

**EMGS
THIRD
QUARTER
2023.**

Highlights in the Third Quarter.

Operational highlights

- Atlantic Guardian warm-stacked for the entire quarter

Financial highlights

- Revenues of USD 1.6 million
- Adjusted EBITDA of negative USD 0.7 million

Subsequent events

- EMGS entered in to its first acquisition contract related to renewable energy infrastructure. The contact has a value of up to approximately USD 2 million, however there is no minimum scope of work.

Key financial figures

	Q3 2023	Q3 2022	September	September	2022	Q2 2023
Amounts in USD million (except per share data)	Unaudited	Unaudited	YTD 2023	YTD 2022	Audited	Unaudited
			Unaudited	Unaudited		
Contract sales	0.1	1.6	0.4	1.9	13.6	0.1
Multi-client pre-funding	0.0	0.0	0.0	2.8	4.8	0.0
Multi-client late sales	1.5	3.8	6.4	11.3	11.9	0.1
Other revenue	0.0	1.2	0.0	3.8	4.8	0.0
Total revenues	1.6	6.6	6.8	19.8	35.0	0.2
Operating profit/ (loss)	-1.3	1.4	-3.1	6.1	13.1	-2.7
Income/ (loss) before income taxes	-1.8	0.8	-4.5	4.2	11.1	-3.2
Income/ (loss) for the period	-1.8	0.8	-4.5	4.3	11.2	-3.2
Earnings/ (loss) per share	-0.01	0.01	-0.03	0.03	0.09	-0.02
Average number of shares outstanding (in thousands)	130,970	130,970	130,970	130,970	130,970	130,970
EBITDA	0.0	3.8	2.0	13.5	23.8	-1.1
Multiclient investment	0.0	0.4	0.0	1.2	1.2	0.0
Vessel and office lease	0.8	2.0	2.0	4.4	6.5	0.6
Adjusted EBITDA	-0.7	1.4	0.0	7.9	16.1	-1.8

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

For the third quarter of 2023 EMGS recorded revenues of USD 1.6 million, down from USD 6.6 million reported for the corresponding quarter of 2022. Contract and other sales totalled USD 0.1 million, while multi-client sales amounted to USD 1.5 million. For the third quarter of 2022, contract and other sales totalled USD 2.8 million, while multi-client sales amounted to USD 3.8 million.

For the first nine months of 2023 revenues amounted to USD 6.8 million, compared with USD 19.8 million for the first nine months of 2022.

For the third quarter of 2023 charter hire, fuel and crew expense, excluding vessel lease expenses and multi-client expenses, amounted to USD 0.1 million, compared with USD 1.3 million in the third quarter of 2022. The Company did not capitalise any charter hire, fuel and crew expenses as multi-client expenses in the quarter, while USD 0.4 million of charter hire, fuel and crew expenses were capitalised in the third quarter of 2022. When adding back the vessel lease expenses and the capitalised multi-client expenses, the charter hire, fuel and crew expenses have decreased from USD 3.6 million in the third quarter of 2022 to USD 0.8 million in same period this year.

For the first nine months of 2023, charter hire, fuel and crew expenses totalled USD 0.8 million, down from USD 1.9 million in the same period in 2022.

For the third quarter of 2023 employee expenses amounted to USD 0.9 million, up from USD 0.8 million in the third quarter of 2022.

For the first nine months of 2023 employee expenses were USD 2.3 million, up slightly from USD 2.2 million in the same period of 2022.

For the third quarter of 2023 other operating expenses totalled USD 0.5 million, compared to USD 0.7 million in the third quarter of 2022.

For the first nine months of 2023, other operating expenses amounted to USD 1.8 million, down from USD 2.1 million in the same period last year.

Depreciation, amortisation and impairment

For the third quarter of 2023 depreciation and ordinary amortisation totalled USD 1.2 million, down from USD 2.1 million in the third quarter of 2022.

For the third quarter of 2023 no impairments of long-term assets were made, neither were they made in the same period last year.

For the first nine months depreciation and ordinary amortisation totalled USD 4.7 million, compared to USD 5.8 million in 2022.

For the third quarter of 2023 multi-client amortisation amounted to USD 0.1 million, compared to USD 0.2 million in the third quarter of 2022. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful lifetime of 4 years.

For the first nine months of 2023 multi-client amortisation totalled USD 0.4 million, down from USD 1.7 million in 2022.

Net financial items

For the third quarter of 2023 net financial items ended at negative USD 0.5 million, compared with negative USD 0.6 million in the corresponding quarter last year. In the third quarter of 2023, the Group recorded an interest expense of USD 0.8 million compared with an interest expense of USD 0.5 million in the third quarter of 2022. In the third quarter of 2023, the Company recorded a net currency loss of USD 47 thousand, compared with a currency loss of USD 93 thousand in the third quarter of 2022.

In the first nine months of 2023, net financial items were negative USD 1.4 million, compared with a negative USD 1.9 million in the first nine months of 2022.

Income/(loss) before income taxes

For the third quarter of 2023 loss before income taxes amounted to USD 1.8 million, compared with profit before income taxes of USD 0.8 million in the corresponding quarter in 2022.

For the first nine months loss before income taxes amounted to USD 4.5 million, compared with a profit before income taxes of USD 4.2 million in the same period last year.

Income tax expenses

For the third quarter of 2023 USD two thousand income tax expense was recorded, compared with no income tax expense in the third quarter of 2022.

For the first nine months income tax expense was USD two thousand, compared with negative USD 33 thousand in the same period in 2022.

Net income for the period

For the third quarter of 2023 loss amounted to USD 1.8 million, down from a profit of USD 0.8 million in the same period last year.

For the first nine months of 2023 loss was USD 4.5 million, down from a profit of USD 4.3 million in the same period last year.

Cash flow and balance sheet

In the third quarter 2023, net cash flow from operating activities was negative USD 0.5 million, compared with positive net cash flow of USD 3.2 million in the third quarter of 2022.

In the first nine months of 2023, net cash flow from operating activities was positive USD 4.5 million, compared with positive USD 9.3 million in the same period last year.

EMGS applied USD 0.1 million in investing activities in the third quarter this year, compared with USD 0.9 in investing activities in the third quarter of last year.

Cash flow from investing activities in the first nine months of this year amounted to a negative USD 0.6 million, compared with a negative USD 1.9 million in the same period last year. The Company invested USD 0.6 million in equipment in the first nine months of 2023.

The carrying value of the multi-client library was USD 1.1 million as of 30 September 2023, compared to USD 1.5 million as of 31 December 2022 and USD 2.4 million as of 30 September 2022.

Cash flow from financial activities was negative USD 1.4 million in the third quarter of 2023, compared with a negative cash flow of USD 2.5 million in the same quarter last year.

Cash flow from financial activities for the first nine months of 2023 amounted to negative USD 3.9 million, compared with a negative USD 5.9 million in the same period of 2022.

The Company had a net decrease in cash, excluding restricted cash, of USD 1.9 million during the third quarter of 2023. As of 30 September 2023, free cash and cash equivalents totalled USD 11.5 million and restricted cash totalled USD 0.1 million.

Financing

Total borrowings were USD 19.6 million as of 30 September 2023, up from USD 19.5 million as of 31 December 2022 and down from USD 24.4 million as of 30 September 2022. This includes the Company's convertible bond loan, which had a carrying value of USD 19.6 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 30 September 2023, the free cash and cash equivalents totalled USD 11.5 million and restricted cash totalled USD 0.1 million.

Operational Review.

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Proprietary work	0%	0%	0%	46%	12%
Multi-client projects	0%	0%	0%	0	10%
Total utilisation	0%	0%	0%	46%	22%

Vessel utilisation and allocation

The vessel utilisation for the third quarter of 2023 was 0% compared with 22% in the corresponding quarter of 2022. For the first nine months of this year, the vessel utilisation was 0% compared with 13% for the same period last year.

EMGS recorded 3.0 vessel months in the quarter. In the third quarter 2022, the Company recorded 3.0 vessel months.

Vessel activity in the third quarter

	Utilisation Q3 2023	Status	Firm charter period	Remaining Option periods
Atlantic Guardian	0%	Warm-stacked	20 October 2024	2 x 12 months

Atlantic Guardian

The Atlantic Guardian spent the entire third quarter of 2023 warm-stacked.

In August 2023, EMGS extended the charter party for the charter of the Atlantic Guardian by one year. The firm charter period has thus been extended until 20 October 2024. The extension provides increased flexibility with regard to the usage of a reduced warm-stack rate.

Backlog

As of 30 September 2023, EMGS' backlog was USD 0.5 million, compared with a backlog of USD 14.5 million as of the end of the third quarter 2022.

Events during the first nine months of 2023

EMGS secures multi-client revenues in Norway

In January 2023, Electromagnetic Geoservices ASA announced it had secured USD 1.7 million in revenue from late sales related to its existing EM multi-client library in the Barents Sea.

EMGS secures late sales multi-client revenue

In March 2023, Electromagnetic Geoservices ASA announced it had entered into late sales licensing agreements related to its existing EM multi-client library, with a total combined revenue of USD 3.1 million.

EMGS secures late sales multi-client revenue

In August 2023, Electromagnetic Geoservices ASA announced it had secured USD 1.0 million in revenue related to its existing multi-client library in Norway.

Subsequent events

EMGS entered in to its first acquisition contract related to renewable energy infrastructure. Subject to the issuance by the undisclosed customer of certain notice to proceed orders, the contact has a value of up to approximately USD 2 million. The contract does not include any minimum scope of work.

Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. During the third quarter 2023, the EMGS share was traded between NOK 2.20 and NOK 2.84 per share. The last closing price on 30 September 2023 was NOK 2.28.

As of 30 September 2023, 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 due in 2025 contains a financial covenant requiring free cash and cash equivalents of at least USD 2.5 million. As of 30 September 2023, the free cash and cash equivalents totalled USD 11.5 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 2022 Annual Report for a further description of other relevant and important risk factors.

Outlook

The Atlantic Guardian continues to be in extended warm-stack in Norway. While in warm-stack, lower variable charter rates for the Atlantic Guardian apply. The reduced variable charter rates, together with other reduced costs as a result of the warm-stack, result in significantly lower cash expenses until new backlog is secured.

As of the date of this report, EMGS has no firm acquisition backlog. While the Company has implemented a number of measures to reduce cost when the vessel is not operating, a base level of revenue is still required to cover the Company's fixed costs. Unless the Company is able to achieve such a base level of revenue, the cash position will continue to deteriorate from the current strong cash position. Multi-client late sales have been and are expected to 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, are not a predictable revenue stream, and are in any event not expected to cover the Company's entire fixed cost base. The Company is therefore dependent upon securing significant acquisition work for 2024.

Securing backlog has proven to take significantly longer than expected. Although the Company entered 2023 with a normal level of customer interest with several customer discussions regarding potential acquisition projects, EMGS has not been successful in converting these discussions into firm contracts in a timely manner. The Company believes that there are several reasons for this. The most important factor has been the soft frontier exploration market, as E&P companies are to a larger extent prioritising investments in near-field exploration with short investment and return cycles. Additionally, the Company has had a strong customer base amongst smaller E&P companies who typically have shorter decision cycles. The ongoing consolidation trend in this customer segment, and tighter access to capital generally has resulted in postponements and fewer-than-expected projects in 2023. Nevertheless, the supportive oil price environment currently and the relatively limited industry reserve replenishment rate, are important leading indicators underpinning the Company's expectations of a gradual return in demand for its services.

Although visibility remains low for the remainder of 2023 and into 2024, EMGS is currently engaged in a higher-than-normal number of discussions with customers regarding potential EM acquisition projects. While uncertainty remains high, EMGS is encouraged by the level of customer interest and the potential for significantly improved vessel utilization and revenue generation in 2024. EMGS is working actively with our customers in order to mature these discussions into firm backlog.

Oslo, 08 November 2023

Board of Directors and CEO

Consolidated Income Statement.

Amounts in USD 1 000	Q3 2023 Unaudited	Q3 2022 Unaudited	September YTD 2023 Unaudited	September YTD 2022 Unaudited	2022 Audited
Operating revenues					
Contract sales	82	1,607	411	1,917	13,561
Multi-client pre-funding	0	0	0	2,793	4,793
Multi-client late sales	1,545	3,790	6,428	11,307	11,874
Other revenue	0	1,231	0	3,757	4,751
Total revenues	1,627	6,627	6,839	19,774	34,979
Operating expenses					
Charter hire, fuel and crew expenses	148	1,328	786	1,873	4,241
Employee expenses	924	849	2,263	2,226	3,884
Depreciation right-of-use assets	416	1,124	2,382	2,627	4,049
Multi-client amortisation	138	234	415	1,651	2,513
Other depreciation and amortisation	746	978	2,312	3,147	4,159
Other operating expenses	514	694	1,800	2,137	3,018
Total operating expenses	2,886	5,206	9,958	13,661	21,864
Operating profit/ (loss)	-1,259	1,421	-3,119	6,112	13,115
Financial income and expenses					
Interest income	368	144	988	168	388
Interest expense	-788	-528	-2,316	-1,724	-2,516
Interest expense lease liabilities	-61	-171	-232	-368	-504
Gains on financial assets and liabilities	-1	0	-1	0	671
Net foreign currency income/(loss)	-47	-93	177	40	-7
Net financial items	-529	-649	-1,383	-1,884	-1,969
Income/ (loss) before income taxes	-1,789	772	-4,502	4,228	11,146
Income tax expense	2	0	2	-33	-46
Income/ (loss) for the period	-1,791	772	-4,505	4,261	11,192

Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q3 2023 Unaudited	Q3 2022 Unaudited	September YTD 2023 Unaudited	September YTD 2022 Unaudited	2022 Audited
Income/ (loss) for the period	-1,791	772	-4,505	4,261	11,192
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	-1	-1	-2	-2	-5
Other comprehensive income/(loss)	-1	-1	-2	-2	-5
Total other comprehensive income/(loss) for the period	-1,791	771	-4,506	4,259	11,187

Consolidated Statement of Financial Position.

Amounts in USD 1 000	30 September 2023 Unaudited	30 September 2022 Unaudited	31 December 2022 Audited
ASSETS			
Non-current assets			
Multi-client library	1,089	2,363	1,504
Other intangible assets	15	160	106
Property, plant and equipment	7,627	10,114	9,252
Right-of-use assets	1,745	6,304	4,882
Other receivables and prepayments	2,836	0	2,693
Financial lease receivables	0	0	0
Assets under construction	3	3	3
Total non-current assets	13,315	18,945	18,439
Current assets			
Spare parts, fuel, anchors and batteries	4,151	4,201	4,158
Trade receivables and accrued revenues	1,534	3,005	7,898
Other receivables and prepayments	631	3,788	506
Financial lease receivables	0	73	49
Cash and cash equivalents	11,535	11,381	11,434
Restricted cash	143	4,136	196
Total current assets	17,994	26,583	24,241
Total assets	31,309	45,528	42,681
EQUITY			
Capital and reserves attributable to equity holders			
Share capital, share premium and other paid-in equity	71,405	71,490	71,490
Other reserves	-1,576	-1,572	-1,575
Retained earnings	-65,735	-68,167	-61,233
Total equity	4,091	1,749	8,681
LIABILITIES			
Non-current liabilities			
Provisions	0	1,203	0
Borrowings	19,565	24,437	19,484
Non-current leasing liabilities	139	640	118
Total non-current liabilities	19,704	26,281	19,601
Current liabilities			
Trade payables	655	2,000	2,928
Current tax liabilities	2,977	3,365	3,025
Other short term liabilities	1,244	5,309	3,104
Current leasing liabilities	2,637	6,823	5,341
Total current liabilities	7,514	17,498	14,398
Total liabilities	27,218	43,779	33,999
Total equity and liabilities	31,309	45,528	42,681

Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q3 2023 Unaudited	Q3 2022 Unaudited	Year to date 2023 Unaudited	Year to date 2022 Unaudited	2022 Audited
Net cash flow from operating activities					
Income/ (loss) before income taxes	-1,789	772	-4,502	4,228	11,146
Adjustments for:					
Total taxes paid	2	0	-47	0	-342
Depreciation right-of-use assets	416	1,423	2,382	3,015	4,437
Multi-client amortisation	138	234	415	1,651	2,513
Other depreciation and amortisation	746	978	2,312	3,148	4,160
Cost of share-based payment	0	1	-85	3	4
Change in trade receivables	-694	473	6,365	-1,738	-6,632
Change in inventories	0	-548	7	-388	-345
Change in trade payables	161	-411	-2,273	18	947
Change in other working capital	-141	-362	-2,029	-2,547	-1,388
Finance Income	0	0	0	0	-671
Finance Cost	673	625	2,004	1,920	2,730
Net cash flow from operating activities	-488	3,186	4,547	9,310	16,561
Investing activities:					
Purchase of property, plant and equipment	-92	-171	-596	-219	-318
Investment in multi-client library	0	-682	0	-1,602	-1,602
Purchase of intangible assets	0	0	0	-33	-33
Cash used in investing activities	-92	-853	-596	-1,855	-1,954
Financial activities:					
Principal amount leases	-703	-1,846	-1,928	-4,150	-6,157
Interest lease liabilities	-61	-171	-232	-368	-504
Repayment/settlement of loan	0	0	0	0	-4,297
Interest paid	-591	-521	-1,691	-1,409	-2,070
Cash used in/provided by financial activities	-1,355	-2,538	-3,850	-5,928	-13,027
Net change in cash	-1,934	-206	101	1,526	1,580
Cash balance beginning of period	13,469	11,587	11,434	9,855	9,855
Cash balance end of period	11,535	11,381	11,535	11,381	11,434
Net change in cash	-1,934	-206	101	1,526	1,580

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
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	-68,942	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	-61,233	8,681
Income/(loss) for the period	0	0	451	451
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	451	451
Cost of share-based payments	0	0	0	0
Balance as of 31 March 2023 (Unaudited)	71,490	-1,575	-60,782	9,131
Income/(loss) for the period	0	0	-3,165	-3,165
Other comprehensive income	0	-1	0	-1
Total comprehensive income	0	-1	-3,165	-3,166
Cost of share-based payments	-85	0	1	-85
Balance as of 30 June 2023 (Unaudited)	71,405	-1,576	-63,946	5,881
Income/(loss) for the period	0	0	-1,791	-1,791
Other comprehensive income	0	-1	0	-1
Total comprehensive income	0	-1	-1,791	-1,791
Cost of share-based payments	0	0	1	1
Balance as of 30 September 2023 (Unaudited)	71,405	-1,576	-65,735	4,091

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 2022, which is 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	Q3 2023 Unaudited	Q3 2022 Unaudited	September YTD 2023 Unaudited	September YTD 2022 Unaudited	2022 Audited
Americas	0.0	0.1	0.4	0.2	14.0
Asia/Pacific	0.0	0.0	0.0	0.0	0.0
EAME	1.6	6.6	6.4	19.5	21.0
Total	1.6	6.6	6.8	19.7	35.0

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	Q3 2023 Unaudited	Q3 2022 Unaudited	September YTD 2023 Unaudited	September YTD 2022 Unaudited	2022 Audited
Opening carrying value	1.2	1.9	1.5	2.4	2.4
Additions	0.0	0.7	0.0	1.6	1.6
Amortisation charge	-0.1	-0.2	-0.4	-1.7	-2.5
Impairment	0.0	0.0	0.0	0.0	0.0
Closing carrying value	1.1	2.4	1.1	2.4	1.5

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.

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, or contact:

Anders Eimstad

CFO

Email: 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

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	Q3 2023 Unaudited	Q3 2022 Unaudited	September YTD 2023 Unaudited	September YTD 2022 Unaudited	2022 Audited
Operating profit/ (loss)	-1,259	1,421	-3,119	6,112	13,115
Depreciation right-of-use assets	416	1,124	2,382	2,627	4,049
Multi-client amortisation	138	234	415	1,651	2,513
Other depreciation and amortisation	746	978	2,312	3,147	4,159
Impairment of long-term assets	0	0	0	0	0
EBITDA	41	3,757	1,990	13,537	23,837

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 such 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
emgs@emgs.com