

**EMGS
SECOND
QUARTER
2022.**

Highlights in the Second Quarter.

Operational highlights

- Successfully completed fully prefunded multi-client survey in the North Sea
- Time Charter agreement for the Atlantic Guardian was extended by one year to October 2023 with increased flexibility

Financial highlights

- Revenues of USD 6.9 million
- EBITDA of USD 5.3 million
- Adjusted EBITDA of USD 2.8 million
- USD 11.6 million free cash, up from USD 9.9 million at year end 2021
- Equity returned to positive USD 1.0 million

Subsequent events

- EMGS was awarded an acquisition contract with a maximum value of USD 11.0 million
- USD 3.8 million in uplifts received related to the existing multi-client library in Norway
- EMGS secured USD 2.0 million in prefunding for a multi-client survey in East Canada
- EMGS has begun acquisition on a proof-of-concept survey in the Mid-Atlantic Ridge related to marine mineral exploration

Key financial figures

	Q2 2022	Q2 2021	First hal year	First hal year	2021	Q1 2022
Amounts in USD million (except per share data)	Unaudited	Unaudited	YTD 2022	YTD 2021	Audited	Unaudited
			Unaudited	Unaudited		
Contract sales	0.2	0.1	0.3	0.2	7.6	0.1
Multi-client sales	5.4	8.0	10.3	8.1	15.9	4.9
Other revenue	1.3	1.3	2.5	2.7	5.3	1.3
Total revenues	6.9	9.4	13.1	11.0	28.9	6.2
Operating profit/ (loss)	2.4	3.6	4.7	1.1	9.2	2.2
Income/ (loss) before income taxes	1.9	2.6	3.5	-0.9	5.3	1.6
Net income/ (loss)	1.9	2.6	3.5	-1.0	4.9	1.6
Earnings/ (loss) per share	0.01	0.02	0.03	-0.01	0.04	0.01
Average number of shares outstanding (in thousands)	130,970	130,970	130,970	130,970	130,970	130,970
EBITDA	5.3	7.0	9.8	7.0	19.4	4.5
Multi-client investments	0.8	0.5	0.8	0.5	1.4	0.0
Vessel and office lease	1.6	2.0	2.4	3.4	6.9	0.8
Adjusted EBITDA	2.8	4.6	6.5	3.1	11.0	3.7

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 6.9 million in the second quarter of 2022, compared to USD 9.4 million reported for the corresponding quarter of 2021. Contract and other sales totalled USD 1.5 million, while multi-client sales amounted to USD 5.4 million in the second quarter of 2022. For the second quarter of 2021, contract and other sales totalled USD 1.4 million, while multi-client sales amounted to USD 8.0 million.

Revenues for the first half of 2022 amounted to USD 13.1 million, up 19% compared to USD 11.0 million for the first half of 2021.

Charter hire, fuel and crew expense, excluding vessel lease expenses and multi-client expenses, amounted to USD 0.3 million in the second quarter this year, compared to USD 0.9 million in the second quarter of 2021. The reduction in charterhire, fuel and crew expenses are mainly due to decreased activity as compared to the second quarter of 2021. The Company capitalised USD 0.8 million of the charter hire, fuel and crew expenses as multi-client expenses in the quarter, while USD 0.5 million was capitalised in the second quarter of 2021. When adding back the vessel lease expenses and the capitalised multi-client expenses, the charter hire, fuel and crew expenses have decreased from USD 3.2 million in the second quarter of 2021 to USD 2.7 million in same period this year.

For the first half of 2022, charter hire, fuel and crew expenses totalled USD 0.5 million, down from USD 0.9 million in the first half of 2021 due to lower activity level.

Employee expenses amounted to USD 0.6 million in the second quarter of 2022, down from USD 0.7 million in the same quarter in 2021.

Employee expenses for the first half of 2022 were USD 1.4 million, compared to USD 1.5 million in 2021.

Other operating expenses totalled USD 0.7 million in the second quarter this year, compared to USD 0.8 million in the second quarter of 2021.

For the first half of 2022, other operating expenses amounted to USD 1.4 million, down from USD 1.6 million in the same period last year.

Depreciation, amortisation and impairment

Depreciation and ordinary amortisation totalled USD 1.7 million in the second quarter of 2022 down from USD 1.9 million in the second quarter of 2021.

No impairment of long-term assets was made in the second quarter of 2022 or the second quarter 2021.

Depreciation and ordinary amortisation decreased from USD 3.9 million in the first half of 2021 to USD 3.7 million in the first half of 2022.

Multi-client amortisation amounted to USD 1.2 million this quarter, compared to USD 1.5 million in the second quarter of 2021. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful lifetime of four years.

Multi-client amortisation totalled USD 1.4 million for the first half of 2022, down from USD 2.0 million in the same period of 2021.

Net financial items

Net financial items ended at negative USD 0.6 million in the second quarter of 2022, compared to negative USD 0.9 million in the corresponding quarter last year. In the second quarter of 2022, the Group recorded an interest expense of USD 0.7 million compared to an interest expense of USD 0.9 million in the second quarter of 2021. In the second quarter of 2022, the

Company recorded a net currency gain of USD 44 thousand, compared to a currency loss of USD 27 thousand in the second quarter of 2021.

In the first half of 2022, net financial items were negative USD 1.2 million, compared to negative USD 2.0 million in the first half of 2021.

Income/(loss) before income taxes

Profit before income taxes amounted to USD 1.9 million in the second quarter 2022, compared to USD 2.7 million in the corresponding quarter in 2021.

Profit before income taxes for the first half of 2022 amounted to USD 3.5 million, compared to a loss before income taxes of USD 0.9 million in the same period last year.

Income tax expenses

Income tax expenses of USD one thousand were recorded in the second quarter of 2022, compared to USD 10 thousand in the second quarter of 2021.

Net income for the period

Profit for the second quarter of 2022 amounted to USD 1.9 million, down from a profit of USD 2.6 million in the same period last year.

Profit for the first half of 2022 was USD 3.5 million, up from a loss of USD 1.0 million in the same period last year.

Cash flow and balance sheet

In the second quarter 2022, net cash flow from operating activities was USD 6.5 million, the net cash flow of USD 4.6 million in the second quarter of 2021. The cash flow from operating activities this quarter was mainly affected by a positive EBITDA of USD 5.3 million.

In the first half of 2022, net cash flow from operating activities was USD 6.1 million, compared to USD 14.9 million in the same period last year. The cash flow from operating activities in the first half of 2021 was positively affected by the release of USD 7.3 million held in a pledge account.

EMGS applied USD 1.0 million in investing activities in the second quarter this year, compared to USD 0.9 million in the second quarter of last year. The Company invested USD 36 thousand in equipment, USD one thousand in intangible assets and USD 0.9 million in the multi-client library in the second quarter 2022.

Cash flow from investing activities in the first half of this year amounted to a negative USD 1.0 million, compared to a negative USD 1.2 million in the same period last year. The Company invested USD 48 thousand in equipment, USD 33 thousand in intangible assets and USD 0.9 million in the multi-client library in the first half of 2022.

The carrying value of the multi-client library was USD 1.9 million as of 30 June 2022, down from USD 2.4 million as of 31 December 2021 and USD 1.4 million as of 30 June 2021.

Cash flow from financial activities was negative USD 2.2 million in the second quarter of 2022, compared to a negative cash flow of USD 2.6 million in the same quarter last year.

Cash flow from financial activities for the first half of 2022 amounted to negative USD 3.4 million, compared to a negative USD 4.7 million in the same period of 2021.

The Company had a net increase in cash, excluding restricted cash, of USD 3.4 million during the second quarter of 2022. As of 30 June 2022, cash and cash equivalents totalled USD 11.6 million.

In June of 2022, EMGS agreed with North Sea Commander Shipping to extend the time charter for the Atlantic Guardian by 12 months. As a result of the extension (modification), EMGS increased the right of use assets and the lease liability by USD 6.3 million in accordance with IFRS 16.

Financing

Total borrowings were USD 24.5 million as of 30 June 2022, up from USD 24.3 million as of 31 December 2021 and down from USD 32.0 million as of 30 June 2021. This includes the Company's convertible bond loan, which had a carrying value of USD 24.5 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 June 2022, the free cash and cash equivalents totalled USD 11.6 million.

Operational Review.

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Proprietary work	0%	0%	0%	42%	0%
Multi-client projects	18%	0%	44%	6%	31%
Total utilisation	18%	0%	44%	48%	31%

Vessel utilisation and fleet allocation

The vessel utilisation for the second quarter of 2022 was 18% compared to 31% in the corresponding quarter of 2021. For the first half of this year, the vessel utilisation was 9%, down from 19% for the same period last year.

In the second quarter of 2022, the Company's vessel was allocated 18% to multi-client projects and no time was spent on proprietary work. In the comparable quarter of 2021, the vessel was allocated 31% 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 2021, the Company recorded 2.9 vessel months in the quarter.

Vessel activity in the second quarter

	Utilisation Q2 2022	Status Q2 2022	Firm charter period	Remaining Option periods
Atlantic Guardian	18%	In operation	20 October 2023	3 x 12 months

Atlantic Guardian

The Atlantic Guardian completed the fully funded multi-client survey in the North Sea and returned to port awaiting further projects. The Atlantic Guardian time charter was extended by one year to 20 October 2023. EMGS is entitled to up to 180 days of reduced warm-stack rates. The number of extensions has now been reduced by 1 x 12 month to 3 x 12 months.

Backlog

As of 30 June 2022, EMGS' backlog was USD 0.4 million, compared to a backlog of USD 11.9 million at the end of the second quarter 2021.

Events during the first half of 2022

Convertible bond extended

In February 2022, the maturity date of the convertible bond (EMGS03) was extended by 24 months from May 2023 to May 2025. The interest margin of the convertible bond was increased by 100 bps from 5.5 to 6.5 per cent over the applicable reference rate.

Multi-client sales and change of control event

In March 2022, EMGS announced USD 2.8 million in revenue from late sales and a change of control event related to its existing multi-client library in Norway.

Multi-client uplift

In March 2022, EMGS announced net uplifts in the amount of approximately USD 2 million related to its existing multi-client library in Norway. In April 2022, additional uplifts of USD 1 million were announced.

Pre-funding secured

In April 2022, EMGS announced that the Company had secured a total of USD 2.8 million in pre-funding related to a multi-client survey in Norway.

Multi-client revenues in Norway

In June 2022, the Company announced USD 1.4 million in late sales and USD 1.2 million from a change of control event related to the existing multi-client library in Norway.

Subsequent events

Secured multi-client late sales

In July 2022, EMGS was awarded a proprietary survey for CSEM acquisition in the Caribbean with a maximum value of approximately USD 11 million. The survey is expected to commence late third quarter or early fourth quarter.

Secured multi-client uplifts

In July 2022 EMGS announced that the Company had secured USD 3.8 million in revenue from uplifts related to its existing multi-client library in Norway.

Secured multi-client pre-funding offshore East Canada

In July 2022, EMGS secured USD 2 million in pre-funding for a multi-client survey offshore Newfoundland and Labrador.

Share information

EMGS was listed on the Oslo Stock Exchange in March 2007. During the second quarter of 2022, the EMGS share was traded between NOK 1.60 and NOK 2.75 per share. The last closing price on 30 June 2022 was NOK 2.09.

As of 30 June 2022, 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, demand for EM services has been correlated with 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 in response to changes in the oil price.

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 June 2022, the free cash and cash equivalents totalled USD 11.6 million.

In the second quarter the vessel successfully mobilised, completed a fully pre-funded survey in the North Sea and returned to port to await additional projects.

Subsequent to the end of the second quarter, EMGS secured two separate acquisition projects with a combined maximum contract value of USD 13 million. Execution of already secured contracts and securing additional backlog represents the most significant uncertainty factors.

Reference is made to the 2021 Annual Report for a further description of other relevant and important risk factors.

Outlook

The second quarter of 2022 represents the fifth consecutive profitable quarter for EMGS. The performance over the last five quarters has enabled EMGS to not only return to positive equity, but also pay down the convertible bond loan by USD 8 million.

EMGS has taken significant steps subsequent to the end of the second quarter to improve the backlog, which at the end of the second quarter stood at USD 0.4 million. EMGS was able to secure two separate acquisition contracts with a combined maximum value of USD 13 million. While a significant portion of the H2 2022 capacity has been sold, EMGS is working towards securing additional backlog.

Multi-client late sales have been and will continue to be an important part of EMGS' revenue stream, generating cash in addition to acquisition contracts. Both Q1 and Q2 2022 were dependent upon late sales to attain a profitable quarter. Late sales typically have a short sales cycle and are not a predictable revenue stream.

EMGS has joined the Atlab consortium at NTNU which was formed to collect geophysical data to improve the understanding of the nature, dynamics and diversities of the mid-ocean ridges and oceanic plates including the formation and distribution of marine mineral deposits. EMGS has been selected as the data acquisition provider for the consortium and will acquire a proof-of-concept survey in the Loki's Castle and Mohn's Treasure area of the Mid Atlantic Ridge in the Norwegian economic zone. EMGS will acquire a suite of multi-physics data from the Atlantic Guardian, including nodal CSEM, MT, High Frequency deep-towed CSEM, towed seismic, OBN seismic, bathymetry and biological sampling. If successful, this setup will form the basis for EMGS's Multiphysics offering towards marine mineral exploration and potentially offshore wind site surveys

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

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 2022, 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, 18 August 2022

Frederik W. Mohn
Chairman

Mimi Berdal
Director

Beatriz Malo de Molina
Director

Petteri Soininen
Director

Jørgen Westad
Director

Bjørn Petter Lindhom
Chief Executive Officer

Consolidated Income Statement.

Amounts in USD 1 000	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Operating revenues					
Contract sales	247	111	311	204	7,634
Multi-client pre-funding	2,793	7,200	2,793	7,200	10,151
Multi-client late sales/uplift	2,628	800	7,517	920	5,785
Other revenue	1,252	1,336	2,526	2,694	5,304
Total revenues	6,920	9,447	13,146	11,018	28,874
Operating expenses					
Charter hire, fuel and crew expenses	323	889	545	930	3,502
Employee expenses	556	734	1,378	1,487	3,012
Depreciation and ordinary amortisation	1,043	1,076	2,169	2,150	4,207
Depreciation right-of-use assets	641	833	1,502	1,725	3,524
Multi-client amortisation	1,169	1,526	1,417	1,980	2,457
Impairment of long-term assets	0	0	0	0	0
Other operating expenses	743	795	1,443	1,630	2,964
Total operating expenses	4,474	5,852	8,455	9,901	19,665
Operating profit/ (loss)	2,446	3,596	4,691	1,117	9,209
Financial income and expenses					
Interest income	17	5	24	10	28
Interest expense	-569	-720	-1,196	-1,510	-2,925
Interest expense lease liabilities	-85	-204	-197	-437	-762
Impairment financial assets	0	0	0	0	-1,920
Net gains/(losses) of financial assets and liabilities	0	0	0	0	2,000
Net foreign currency income/(loss)	44	-27	134	-60	-290
Net financial items	-594	-946	-1,235	-1,997	-3,869
Income/ (loss) before income taxes	1,851	2,650	3,456	-879	5,339
Income tax expense	1	10	-33	83	417
Income/ (loss) for the period	1,851	2,640	3,489	-962	4,922

Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Income/ (loss) for the period	1,851	2,640	3,489	-962	4,922
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	-2	0	-1	0	-25
Other comprehensive income/(loss)	-2	0	-1	0	-25
Total other comprehensive income/(loss) for the period	1,849	2,640	3,487	-962	4,897

Consolidated Statement of Financial Position.

Amounts in USD 1 000	30 June 2022 Unaudited	30 June 2021 Unaudited	31 December 2021 Audited
ASSETS			
Non-current assets			
Multi-client library	1,914	1,362	2,412
Other intangible assets	212	675	422
Property, plant and equipment	10,869	14,530	12,747
Right-of-use assets	7,728	6,466	4,465
Financial lease receivables	0	116	72
Assets under construction	3	3	3
Total non-current assets	20,726	23,151	20,121
Current assets			
Spare parts, fuel, anchors and batteries	3,653	4,828	3,813
Trade receivables	3,478	3,933	1,267
Other receivables	3,977	2,714	3,759
Financial lease receivables	96	68	68
Cash and cash equivalents	11,587	13,193	9,855
Restricted cash	617	853	1,278
Total current assets	23,408	25,589	20,041
Total assets	44,134	48,740	40,162
EQUITY			
Capital and reserves attributable to equity holders			
Share capital, share premium and other paid-in equity	71,490	71,490	71,490
Other reserves	-1,571	-1,544	-1,570
Retained earnings	-68,941	-78,320	-72,433
Total equity	976	-8,376	-2,514
LIABILITIES			
Non-current liabilities			
Provisions	2,406	7,219	4,812
Borrowings	24,505	32,012	24,295
Non-current leasing liabilities	2,770	2,652	522
Total non-current liabilities	29,681	41,884	29,629
Current liabilities			
Trade payables	2,411	2,318	1,981
Current tax liabilities	3,365	3,733	3,376
Other short term liabilities	1,161	2,373	1,451
Current leasing liabilities	6,539	6,810	6,239
Total current liabilities	13,477	15,233	13,048
Total liabilities	43,158	57,116	42,677
Total equity and liabilities	44,134	48,740	40,162

Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Net cash flow from operating activities					
Income/(loss) before income taxes	1,851	2,650	3,456	-879	5,339
Adjustments for:					
Total taxes paid	0	-291	0	-364	-1,076
Depreciation and ordinary amortisation	1,043	1,076	2,169	2,150	4,207
Depreciation right-of-use assets	730	1,237	1,592	2,358	4,751
Multi-client amortisation	1,169	1,526	1,417	1,980	2,457
Impairment of other long term assets	0	0	0	0	0
Cost of share-based payment	2	2	2	3	6
Change in trade receivables	973	-1,520	-2,211	2,313	4,979
Change in inventories	171	38	160	-102	913
Change in trade payables	786	56	429	856	520
Change in other working capital	-847	-1,027	-2,185	4,767	55
Finance Income	-17	-5	-24	-10	-2,028
Finance Cost	625	905	1,295	1,858	3,498
Net cash flow from operating activities	6,486	4,646	6,100	14,931	23,621
Investing activities:					
Purchase of property, plant and equipment	-36	-21	-48	-42	-90
Investment in multi-client library	-920	-903	-920	-1,132	-2,659
Purchase of intangible assets	-1	0	-33	0	0
Cash used in investing activities	-957	-925	-1,002	-1,174	-2,749
Financial activities:					
Financial lease principal	-1,620	-1,839	-2,305	-3,091	-6,206
Interest lease liabilities	-85	-204	-197	-438	-762
Repayment of loan	0	0	0	0	-6,000
Interest paid	-465	-596	-888	-1,224	-2,257
Interest received	17	5	24	10	28
Cash used in/provided by financial activities	-2,154	-2,634	-3,367	-4,743	-15,197
Net change in cash	3,375	1,087	1,732	9,014	5,676
Cash balance beginning of period	8,212	12,106	9,855	4,179	4,179
Cash balance end of period	11,587	13,193	11,587	13,193	9,855
Net change in cash	3,375	1,087	1,732	9,014	5,676

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
Balance as of 31 December 2020 (Audited)	71,490	-1,544	-77,361	-7,417
Income/(loss) for the period	0	0	-3,602	-3,602
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	-3,602	-3,602
Cost of share-based payments	0	0	1	1
Balance as of 31 March 2021 (Unaudited)	71,490	-1,544	-80,962	-11,018
Income/(loss) for the period	0	0	2,640	2,640
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	2,640	2,640
Cost of share-based payments	0	0	2	2
Balance as of 30 June 2021 (Unaudited)	71,490	-1,544	-78,320	-8,376
Income/(loss) for the period	0	0	4,663	4,663
Other comprehensive income	0	-23	0	-23
Total comprehensive income	0	-23	4,663	4,640
Cost of share-based payments	0	0	2	2
Balance as of 30 September 2021 (Unaudited)	71,490	-1,567	-73,656	-3,735
Income/(loss) for the period	0	0	1,221	1,221
Other comprehensive income	0	-2	0	-2
Total comprehensive income	0	-2	1,221	1,219
Cost of share-based payments	0	0	2	2
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	-68,941	976

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 2021, 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	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Americas	0.1	7.3	0.1	7.3	10.2
Asia/Pacific	0.0	0.0	0.0	0.1	7.4
EAME	6.8	2.2	13.0	3.7	11.4
Total	6.9	9.4	13.1	11.1	28.9

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	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Opening carrying value	2.2	2.0	2.4	2.2	2.2
Additions	0.9	0.9	0.9	1.1	2.7
Amortisation charge	-1.2	-1.5	-1.4	-2.0	-2.5
Impairment	0.0	0.0	0.0	0.0	0.0
Closing carrying value	1.9	1.4	1.9	1.4	2.4

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, please 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	Q2 2022 Unaudited	Q2 2021 Unaudited	First half year 2022 Unaudited	First half year 2021 Unaudited	2021 Audited
Operating profit / (loss)	2,446	3,596	4,691	1,117	9,209
Depreciation and ord. amortisation	1,684	1,908	3,671	3,875	7,731
Multi-client amortisation	1,169	1,526	1,417	1,980	2,457
Impairment of long term assets	0	0	0	0	0
EBITDA	5,299	7,030	9,780	6,972	19,396

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.

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

emgs.com
emgs@emgs.com