	11,434	11,434
Cash balance end of period	5,856	13,469	5,856	13,469	10,255
<b>Net change in cash</b>	<b>-2,828</b>	<b>-774</b>	<b>-4,399</b>	<b>2,035</b>	<b>-1,179</b>

# Consolidated Statement of Changes in Equity.

Amounts in USD 1 000	Share capital share premium and other paid-in- capital	Other reserves	Retained earnings	Total equity
<b>Balance as of 31 December 2022 (Audited)</b>	<b>71,490</b>	<b>-1,575</b>	<b>-61,233</b>	<b>8,681</b>
Income/(loss) for the period	0	0	451	451
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>451</b>	<b>451</b>
Cost of share-based payments	0	0	0	0
<b>Balance as of 31 March 2023 (Unaudited)</b>	<b>71,490</b>	<b>-1,575</b>	<b>-60,782</b>	<b>9,131</b>
Income/(loss) for the period	0	0	-3,165	-3,165
Other comprehensive income	0	-1	0	-1
<b>Total comprehensive income</b>	<b>0</b>	<b>-1</b>	<b>-3,165</b>	<b>-3,166</b>
Cost of share-based payments	-85	0	1	-85
<b>Balance as of 30 June 2023 (Unaudited)</b>	<b>71,405</b>	<b>-1,576</b>	<b>-63,946</b>	<b>5,881</b>
Income/(loss) for the period	0	0	-1,791	-1,791
Other comprehensive income	0	-1	0	-1
<b>Total comprehensive income</b>	<b>0</b>	<b>-1</b>	<b>-1,791</b>	<b>-1,791</b>
Cost of share-based payments	0	0	1	1
<b>Balance as of 30 September 2023 (Unaudited)</b>	<b>71,405</b>	<b>-1,576</b>	<b>-65,735</b>	<b>4,091</b>
Income/(loss) for the period	0	0	-3,673	-3,673
Other comprehensive income	0	-2	0	-2
<b>Total comprehensive income</b>	<b>0</b>	<b>-2</b>	<b>-3,673</b>	<b>-3,676</b>
Cost of share-based payments	184	0	1	186
<b>Balance as of 31 December 2023 (Audited)</b>	<b>71,589</b>	<b>-1,579</b>	<b>-69,407</b>	<b>601</b>
Income/(loss) for the period	0	0	-3,835	-3,835
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,835</b>	<b>-3,835</b>
Cost of share-based payments	0	0	0	0
<b>Balance as of 31 March 2024 (Unaudited)</b>	<b>71,589</b>	<b>-1,579</b>	<b>-73,242</b>	<b>-3,234</b>
Income/(loss) for the period	0	0	3,652	3,652
Other comprehensive income	0	0	-	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>3,652</b>	<b>3,652</b>
Cost of share-based payments	0	0	0	0
<b>Balance as of 30 June 2024 (Unaudited)</b>	<b>71,589</b>	<b>-1,579</b>	<b>-69,590</b>	<b>418</b>

# 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 2023, which is available on [www.emgs.com](http://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	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
Americas	9.3	0.1	9.4	0.3	0.4
Asia/Pacific	0.0	0.0	0.1	0.0	0.1
EAME	4.4	0.1	4.5	4.9	7.4
<b>Total</b>	<b>13.8</b>	<b>0.2</b>	<b>14.0</b>	<b>5.2</b>	<b>8.0</b>

## Multi-client library

The multi-client library consists of electromagnetic data acquired through multi-client surveys i.e., EMGS owns the data. The electromagnetic 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	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
Opening carrying value	2.0	1.4	1.0	1.5	1.5
Additions	0.0	0.0	1.2	0.0	0.0
Amortisation charge	-1.4	-0.1	-1.5	-0.3	-0.6
Impairment	0.0	0.0	0.0	0.0	0.0
<b>Closing carrying value</b>	<b>0.7</b>	<b>1.2</b>	<b>0.7</b>	<b>1.2</b>	<b>1.0</b>

## 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,

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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	Q2 2024 Unaudited	Q2 2023 Unaudited	First half year 2024 Unaudited	First half year 2023 Unaudited	2023 Audited
Operating profit/ (loss)	5,075	-2,732	1,727	-1,860	-6,102
Depreciation right-of-use assets	415	689	734	1,966	2,808
Multi-client amortisation	1,360	138	1,498	276	553
Other depreciation and amortisation	900	779	1,801	1,565	3,707
Impairment of long-term assets	0	0	0	0	0
<b>EBITDA</b>	<b>7,751</b>	<b>-1,126</b>	<b>5,760</b>	<b>1,949</b>	<b>965</b>

## 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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