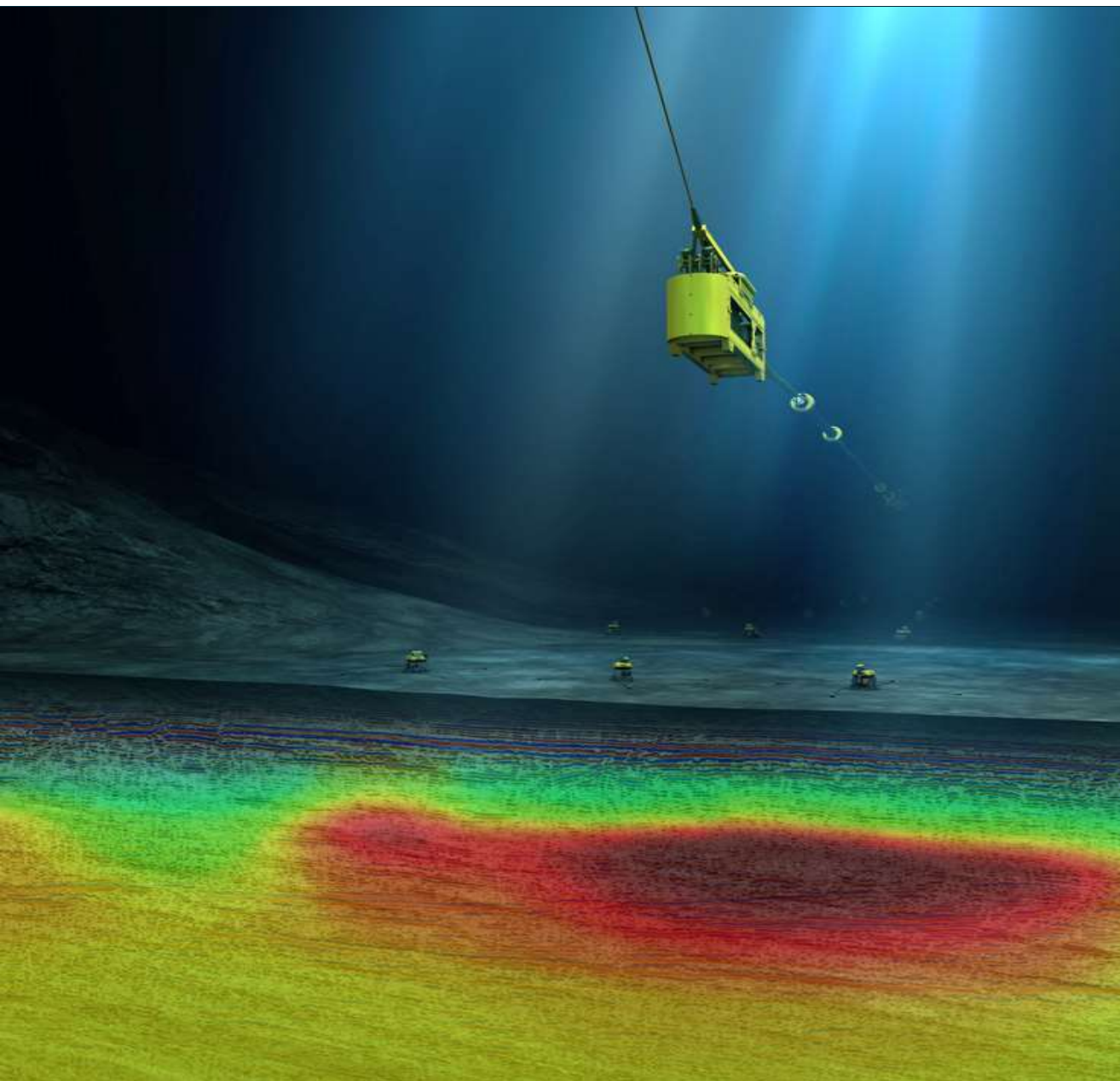


# Q1 2022 RESULTS

Oslo, 20th May 2022

Bjørn Petter Lindhom, CEO  
Anders Eimstad, CFO



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# Q1 2022

## Operational highlights for the quarter

- Atlantic Guardian warm-stacked for the entire quarter

## Financial highlights for the quarter

- Revenues of USD 6.2 million up from USD 1.6 million in 1Q 2021
- EBITDA of USD 4.5 million and adjusted EBITDA of USD 3.7 million. Up from negative USD 0.1 million and negative USD 1.5 million, respectively, in 1Q 2021 as a result of increased multi-client revenue
- Quarter end free cash balance of USD 8.2 million
- Senior Unsecured Convertible Bond (EMGS03) extended by 24 months to May 2025
- Equity improved from negative USD 2.5 million at the end of the year to negative USD 0.9 million at the end of this quarter

## Subsequent events

- Approximately USD 2.8 million in prefunding secured for surveys in Norway
- Atlantic Guardian has been mobilized and commenced acquisition of the fully pre-funded survey in the North Sea



# Operations, Market and Outlook

# Market outlook

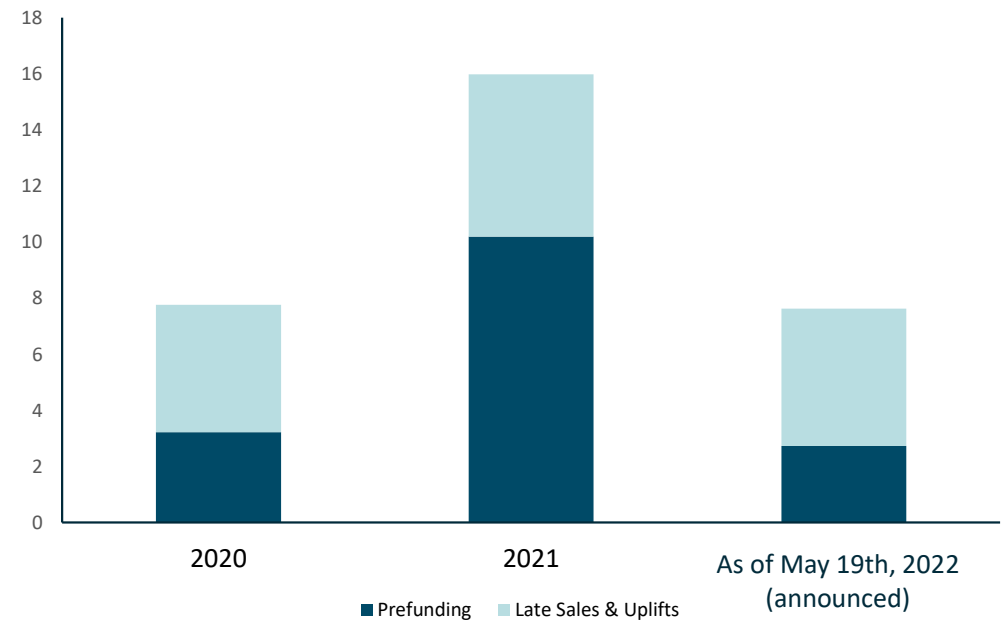
- Improving market conditions for oil services as a result of higher oil prices, focus on energy security and increased demand for gas, however
  - Capital discipline remains tight within oil companies
  - Exploration budgets have not, in most cases, been revised upwards as a result of these improving market conditions
- Oil companies requesting a more rigorous EM sensitivity and survey design process, including synthetic imaging tests of multiple geological scenarios
  - Resulting in improved customer understanding of the EM technology and its value proposition
  - but also, a longer sales cycle
  - Customer funded survey design projects at an all time high
- Interest in CSEM Multi-Client data from our existing library remains high



# Multi-Client update

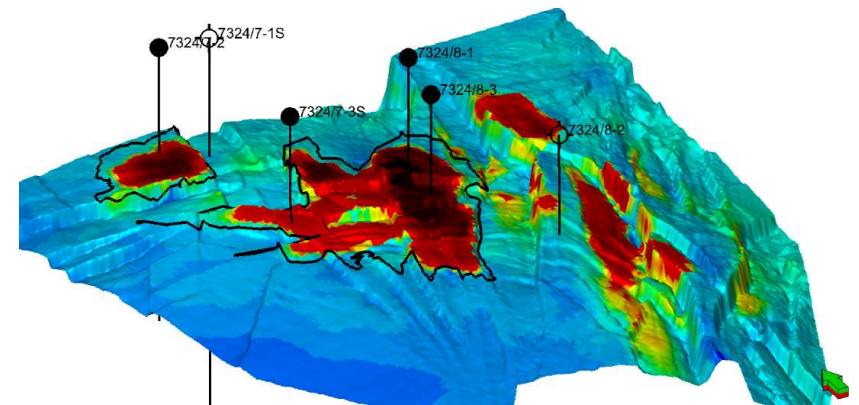
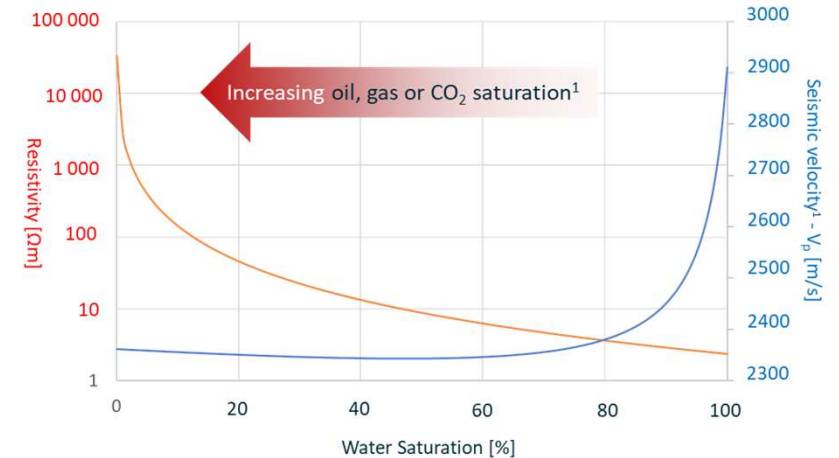
- 2022 Multi-Client revenue announced as of 19<sup>th</sup> May approximately USD 7.7 million, consisting of:
  - USD 4.9 million late sales, uplifts and Change of Control revenue recognized in Q1 2022
  - Announced prefunding of approximately USD 2.8 million. Revenue will be recognized upon data delivery
- Atlantic Guardian mobilized end of April and started acquisition on a multi-client campaign in Norway

Annual Multi-Client Revenue



# CSEM for field appraisal

- Increasing interest in using CSEM for appraisal of gas discoveries
  - Gas saturation assessments
  - Reservoir quality
  - Appraisal well locations
  - Field volumetrics
- A tightening rig market is expected to contribute towards additional demand for using CSEM for appraisal projects
- Several CSEM gas appraisal projects moving through the sales funnel



1) Seismic velocity is for gas saturation



# Financial review



# First quarter 2022 performance

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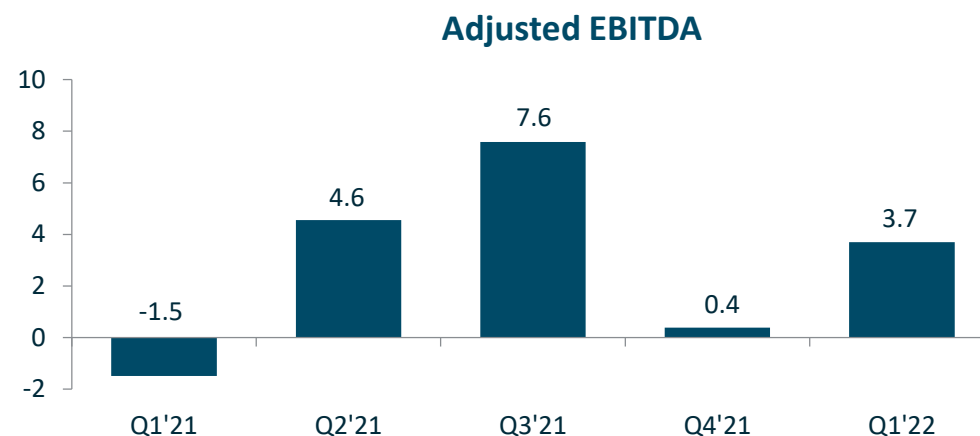
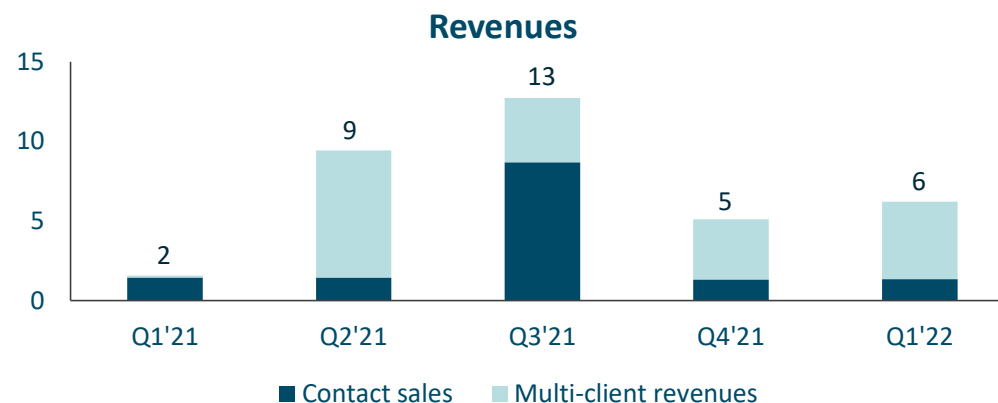
# Development in revenues and EBITDA

## Key financial metrics

- Revenues
  - USD 6.2 million total revenue
  - USD 4.9 million in multi-client revenue
- Vessel utilisation of 0%
  - Atlantic Guardian warm-stacked for the entire first quarter 2022
- EBITDA
  - USD 4.5 million
  - Adjusted EBITDA\* of USD 3.7 million

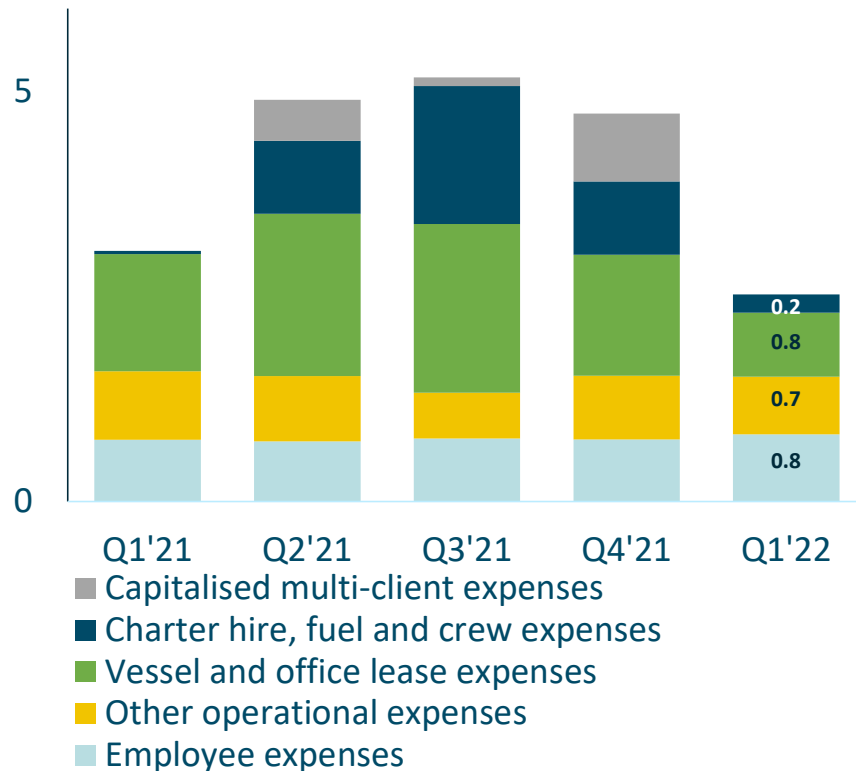
\*Adjusted EBITDA includes capitalised multi-client expenses and vessel and office lease expenses

## Quarterly development (USD million)



# Operational costs

## Quarterly operational cost base\* development (USD million)



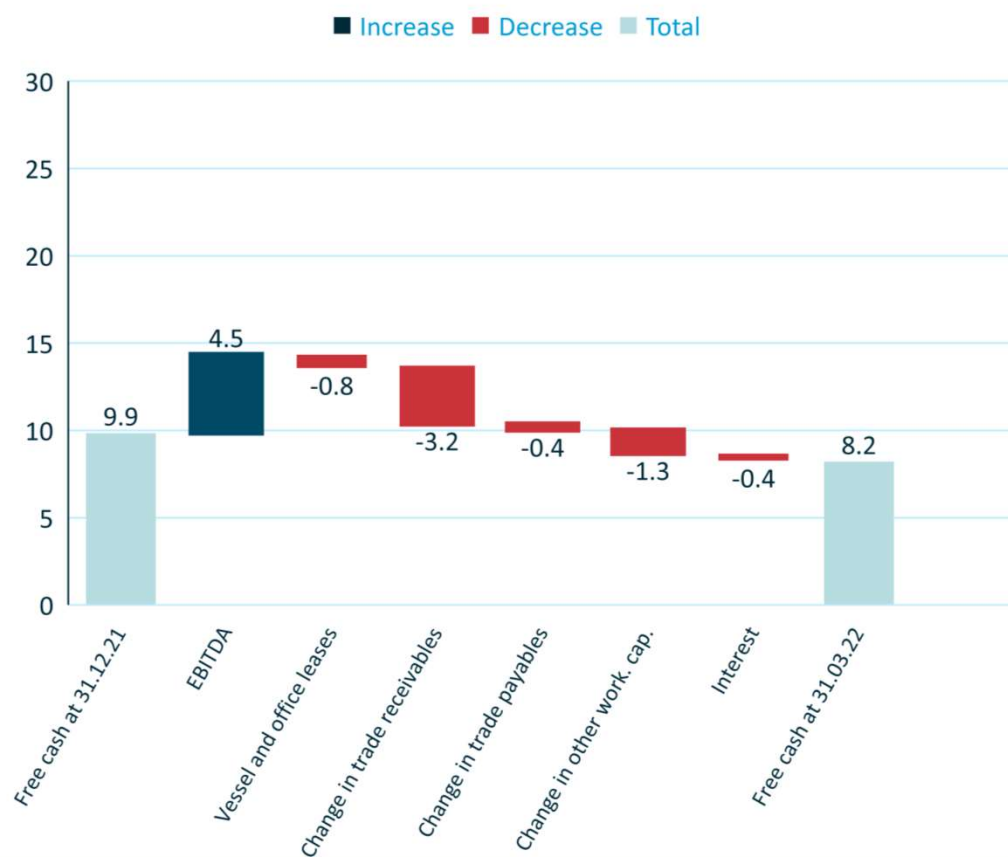
## Comments

- Operational costs base in Q1 22 of USD 2.5 million
  - USD 2.2 million lower than Q4 21
    - Other operational expenses and employee expenses remain consistently low
    - Combined Charter hire, fuel and crew expenses significantly lower as a result of the Atlantic Guardian being warm-stacked for the entire quarter
    - Vessel and office lease expense lower than the previous quarter due to reduced vessel lease during warm-stack
      - Atlantic Guardian warm-stacked since mid-November

\*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 Q1 2022

Quarterly free cash development (USD million)



Comments

- Net decrease in free cash of USD 1.6 million to USD 8.2 million
  - Positive Adjusted EBITDA of USD 3.7 million
  - Significant increase of USD 3.2 million in trade receivables as compared to the previous quarter
  - Vessel and office leases USD 0.8 million



# Summary

# Q & A

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Please e-mail questions to: [emgs@emgs.com](mailto:emgs@emgs.com)

