



Second quarter 2020

Axxis Geo Solutions

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Agenda

1. **Highlights and outlook**
2. Financials and restructuring
3. Proven business model
4. Summary



Q2 highlights

- AGS completed OBN survey in the Middle East and commenced related streamer operation
- We started North Sea contract for Equinor and received survey extension
- New CFO was appointed

Subsequent events

- Appointment of new CEO
- Closed the restructuring with converting USD 34.2 million from accounts payable to interest bearing debt
- Successfully finalized surveys in the Middle East as well as the North Sea
- Initiated smart-stack cost-reduction plans in accordance with communicated business strategy



Neptune Naiad crew

Q2 highlights – Egypt

- Program part executed as contract survey and part as multi-client survey
 - Contract survey completed during the quarter; multi-client survey completed in July
 - Multi-client survey as partner share, capped at USD 13.7 million in late sales
- Traversed one of the busiest shipping lanes in the world with both source and receiver
- Zero recordable incidents
 - Solid HSE performance
 - High number of close passes

Nodal deployment in the Suez Canal feeder lanes



Q2 highlights – North Sea

- Commenced OBN survey over Breidablikk field
 - On-time start in the North Sea
 - Extension of initial work scope over Frigg field
 - Survey completed in July
- Solid HSE performance continued
 - Zero recordables
 - Covid-free operations

Infrastructure close pass – Neptune naiad

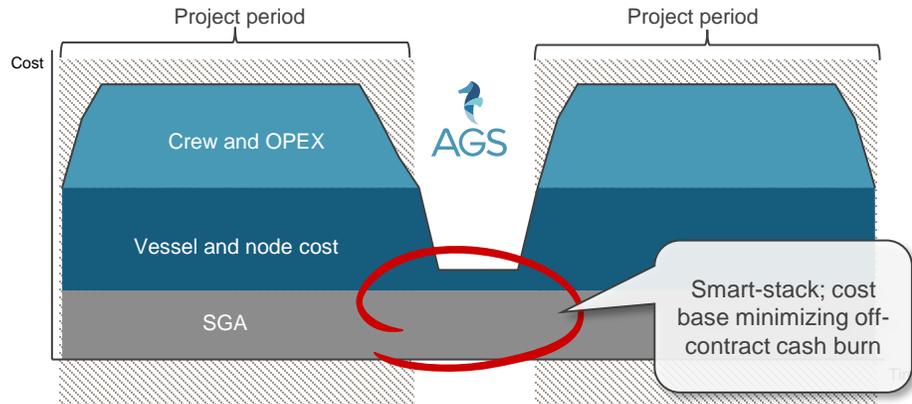


Asset light and node agnostic business model

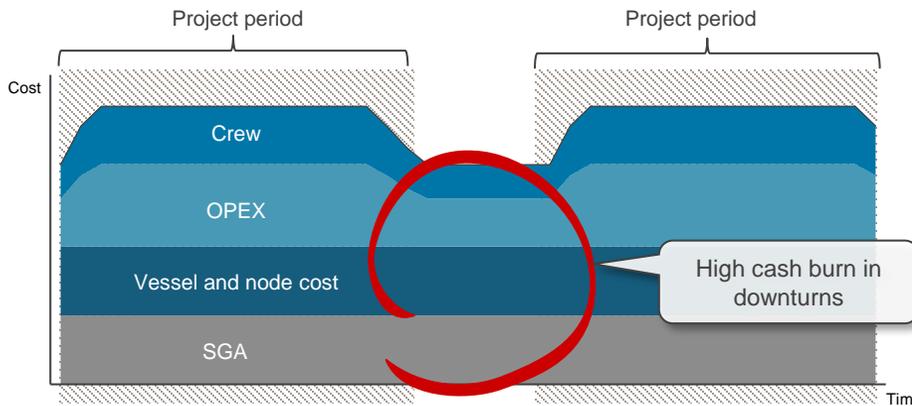
Flexible cost structure to address market cycles

Illustrative cost cycles

AGS – asset light



Traditional seismic players – asset heavy



Technology-agnostic system for attaching nodes on a rope



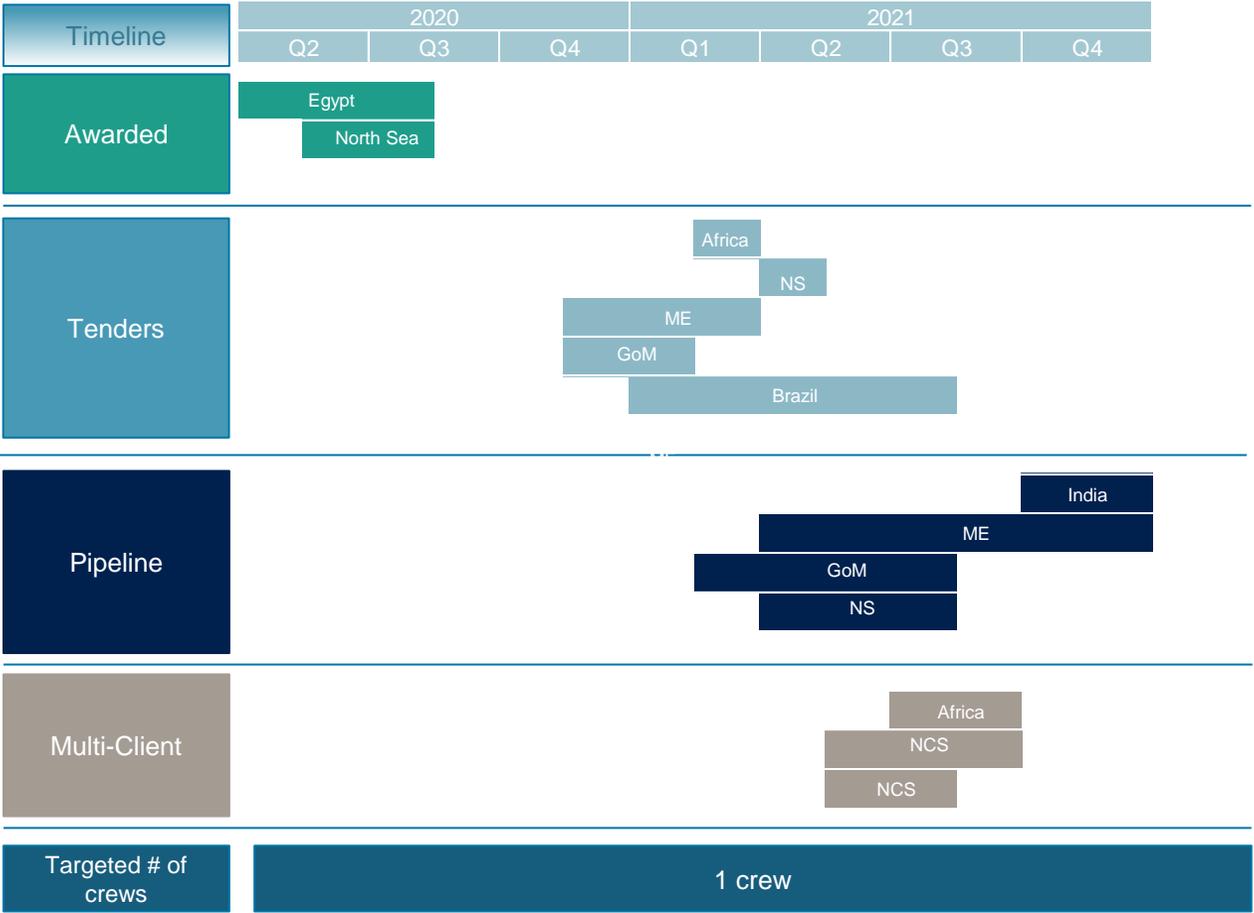
Proprietary handling system and deployment up to 4 knots



Tender and pipeline overview

Improving tender activity and project pipeline for 2021

Select OBN survey activity



Summary observations

- Resent increase in tender activity for Q4 2020/Q1 2021
- Expecting North Sea activity to pick up
 - Survey for Q2/Q3 2021 already tendered
- Evaluating new multi-client projects

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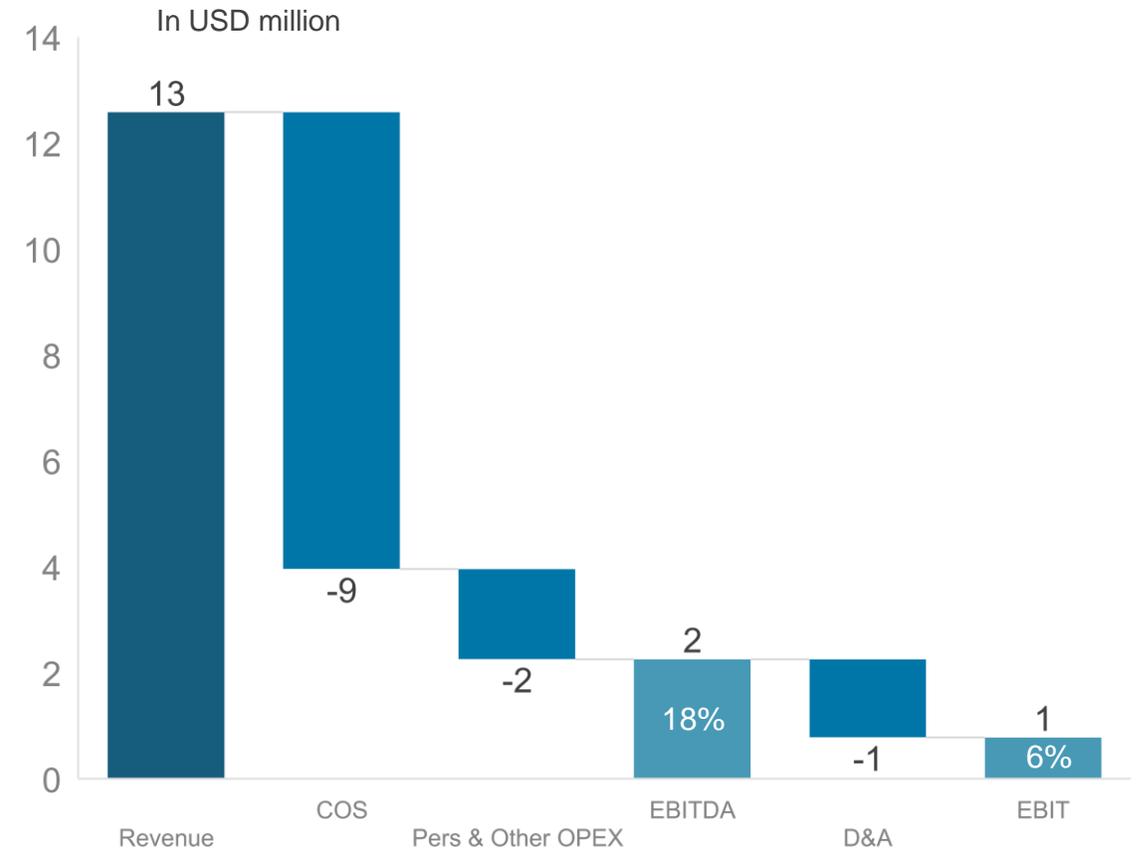
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Second quarter segment financial review

- Revenues mainly driven by the project in Egypt of USD 4.8 million and in the North Sea of USD 7.9 million
- During the quarter, the Company commenced multi-client project in Egypt
- EBITDA of USD 2.3 million, representing an EBITDA-margin of 18%
- EBIT of USD 0.8 million, representing an EBITDA-margin of 6%

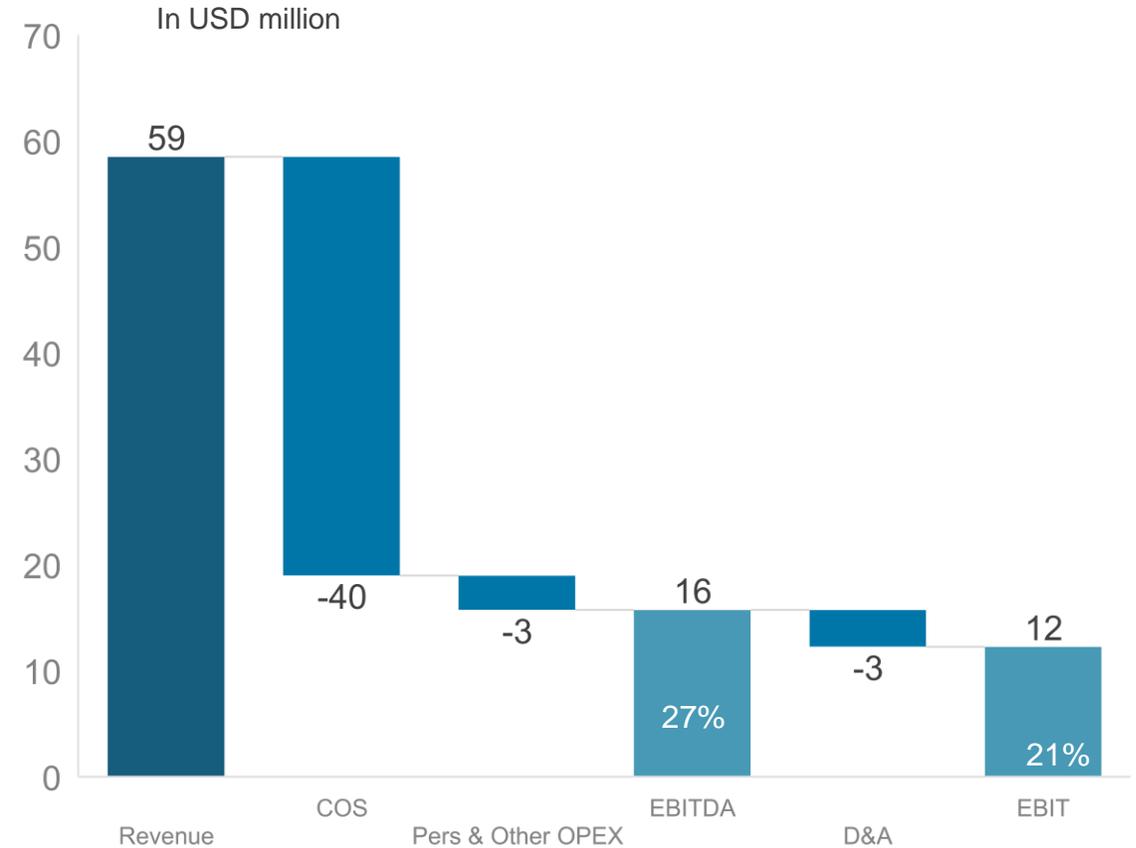
Second quarter segment P&L



YTD segment financial review

- Revenues mainly driven by the project in Egypt of USD 47.2 million, the North Sea of USD 7.9 million and the Brazil campaign USD 2.4 million
- EBITDA of USD 15.7 million, representing an EBITDA-margin of 27%
- EBIT of USD 12.3 million, representing an EBITDA-margin of 21%

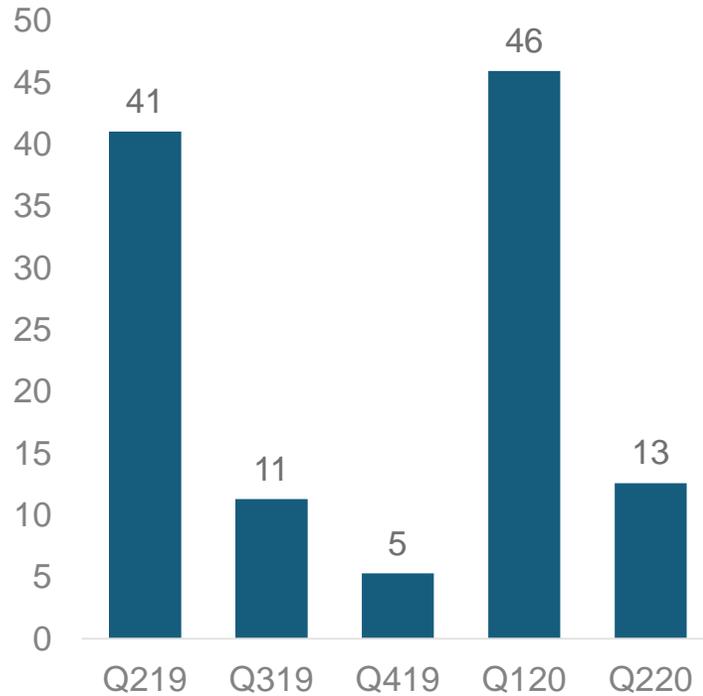
YTD segment P&L



Financials segment overview

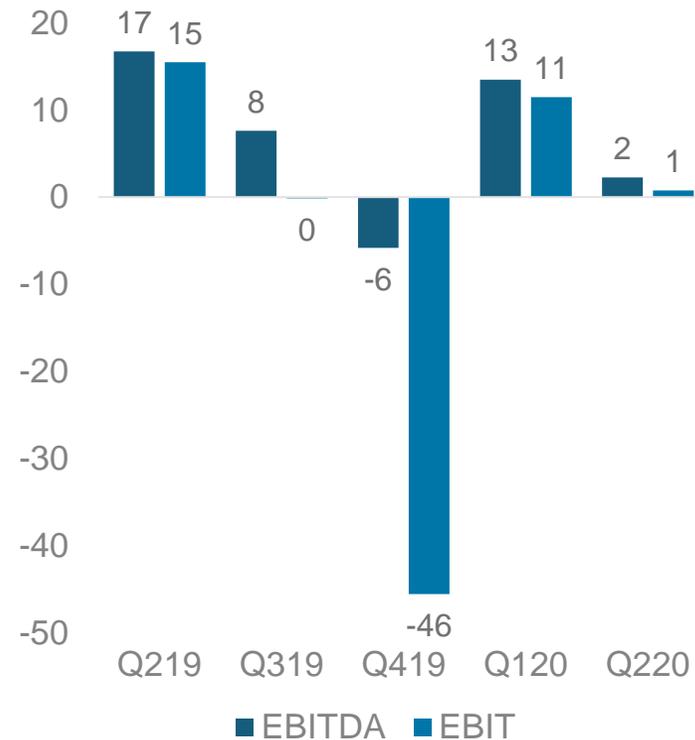
In USD million

Revenue



In USD million

EBITDA and EBIT



Sequential performance

- Segment revenue derives from both contract and multi-client activity
- High level of fluctuation quarter by quarter

Segment financial position – pre financial restructuring

30 June 2020

USD millions

Assets		Equity and liability	
Multi-client library	40	Equity	7
PP&E	14	Interest bearing debt	11
Other current assets	22	Accounts payable	37
Cash	3	Other current liabilities	24
	79		79

Financial restructuring

- Conversion of USD 9.5 million of accounts payable into unsecured loan agreements
 - Interest rate of 4% per annum
 - Amortization schedule implying repayment by January 2022
 - USD 1.4 million and USD 1.7 million amortization in Q3 and Q4 2020, respectively
 - USD 1.6 million amortization the following quarters
- Maturity on the note payable to TGS extended from September 2020 to June 2021
- USD 24.7 million of accounts payable converted into a tradable and secured two-year bond loan
 - Second-lien security
 - Semi-annual interest payments as follows: 4% per annum shall be paid in cash and either 4% per annum in cash or 4.4% as additional bonds (payment-in-kind), at the Issuer's option

Pro forma balance sheet after the restructuring

USD thousands

<u>Interest bearing debt and trade payables</u>	<u>Before conversion of unsecured loan</u>	<i>Adjustment unsecured loans</i>	<u>As reported 30.06.2020</u>	<i>Adjustment bond loan</i>	<u>Pro forma 30.06.2020 after all conversion of the restructuring</u>
Interest bearing debt	-	3 257	3 257	24 739	27 996
Interest bearing debt current	1 537	6 328	7 865		7 865
Trade payables	46 653	(9 585)	37 068	(24 739)	12 329

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Successfully proven model

Three major surveys executed

Norway – Utsira

Introducing OBN technology in MC market: North Sea

- New technologies in mature basins
- Strengthening position in South Atlantic
- Further growth onshore
- Utsira OBN: 1,560 sq.km multi-client node project in the Utsira area in Norway*
- APA 2019 provided record-high interest and multiple licenses in the Utsira area
- Data spans near field exploration, appraisal and 4D baseline.

AGS TGS

*Collaboration with Aker Drilling Services

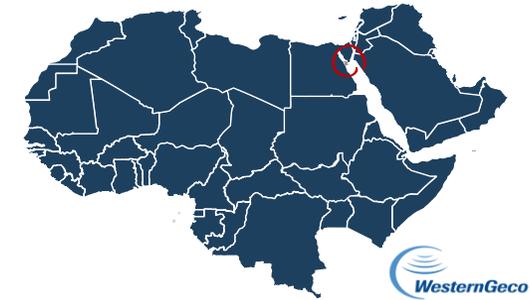
- Largest ever North Sea OBN survey, at ~1,600 km² originally
 - Survey extended in 2019 to cover new block awards
- During 2019, 5 vessel operation over existing acquisition; 2 node handling vessels + 3 source vessels
- Data processing expected to be completed in September 2020
- Joint sales and marketing efforts with TGS

India – Mumbai High area



- Successfully completed 1,215 km² FF OBN project for ONGC over the Mumbai High area
- AGS responsible for the entire offshore acquisition operation, and SAE provided onshore data processing support, contract holding and client interface

Egypt – Gulf of Suez



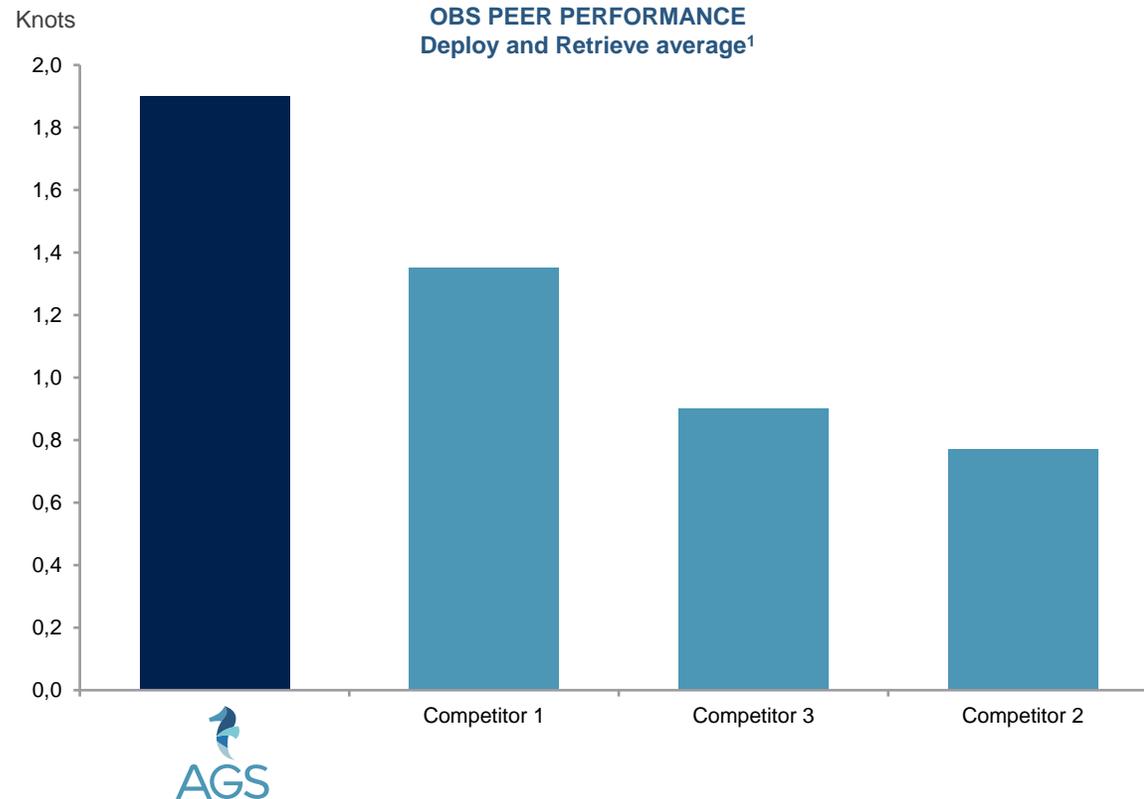
- OBN survey for WesternGeco in Egypt, Gulf of Suez
- Pilot for a substantially larger OBN program in the area
- The contract marked another milestone entering a new country and performing a difficult project in the midst of the COVID-19 pandemic
- Substantial late sale potential where AGS receives 60% of late sales (capped to USD 13.7 millions)

Successfully proven model

Already proven metrics superior to competitors

AGS focus on continuous improvements on deployment and retrieval...

...leading to faster delivery and lower km² cost



AGS has achieved close to 50% organic productivity increase

- Improved receiver and source deployment and retrieval efficiency
- Improved vessel efficiency
- Handling system refinements and improvements over the past year
- Current nodal fleet more suited to task than previously
- Increased crew competence
- Optimized source configurations

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Summary



Completed financial restructuring: Trade payables reduced considerably and are now at customary run-rate trade creditor levels

Solid H1 2020 performance: Solid operations in Egypt and Norway in spite of COVID-19

Multi-client library: Commenced new project in Gulf of Suez; attractive sales potential from the Utsira project

Asset light business model: Initiated smart-stack mode; substantial cost reduction while allowing for rapid mobilization for new surveys

Proven operational capability: Track record of delivering cost effective projects - benefiting from superior operational acquisition efficiency

Sound market fundamentals: Tendering activity showing signs of improvement; normalized market size next few years expected to be USD >1bn



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