The leading provider of OBN seismic solutions
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Source: Magseis Fairfield
• **The undisputed leader in the Ocean Bottom Seismic market**
  - Magseis - flexible and automated proprietary acquisition technology
  - Fairfield - long time market leader and industry innovator
  - WGP - unique mobile source technology

• **Global leader in a USD 1bn+ market**
  - Largest nodal pool in the market – ability to scale
  - Global reach - diverse customer base in all major basins

• **Asset light business model**
  - Flexible cost structure
  - Rig up / rig down on vessels of choice

Source: Magseis Fairfield
Highlights Q2 2019

**Financial performance**
- Revenue of USD 132m - EBITDA of USD 26m including non-cash costs of USD 9m
- Net profit of USD 12m
- High margins on MASS I node system sales
- Soft but improving margins in Data Acquisition

**Operational Performance and Execution**
- Large and early delivery of 3rd System sales shipment of MASS I nodes
- Active Data Acquisition quarter - limited by node capacity and vessel transit/yard stay
- Healthy performance in Reservoir Monitoring/Source
- Speeding up integration – operations merged into global business unit

**Outlook**
- Full capacity utilization in Q3 but uncertain project timing in Q4
- Uncertain project timing increases risk for full-year revenue and EBITDA guidance
- Continued positive outlook - increasing pipeline for 2020 and beyond

Source: Magseis Fairfield
AGENDA

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Financials, Backlog and Market Outlook

Operations

Summary, Outlook and Q&A

Appendix
Key financial figures

Key figures, USD million

<table>
<thead>
<tr>
<th>Profit and loss</th>
<th>Q2 2019</th>
<th>Q2 2018</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
<th>FY 2018</th>
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<td>19.7</td>
<td>251.0</td>
<td>44.3</td>
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<td>Cost of sales</td>
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<td>EBITDA</td>
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<td>15.6</td>
<td>23.0</td>
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<td>EBIT</td>
<td>11.4</td>
<td>1.0</td>
<td>8.6</td>
<td>7.6</td>
<td>3.1</td>
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<tr>
<td>Net profit (loss)</td>
<td>11.9</td>
<td>-0.5</td>
<td>5.4</td>
<td>5.1</td>
<td>-2.8</td>
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Financial position

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<td>527</td>
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<td>Total liabilities</td>
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<td>Total equity</td>
<td>340</td>
<td>137</td>
<td>334</td>
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<tr>
<td>Equity ratio</td>
<td>58.2 %</td>
<td>84.1 %</td>
<td>63.3 %</td>
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</table>

Cash flow

| Net cash flow from operating activities | 32.1 | 3.2 | 30.2 | -3.0 | 13.7 |

• Depreciation & amortization of USD 14.2m in Q2, down from USD 18.7m in Q1
• Amortization period for PPA technology assets revised from 5y to 10y

Source: Magseis Fairfield
Q2 P&L – Revenue and EBITDA increasing

- **Solid revenue and margins from System sales**
  - Successful early delivery of third batch of MASS I nodes in June
  - Low contribution from Z-node sales/leases in Q2 – building inventory for deliveries in H2

- **Healthy performance in Reservoir Monitoring/ Source**

- **Soft but improving margins in Data Acquisition**
  - All available nodes either in transit or in production on surveys in GoM, Middle East and the North Sea
  - Margins affected by the Artemis Athene transit and yard stay (USD 2.8m)
  - Recognized loss on receivable after customer settlement on 2018-contract (USD 1.6)

Source: Magseis Fairfield
**Sale of MASS I nodes and modular handling systems**

- Successful and efficient execution generating very strong project economics
- Third batch delivered in June, ahead of schedule
- Main part of fourth and final batch delivered in August
  - Only a limited number of nodes left for shipment in September
- Reduced margins on the Q3 deliveries
  - Higher share of new nodes and close-out costs

Source: Magseis Fairfield
Data acquisition set for higher volumes and improved margins in Q3 – uncertain project timing for Q4

- Higher project margins compared to the first half
- Less transition/mobilization costs and one-off items compared to the first half
- Higher capacity utilization – current crews fully booked for Q3
- Uncertain timing of project start-ups for Q4
  - Available capacity of 5 survey months in Q4
  - 3 ongoing addressable tenders/proposals with start in Q4 for a total 11 survey months
- Increasing uncertainty puts guidance levels at risk
  - Revenue guidance of USD 500m and EBITDA of USD 100m will depend on Q4 capacity utilization and margins
2019 Order backlog

Total backlog of USD 274 million, whereof USD 202 million for execution in 2019

- 2019 backlog per Nov 2018: 330
- 2019 backlog per Q4 report: 388
- 2019 backlog and revenue per Q1 report: 453
- Deferral to 2020: -9
- New orders/increased scope: +9
- 2019 backlog and revenue per Q2 report: 453

Source: Magseis Fairfield
Continued positive market outlook for 2020 and beyond

• Continued tightening demand/supply despite volatile oil/gas prices

• Signed LoI for 6 months node lease contract in Caspian Sea, starting in Q1-20

• Rapidly increasing number of addressable tenders/proposals for 2020
  • 2020 pipeline per May: 2 ongoing tenders/proposals for a total 7 survey months
  • 2020 pipeline today: 10 ongoing tenders/proposals for a total 35 survey months

• Significant amount of planned but not yet tendered activity for 2020 and beyond
  • Regular tenders, larger tender programs, multi-client activity, potential System sales
  • Interesting prospects in all major oil & gas regions

Increasing tender activity for 2020

Source: Magseis Fairfield
AGENDA

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ZXPLR Crew 1: Timely completion of the world’s largest deep water OBS survey – crew booked through April 2020

- Innovative configuration with REM Saltire, Oceaneering ROVs and new high-speed loader (HSL), three source vessels and one support vessel
- 3,100 square kilometres survey utilizing Magseis Fairfield’s ZXPLR deep water nodes
- Challenging environment, with 18 surface obstructions and hundreds of seabed constructions
- Source effort and node recovery completed mid-August
- Crew moving directly to follow-on deep water project in Gulf of Mexico where we will operate a low-frequency source technology in addition to traditional airguns

Source: Magseis Fairfield
Z700 Crew 1&2: Large Middle East Z700-node survey progressing well

- **15,000 Z700 nodes** – the largest OBS node fleet ever deployed on a single project
  - Node-on-a-rope (NOAR) operation running through Q4
  - Baseline survey in preparation for future 4D monitoring from 2021 and beyond

- **More than 60% source effort complete to date**
- **Operated above expected daily averages in Q2, despite challenging conditions on a very active field**
- **Actively managing operations in extreme summer heat (50°C+)**
- **Closely monitoring regional security situation – not affecting current operations**

Source: Magseis Fairfield
MASS I Crew 1:
North Sea Campaign with back-to-back “Nodes-on-the-Dock” survey and Artemis Athene “Nodes-on-Wire” survey

• MASS survey successfully completed late July
  • Fully modular containerized node handling utilizing client’s shoreside facility
  • Deployment of nodes utilizing client’s vessels

• Artemis Athene project kicked off in July
  • One node handling vessel, one source vessel and a chase vessel
  • Nodes-on-Wire operation utilizing the Artemis Athene handling and deployment systems
  • Operations into first half of Q4-19

Source: Magseis Fairfield
Source Crews:
Active period for Reservoir Monitoring/Source

Crew 1
- Executed Survey 1 from late April through May on schedule with client extremely pleased with performance
- Executed Survey 2 June through to late July and source package performing well

Crew 2
- Fast delivery of 19th and 20th surveys in sixth year of reservoir monitoring program
- Survey operations completed ahead of schedule

Crew 3
- System assembly on 5-year reservoir monitoring program completed in June
- Mobilization commenced end of in July with first survey immediately after commissioning of recording system in August
- Real time data delivery system commissioned
Integration well under way

Organisation
- Established one operating organisation ahead of plan to further accelerate the integration
- Very good progress on the integration workstreams – several already concluded

Training
- All employees moved to a common training platform to ensure a “one company” culture

Back-office systems
- Migration of IT systems completed
- Selected and started the implementation of our new global business system

Source: Magseis Fairfield
AGENDA

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Summary & Outlook

• Successful manufacturing and delivery of the large MASS I node system sales
• Good performance in the growing Reservoir Monitoring/Source area
• Soft first half in Data Acquisition – volumes and margins are set to improve
  • Fully booked for Q3 but some timing uncertainty of projects in Q4
  • Uncertain project timing increases risk for full-year revenue and EBITDA guidance
• Confident in the future growth of the OBS market and our own industry leading market position
  • Large number of tenders, tender programs, multi-client activity and system sales expected for 2020 and beyond

Source: Magseis Fairfield
The industry leader in Ocean Bottom Seismic (OBS) technology

• Largest player in a growing USD 1 billion+ annual market
• Global reach with broad customer base including the top-tier E&Ps
• Leading market position with 30,000+ node pool and scale advantages
• Asset light business model offers further scalability
Income Statement
Balance Sheet
Cash Flow Statement
### Income Statement (unaudited)

**USD 1000'**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Year to date</th>
<th>Full year</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Q2 2019</td>
<td>Q2 2018</td>
<td>Q2 2019</td>
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<tr>
<td>Total revenue and other income</td>
<td>131 539</td>
<td>19 718</td>
<td>251 041</td>
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<tr>
<td>Cost of Sales</td>
<td>87 191</td>
<td>10 114</td>
<td>175 484</td>
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<tr>
<td>Research and development costs</td>
<td>833</td>
<td>670</td>
<td>1 473</td>
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<tr>
<td>General and administrative costs</td>
<td>17 997</td>
<td>3 741</td>
<td>32 529</td>
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<tr>
<td>Depreciation</td>
<td>13 327</td>
<td>4 005</td>
<td>28 125</td>
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<td>Amortisation</td>
<td>825</td>
<td>191</td>
<td>4 783</td>
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<td>Total operating expenses</td>
<td>120 174</td>
<td>18 721</td>
<td>242 394</td>
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<tr>
<td><strong>OPERATING PROFIT / (LOSS)</strong></td>
<td>11 365</td>
<td>997</td>
<td>8 647</td>
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<tr>
<td>Financial income</td>
<td>3 295</td>
<td>3</td>
<td>4 354</td>
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<td>Financial expenses</td>
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<td>Net financial items</td>
<td>1 466</td>
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<td>-653</td>
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<td><strong>NET PROFIT / (LOSS) BEFORE TAX</strong></td>
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<td>7 994</td>
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<td>Income tax expense</td>
<td>963</td>
<td>227</td>
<td>2 605</td>
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<tr>
<td><strong>NET PROFIT / (LOSS)</strong></td>
<td>11 868</td>
<td>-540</td>
<td>5 389</td>
</tr>
</tbody>
</table>

Earnings per share attributable to the equity holders during the period

- **Basic**
  - Q2 2019: 0.06
  - Q2 2018: -0.01
  - Q2 2019: 0.03
  - Q2 2018: 0.07
  - 2018: -0.04

- **Diluted**
  - Q2 2019: 0.06
  - Q2 2018: -0.01
  - Q2 2019: 0.03
  - Q2 2018: 0.07
  - 2018: -0.04

Other comprehensive income

- Q2 2019: -
- Q2 2018: -
- Q2 2019: -
- Q2 2018: -
- 2018: -

**Total comprehensive income / (loss)**

- Q2 2019: 11 868
- Q2 2018: -540
- Q2 2019: 5 389
- Q2 2018: 5 127
- 2018: -2 821

**EBITDA**

- Q2 2019: 25 517
- Q2 2018: 5 193
- Q2 2019: 41 555
- Q2 2018: 15 563
- 2018: 23 013

Source: Magseis Fairfield
## Balance Sheet (unaudited)

**ASSETS**

- **Non-current assets**
  - Goodwill: 93,731 USD 1000’  
  - Property, plant and equipment: 149,406 USD 1000’  
  - Multi-client library: 75,507 USD 1000’  
  - Other intangible assets: 80,280 USD 1000’

- **Current assets**
  - Cash and cash equivalents: 54,230 USD 1000’
  - Trade receivables: 121,440 USD 1000’
  - Inventories: 68,929 USD 1000’
  - Other current assets: 21,492 USD 1000’

- **Total assets**: 584,733 USD 1000’

**EQUITY AND LIABILITIES**

- **Shareholders’ equity**
  - Share capital: 1,167 USD 1000’
  - Share premium: 382,148 USD 1000’
  - Other equity: 4,722 USD 1000’
  - Retained earnings: -42,479 USD 1000’
  - Currency translation reserve: -5,124 USD 1000’

- **Total equity**: 340,434 USD 1000’

- **Liabilities**
  - **Non-current liabilities**
    - Obligations under financial lease: 18,494 USD 1000’
    - Other non-current financial liabilities: 39,310 USD 1000’

- **Current liabilities**
  - Trade payables: 54,838 USD 1000’
  - Current tax payable: 3,540 USD 1000’
  - Current portion of long term loans: 21,467 USD 1000’
  - Current portion of obligations under financial lease: 17,796 USD 1000’

- **Total current liabilities**: 186,495 USD 1000’

- **Total liabilities**: 244,300 USD 1000’

- **Total equity and liabilities**: 584,733 USD 1000’
Cash Flow (unaudited)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Year to date</th>
<th>Full year</th>
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<tbody>
<tr>
<td>USD 1000’ (unaudited)</td>
<td>Q2 2019</td>
<td>Q2 2018</td>
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<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
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<tr>
<td>Profit / (Loss) before tax</td>
<td>12 831</td>
<td>-314</td>
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<tr>
<td><strong>Adjustment for:</strong></td>
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<tr>
<td>Income tax and withholding tax paid</td>
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<td>Depreciation and amortisation</td>
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<td>Share based payments expense</td>
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<td>Interest expense and other financial items</td>
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<td>Interest income</td>
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<td>Cost of sales of nodes, non cash effect</td>
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<td><strong>Working capital adjustments:</strong></td>
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<td>(Increase) / decrease in current assets</td>
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<td>Increase / (decrease) in current liabilities</td>
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<td><strong>Net cash from operating activities</strong></td>
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<tr>
<td>Cash and cash equivalents at period end</td>
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Source: Magseis Fairfield