

# Q1 2024 RESULTS

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# Q1 2024

## Operational summary

- Completed the acquisition of the fully prefunded multi-client survey in the North Sea
- Started transit toward fully prefunded multi-client project in Brazil for Petrobras

## Financial summary of the quarter

- Revenues of USD 239 thousand in the quarter
- EBITDA of negative USD 2.0 million and adjusted EBITDA of negative USD 3.8 million
- Quarter end free cash balance of USD 8.7 million
- USD 1.2 million in multi-client expense capitalised in the first quarter

## Subsequent events

- USD 2.7 million in revenue from the Equinor multi-client project will be recognised in the second quarter in accordance with IFRS 15
- The Atlantic Guardian has cleared customs and has started acquisition on the Petrobras project in Brazil





# Operations and Market

# Brazil Project

- Atlantic Guardian arrived in Brazil at the end of April and was successfully imported under the Brazilian temporary importation regime called REPETRO
- In Brazil CSEM is considered an environmentally benign activity and EMGS is not required to apply for an IBAMA permit, but receives a waiver from IBAMA
- The contract value is approx. USD 11.7 million, and the survey is in the deep-water portion of the Espirito Santo Basin offshore Brazil
- Survey commenced May 1 and is expected to take about 2 months
  - 470 Ocean-bottom-EM- nodes / receivers
  - 426 towing km
  - 456km<sup>2</sup> area under receivers

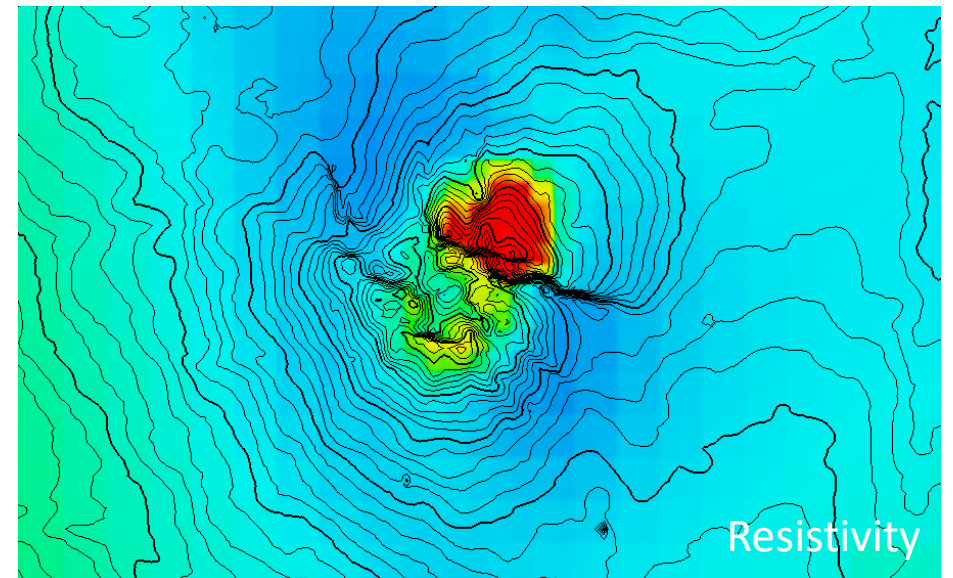
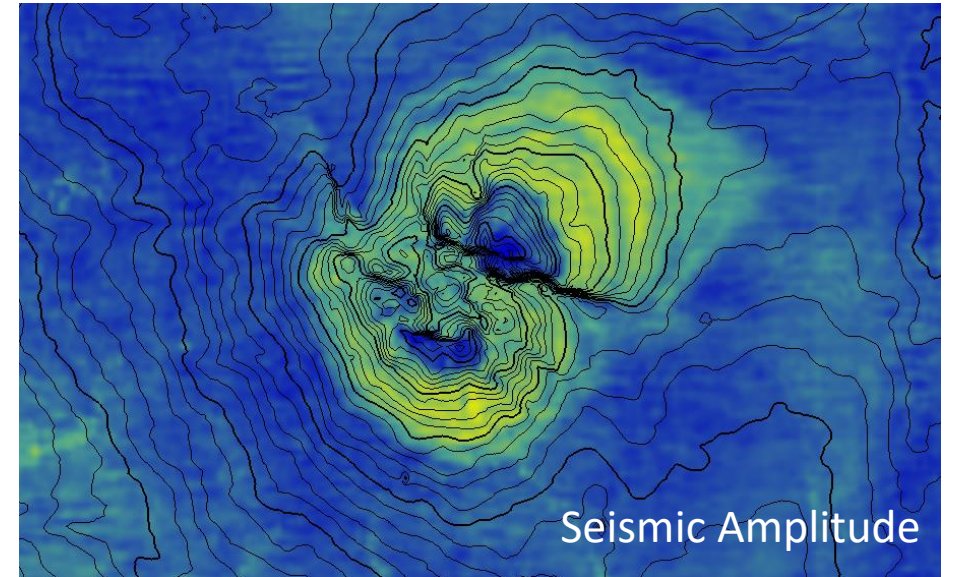


Atlantic Guardian leaving Rio de Janeiro on the way to survey area in Espirito Santos Basin



# Norway Campaign

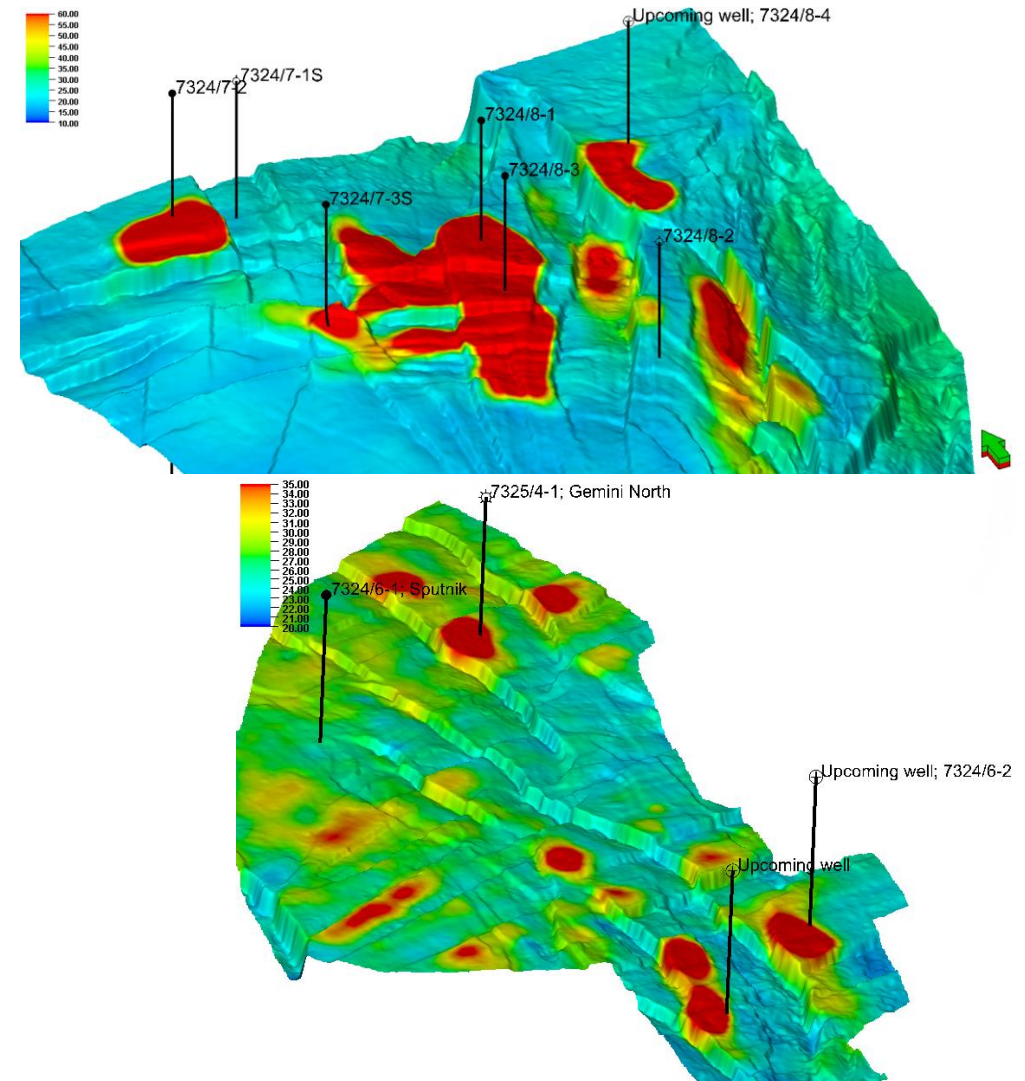
- The fully-prefunded survey in PL1202S in the North Sea was completed during March
- The revenue from the survey, which will be recognized in Q2, increased from USD 2 million to USD 2.7 million due to more than expected waiting on weather
- The vessel is expected to return to Norway in Q3 to acquire several additional, as of yet unsecured, surveys in the Barents Sea
- We expect announcements during Q2 on these surveys



# Wells to watch – Barents Sea

- AkerBP to drill 3 wells in license PL1170 in the Wisting area, 7324/6-2 (Ferdinand Nord), 7324/8-4 (Hassel) and 7324/6-3 (Viasat)
- All 3 wells are associated with resistive anomalies, and we expect all 3 to find hydrocarbons

Well Name (Prospect Name)	Resistivity Anomaly in Jurassic (Yes/No)	Well result in Jurassic (other targets)
7324/8-1 (Wisting)	Yes	Oil discovery
7324/7-1S (Wisting Alternativ)	No	Dry (no target in Jurassic, target in Triassic dry)
7324/7-2 (Hanssen)	Yes	Oil discovery
7324/8-3 (Wisting Central III)	Yes	Oil discovery
7324/7-3S	Yes	Oil discovery
7324/8-2 (Bjaaland)	No	Shows
7325/4-1 (Gemini North)	Yes	Gas discovery
7324/6-1 (Sputnik)	No	Dry (discovery in Triassic)
7324/2-1 (Apollo)	No	Dry
7324/9-1 (Mercury)	Yes	Gas discovery
7324/6-2 (Ferdinand Nord – to be drilled)	Yes	EMGS predicts discovery
7324/8-4 (Hassel – to be drilled)	Yes	EMGS predicts discovery
7324/6-3 (Viasat - to be drilled)	Yes	EMGS predicts discovery

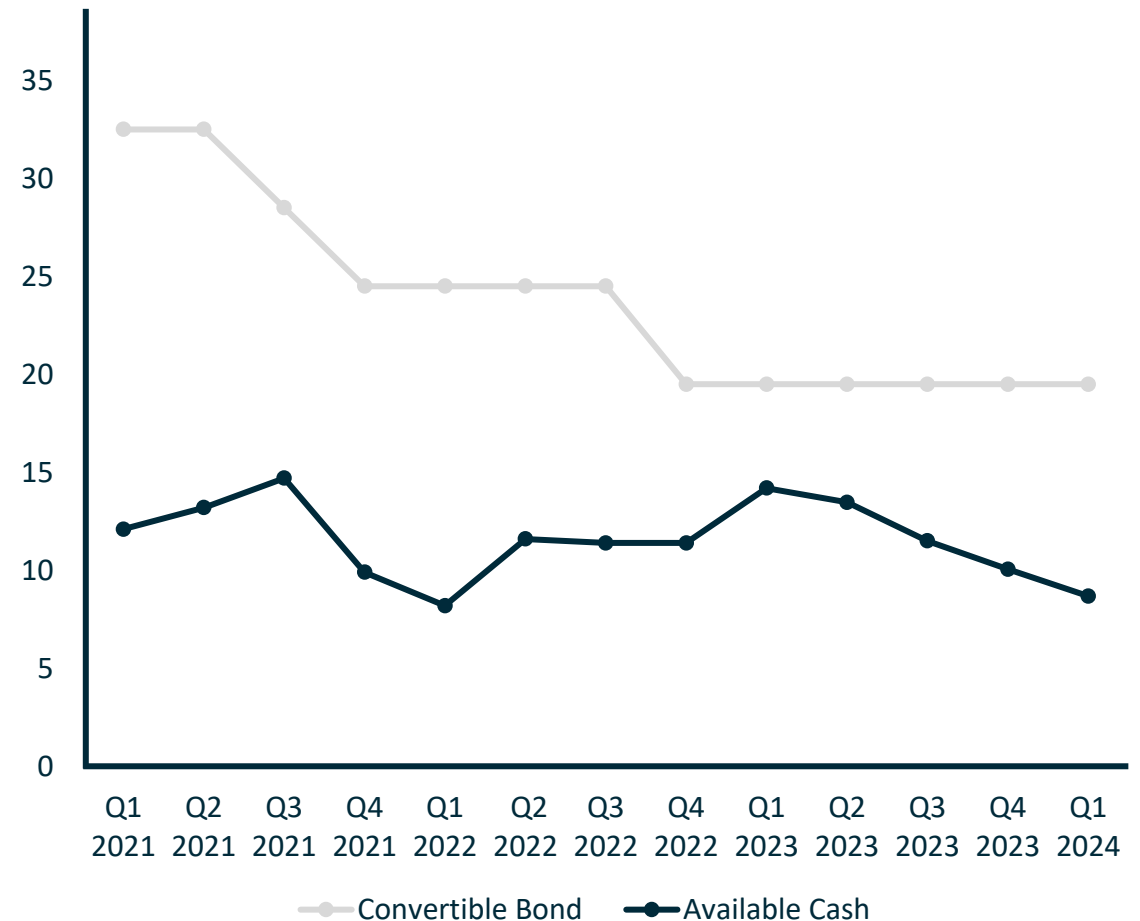


Please note that these are EMGS' current expectations based on limited and incomplete information. Please refer to the disclaimer at the beginning of this presentation.

# Financial position remains strong

- Financial position remains strong despite a disappointing 2023
- Available cash at end of Q1 2024 was USD 8.7 million
- Convertible bond loan remains at approximately USD 19.5 million
- Book value of the multi-client library is USD 2 million

Quarterly development (USD million)







# Financial review

# First quarter 2024 performance

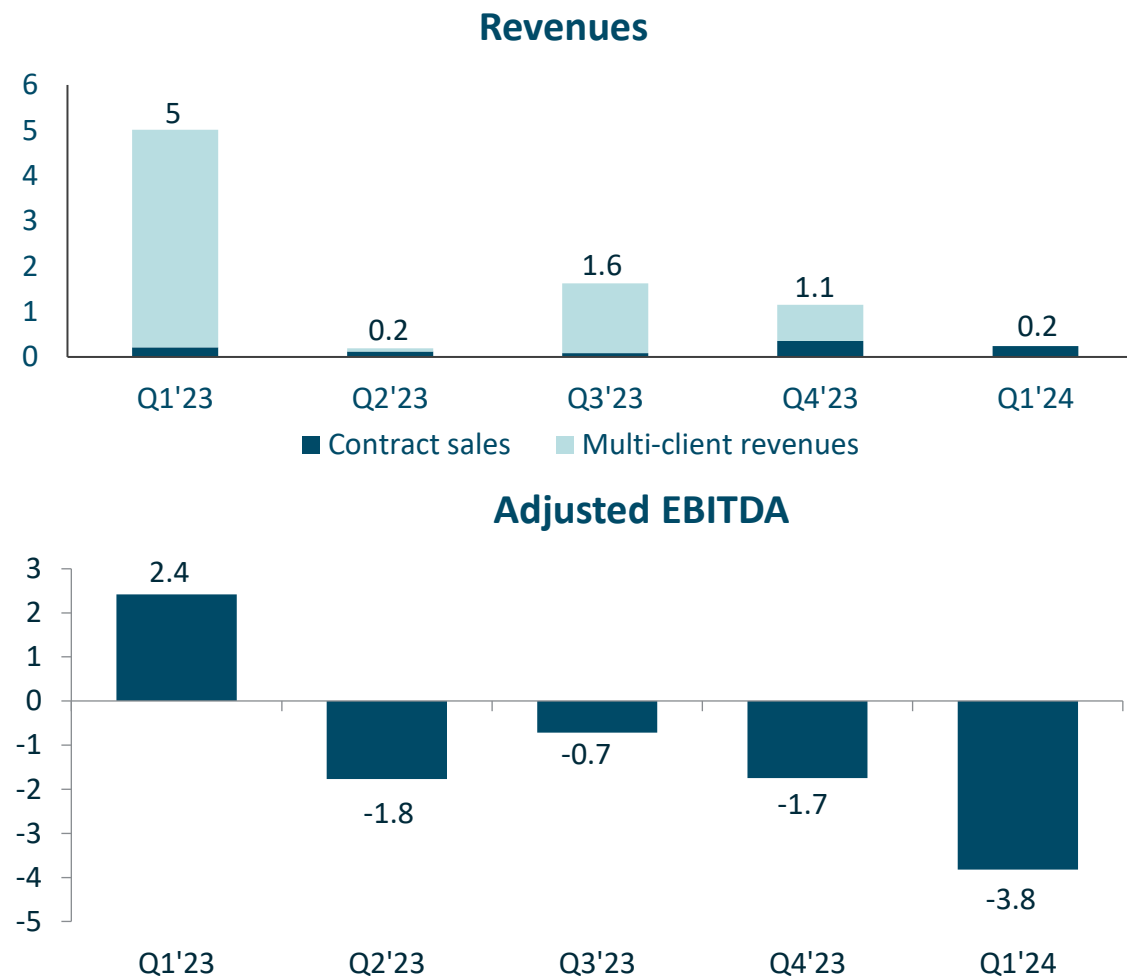
## Key financial metrics

- Revenues
  - USD 239 thousand total revenue
  - Revenue connected to the fully prefunded multi-client survey, for which acquisition was completed in the first quarter, will be recognised in the second quarter of 2024
- Vessel utilisation of 27%
  - Atlantic Guardian warm-stacked until the 19<sup>th</sup> of February
  - Completed acquisition of a fully prefunded multi-client survey in the North Sea
- EBITDA
  - Negative USD 2.0 million
  - Adjusted EBITDA\* of negative USD 3.8 million
  - USD 1.1 of charter hire, fuel and crew expenses capitalised as part of the multi-client survey in the North Sea

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

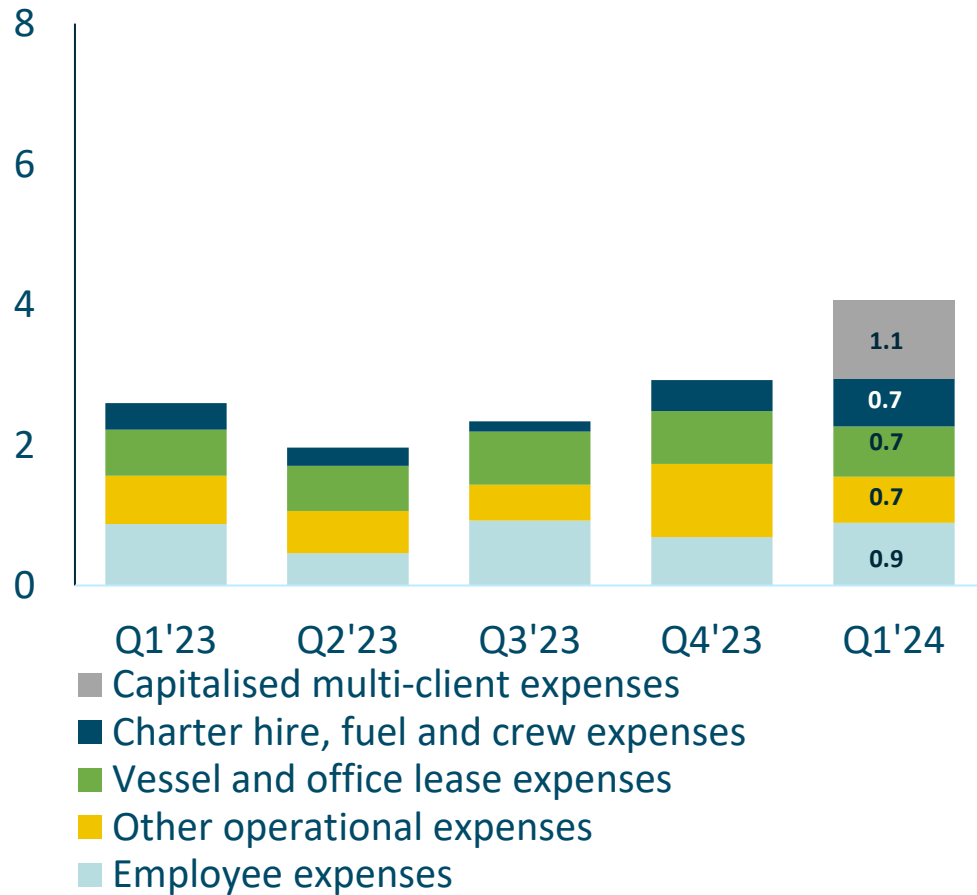
# I Development in revenues and EBITDA

## Quarterly development (USD million)



# Operational costs

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



## Comments

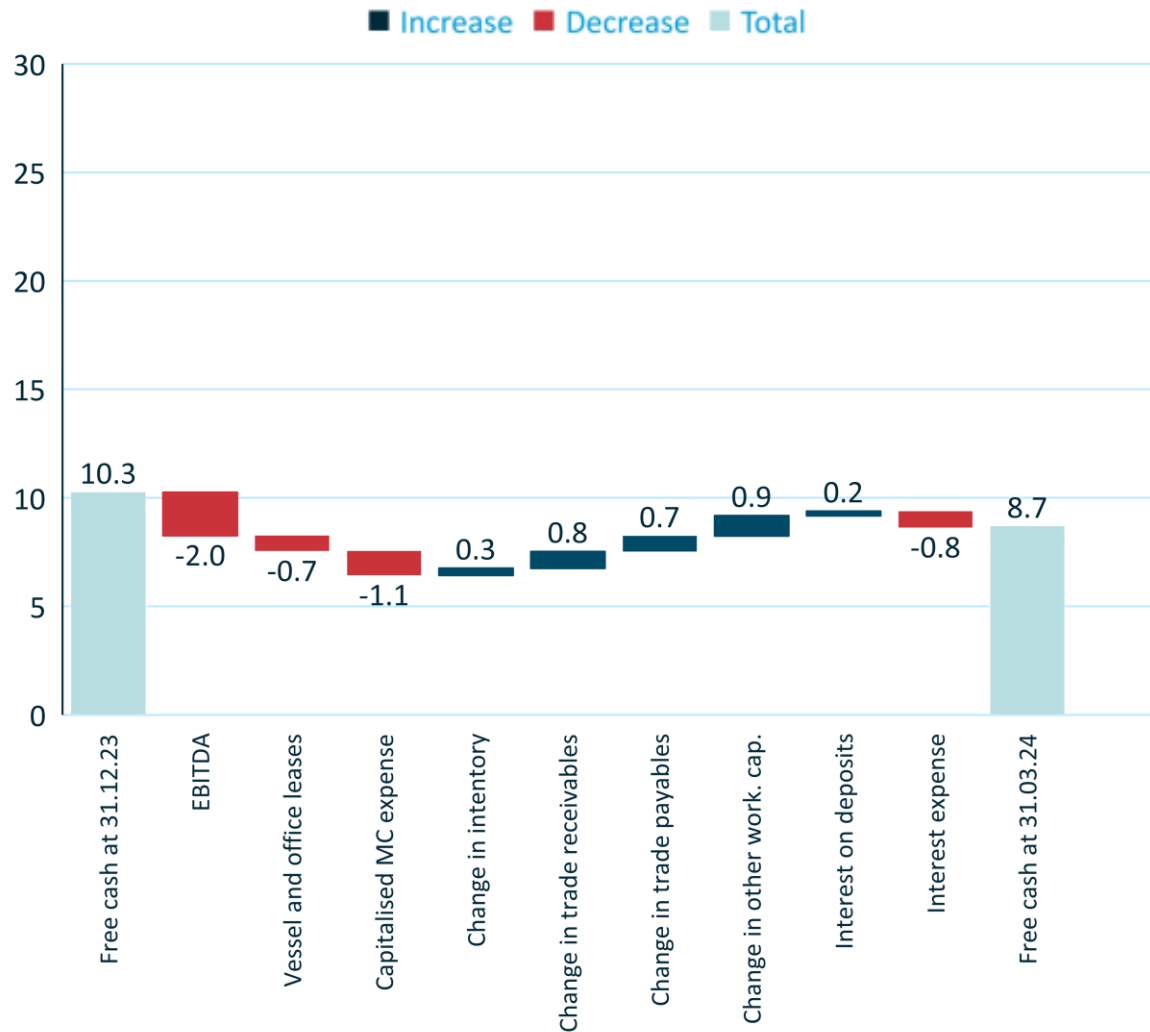
- Operational costs base in Q1 24 of USD 4.1 million
  - USD 1.2 million higher than Q4 23
    - The Atlantic Guardian was warm-stacked until the 19<sup>th</sup> of February
    - USD 1.1 million capitalized as part of the multi-client survey in the North Sea

\*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 2024

Quarterly free cash development (USD million)



Comments

- Net decrease in free cash of USD 1.6 million to USD 8.7 million
  - Negative Adjusted EBITDA of USD 3.8 million
  - Trade receivables decreased by USD 0.8 million as compared to the previous quarter
  - Trade payables increased by USD 0.7 million
  - Change in other working capital of USD 0.9 million



Q&A

# Q & A

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

