A large underwater scene showing a yellow ROV (Remotely Operated Vehicle) suspended by a cable from above. The ROV is positioned in the upper left quadrant. Below it, a series of smaller, circular objects are visible, possibly part of a cable or a sequence of operations. The background is a dark blue ocean with a bright light source from above, creating a strong beam of light. In the foreground, there is a colorful, textured surface that appears to be a seabed or a large-scale geological feature, with colors ranging from green and yellow to red and orange.

Q2 2023 RESULTS

Oslo, 17th August 2023

Bjørn Petter Lindhom, CEO
Anders Eimstad, CFO

Disclaimer

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Q2 2023

Operational summary

- Atlantic Guardian warm-stacked for the entire quarter

Financial summary

- Revenues of USD 0.2 million
- EBITDA of negative USD 1.1 million
- Adjusted EBITDA of negative USD 1.8 million



Operations and Market

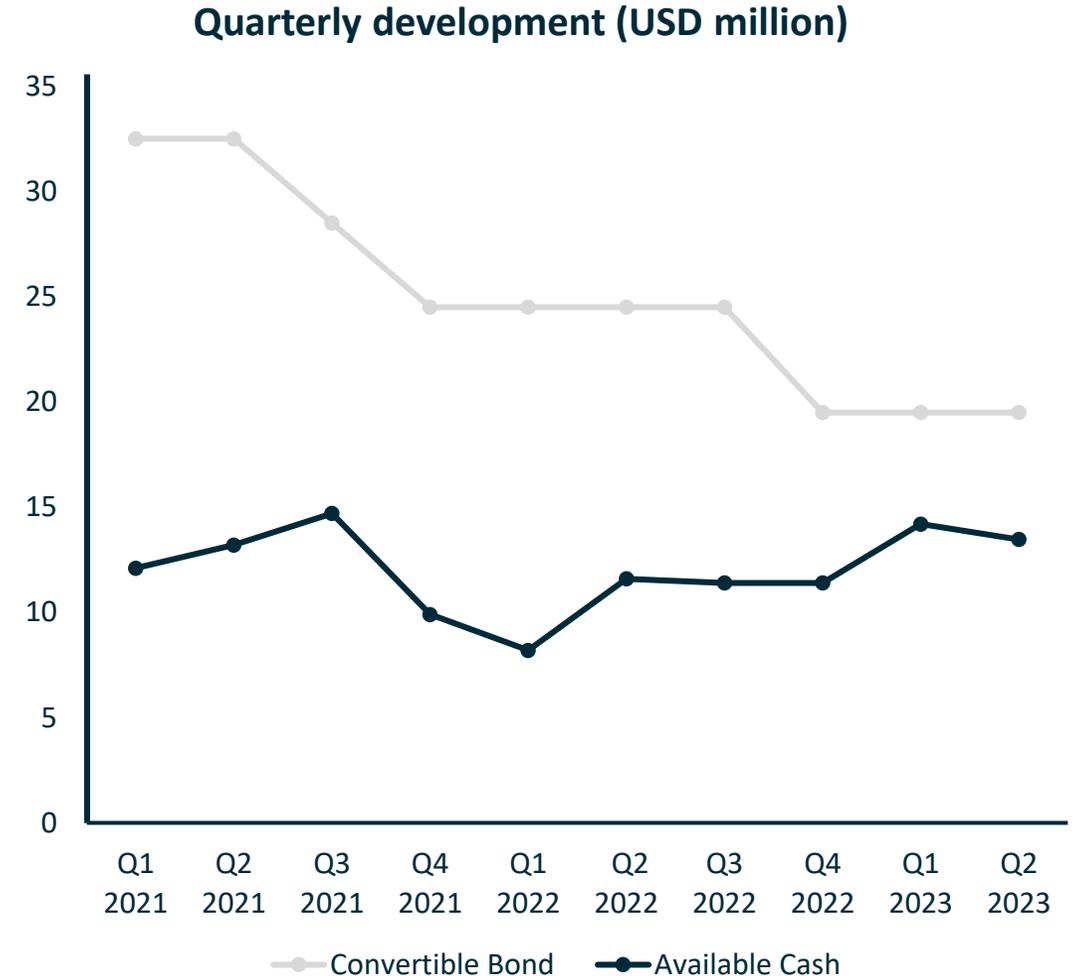
Market update

- Securing backlog, while being a top priority for EMGS, has proven to take significantly longer than expected
- Norwegian EM market remains slow
 - Oil companies focusing on ILX
 - Recent M&A has reduced number of potential clients
 - Expansion of the APA round area in the Western Barents Sea
 - Discussions about 2024 NCS projects ongoing
- Significant interest in EM outside Norway, but the length of the sales cycle has increased
- Increased interest in using EM for non-hydrocarbon applications including CCS, marine minerals, geothermal, geotechnical etc.



Financial position remains strong

- Financial position remains strong despite a disappointing Q2
- Available cash at end of Q2 was USD 13.5 million
- Convertible bond loan remains at approximately USD 19.5 million
- Book value of the multi-client library was USD 1.2 million
- Equity at USD 5.9 million



3 success factors – why CSEM now can do more than ever

1. Deep Blue Source

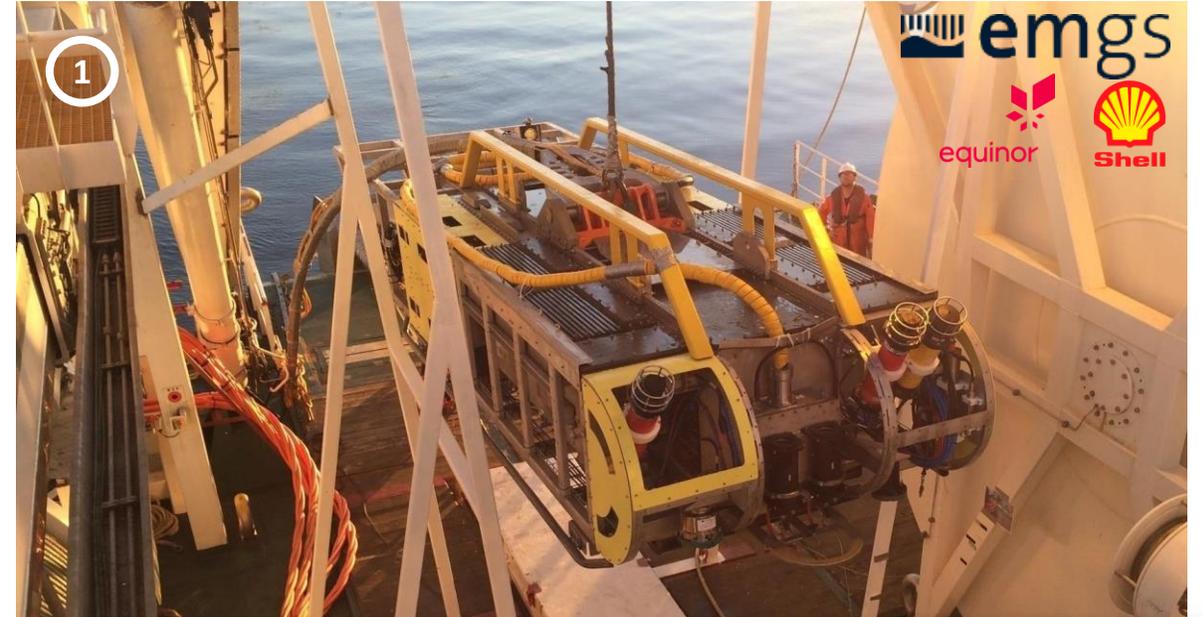
- Up to 10 000 Ampere
- 1.5 MW power
- Wideband (0 – 50Hz)
- Depth rated to 4 000m

2. New inversion algorithm

- Gauss-Newton algorithm (2018-20)
- Solves for resistivity (anisotropic) and dip angle (2021)
- Start model independent

3. New data Interpretation and Integration workflow

- Prospect risk and volume update
- Rock physics framework
- Scenario testing
- Developed workflow for field wide saturation/net-pay





Financial review

Second quarter 2023 performance

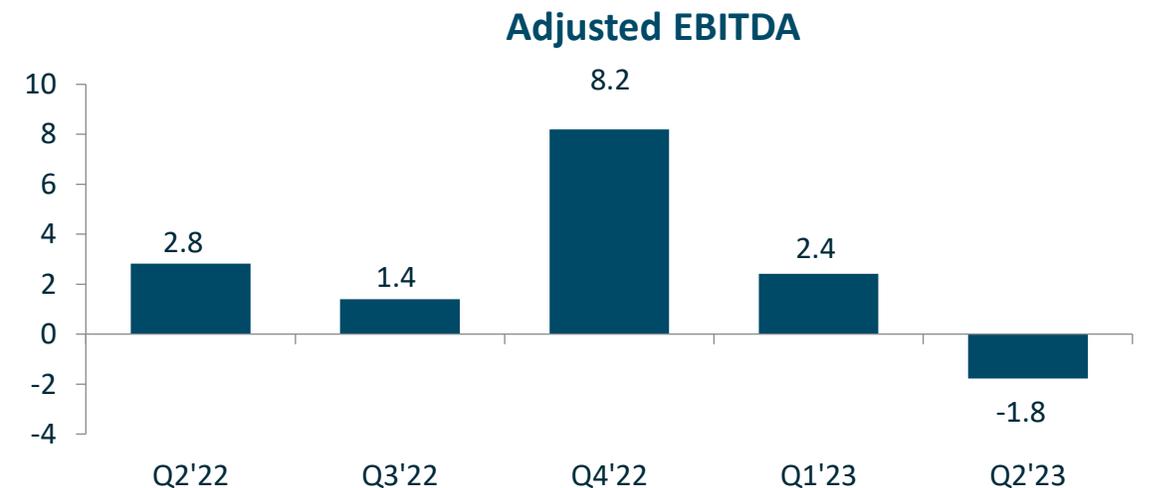
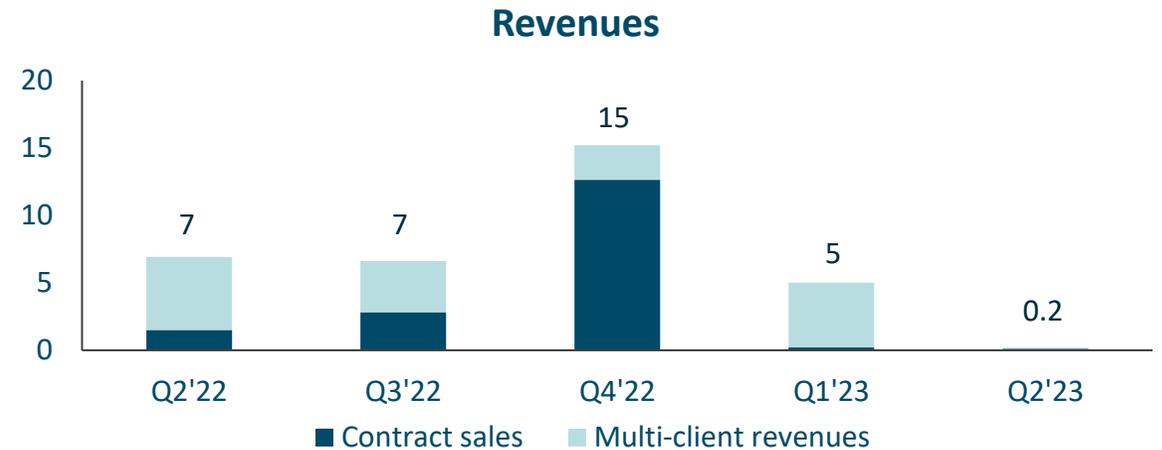
Key financial metrics

- Revenues
 - USD 0.2 million total revenue
- Vessel utilisation of 0%
 - Atlantic Guardian warm-stacked for the entire quarter
- EBITDA
 - USD negative 1.1 million
 - Adjusted EBITDA* of negative USD 1.8 million

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

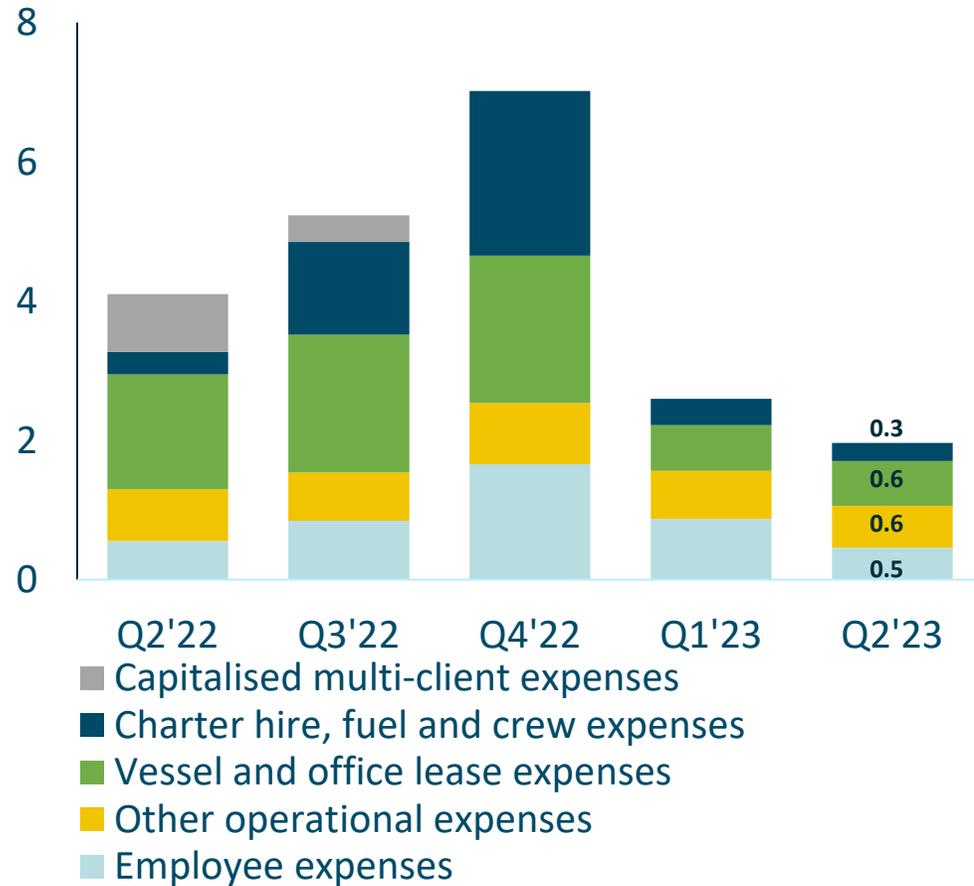
I Development in revenues and EBITDA

Quarterly development (USD million)



Operational costs

Quarterly operational cost base* development (USD million)



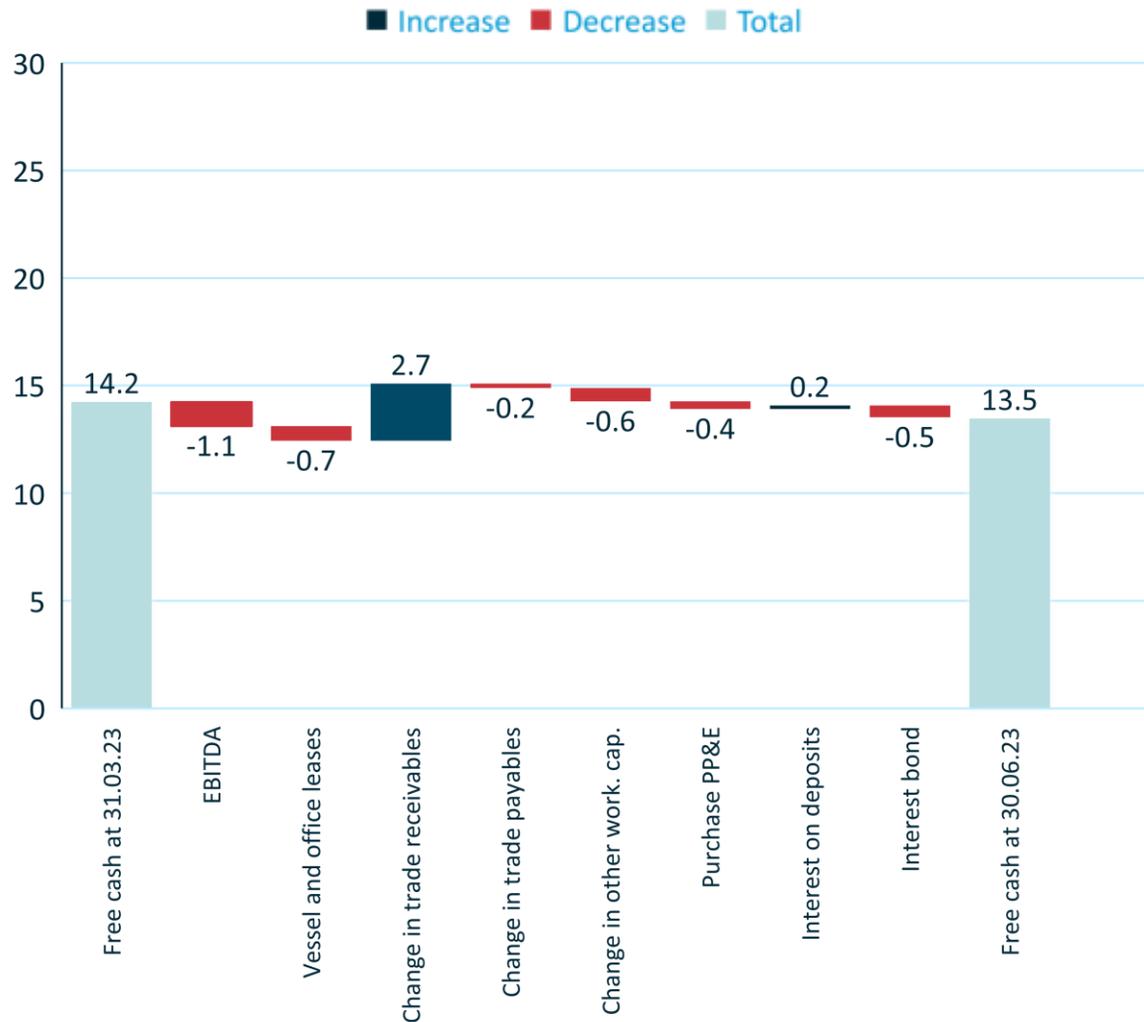
Comments

- Operational costs base in Q2 23 of USD 2.0 million
 - USD 0.6 million lower than Q1 23
 - The Atlantic Guardian was warm-stacked for the entire quarter
 - Continued low charter hire, fuel and crew expenses as a result of low vessel activity level in the first half of 2023
 - Vessel and office lease remains low as a result of lower charter rate for the Atlantic Guardian while the vessel is warm-stacked

*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 Q2 2023

Quarterly free cash development (USD million)



Comments

- Net decrease in free cash of USD 0.8 million to USD 13.5 million
 - Negative Adjusted EBITDA of USD 1.8 million
 - Trade receivables decreased by USD 2.7 million as compared to the previous quarter
 - Trade payables decreased by USD 0.2 million
 - Vessel and office lease expense of USD 0.7 million
 - PP&E investment of USD 0.4 million



Q&A

Q & A

Please e-mail questions to: emgs@emgs.com

