

Q4 2018 RESULTS

Oslo, 30 January 2019

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2018 Highlights

2018 Full Year Financials

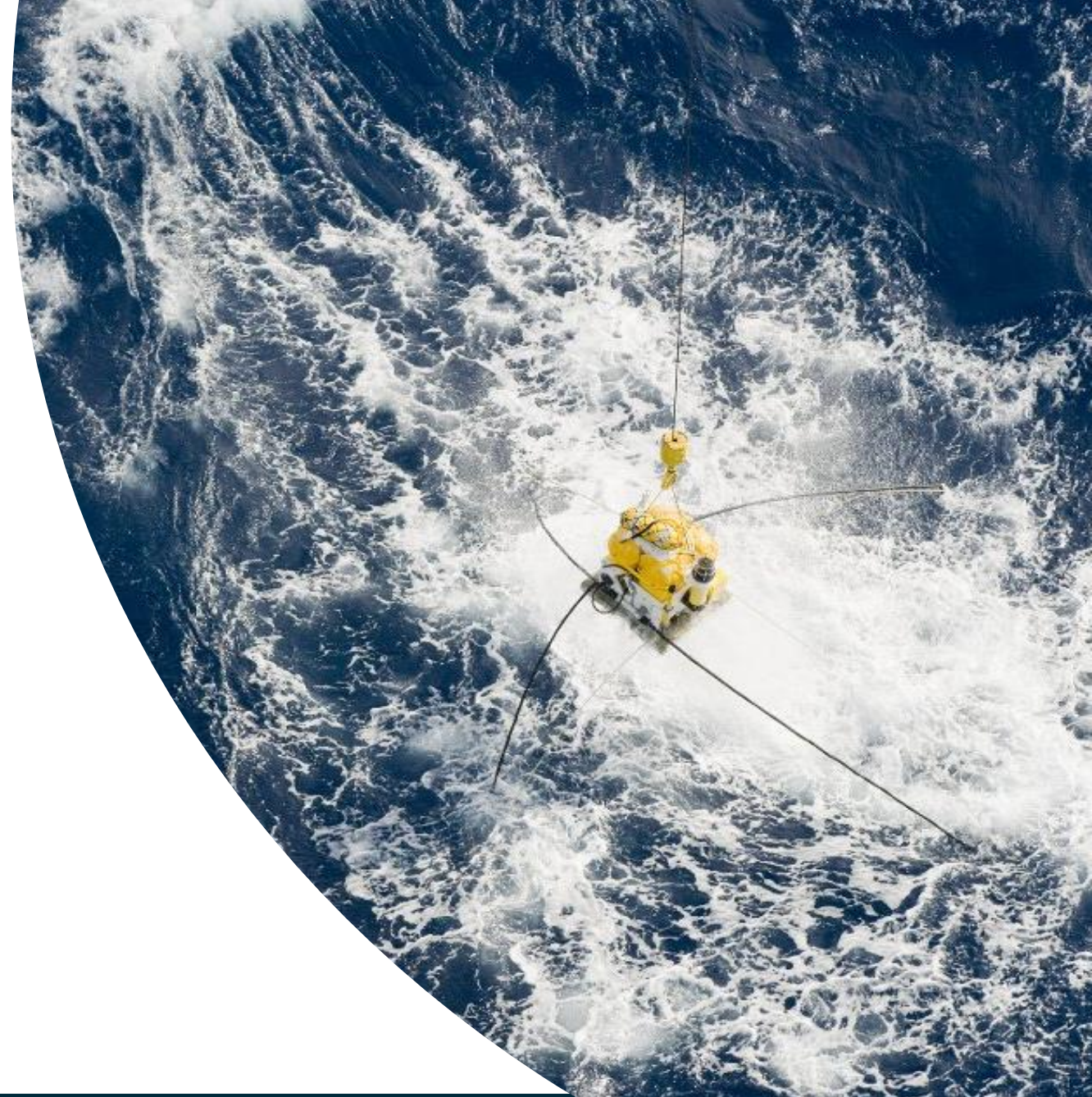
- Revenues of USD 31.6 million (down from USD 33.9 million in 2017)
- EBITDA of neg. USD 10.6 million (down from USD 2.9 million in 2017)

2018 Sales & Operations

- Dominated by multi-client revenues in Norway
- Multi-client surveys in Asia Pacific
- Proprietary work in South America

Market Development

- Momentum regarding international opportunities
- Caution required as no significant change to backlog recorded





Financial review

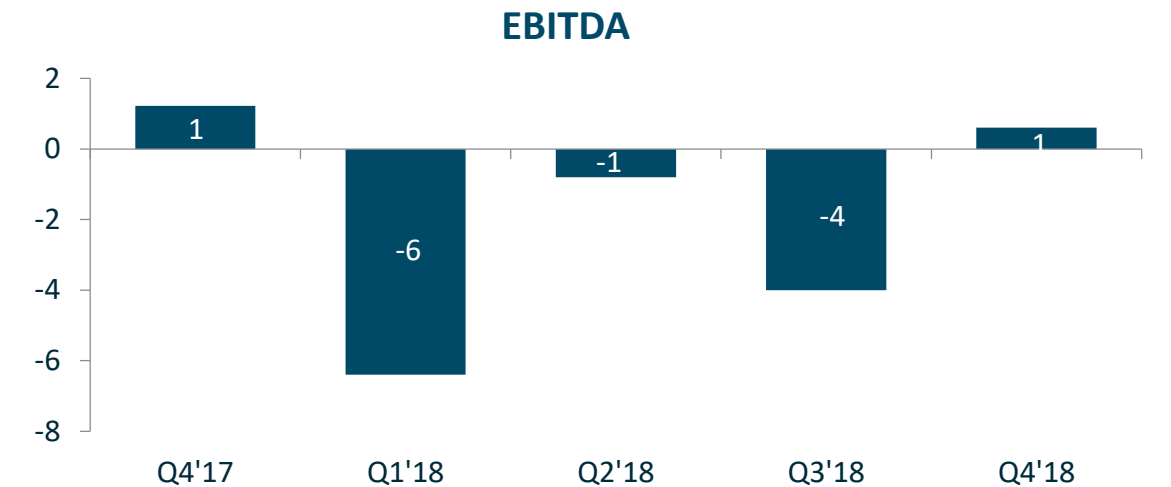
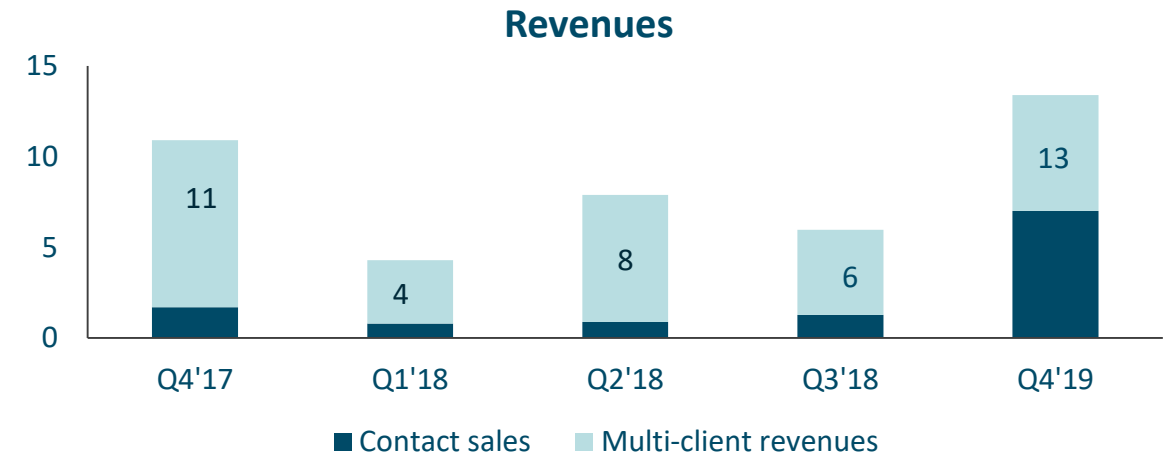
Fourth quarter performance | Increase in revenues and EBITDA

Key financial metrics

- Revenues
 - USD 13.4 million
 - New revenue recognition standard implemented in 2018
- Vessel utilisation of 32%
 - Two vessels on charter
 - Proprietary survey in South America
- EBITDA
 - USD 0.6 million

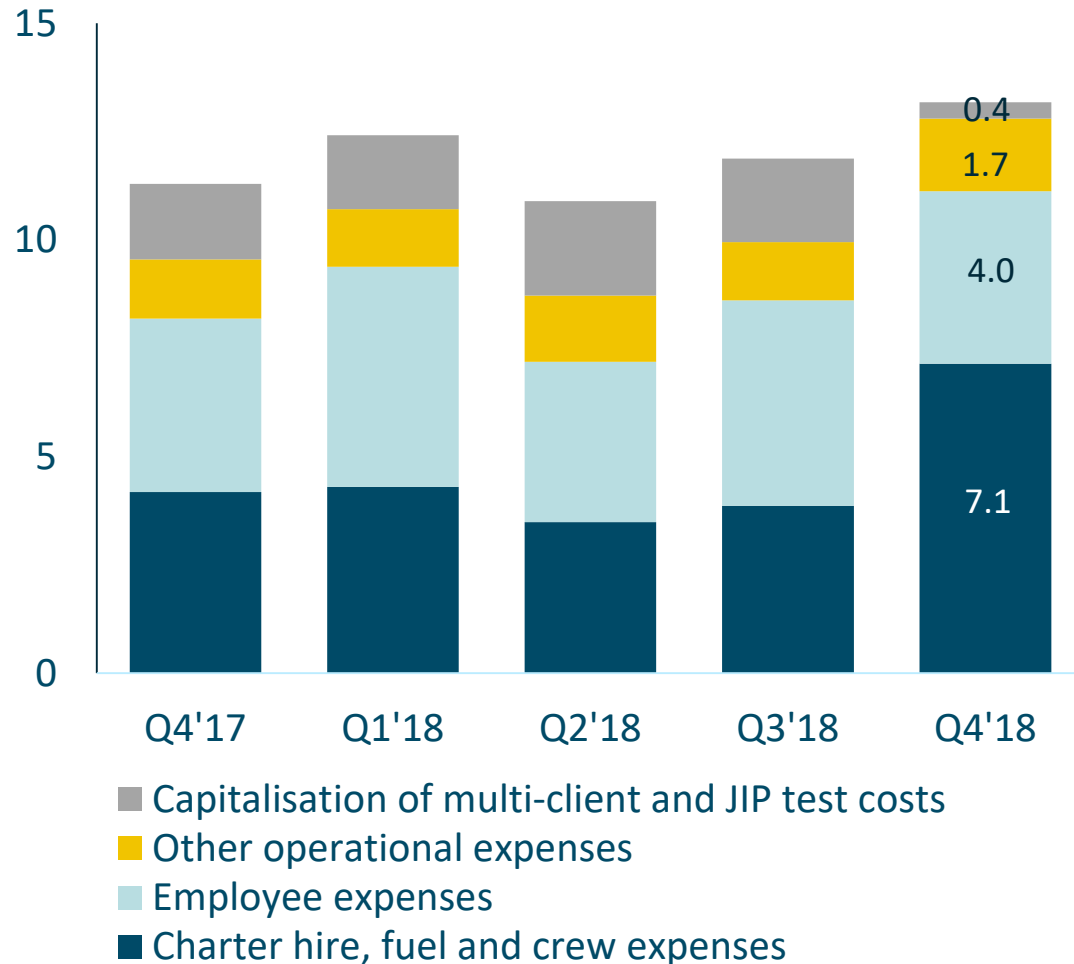
All 2017 financial figures in this presentation are restated applying IFRS 15

Quarterly development (USD million)



Operational costs

Quarterly operational cost base* development (USD million)



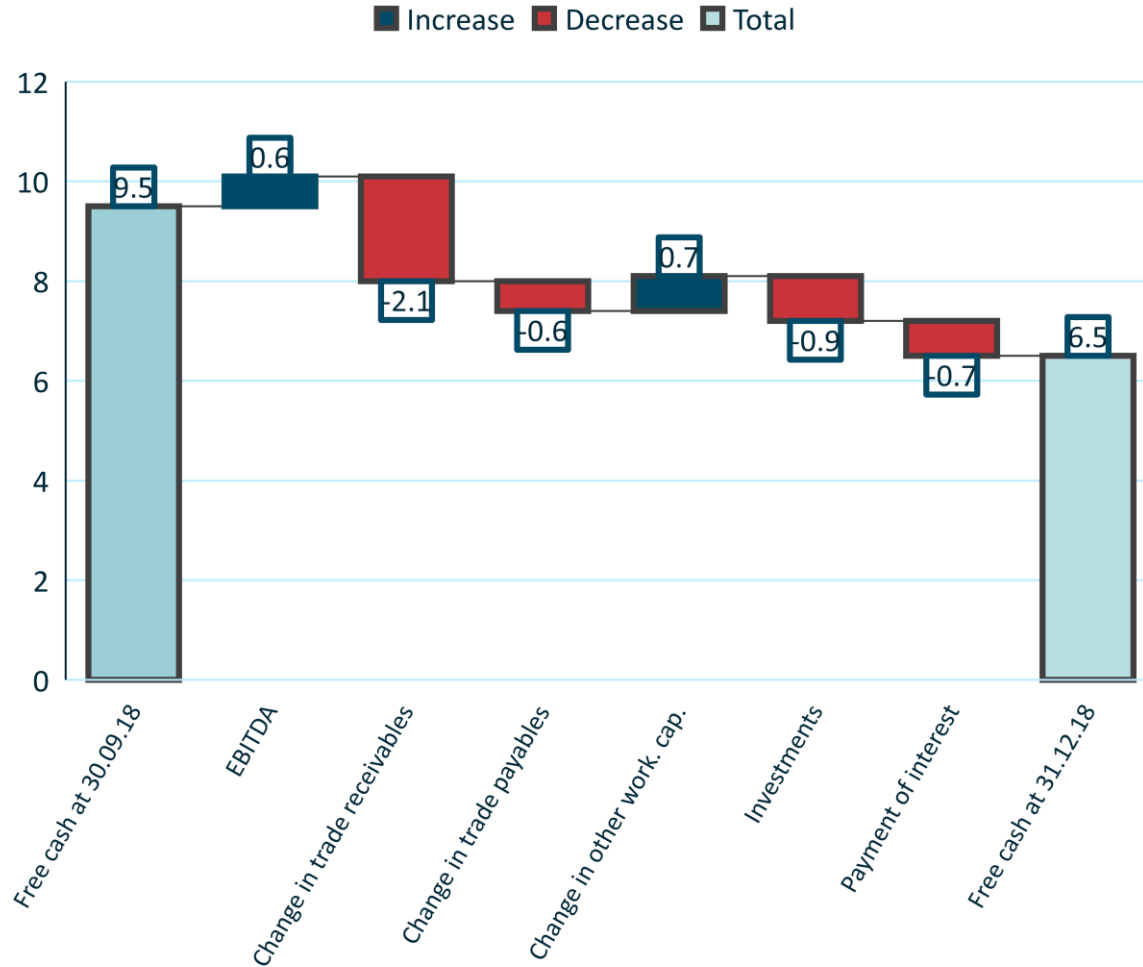
Comments

- Operational costs base in Q4 18 of USD 13.2 million
 - One-off: USD 1.0 million tax reversal in Brazil
- Increase in yearly operational cost base to USD 48.2 million (USD 42.0 million in 2017)
- Cost control focus continues

*Cost base is defined as Operational costs (charter hire etc, employee expenses, other operating expenses) plus MC investments, less provision for onerous contract, restructuring charges and other extraordinary items

Decrease in free cash in Q4

Quarterly free cash development (USD million)

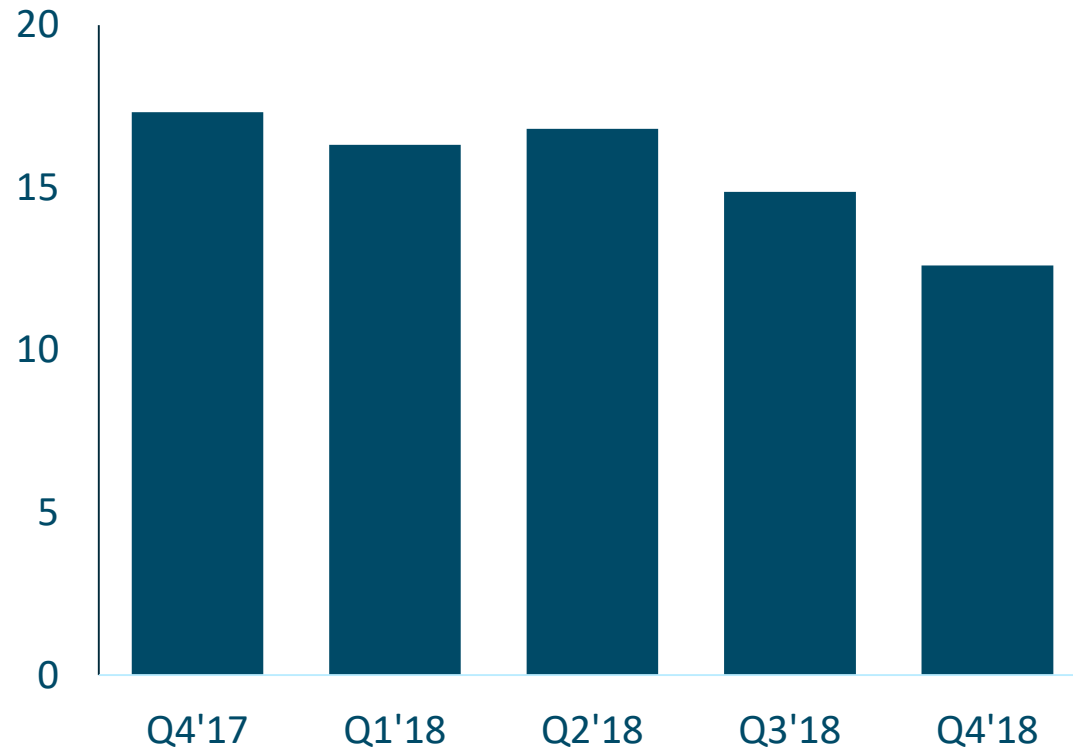


Comments

- Net decrease in free cash of USD 3.0 million to USD 6.5 million
- Trade receivables increased by USD 2.1 million to USD 4.6 million
- USD 0.7 million in interest-payments on interest bearing debt
- Total investments of USD 0.9 million

Multi-client book value of USD 12.6 million

Multi-client library – NBV (USD million)



Comments

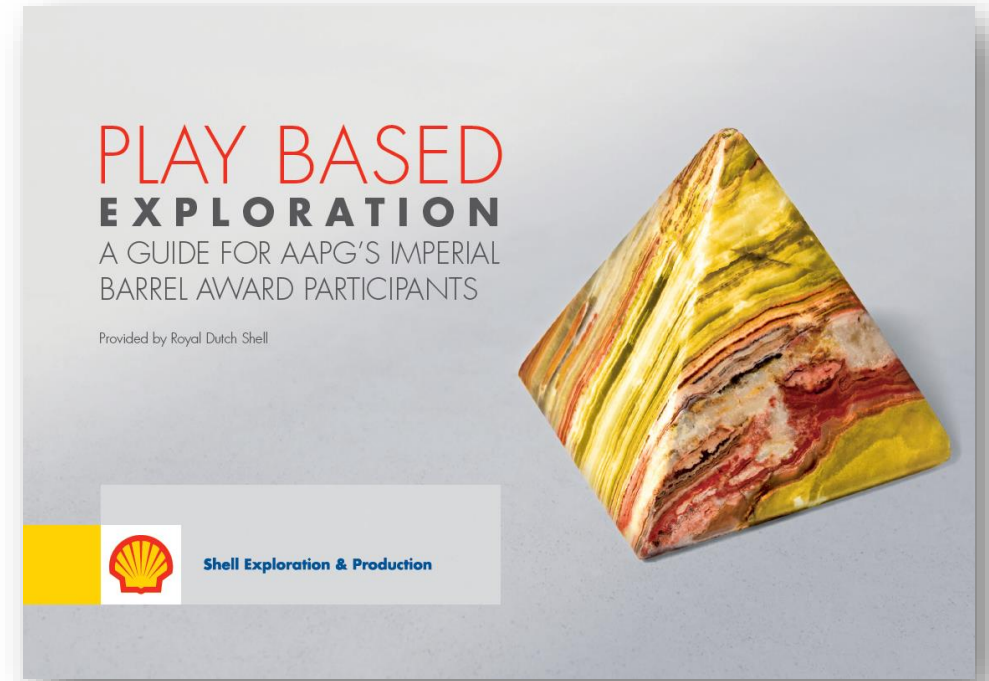
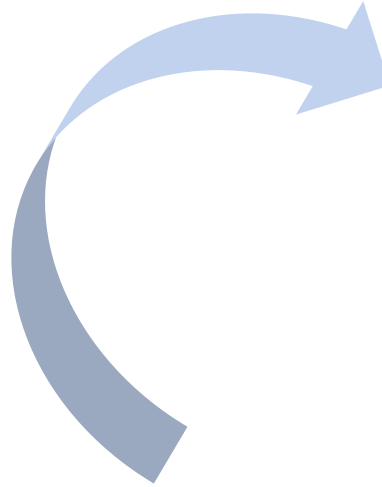
- Decrease in book value from USD 14.9 million previous quarter to USD 12.6 million in Q4 2018
- Investments of USD 0.4 million in MC data
 - Research study west of Svalbard
- Amortisation of USD 2.6 million
 - Straight-line amortisation



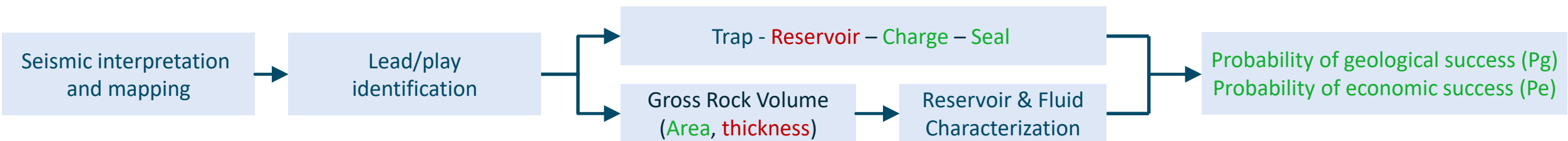
Operations, Market and Outlook

EMGS' Vision

“Make EM an integral part of the E&P workflow”



Oil Company Exploration Workflow (e.g. Shell)*

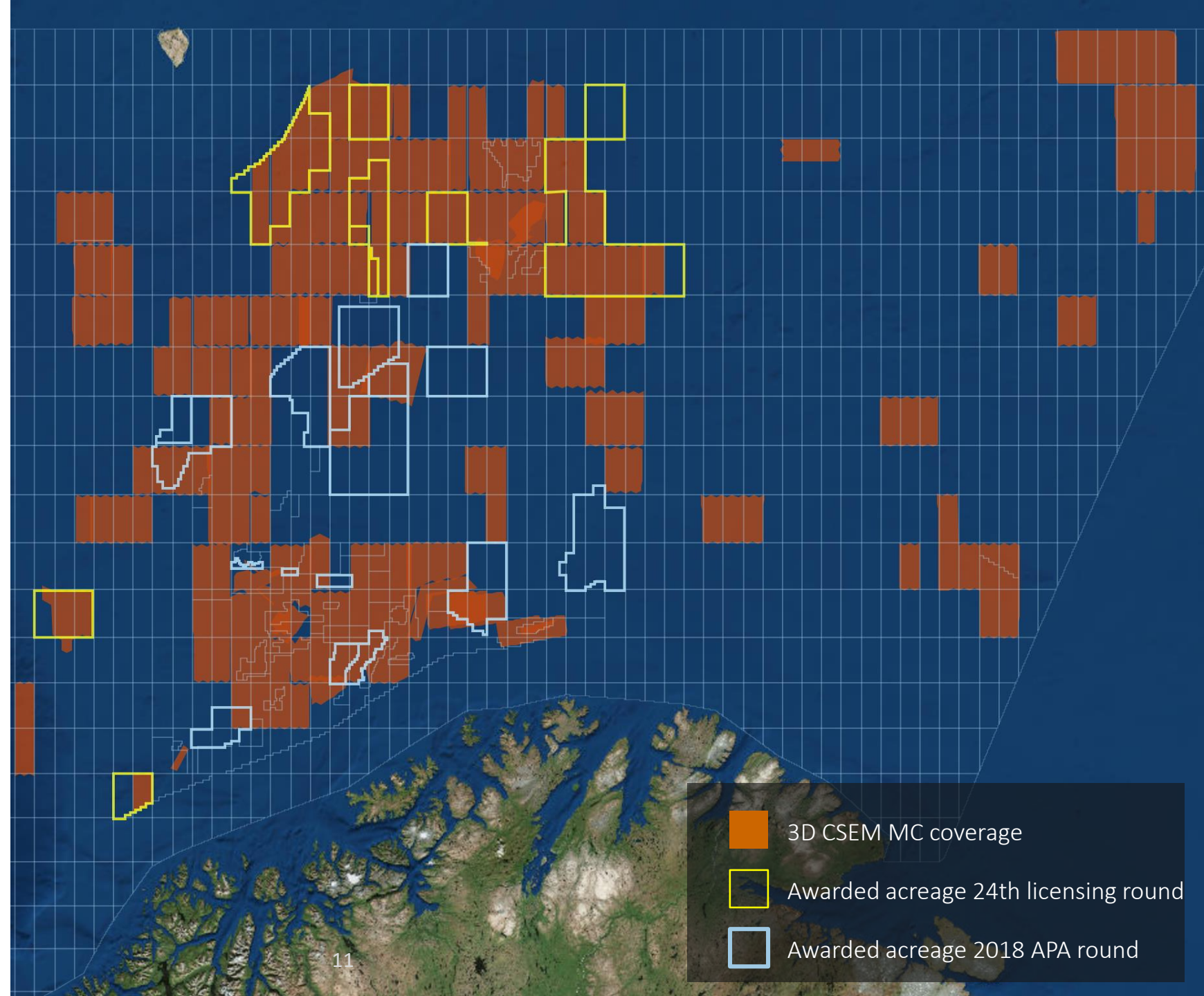


Parameters that EM can impact to a *larger* and *smaller* degree

*https://iba.aapg.org/Portals/0/docs/iba/Play_Based_ExplorationGuide.pdf

Norway

- CSEM continues to become more established in the exploration workflow for oil and gas companies in the Barents Sea
- In 2018, a significant number of the licenses awarded in the 24th licensing round had CSEM related work commitments
- Additional CSEM commitments were announced in 2018 APA round
- Approx. USD 2 million uplift revenues from 2018 APA round



Mexico

- 16,000km² of 3D CSEM MC
- Established region for CSEM
- CSEM counts as work units (both acquisition & reprocessing)

Colombia, Trinidad&Tobago, Guyana and Suriname

- Hotspot basins with renewed industry interest
- Multiple sensitivity modeling studies recently performed for oil and gas companies indicate suitable geology for CSEM surveys
- First CSEM survey in Suriname completed January 2019

Latin America exploration picking up steam

Argentina

- First offshore license round in decades closing spring 2019
- Significant number of pre-qualified oil companies indicates interest
- CSEM counts as work unit

Brazil

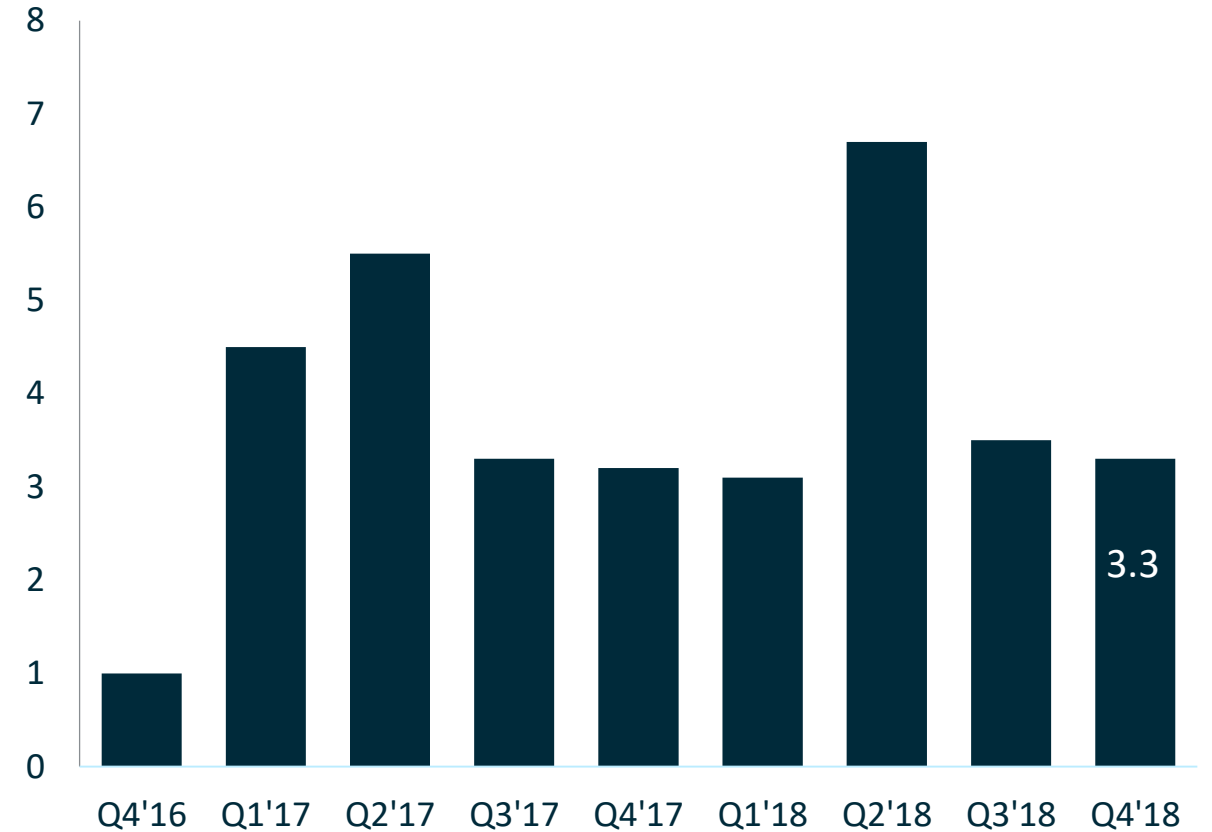
- 12,000km² of 3D CSEM MC
- Regular license rounds and substantial acreage on permanent offer
- CSEM counts as work units (approx. 70% of 3D seismic)

Market update | Continued limited visibility

Comments

- Completion of survey in South America
- Recent APA awards with EM commitments
- Increased tender and request for quotation activity in Asia, Latin America and West Africa
- Market expected to be more balanced between multi-client and proprietary in 2019
- Caution required as no significant change to backlog recorded

Order backlog - limited earnings visibility



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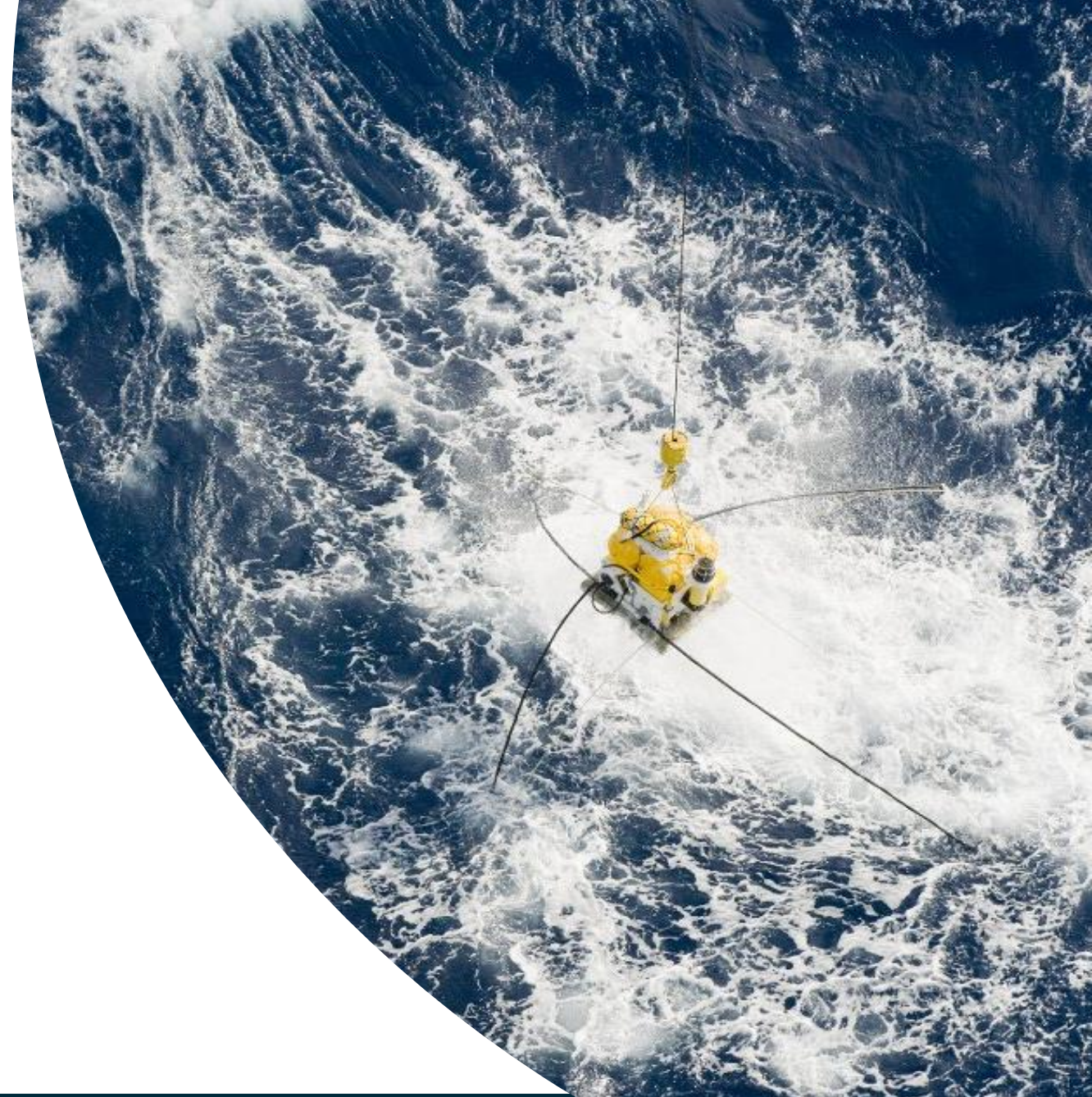
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Q&A

Consolidated Income Statement

Amounts in USD 1 000	Q4 2018 Unaudited	Q4 2017 Unaudited	2018 Unaudited	2017 Unaudited
		Restated*		Restated*
Operating revenues				
Contract sales	6,296	965	7,176	2,583
Multi-client pre-funding	2,497	2,297	8,804	11,295
Multi-client late sales	3,887	6,869	12,781	19,132
Other revenue	718	667	2,789	886
Total revenues	13,397	10,797	31,550	33,896
Operating expenses				
Charter hire, fuel and crew expenses	7,139	4,176	18,784	7,655
Employee expenses	3,981	4,007	17,505	16,964
Depreciation and ordinary amortisation	1,738	2,072	7,595	6,779
Multi-client amortisation	2,647	2,664	10,914	10,345
Impairment of long-term assets	2,544	460	2,544	3,626
Other operating expenses	1,677	1,368	5,877	6,334
Total operating expenses	19,725	14,748	63,218	51,703
Operating profit/ (loss)	-6,328	-3,950	-31,668	-17,807
Financial income and expenses				
Interest income	63	65	232	193
Interest expense	-1,518	-1,014	-5,251	-4,088
Net gains/(losses) of financial assets and liabilities	0	-1,144	649	2,143
Net foreign currency income/(loss)	477	-112	-612	-3,292
Net financial items	-979	-2,205	-4,981	-5,043
Income/ (loss) before income taxes	-7,307	-6,155	-36,650	-22,850
Income tax expense	-182	469	-50	356
Income/ (loss) for the period	-7,125	-6,624	-36,599	-23,206

Consolidated Statement of Financial Position

Amounts in USD 1 000	31 December 2018 Unaudited	31 December 2017 Unaudited Restated*
ASSETS		
Non-current assets		
Multi-client library	12,596	17,317
Other intangible assets	1,388	1,559
Property, plant and equipment	30,174	36,281
Assets under construction	852	3,112
Restricted cash	3,008	3,524
Total non-current assets	48,018	61,793
Current assets		
Spare parts, fuel, anchors and batteries	7,225	7,200
Trade receivables	4,634	11,075
Other receivables	4,855	5,957
Cash and cash equivalents	6,487	16,548
Restricted cash	3,609	2,997
Total current assets	26,811	43,778
Total assets	74,829	105,571

Amounts in USD 1 000	31 December 2018 Unaudited	31 December 2017 Unaudited Restated*
EQUITY		
Capital and reserves attributable to equity holders		
Share capital, share premium and other paid-in equity	350,274	336,764
Other reserves	-1,584	-1,617
Retained earnings	-345,360	-308,761
Total equity	3,328	26,386
LIABILITIES		
Non-current liabilities		
Provisions	19,250	20,670
Financial liabilities	0	2,993
Borrowings	31,046	30,288
Total non-current liabilities	50,296	53,950
Current liabilities		
Trade payables	6,819	6,882
Current tax liabilities	5,079	6,299
Other short term liabilities	9,003	11,763
Borrowings	303	290
Total current liabilities	21,204	25,234
Total liabilities	71,501	79,184
Total equity and liabilities	74,829	105,571

Largest shareholders as of 29 January 2019

#	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC.	31 327 467	23.92
2	PERESTROIKA AS	29 452 795	22.49
3	MORGAN STANLEY & CO. MS & CO LLC	25 891 805	19.77
4	BÆKKELAGET HOLDING AS	5 199 160	3.40
5	SPORTSMAGASINET AS	4 329 090	3.31
6	ROSENFONN INVEST AS	2 148 705	1.64
7	NHO - P667AK	1 293 422	0.99
8	DNB NAVIGATOR (II)	1 169 175	0.89
9	SIX SIS AG	1 117 501	0.85
10	NORDNET LIVSFORSIKRING	800 941	0.61
11	STATOIL PENSJON	701 458	0.54
12	HAAV HOLDING AS	652 478	0.50
13	KRISTIAN FALNES AS	564 932	0.43
14	VESTVIK PRESERVING AS	558 799	0.43
15	RYGG, JAN WIGGO	550 260	0.42
16	RAGE, PER EGIL	509 535	0.39
17	NORDNET BANK AB	473 009	0.36
18	NORDEA BANK ABP	469 190	0.36
19	SANDBÆK, RUNE	466 530	0.36
20	ØVERLAND, JARLE	457 039	0.35