

**EMGS  
THIRD  
QUARTER  
2021.**

# Highlights in the Third Quarter.

## Operational highlights

- Completed proprietary survey in Southeast Asia
- Completed mobilisation to the North Sea and commenced acquisition of a fully prefunded multi-client survey

## Financial highlights

- Revenues of USD 12.7 million
- EBITDA of USD 9.7 million
- Adjusted EBITDA of USD 7.6 million
- Bond buy-back with an aggregate nominal value of USD 4.0 million
- Despite impairment of USD 2.1 million held in Accendo Banco S.A., free cash at the end of the third quarter was USD 14.7 million

## Subsequent events

- Resignation of chairman of the board of directors

## Key financial figures

Amounts in USD million (except per share data)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020	Q2 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited
Contract sales	7.4	0.6	7.6	11.1	11.5	0.1
Multi-client sales	4.0	0.1	12.2	5.5	7.8	8.0
Other revenue	1.3	1.4	4.0	4.3	5.6	1.3
<b>Total revenues</b>	<b>12.7</b>	<b>2.1</b>	<b>23.8</b>	<b>20.9</b>	<b>24.9</b>	<b>9.4</b>
Operating profit/ (loss)	7.3	-2.6	8.4	-16.4	-17.7	3.6
Income/ (loss) before income taxes	5.3	-4.2	4.4	-20.3	-22.7	2.6
Net income/ (loss)	4.7	-4.2	3.7	-20.4	-23.4	2.6
Earnings/ (loss) per share	0.04	-0.03	0.03	-0.16	-0.18	0.02
Average number of shares outstanding (in thousands)	130,970	130,970	130,970	130,970	130,970	130,970
EBITDA	9.7	-0.2	16.7	4.5	6.1	7.0
Multi-client investments	0.1	0.0	0.6	0.6	0.6	0.5
Vessel and office lease	2.1	1.0	5.5	7.9	8.8	2.0
Adjusted EBITDA	7.6	-1.2	10.6	-4.0	-3.3	4.6

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

# Financial Review.

## Revenues and operating expenses

EMGS recorded revenues of USD 12.7 million in the third quarter of 2021, up from USD 2.1 million reported for the corresponding quarter of 2020. Contract and other sales totalled USD 7.4 million, while multi-client sales amounted to USD 4.0 million. For the third quarter of 2020, contract and other sales totalled USD 0.6 million, while multi-client sales amounted to USD 0.1 million.

Revenues for the first nine months of 2021 amounted to USD 23.8 million, compared with USD 20.9 million for the nine months of 2020.

Charter hire, fuel and crew expense, excluding vessel lease expenses and multi-client expenses, amounted to USD 1.7 million in the third quarter this year, compared with USD 0.3 million in the third quarter of 2020. The Company capitalised USD 0.1 million of the charter hire, fuel and crew expenses as multi-client expenses in the quarter, while no charter hire, fuel and crew expenses were capitalised in the third quarter of 2020. When adding back the vessel lease expenses and the capitalised multi-client expenses, the charter hire, fuel and crew expenses have increased from USD 1.0 million in the third quarter of 2020 to USD 3.6 million in same period this year.

For the first nine months of 2021, charter hire, fuel and crew expenses totalled USD 2.6 million, down from USD 4.6 million in 2020.

Employee expenses amounted to USD 0.8 million in the third quarter of 2021, down from USD 1.5 million in the same quarter in 2020.

Employee expenses for the nine months of 2021 were USD 2.3 million, compared with USD 9.5 million in 2020.

Other operating expenses totalled USD 0.6 million in the third quarter this year, compared to USD 0.5 million in the third quarter of 2020.

For the first nine months of 2021, other operating expenses amounted to USD 2.2 million, down from USD 2.4 million in the same period last year.

## Depreciation, amortisation and impairment

Depreciation and ordinary amortisation totalled USD 2.2 million in the third quarter of 2021 up from USD 1.7 million in the third quarter of 2020.

No impairments of long-term assets were made in the third quarter of 2021 or in the same period last year.

Depreciation and ordinary amortisation totalled USD 6.0 million in the first nine months of 2021 compared to USD 9.9 million in 2020.

Multi-client amortisation amounted to USD 0.3 million this quarter, compared to USD 0.7 million in the third quarter of 2020. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful lifetime of 4 years.

Multi-client amortisation totalled USD 2.2 million for the first nine months of 2021, down from USD 3.6 million in 2020.

## Net financial items

Net financial items ended at negative USD 2.0 million in the third quarter of 2021, compared with negative USD 1.5 million in the corresponding quarter last year. In the third quarter of 2021, the Group recorded an interest expense of USD 0.7 million compared with an interest expense of USD 1.0 million in the third quarter of 2020. In the third quarter of 2021, the Company recorded a net currency loss of USD 0.2 million, compared with a currency loss of USD 0.3 million in

the third quarter of 2020.

In the first nine months of 2021, net financial items were negative USD 4.0 million, from a negative USD 4.0 million in the first nine months of 2020.

A gain on financial assets in the amount of USD 1.0 million was recognised in the third quarter as a consequence of the bond repurchase with an aggregate nominal value of USD 4.0 million at 75 per cent of par.

In September, Mexican bank regulators revoked Accendo Banco S.A.'s banking license and initiated a liquidation process of the bank. EMGS had deposits with Accendo of approximately USD 2.1 million. EMGS was entitled to receive approximately USD 135 thousand from the Mexican Bank Savings Protection Fund. An impairment of the deposits in the Accendo account, less the USD 135 thousand, was made at the end of the third quarter 2021 in the amount of USD 1.9 million.

### Income/(loss) before income taxes

Profit before income taxes amounted to USD 5.3 million in the third quarter 2021, compared with a loss before income taxes of USD 4.2 million in the corresponding quarter in 2020.

Profit before income taxes for the first nine months of 2021 amounted to USD 4.4 million, compared with a loss before income taxes of USD 20.3 million in the same period last year.

### Income tax expenses

Income tax expenses of USD 0.6 million were recorded in the third quarter of 2021, compared with an income tax expense of USD 3,000 in the third quarter of 2020.

Income tax expenses for the first nine months of 2021 were USD 0.7 million, compared with USD 10,000 in the same period in 2020.

### Net income for the period

Profit for the third quarter of 2021 amounted to USD 4.7 million, up from a loss of USD 4.2 million in the same period last year.

Profit for the first nine months of 2021 were USD 3.7 million, up from a loss of USD 20.4 million in the same period last year.

### Cash flow and balance sheet

In the third quarter 2021, net cash flow from operating activities was positive USD 7.4 million, compared with negative net cash flow of USD 4.1 million in the third quarter of 2020. The cash flow from operating activities this quarter was mainly affected by a positive EBITDA of USD 9.7 million.

In the first nine months of 2021, net cash flow from operating activities was positive USD 22.3 million, compared with a negative USD 4.7 million in the same period last year.

EMGS applied USD 0.2 million in investing activities in the third quarter this year, compared with no investing activities in the third quarter of last year. The Company invested USD 2,000 in equipment and USD 0.2 million in the multi-client library in the third quarter 2021.

Cash flow from investing activities in the first nine months of this year amounted to a negative USD 1.4 million, compared with a negative USD 1.6 million in the same period last year. The Company invested USD 44,000 in equipment and USD 1.3 million in the multi-client library in the first nine months of 2021.

The carrying value of the multi-client library was USD 1.3 million at 30 September 2021, down from USD 2.2 million at 31 December 2020 and USD 2.7 million at 30 September 2020.

Cash flow from financial activities was negative USD 5.7 million in the third quarter of 2021, compared with a negative cash flow of USD 1.5 million in the same quarter last year.

Cash flow from financial activities for the first nine months of 2021 amounted to negative USD 10.4 million, compared with a negative USD 9.1 million in the same period of 2020.

The Company had a net increase in cash, excluding restricted cash, of USD 1.5 million during the third quarter of 2021. At 30 September 2021, cash and cash equivalents totalled USD 14.7 million.

## Financing

Total borrowings were USD 28.1 million at 30 September 2021, down from USD 31.8 million at 31 December 2020 and down from USD 31.7 million at 30 September 2020. This includes the Company's bond loan, which had a carrying value of USD 32.0 million recorded as non-current borrowings and USD 1.9 million recorded as equity in accordance with IFRS.

In July of 2021, the Company repurchased a portion of the Company's outstanding USD 32.5 million convertible bond. Bonds with an aggregate nominal value of USD 4.0 million were repurchased at 75 per cent of par value.

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 September 2021, the free cash and cash equivalents totalled USD 14.7 million.

# Operational Review.

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Proprietary work	42%	0%	0%	0%	0%
Multi-client projects	6%	31%	6%	0%	0%
<b>Total utilisation</b>	<b>48%</b>	<b>31%</b>	<b>6%</b>	<b>0%</b>	<b>0%</b>

## Vessel utilisation and allocation

The vessel utilisation for the third quarter of 2021 was 48% compared with 0% in the corresponding quarter of 2020. For the first nine months of this year, the vessel utilisation was 28% compared with 19% for the same period last year.

In the third quarter of 2021, the Company's vessel was allocated 6% to multi-client projects and 42% on proprietary work. In the comparable quarter of 2020, no time was spent on multi-client projects or proprietary work.

EMGS recorded 3.0 vessel months in the quarter. In the third quarter 2020, the Company recorded 3.0 vessel months in the quarter.

## Vessel activity in the third quarter

	Utilisation Q3 2021	Status Q3 2021	Firm charter period	Remaining option periods
Atlantic Guardian	48%	In operation	20 October 2022	4 x 12 months

### Atlantic Guardian

The Atlantic Guardian successfully completed the survey in Southeast Asia and has begun acquisition of a fully prefunded multi-client survey in the North Sea.

## Backlog

As of 30 September 2021, EMGS' backlog was USD 2.9 million, compared with a backlog of USD 39.6 million at the end of the third quarter 2020, of which USD 37.7 million did not materialise.

## Events during the first nine months of 2021

### Pledged Depot deposit (New Facility)

In February 2021, USD 7.3 million held in the Pledge Depot was released due to the expiry of the guarantee it provided security for. Upon release, available cash increased by USD 7.3 million.

### Contract Awarded

In March 2021, Electromagnetic Geoservices ASA was awarded a 3D CSEM contract in Southeast Asia.

### Change to the board of directors

At the annual general meeting (the "AGM") held on 21 May, 2021, Silje Augustson was elected the new chairman of the board. Petteri Soininen, Mimi Berdal and Jørgen Westad (in addition to Ms Augustson, the Chairman) were elected as directors at the AGM.

### New framework contract for multi-client data

In June 2021, Electromagnetic Geoservices ASA entered into a framework contact with an existing customer for licensing of multi-client data from the existing library. In August the customer confirmed that they would license data under the framework contract worth approximately USD 2.5 million.

### Secured multi-client and late sale contracts

In June 2021, USD 1.2 million in prefunding for the upcoming Utsira High North Sea multi-client survey was secured, in addition to USD 0.8 million in late sales related to the North Sea multi-client library. The late sale was recognised in the second quarter of 2021, while it is expected that the prefunding revenue will be recognised in the fourth quarter of 2021.

### Completion of partial bond buy-back

In July 2021, Electromagnetic Geoservices ASA completed a buy-back of outstanding bonds with an aggregate principal amount of approximately USD 4.0 million. The bonds were purchased at 75 per cent of par value.

### Secured multi-client late sales

In July 2021, Electromagnetic Geoservices ASA entered into data licensing agreements related to its existing 3D CSEM multi-client data library. The agreements represent combined revenues of approximately USD 1.1 million.

### Impairment of financial asset

In September 2021, banking regulators in Mexico revoked the banking license of Accendo Banco S.A. EMGS had deposits with the bank totalling approximately USD 2.1 million. The full amount, less approximately USD 135 thousand was impaired in the third quarter of 2021.

## Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. During the third quarter 2021, the EMGS share was traded between NOK 1.33 and NOK 1.77 per share. The last closing price on 30 September 2021 was NOK 1.54.

As of 30 September 2021, 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, the demand for EM services has been correlated to 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 still considered a niche product to many E&P companies, demand can quickly change as a response to declining oil price.

The Company's convertible bond loan due in 2023 contains a financial covenant requiring free cash and cash equivalents of at least USD 2.5 million. As of 30 September 2021, the free cash and cash equivalents totalled USD 14.7 million.

2020 was a challenging year for the Company with focus on, and main risks related to, successful cost cutting and liquidity preservation. In 2021, the focus has been on increasing backlog and project execution. The first project in Mexico, subsequent to mobilising the vessel from warm-stack, was successfully completed ahead of schedule prior to the end of April 2021. The second major survey in 2021, located in Southeast Asia, has also been successfully completed prior to the end of the third quarter. Upon completion of the fully prefunded multi-client survey in the North Sea, estimated mid-November, EMGS expects to warm-stack the Atlantic Guardian until additional backlog is secured.

Reference is made to the 2020 Annual Report for a further description of other relevant risk factors.

## Outlook

Despite muted demand for CSEM services for the first nine months of 2021, we expect that the demand for CSEM services will slowly improve as the world continues to move towards pre-covid activity levels and oil and gas exploration picks up as a result of higher oil prices.

In 2021, the Company is dependent upon successfully completing the fully prefunded multi-client acquisition project in the North Sea. The Company expects to temporarily warm-stack the Atlantic Guardian for a portion of Q4 and most of Q1 2022. It is vital that additional acquisition projects are secured and that the Atlantic Guardian is back in operation late Q1 or early Q2

2022.

The Company continues its financial discipline and focus on keeping operational costs as low as possible. The significantly reduced cost base and more flexible business model has already improved the financial situation and cash position of the company. Additionally, the Board has instigated initiatives towards reducing debt and interest costs, as well as repair the negative equity situation.

In the longer term, the Company believes that its unique EM technology could play an important role in the exploration for marine minerals offshore Norway and internationally. EM technology can be used to detect the presence of marine mineral deposits (primarily Seabed Massive Sulphides) and EMGS believes that the technology can also be used to estimate the mineral content of such deposits. The Company is undertaking early-stage initiatives to position itself in this future market.

The Company maintains its cutting-edge technological position in the EM market and is well-positioned to be able to capitalise on the expected upturn in the market with a more streamlined and efficient organisation.

Oslo, 11 November 2021

Board of Directors and CEO



# Consolidated Income Statement.

Amounts in USD 1 000	Q3 2021 Unaudited	Q3 2020 Unaudited	Year to date 2021 Unaudited	Year to date 2020 Unaudited	2020 Audited
<b>Operating revenues</b>					
Contract sales	7,388	560	7,593	11,145	11,503
Multi-client pre-funding	0	0	7,200	3,229	3,229
Multi-client late sales	4,040	129	4,960	2,256	4,542
Other revenue	1,315	1,400	4,009	4,262	5,642
<b>Total revenues</b>	<b>12,744</b>	<b>2,089</b>	<b>23,762</b>	<b>20,891</b>	<b>24,916</b>
<b>Operating expenses</b>					
Charter hire, fuel and crew expenses	1,677	281	2,607	4,575	5,924
Employee expenses	769	1,517	2,255	9,481	9,818
Depreciation and ordinary amortisation	1,076	642	3,226	3,238	4,462
Depreciation right-of-use assets	1,085	1,099	2,810	6,647	7,856
Multi-client amortisation	253	675	2,233	3,565	4,077
Impairment of long-term assets	0	0	0	7,394	7,439
Other operating expenses	559	501	2,189	2,353	3,067
<b>Total operating expenses</b>	<b>5,419</b>	<b>4,716</b>	<b>15,320</b>	<b>37,253</b>	<b>42,644</b>
<b>Operating profit/ (loss)</b>	<b>7,325</b>	<b>-2,626</b>	<b>8,442</b>	<b>-16,362</b>	<b>-17,728</b>
<b>Financial income and expenses</b>					
Interest income	13	0	23	78	208
Interest expense	-741	-979	-2,251	-3,357	-4,105
Interest expense lease liabilities	-177	-248	-615	-853	-1,111
Impairment financial assets	-1,920	0	-1,920	0	0
Net gains/(losses) of financial assets and liabilities	1,000	0	1,000	0	-3
Net foreign currency income/(loss)	-185	-302	-245	153	25
<b>Net financial items</b>	<b>-2,011</b>	<b>-1,529</b>	<b>-4,007</b>	<b>-3,979</b>	<b>-4,987</b>
<b>Income/ (loss) before income taxes</b>	<b>5,314</b>	<b>-4,155</b>	<b>4,434</b>	<b>-20,341</b>	<b>-22,715</b>
Income tax expense	651	3	733	10	671
<b>Income/ (loss) for the period</b>	<b>4,663</b>	<b>-4,159</b>	<b>3,701</b>	<b>-20,350</b>	<b>-23,385</b>

# Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q3 2021 Unaudited	Q3 2020 Unaudited	Year to date 2021 Unaudited	Year to date 2020 Unaudited	2020 Audited
<b>Income/ (loss) for the period</b>	<b>4,663</b>	<b>-4,159</b>	<b>3,701</b>	<b>-20,350</b>	<b>-23,385</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	-23	0	-23	-13	-13
<b>Other comprehensive income</b>	<b>-23</b>	<b>0</b>	<b>-23</b>	<b>-13</b>	<b>-13</b>
Actuarial gains/(losses) on defined benefit plans	0	0			0
<b>Other comprehensive income</b>	<b>-23</b>	<b>0</b>	<b>-23</b>	<b>-13</b>	<b>-13</b>
<b>Total other comprehensive income/(loss) for the period</b>	<b>4,640</b>	<b>-4,159</b>	<b>3,678</b>	<b>-20,363</b>	<b>-23,398</b>

# Consolidated Statement of Financial Position.

Amounts in USD 1 000	30 September 2021 Unaudited	30 September 2020 Unaudited	31 December 2020 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Multi-client library	1,316	2,722	2,209
Other intangible assets	544	1,682	939
Property, plant and equipment	13,563	17,254	16,374
Right-of-use assets	5,472	9,494	8,246
Financial lease receivables	94	0	141
Assets under construction	3	26	3
Restricted cash	0	0	0
<b>Total non-current assets</b>	<b>20,992</b>	<b>31,177</b>	<b>27,911</b>
<b>Current assets</b>			
Spare parts, fuel, anchors and batteries	4,626	6,408	4,726
Trade receivables	997	6,310	6,246
Other receivables	3,939	5,398	3,142
Financial lease receivables	68	0	68
Cash and cash equivalents	14,685	4,292	4,179
Restricted cash	1,219	7,963	7,995
<b>Total current assets</b>	<b>25,535</b>	<b>30,371</b>	<b>26,357</b>
<b>Total assets</b>	<b>46,527</b>	<b>61,549</b>	<b>54,269</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital, share premium and other paid-in equity	71,490	71,490	71,490
Other reserves	-1,567	-1,544	-1,544
Retained earnings	-73,656	-74,328	-77,361
<b>Total equity</b>	<b>-3,735</b>	<b>-4,384</b>	<b>-7,417</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	6,016	10,828	9,625
Borrowings	28,163	31,734	31,816
Non-current leasing liabilities	893	8,339	6,501
<b>Total non-current liabilities</b>	<b>35,071</b>	<b>50,901</b>	<b>47,942</b>
<b>Current liabilities</b>			
Trade payables	1,509	1,015	1,461
Current tax liabilities	3,584	6,090	4,035
Other short term liabilities	3,272	3,389	2,774
Current leasing liabilities	6,826	4,539	5,474
<b>Total current liabilities</b>	<b>15,191</b>	<b>15,032</b>	<b>13,744</b>
<b>Total liabilities</b>	<b>50,262</b>	<b>65,933</b>	<b>61,686</b>
<b>Total equity and liabilities</b>	<b>46,527</b>	<b>61,549</b>	<b>54,269</b>

# Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q3 2021 Unaudited	Q3 2020 Unaudited	Year to date 2021 Unaudited	Year to date 2020 Unaudited	2020 Audited
<b>Net cash flow from operating activities</b>					
Income/(loss) before income taxes	5,314	-4,155	4,434	-20,341	-22,715
<b>Adjustments for:</b>					
Withholding tax expenses	168	0	168	8	0
Total taxes paid	-871	0	-1,235	-460	-453
Depreciation and ordinary amortisation	1,076	642	3,226	3,239	4,462
Depreciation right-of-use assets	1,185	1,099	3,543	7,153	8,362
Multi-client amortisation	253	675	2,233	4,408	4,077
Impairment of other long term assets	0	0	0	6,550	7,439
Cost of share-based payment	2	13	5	7	10
Change in trade receivables	2,936	223	5,249	17,193	17,257
Change in inventories	203	832	101	1,853	3,536
Change in trade payables	-808	-1,349	48	-7,239	-6,793
Change in other working capital	-1,953	-2,965	2,815	-19,559	-21,611
Finance Income	-1,013	0	-1,023	-78	-208
Finance Cost	859	905	2,717	2,518	4,787
<b>Net cash flow from operating activities</b>	<b>7,351</b>	<b>-4,082</b>	<b>22,281</b>	<b>-4,749</b>	<b>-1,850</b>
<b>Investing activities:</b>					
Purchase of property, plant and equipment	-2	0	-44	-505	-620
Investment in multi-client library	-207	0	-1,339	-1,134	-1,134
<b>Cash used in investing activities</b>	<b>-209</b>	<b>0</b>	<b>-1,383</b>	<b>-1,639</b>	<b>-1,754</b>
<b>Financial activities:</b>					
Financial lease payments - principal	0	-44	0	-145	-
Financial lease liabilities	-1,954	-483	-5,045	-6,142	-8,043
Interest lease liabilities	-177	-248	-615	-853	-1,111
Repayment of loan	-3,000	0	-3,000	0	0
Interest paid	-532	-685	-1,756	-1,988	-3,001
Interest received	13	0	23	78	208
<b>Cash used in/provided by financial activities</b>	<b>-5,650</b>	<b>-1,461</b>	<b>-10,393</b>	<b>-9,050</b>	<b>-11,947</b>
<b>Net change in cash</b>	<b>1,492</b>	<b>-5,543</b>	<b>10,505</b>	<b>-15,439</b>	<b>-15,552</b>
Cash balance beginning of period	13,193	9,835	4,179	19,731	19,731
Cash balance end of period	14,685	4,292	14,685	4,292	4,179
<b>Net change in cash</b>	<b>1,492</b>	<b>-5,543</b>	<b>10,506</b>	<b>-15,439</b>	<b>-15,552</b>

# 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
<b>Balance as of 31 December 2019 (Audited)</b>	<b>71,490</b>	<b>-1,531</b>	<b>-53,986</b>	<b>15,971</b>
Income/(loss) for the period	0	0	-9,605	-9,605
Other comprehensive income	0	-13	0	-13
<b>Total comprehensive income</b>	<b>0</b>	<b>-13</b>	<b>-9,605</b>	<b>-9,618</b>
Cost of share-based payments	0	0	10	10
<b>Balance as of 31 March 2020 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-63,581</b>	<b>6,363</b>
Income/(loss) for the period	0	0	-6,586	-6,586
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-6,586</b>	<b>-6,586</b>
Cost of share-based payments	0	0	-5	-5
<b>Balance as of 30 June 2020 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-70,172</b>	<b>-228</b>
Income/(loss) for the period	0	0	-4,159	-4,159
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-4,159</b>	<b>-4,159</b>
Cost of share-based payments	0	0	3	3
<b>Balance as of 30 September 2020 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-74,328</b>	<b>-4,384</b>
Income/(loss) for the period	0	0	-3,035	-3,035
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,035</b>	<b>-3,035</b>
Cost of share-based payments	0	0	2	2
<b>Balance as of 31 December 2020 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-77,361</b>	<b>-7,417</b>
Income/(loss) for the period	0	0	-3,602	-3,602
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,602</b>	<b>-3,602</b>
Cost of share-based payments	0	0	1	1
<b>Balance as of 31 March 2021 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-80,962</b>	<b>-11,018</b>
Income/(loss) for the period	0	0	2,640	2,640
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>2,640</b>	<b>2,640</b>
Cost of share-based payments	0	0	2	2
<b>Balance as of 30 June 2021 (Unaudited)</b>	<b>71,490</b>	<b>-1,544</b>	<b>-78,320</b>	<b>-8,376</b>
Income/(loss) for the period	0	0	4,663	4,663
Other comprehensive income	0	-23	0	-23
<b>Total comprehensive income</b>	<b>0</b>	<b>-23</b>	<b>4,663</b>	<b>4,640</b>
Cost of share-based payments	0	0	2	2
<b>Balance as of 30 September 2021 (Unaudited)</b>	<b>71,490</b>	<b>-1,567</b>	<b>-73,656</b>	<b>-3,735</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 2020, 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	Q3 2021 Unaudited	Q3 2020 Unaudited	YTD 2021 Unaudited	YTD 2020 Unaudited	2020 Audited
Americas	2.6	0.1	9.9	8.3	8.3
Asia/Pacific	7.3	0.1	7.4	0.1	0.1
EAME	2.8	1.9	6.5	12.5	16.5
<b>Total</b>	<b>12.7</b>	<b>2.1</b>	<b>23.8</b>	<b>20.9</b>	<b>24.9</b>

## 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	Q3 2021 Unaudited	Q3 2020 Unaudited	YTD 2021 Unaudited	YTD 2020 Unaudited	2020 Audited
Opening carrying value	1.4	3.4	2.2	6.0	6.0
Additions	0.2	0.0	1.3	1.1	1.1
Amortisation charge	-0.3	-0.7	-2.2	-3.5	-4.1
Impairment	0.0	0.0	0.0	-0.9	-0.8
<b>Closing carrying value</b>	<b>1.3</b>	<b>2.7</b>	<b>1.3</b>	<b>2.7</b>	<b>2.2</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. 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 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 will 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 discussed 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. 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. EMGS ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the report.

For further information, visit [www.emgs.com](http://www.emgs.com), or contact:

Anders Eimstad

CFO

Email: [aeimstad@emgs.com](mailto:aeimstad@emgs.com)

Phone: +47 948 25 836

# 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

Amounts in USD 1 000	Q3 2021 Unaudited	Q3 2020 Unaudited	YTD 2021 Unaudited	YTD 2020 Unaudited	2020 Audited
Operating profit / (loss)	7,325	-2,626	8,442	-16,362	-17,728
Depreciation and ord. amortisation	2,161	1,741	6,035	9,886	12,318
Multi-client amortisation	253	675	2,233	3,565	4,077
Impairment of long term assets	0	0	0	7,394	7,439
<b>EBITDA</b>	<b>9,739</b>	<b>-210</b>	<b>16,710</b>	<b>4,482</b>	<b>6,107</b>

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. Also, the measure is useful when comparing the Company's performance to other companies.

## Adjusted EBITDA

Adjusted EBITDA means EBITDA (see above) less multi-client investment (capitalisation) and less the cost of vessel and office lease. 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 if the Company is working on a multi-client or a proprietary survey. The adjusted EBITDA 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.



**EMGS Headquarters**

Karenslyst Allè 4 , 4th Floor  
N-0278 Oslo, Norway

[emgs.com](https://emgs.com)  
[emgs@emgs.com](mailto:emgs@emgs.com)