

A red and white offshore supply vessel is centered in a calm blue fjord. The vessel has "EMGS" written on its side. In the background, there are dark, rugged mountains with patches of snow. The foreground shows dark, rocky terrain on the left and some green vegetation on the right.

# COMPANY UPDATE AND Q1 2019 RESULTS

Oslo, 9 May 2019

Bjørn Petter Lindhom, CEO  
Hege Veiseth, CFO

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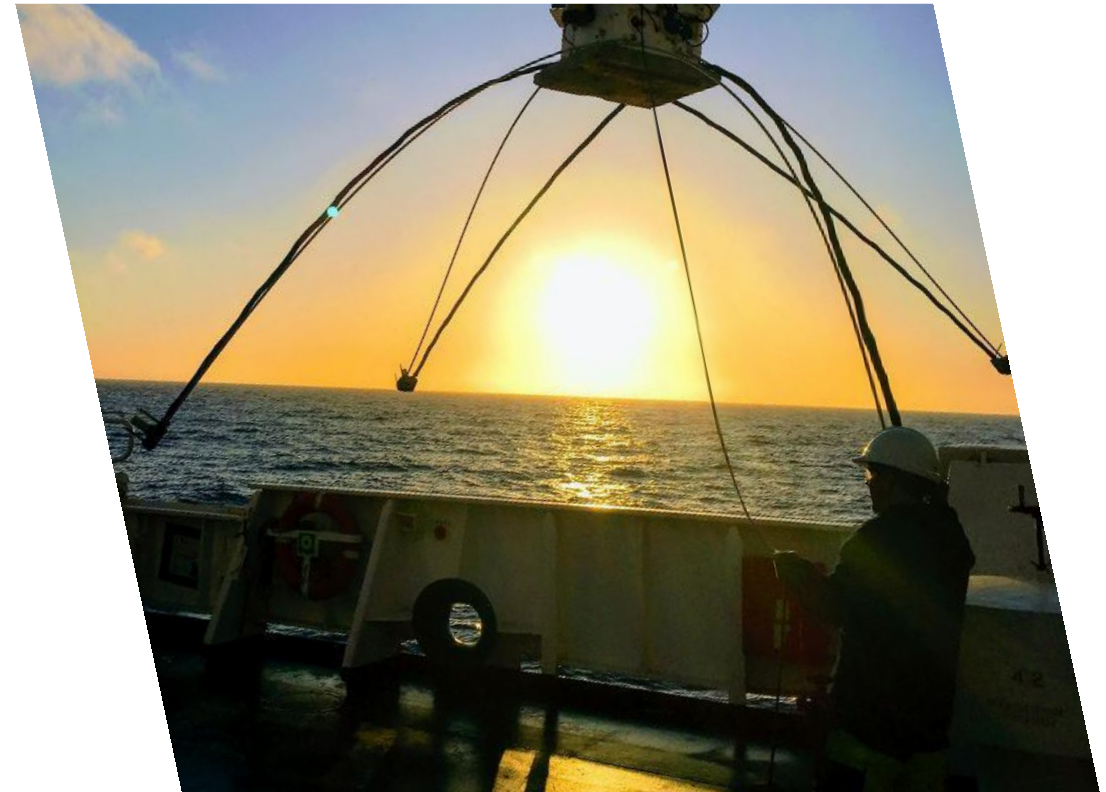


# Operations, Market and Outlook

# Strong start for 2019

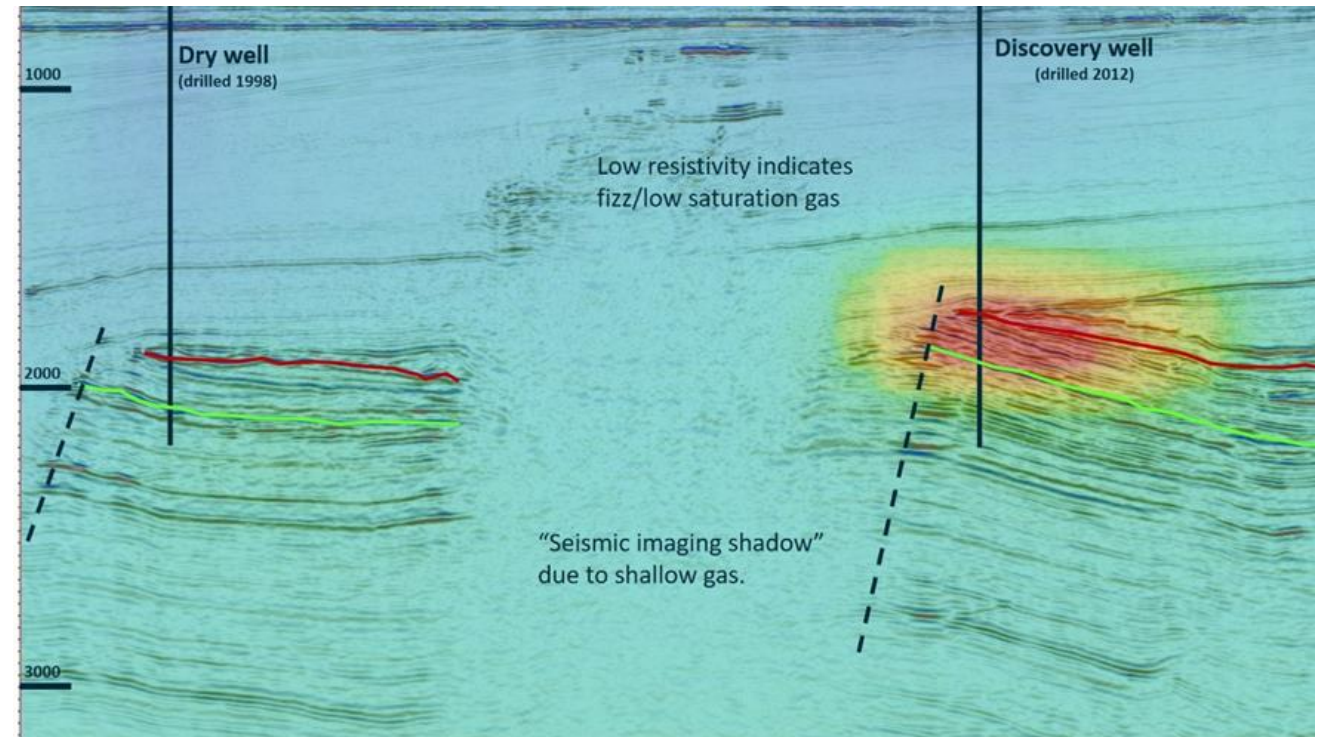
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- Strong 2019 sales with substantial contracts and traction in all major regions:
  - USD 2 million APA (Norway) uplifts
  - USD 8 million multi-client agreement with Equinor (Norway)
  - USD 3.4 million fully pre-funded multi-client survey in the Barents Sea (Norway)
  - USD 24 million proprietary acquisition in South-East Asia
  - USD 1 million well calibration study with Equinor (global)
  - USD 73.3 million proprietary acquisition LOA for PEMEX (Mexico) with a minimum value of USD 29.3 million
- Total backlog to date of approx. USD 100 million
- Stronger financial position
  - Positive cash flow
  - Improved balance sheet
- No bond debt maturities before 2023



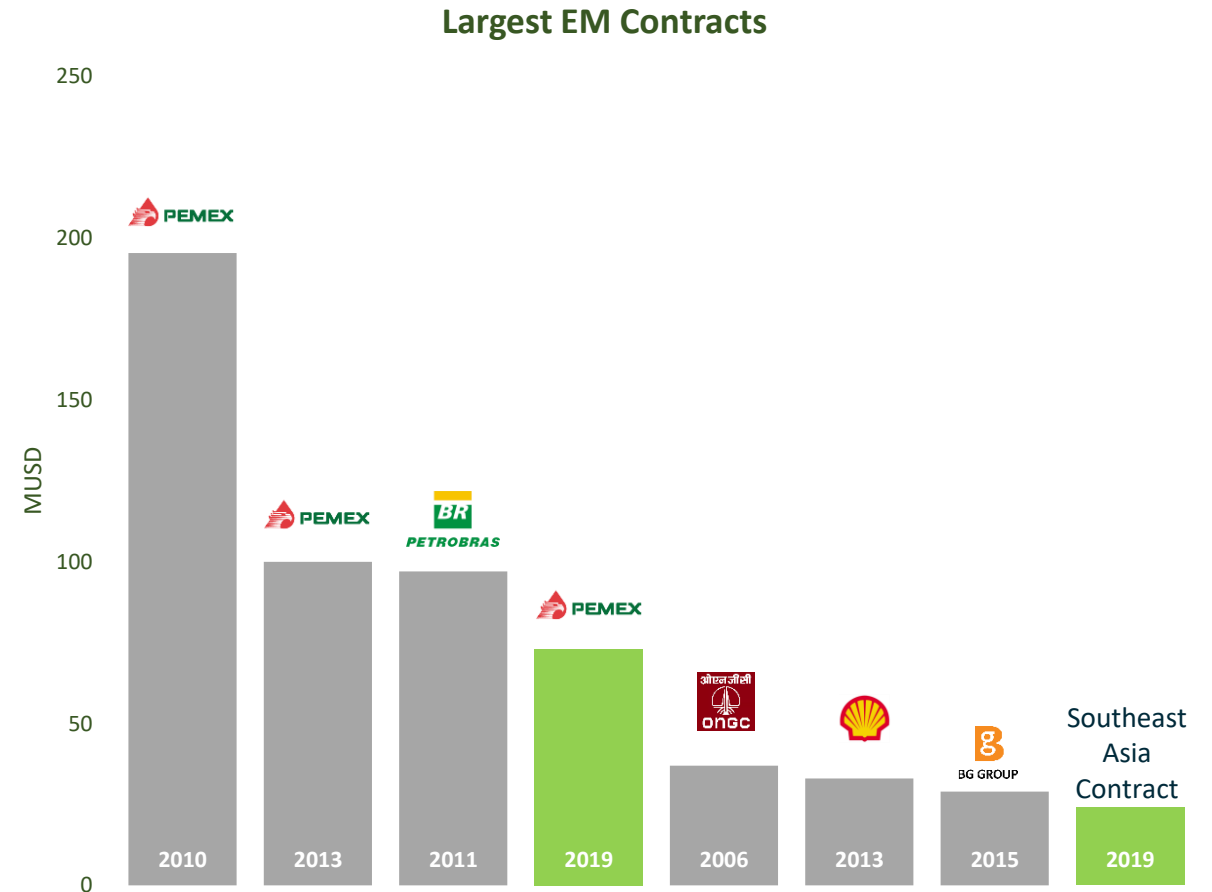
# Well positioned to capitalise on market recovery

- Significantly reduced fixed cost base
- Through the downturn EMGS has:
  - Retained key technical competences: Motivated, dynamic and innovative work force
  - Kept the global presence intact
  - Invested significantly in the JIP project to develop the Deep Blue source with Equinor and Shell
  - Developed an improved 3D EM inversion algorithm (Gauss-Newton)
  - Sought to deepen and broaden client relationships in anticipation of eventual market recovery
- Employment of flexible and low fixed-cost solutions for increased capacity, including development of a mobile acquisition system
- Well positioned for strategic cooperation(s)



# Key developments and EM market trends

- Large proprietary contracts: EMGS awarded 4<sup>th</sup> and 8<sup>th</sup> largest EM contracts ever; USD 73 million (LOA) and USD 24 million, respectively
- Clients investing in EM knowledge: Two well calibration studies on-going, third well calibration study being discussed with a supermajor
- Regulator support increasing: EM investments count as work units / can be included in work-program in an increasing number of countries

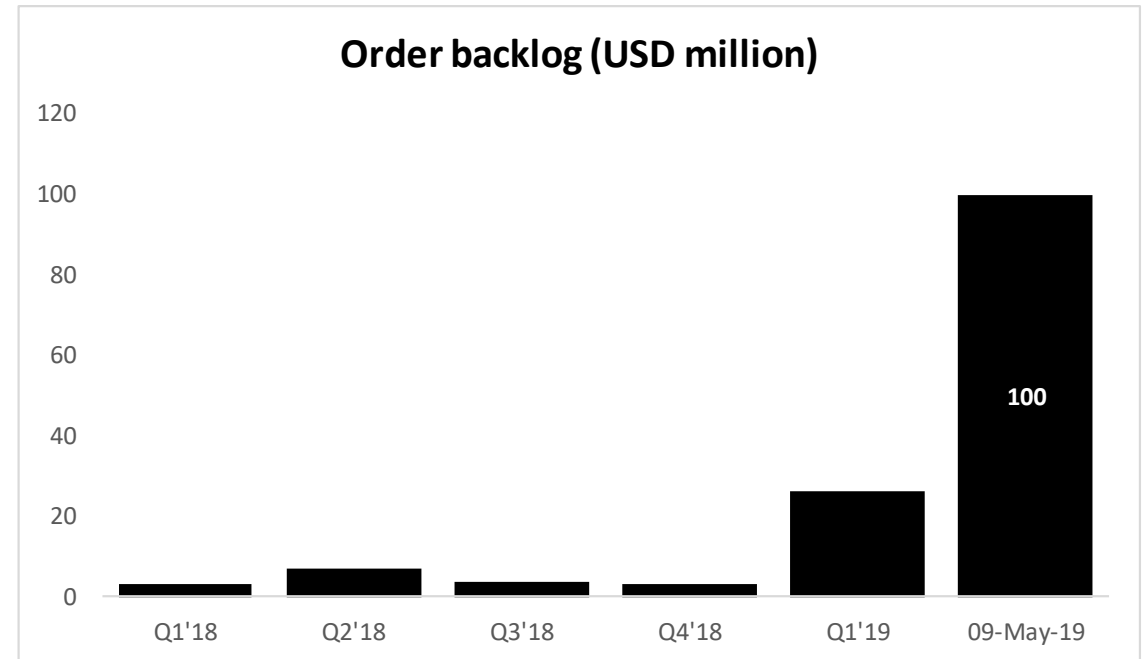


# Significant increase in order backlog

## Comments

- Order backlog at USD 26 million at end of Q1 2019
- Subsequently further increased to approx. USD 100 million
- 2019 has been characterised by increased tender and direct negotiation activity

## Order backlog



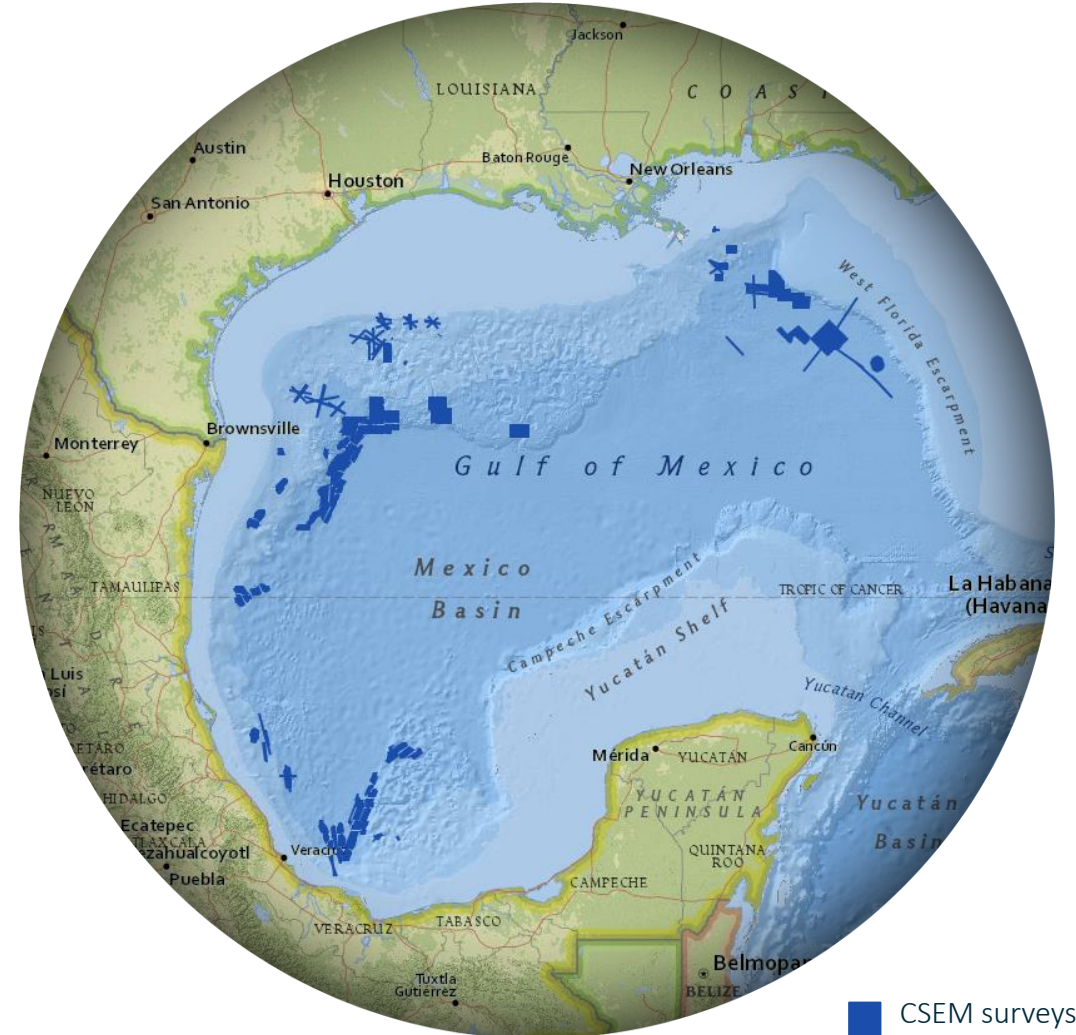
# EMGS returning to Mexico to work for Pemex

- Contract value under LOA of USD 73.3 million over a two year-period, with a minimum value of USD 29.3 million
- EMGS has worked for PEMEX on 3 major contracts since 2008
- Work program includes acquisition, processing and inversion services
- Well positioned to secure additional work in GoM

“Once the prospects were drilled, an extraordinary match between proven hydrocarbons and areal distribution of resistivity was observed.”

**Marco Arreguin**  
Manager New Areas and Partnerships  
Pemex, Mexico D.F.

AAPG/SEG International Conference & Exhibition  
September 2016 – Cancun, Mexico





# Vessel update

- EMGS exercised the first of three six-months option periods for the BOA Thalassa.
  - BOA Thalassa on firm charter until end Q1 2020
- The Company expects to operate two vessels in 2019
  - Atlantic Guardian in Gulf of Mexico
  - BOA Thalassa in Southeast Asia
- The Company is developing a mobile acquisition solution, which will allow for a more flexible approach to increased demand and lower fixed costs for the Company



# Q1 2019 Highlights

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## Operational highlights

- Proprietary contract in South America completed
- Commencement of a proprietary survey in South-East Asia
- USD 8.0 million multi-client agreement signed with Equinor

## Financial highlights

- Revenues of USD 10.8 million
- EBITDA of USD 2.6 million
- Adjusted EBITDA negative USD 1.2 million

## Subsequent events

- LOA for a USD 73.3 million multi-year acquisition contract with a minimum value of USD 29.3 million
- New guarantee facility of USD 7.5 million
- Multi-client pre-funding revenues of USD 3.4 million in Norway
- EMGS exercised the first of three six-months option periods for the BOA Thalassa





# Financial review

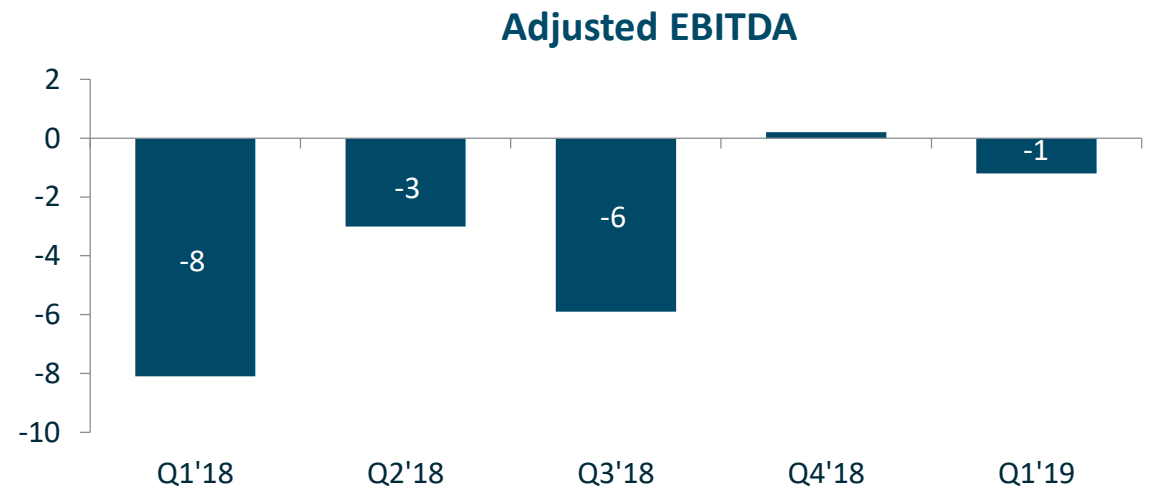
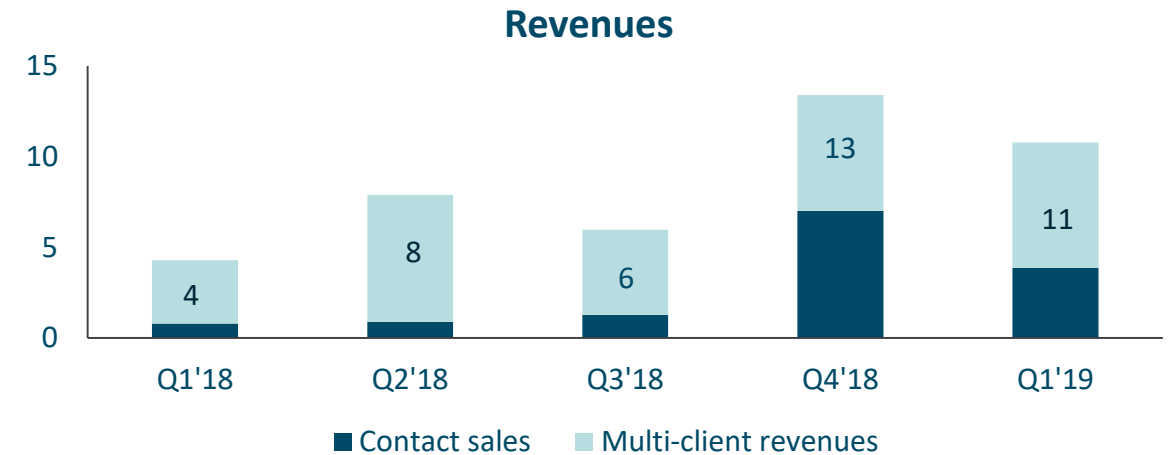
# First quarter 2019 performance

## Key financial metrics

- Revenues
  - USD 10.8 million
  - Mainly proprietary work in South America and multi-client revenues in Norway
- Vessel utilisation of 11%
  - Two vessels on charter
- EBITDA
  - USD 2.6 million
  - Negative adjusted EBITDA\* of USD 1.2 million

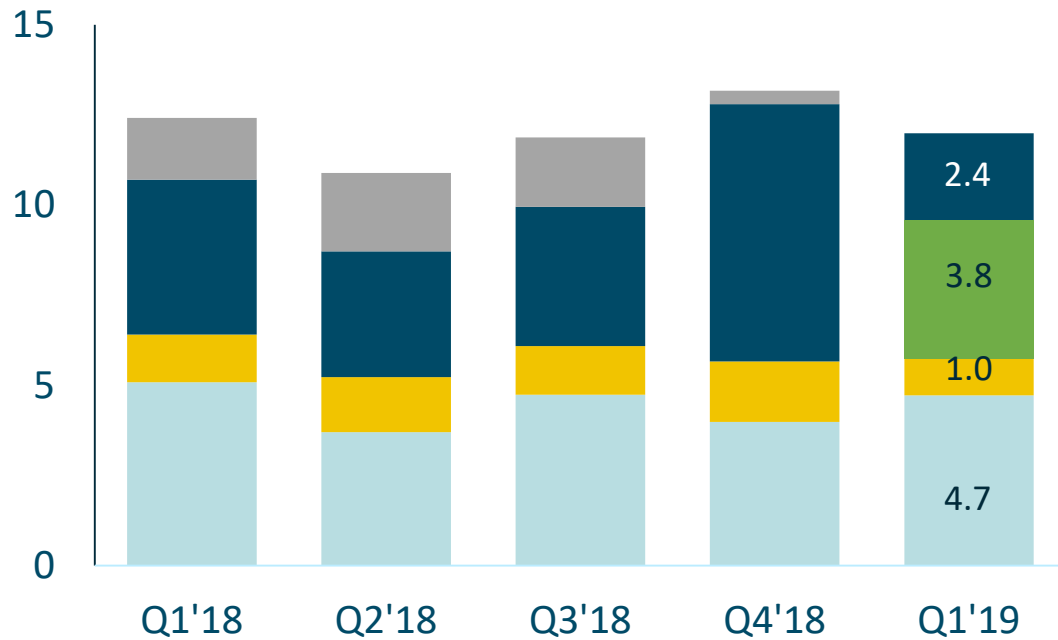
\*Adjusted EBITDA includes capitalised multi-client expenses and vessel and office lease expenses

## Quarterly development (USD million)



# Operational costs

Quarterly operational cost base\* development (USD million)



- Capitalised multi-client expenses
- Charter hire, fuel and crew expenses
- Vessel and office lease expenses
- Other operational expenses
- Employee expenses

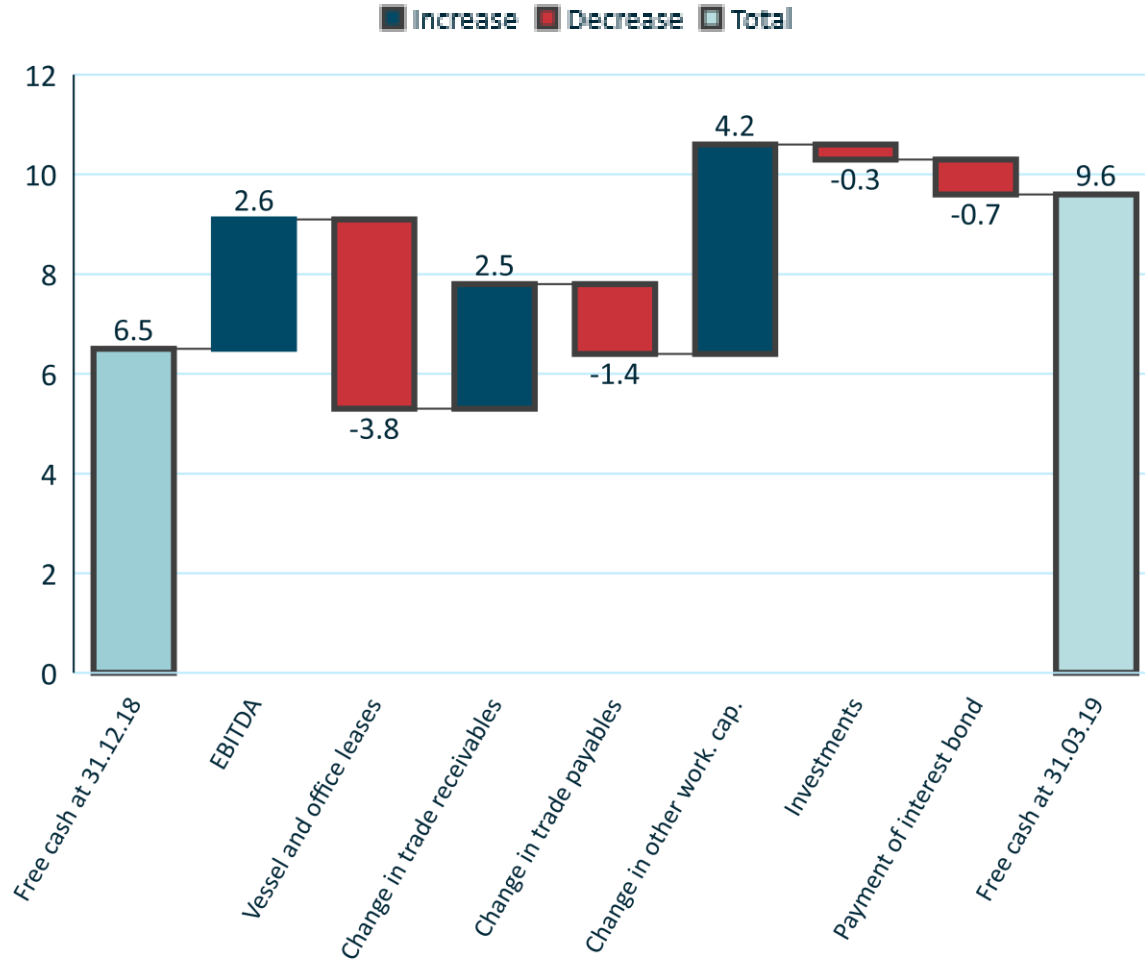
## Comments

- Operational costs base in Q1 19 of USD 12.0 million
  - Comparable to Q1 last year
- Cost control
  - Strong focus on cost optimisation

\*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

# Increase in free cash in Q1 2019

Quarterly free cash development (USD million)



Comments

- Net increase in free cash of USD 3.1 million to USD 9.6 million
  - Negative adjusted EBITDA of USD 1.2 million
  - Trade receivables decreased by USD 2.5 million to USD 2.2 million
  - USD 0.7 million in interest-payments on convertible bond
  - Total investments of USD 0.3 million



# Summary, Q&A

# Summary

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- Strong 2019 sales with substantial contracts and traction in all major regions
- Total backlog to date of approx. USD 100 million
- Well positioned to capitalise on market recovery

