

Remuneration Report 2021.

This remuneration report has been prepared by the board of directors (the “Board”) of Electromagnetic Geoservices ASA (the “Company” or “EMGS”) in accordance with the Norwegian public limited liability companies Act Section 6-16b and the associated Regulation of 11 December 2020.

Introduction, scope and purpose

This remuneration report provides an overview of remuneration payable (and/or paid) to the executive management team of EMGS for 2021.

The report should be read in conjunction with the Company's policy for determination of salaries and other remuneration for leading personnel, which was adopted by the Company's annual general meeting held on 21 May 2021 (the "Remuneration Policy").

The objective of the Company's compensation policy for the executive management as expressed in the Remuneration Policy, is to attract and retain the best leadership capabilities available to lead and develop the Company and thus maximise shareholder value and to align the incentives of executive management as closely as possible with those of the shareholders. To this end, the Remuneration Policy allows for variable elements (such as bonus, stock options and variable special payments) in addition to the fixed salary.

Information regarding the remuneration paid to members of the Board can be found in note 6 of the Company's annual report for 2021. The compensation to members of the Board is approved by the annual general meeting of the Company as separate voting items.

Main developments and events affecting EMGS in 2021

2021 marked the first full year of operation for a streamlined EMGS, with a more flexible cost base. While vessel utilisation in 2021 improved significantly compared to 2020, 32% vs 12%, further improvements to vessel utilisation remain one of EMGS' main focus areas. Despite low utilisation, EMGS operated profitably for the year, generating a Net Income of USD 4.9 million, compared to a loss of USD 23.4 million for the prior year.

In addition, EMGS made significant progress towards a strengthened balance sheet with reduced debt levels. In 2021, the Company completed two separate voluntary bond buy-backs. Both bond buy-backs were done at 75 per cent of par, and had a nominal value of USD 4.0 million each for a combined total repurchase of USD 8.0 million in nominal values. Consequently, EMGS reduced its outstanding interest-bearing debt by approximately 25 per cent during the year. Though equity remains negative, it improved significantly during the year.

2021 continued to be a challenging year given a significantly reduced employee base, the ongoing negative impact of the Covid-19 pandemic on business development globally and in the workplace generally, as well as entering the year with a vessel that had been in warm stack for an extended period. Nevertheless, through the dedication, hard work and professionalism of employees and contractors alike, 2021 was an operational success for EMGS. The Company completed three campaigns in Mexico, Southeast Asia and Norway, all of which were completed on schedule, without material cost overruns, and provided a high-quality end product to our customers.

At the annual general meeting held on 21 May 2021 Silje Augustson was elected Chairman of the Board and Jørgen Westad, Mimi Berdal and Petteri Soininen were elected as board members. On 2 November 2021, EMGS' Chairman of the Board resigned from the Board. An extraordinary general meeting was held 25 November 2021,

in which Frederik W. Mohn was elected as the Company's new Chairman of the Board and Beatriz Malo de Molina was elected as a new Board member. Frederik W. Mohn was replaced by Christos Makrygiannis as a Member of the Nomination Committee at the same extraordinary general meeting.

Further details regarding the Company's performance in 2021 is set out in the 2021 annual report, including the Board of Director's report.

Compensation in 2021

In 2021, the remuneration to members of the executive management team consisted of a combination of fixed and variable pay. The total compensation paid to members of the EMGS executive management team in 2021 is set out in Table 1 below.

Table 1: Total compensation including breakdown (all figures in kUSD)

Name of director, position	Period	Fixed remuneration		Variable		Extraordinary items ¹	Total remuneration ²	Pension expense ³	Percentage variable vs fixed remuneration ⁵
		Base salary	Fringe benefits ⁴	One-year variable ⁶	Multi-year variable				
Bjørn Petter Lindhom, CEO	01.01 - 31.12 2021	281	2	15	-	-	298	14	5%
Anders Eimstad, CFO	01.01 - 31.12 2021	195	2	15	-	-	212	14	8%
Dag Helland-Hansen, GEA	01.01 - 31.12 2021	263	2	15	-	-	280	15	6%
Frederik W. Mohn, Director	25.11 - 31.12 2021	-	-	-	-	-	-	-	0%
Silje Augustson, Director	21.05 - 02.11 2021	-	-	-	-	-	-	-	0%
Mimi Berdal, Director	01.01 - 31.12 2021	28	-	-	-	-	28	-	0%
Beatriz Malo de Molina, Director	25.11 - 31.12 2021	3	-	-	-	-	3	-	0%
Petteri Soininen, Director	01.01 - 31.12 2021	-	-	-	-	-	-	-	0%
Jørgen Westad, Director	21.05 - 31.12 2021	-	-	-	-	-	-	-	0%
Øyvind Greker Bjørndal, Director	01.01 - 21.05 2021	11	-	-	-	-	11	-	0%

¹ Non-recurring items including sign-on bonus

² Total remuneration equals the sum of fixed remuneration, variable remuneration and extraordinary items. Avg. exchange rate for 2021 of NOK/USD 8.5991

³ The executive management team participates in the group's ordinary pension scheme

⁴ Fringe benefits includes participation in the group's ordinary fringe benefits, as well as any extraordinary fringe benefits awarded to executive management.

⁵ The sum of one-year variable and multi-year variable remuneration expressed as a percentage of the sum of base salary and fringe benefits

⁶ The One-year variable column includes vesting of previously awarded share options as well as cash bonus(es)

The variable compensation paid to members of the executive management in 2021 was based on Company-wide special situation incentive bonuses, approved by the Board based on the Remuneration Policy as well as an end of year holiday bonus in the amount of NOK 10 000 per employee.

The ratio of the CEO's compensation to average compensation for all employees (excluding members of the executive management team) was 1.9 for 2021. This compares to 2.8 for 2020.

Table 2 below sets out the total executive management compensation and the year-over-year development in executive management compensation for the five preceding financial years, as well as the average employee compensation and the ratio between this average and the executive management compensation over the same period. The table also provides total compensation for the Board of Directors for the five preceding financial years.

Table 2: Executive Management and Board of Directors compensation and development 2017-2021(kUSD)⁴

Management	Changes during period		2017	2018	2019	2020	2021
	Start Date	End Date					
Christian Vermeijden, CEO		30.11.2018	491	361	-	-	-
Bjørn Petter Lindhom, CEO	1.12.2018		-	25	380	398	312
Aggregate CEO total compensation¹			491	361	380	398	312
CEO compensation development²			N/A	-27%	5%	5%	-22%
Average employee compensation			136	140	138	144	161
CEO to Avg. employee Ratio³			3.61	2.58	2.76	2.77	1.94
Income/(Loss)⁴			(21,784)	(55,265)	(22,224)	(10,747)	1,598
Other Executive Management							
Hege Veiseth, CFO		31.12.2019	224	263	247	-	-
Anders Eimstad, CFO	01.01.2020		-	-	-	165	226
Aggregate CFO total compensation¹			224	263	247	165	226
CFO compensation development²			N/A	17%	-6%	-33%	37%
CFO to Avg. employee Ratio³			1.65	1.88	1.79	1.15	1.41
David Nesar, COO		14.02.2017	574	-	-	-	-
COO to Avg. employee Ratio³			4.22	N/A	N/A	N/A	N/A
Dag Helland-Hansen, Global EA/President EMEA	12.03.2018		-	233	259	248	295
Global EA/President EMEA to Avg. employee Ratio³			N/A	1.67	1.88	1.73	1.84
Øyvind Greaker Bjørndal, CLC	01.01.2018	30.09.2020	-	153	175	143	-
CLC to Avg. employee Ratio³			N/A	1.09	1.27	1.00	N/A
Board of Directors							
Board of Directors	Changes during period		2017	2018	2019	2020	2021
	Start Date	End Date					
Frederik W. Mohn (Chairman of the Board)	25.11.2021		N/A	N/A	N/A	N/A	-
Beatriz Malo de Molina	25.11.2021		N/A	N/A	N/A	N/A	3
Mimi Berdal	23.12.2014		35	35	40	41	28
Petteri Soininen	23.12.2014		-	35	40	36	-
Jørgen Westad	21.05.2021		N/A	N/A	N/A	N/A	-
Silje Augustson	21.05.2021	02.11.2021	N/A	N/A	N/A	N/A	-
Øyvind Greaker Bjørndal	19.06.2020	21.05.2021	N/A	N/A	N/A	N/A	7
Jon Gunnar Solheim (employee elected representative)	14.06.2019	19.06.2020	-	-	-	-	N/A
Alexandra Herger	14.06.2019	19.06.2020	N/A	N/A	19	16	N/A
Marte Vist Karlsen (employee elected representative)	26.04.2017	19.06.2020	-	-	-	-	N/A
Johan Kr. Mikkelsen	23.12.2014	20.02.2020	-	35	42	7	N/A
Eystein Eriksrud	23.12.2014	13.06.2019	-	45	20	N/A	N/A
Anne Øian	30.06.2015	13.06.2019	49	49	22	N/A	N/A
Adam Robinson (employee elected representative)	01.01.2015	13.06.2019	-	-	-	N/A	N/A
Christel Brønstad (employee elected representative)	01.01.2013	25.04.2017	-	N/A	N/A	N/A	N/A

¹ As reported as part of the Company's annual report

² Year-over-year against preceding year

³ Total compensation divided by average employee compensation

⁴ Amounts in NOK have been translated to USD Dollars using average exchange rates 8.5991(2021), 9.404(2020), 8.8307(2019), 8.1380(2018) and 8.2630(2017)

Share based compensation in 2021

No shares or share based compensation (including options, subscription rights, RSU and similar) were awarded or offered to members of the executive management team in 2021.

In February 2020, the board of directors resolved a company wide options program (the "2020 Program"). Under the 2020 Program, each employee was awarded 12,500 options (each giving the right to receive one share in the Company) at an exercise price based on the market value of the Company's shares immediately prior to award. At the same time, all prior options programs were cancelled.

The options granted under the 2020 Program have and will vest with 25 per cent on each anniversary date following the grant, with the first 25 per cent vesting in February 2021.

As part of the 2020 Program each of the current members of the Company's executive management received 12,500 options. Consequently, in February 2021, 3,125 of the options granted to each of Mr. Lindhom, Mr. Eimstad and Mr. Helland-Hansen vested and became exercisable.

Table 3: Share options awarded to Executive Management 2021 (strike price NOK)

Name of director, position	The main conditions of share option plans						Information regarding the reported financial year					
	Specification of plan	Award date	Vesting date		Expiry Date	Exercise periods	Strike price of the share	Opening balance	During the year		Closing balance	
			Share options held at the beginning of the year	Share options awarded				Share options vested	Share options subject to a performance condition	Share options awarded and unvested		
Bjørn Petter Lindhom, CEO	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-	
			07.02.2022	07.02.2024			3,125	-	-	3,125		
			07.02.2023	07.02.2025			3,125	-	-	3,125		
			07.02.2024	07.02.2026			3,125	-	-	3,125		
Anders Eimstad, CFO	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-	
			07.02.2022	07.02.2024			3,125	-	-	3,125		
			07.02.2023	07.02.2025			3,125	-	-	3,125		
			07.02.2024	07.02.2026			3,125	-	-	3,125		
Dag Helland-Hansen, GEA	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-	
			07.02.2022	07.02.2024			3,125	-	-	3,125		
			07.02.2023	07.02.2025			3,125	-	-	3,125		
			07.02.2024	07.02.2026			3,125	-	-	3,125		

Use of right to reclaim remuneration

No remuneration has been reclaimed in 2021.

The Company generally does not reserve to reclaim compensation in its incentive schemes.

Relationship to the Company's policy for determination of salaries

The remuneration to the CEO and other executive management for the fiscal year 2021 followed the policy for Determination of Salary approved by the 2021 annual general meeting.

At the 2021 AGM 99.93% of the share capital represented at the AGM voted in favour of the policy on the determination of salaries and other remuneration for leading personnel.

Pursuant to the Companies Act Section 6-16 b (3), this report shall include an explanation on how the result of the general meeting's advisory vote over the report on salary and other remuneration to leading personnel for the previous year has been regarded. However, as the Guidelines was approved by the general meeting on 21 May 2021 and no report was prepared for 2020, cf. Section 7 (2) of the Regulation, this requirement is not relevant.

The Board of Directors has today considered and adopted the remuneration report for Electromagnetic Geoservices ASA for the 2021 financial year. The remuneration report has been drawn up in accordance with Section 6-16 b of the Public Limited Companies Act and the regulations pursuant to this Act. The remuneration report will be presented to the General Meeting on 21 June 2022 for final decision.

Oslo, 24 May 2022

Board of Directors and CEO of Electromagnetic Geoservices ASA



Trondheim, 30 May 2022
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Christian Ronæss
State Authorised Public Accountant (Norway)

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Christian Ronæss

Statsautorisert revisor

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