



Axxis Geo Solutions

Reconstruction Presentation

April 2021

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The restructuring plan

Situation overview and Proposed restructuring plan

- On 17 February 2021, the District Court of Asker and Bærum approved an application for reconstruction from Axxis Geo Solutions ASA, in accordance with section 2 (1) of the Restructuring Act.
- The purpose of the reconstruction is to restructure AGS' balance sheet and create a basis for continued operations. In addition, it is AGS' intention to find the best possible solution for the Company's creditors, maximizing their possible recovery.
- Unsecured creditors are offered the following in the reconstruction:
 - 10% cash recovery of outstanding claim
or
 - Convert all or part of claim to shares at a subscription price of 0.5 NOK/share. Minimum subscription amount per creditor is NOK 100 000.
- The reconstruction will be financed through a pre-committed equity issue of USD 17-20 million, at a subscription price of 0.1 NOK/share. The commitment for the equity injection has been made with certain preconditions which the Company is working to resolve.
- Relative subscription price between new equity and debt conversion implies 20% recovery for creditors converting debt to equity.
- The reconstruction only involves the parent company Axxis Geo Solutions ASA. Voluntary debt settlement process in group companies ongoing in parallel.

Next steps

- Deadline for voting in the reconstruction 27 April 2021.
- A proposal for reconstruction by forced debt settlement is decided when claims representing minimum half of the total amount with voting rights have voted for the proposal, cf. the Reconstruction Act § 42.
- The share issue for the new equity will be decided upon at an extraordinary general assembly of the Company held 28 April 2021. The share issue for the conversion of debt to shares is expected to be decided upon by a separate extraordinary general assembly of the Company held in May 2021. The shares are expected to be registered in the respective VPS accounts no later than 30 June 2021. There might be a delay before the shares are listed.
- Settlement to creditors will be paid out within fourteen (14) working days after the court confirmation of the reconstruction plan by forced debt settlement, cf. the Reconstruction Act § 52, is enforceable, tentatively during June/July 2021.

Transaction sources and uses

Sources and uses

Sources (USDm)

1	New Equity	17.0 - 20.0
	Total Sources	17.0 - 20.0

Uses (USDm)

2	Payment to creditors	10.0 – 7.0
3	General corporate purposes (remaining amount)	7.0 – 13.0
	Total uses	17.0 – 20.0

Comments

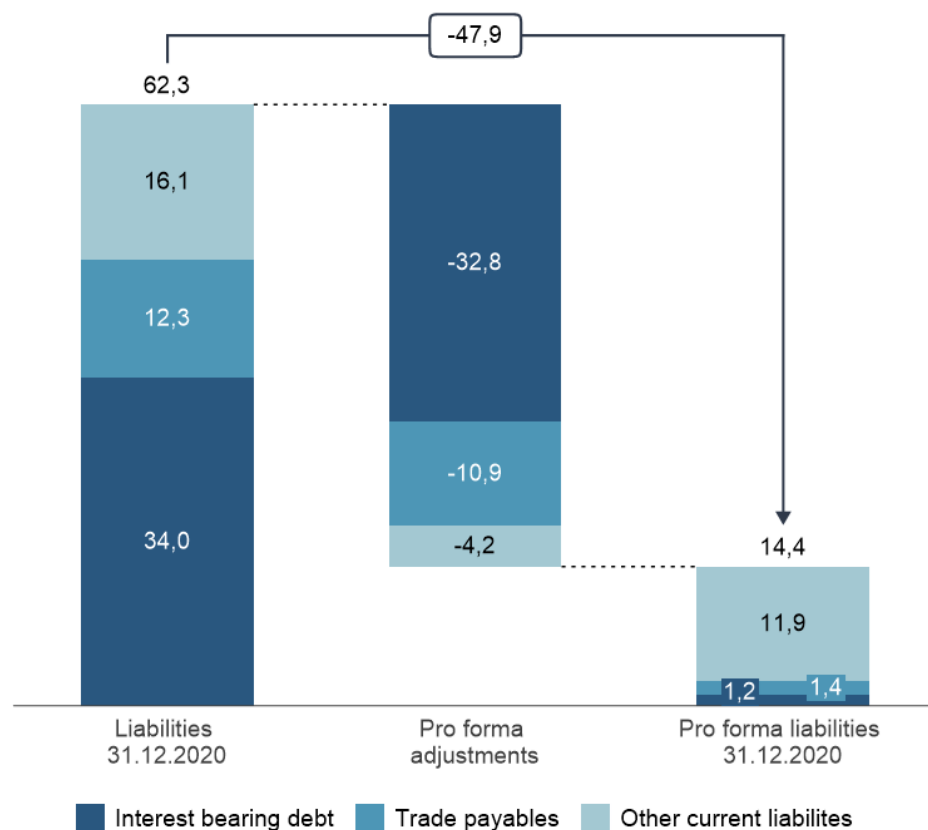
- 1 The total source of funds in the transaction is to stem from a USD 17-20m equity issue in the Group.

- 2 Approximately USD 7-10m of the sources will be paid to all Group creditors as a one-time settlement. The actual cash payment amount to creditors will in part depend on creditors' election between cash recovery or conversion to equity. The cash settlement includes payments to secured creditors as well as payments to creditors in subsidiary companies.

- 3 Remaining amount, approximately USD 7-13m will be allocated as general corporate purposes to the Group to create a sound basis for continuing the current activity level and to support future growth.

Balance sheet implications

Group pro forma labilitets (MUSD)



Observations

- The planned restructuring is estimated to reduce outstanding liabilities by approximately USD 50 million.
- In addition, Axxis is considering a sale of the vessel MS Neptune Naiad, thereby further reducing secured interest bearing debt (USD 1.2 million as of 31 December 2020).
- Liabilities post restructuring include tax obligations and secured debt positions in Group companies which are not undergoing court administrated financial restructuring.

Pro forma shareholder structure

Shares outstanding (in millions)	~10% of claims converted				~20% of claims converted			
	USD 17m issue		USD 20m issue		USD 17m issue		USD 20m issue	
Existing shares	58,8	3,7%	58,8	3,2%	58,8	3,5%	58,8	3,0%
Debt converted to equity	90,0	5,6%	90,0	4,9%	180,0	10,7%	180,0	9,3%
Equity issuance (USD 17-20m)	1 445,0	90,7%	1 700,0	92,0%	1 445,0	85,8%	1 700,0	87,7%
Total pro forma shares	1 593,8	100,0%	1 848,8	100,0%	1 683,8	100,0%	1 938,8	100,0%

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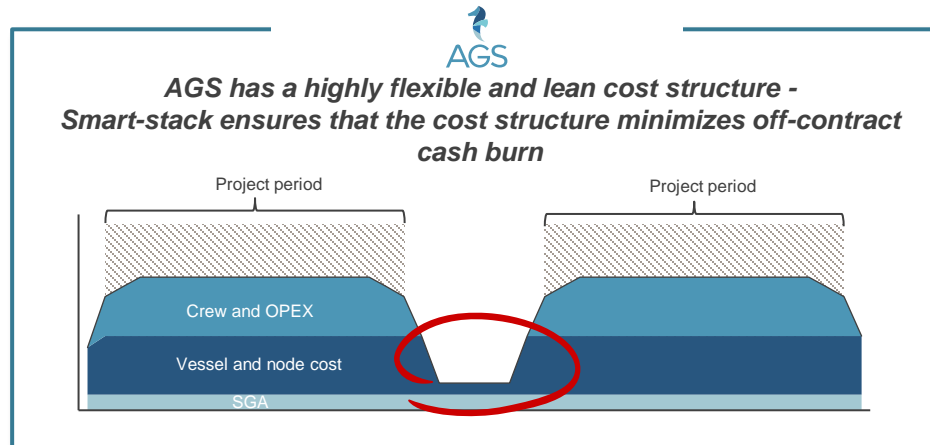
AGS: A leading ocean bottom node company



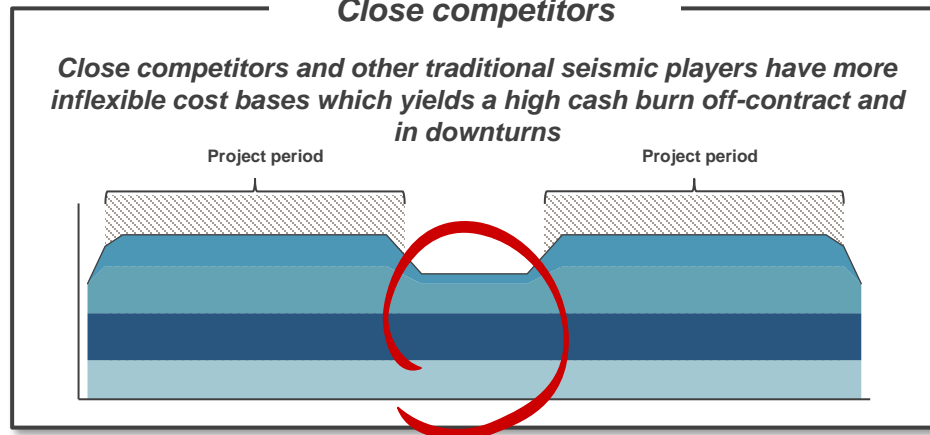
Managing seismic cycles

Flexible cost structure to address market cycles

AGS is asset light versus competitors



Close competitors



A flexible setup adjustable to market activity

Vessels

- Flexible vessel capacity through multiple short-term leased vessels
 - ✓ Abundant access to vessels – several vessel types, including PSVs and OSVs, can carry AGS' proprietary node handling system
 - ✓ Avoiding pitfalls of seasonal utilization discrepancies in conventional marine seismic

Nodes

- Node agnostic handling system, no capex and R&D for own equipment
 - ✓ Nodes to be leased from any supplier
 - ✓ A simplified, low-cost method for node deployment requiring limited investments

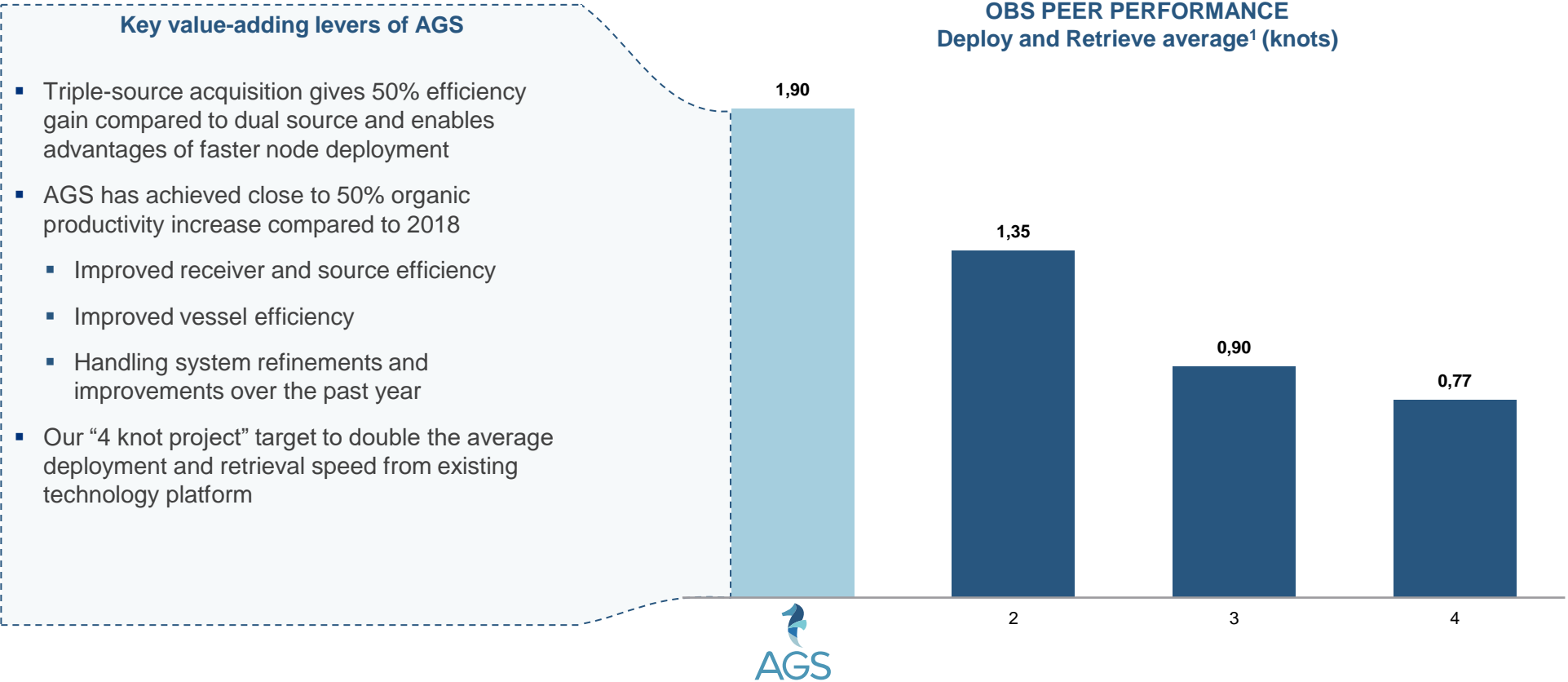
Crew

- Seismic crew on voyage contracts
 - ✓ Setup links the cost base to utilization and activity
 - ✓ Proven ability to rapidly adjust capacity, demonstrated by ramp-up of 150 crew members in a few weeks for the ONGC operation in India

Successfully proven model

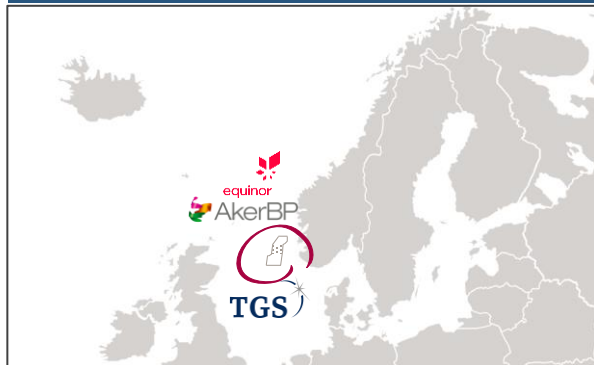
Already proven metrics superior to competitors

AGS focus on continuously improvements on NOAR deployment and retrieval leading to faster delivery and lower km² cost



Global experience with large and complex projects

Norway – North Sea



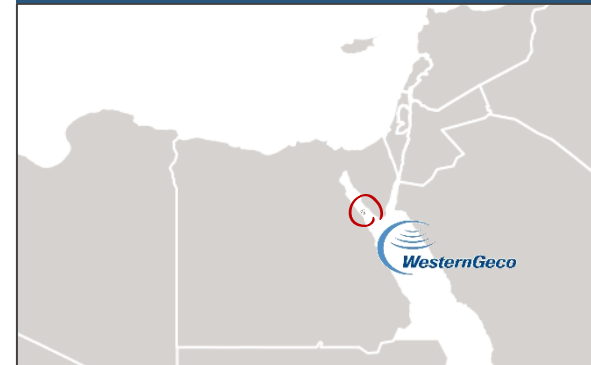
- Utsira MC OBN originally at >1,500 km²
 - Survey extended in 2019 to cover new block awards
- During 2019, 5 vessel operation over existing acquisition; 2 node handling vessels + 3 source vessels
- Utsira data processing completed in September 2020, joint sales and marketing efforts with TGS
- Breidablikk and Frigg 4D OBN contracts for Equinor completed in summer 2020

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, with SAE providing onshore data processing support, contract holding and client interface
- Tender for a similar size contract in 2021-22 has been issued

Egypt – Gulf of Suez

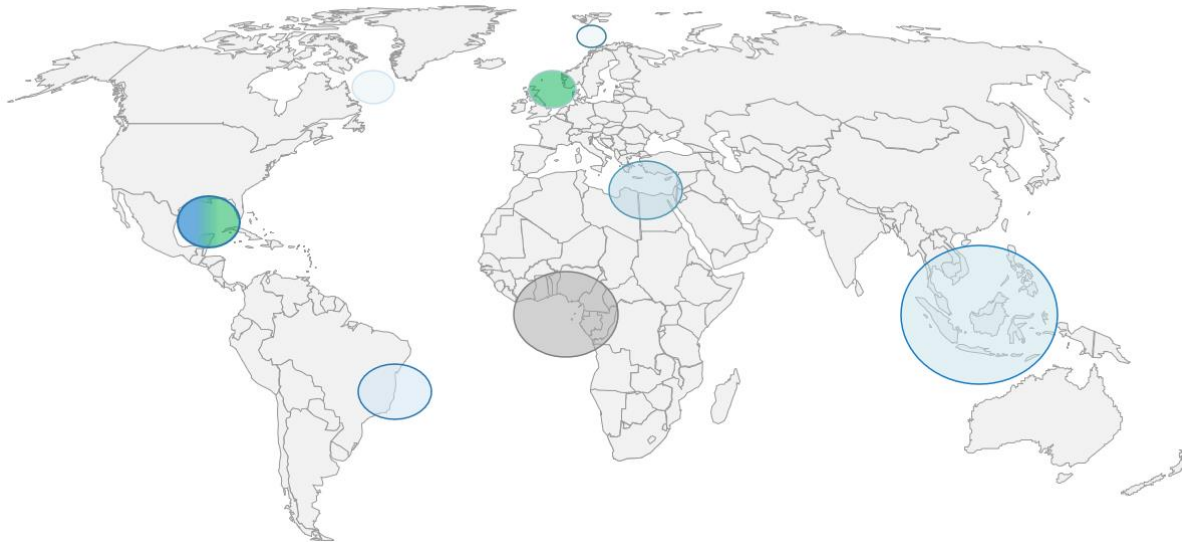


- OBN project for WesternGeco in Egypt, Gulf of Suez – contract extension signed for an additional 7 vessel months mid-March 2020
- Active tender for project extension
- Excellent safety and acquisition performance on a highly complex project during the COVID-19 pandemic
- Substantial late sale potential where AGS receives 60% of late sales ¹⁾

Multi-client approach

Focused efforts in prolific basis world-wide

- Strategic efforts in key areas suited for multi-client and infrastructure-led exploration (ILX)
- Established cooperation with large MC companies (project generation, funding, sales, cost/revenue sharing)
- Recurring revenue from «ultimate» seismic data with very high quality and value
- Project driven, opportunistic approaches in combination with contact work gives improved visibility and “degrees of freedom” in planning



Utsira multi-client project

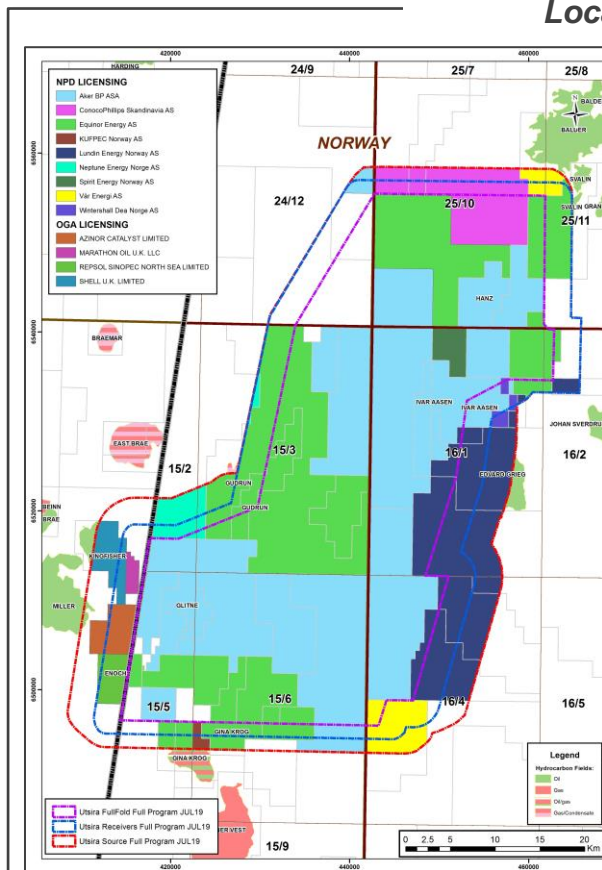
Largest OBN multi-client survey in the Norwegian North Sea

Near-term opportunities are driven by several existing discoveries

Project description

- Superior imaging, high resolution OBN multi-client seismic survey in the North Sea, covering appx. 1,600 sqkm in the mature Utsira high area, acquired in 2018 & 2019
- Several producing fields, commercial discoveries and prospects
 - Investments around production hubs for rapid and robust field development is considered attractive
 - The Utsira program was fully processed in September 2020
 - Two small data sales announced in Q4-20
- Near term opportunities are driven by existing discoveries inside the survey area, such as “Lille Prinsen”, “Sigrun” and “Sigrun East”
- The OBN data is already licensed and used by the operator Equinor, which is likely to lead to further licensing agreements with their partners
- 50/50 ownership and revenue share with TGS

Location



Multiple oil and gas fields

Gulf of Suez multi-client project

Attractive revenue opportunities from late sales

AGS receives 60% of all new late sales licensing agreements

Project description

- WesternGeco (“WG”) Gulf of Suez OBN multi-client phase 2 consist of approximately 291 km² of 3D coverage
 - AGS and WG have a multi-client late sales revenue share arrangement in this area of the program
- The objective is to image oil and gas fields complicated geological and geophysical conditions
- This part of the Gulf of Suez is considered a mature production region, but with recent discoveries such as ENI’s 2019 Sidri South
- WG is handling marketing and sales activities, and AGS will receive a net revenue share of 60% in all new late sales licensing agreements up to an amount of USD 13.7 million

Location

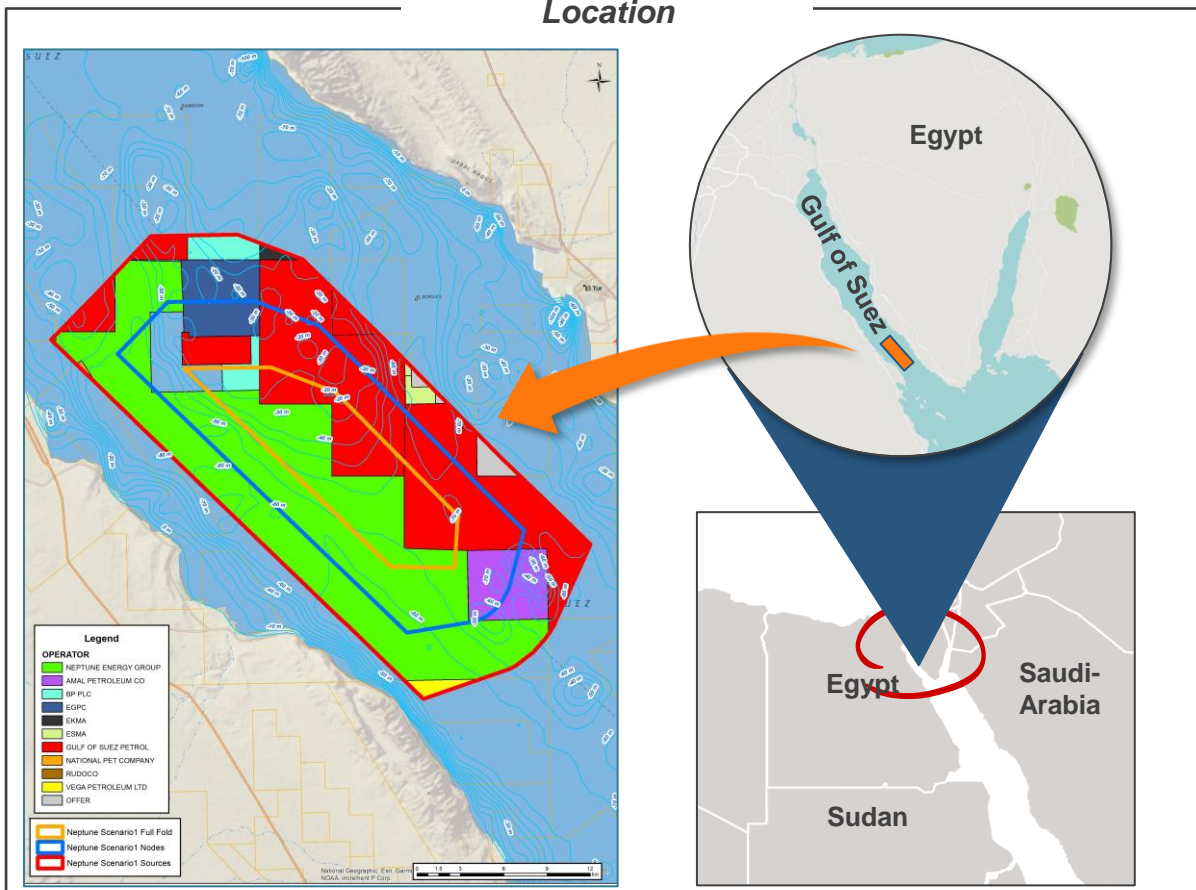


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Introduction and reconstruction overview



Company description



Market overview and outlook



Summary

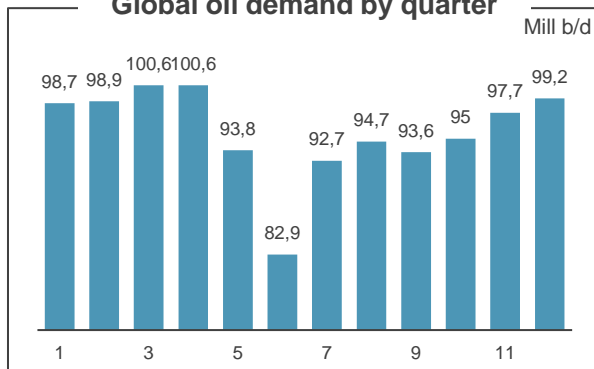
Oil services market observations

Selected key drivers expected to pick up over the next twelve months

1 Global oil demand

- The global oil demand is a key contributor to development in the sector. A combination of multiple positive signals indicate a rebounding oil demand following a reduction during the market turmoil from the ongoing pandemic
- During the coming quarters, analysts expect the oil demand to rebound following increasing vaccination
- Further, OPEC has shown a strong discipline as of late, which contributes to a more predictable market development in the time to come, with increased demand and reduced inventories

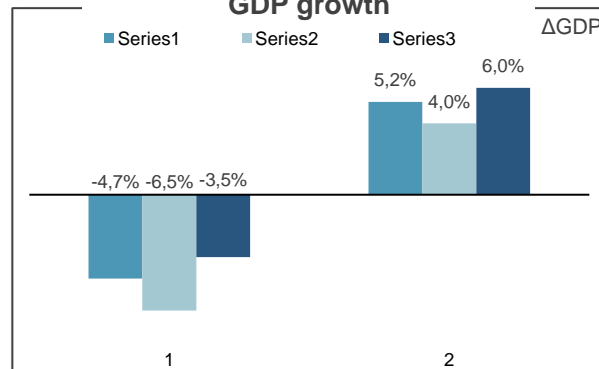
Global oil demand by quarter



2 World GDP growth

- The market is further forecasting the world GDP to increase over the coming years, following increasing consumption and trade in the pandemic rebound
- In sum, an increase in GDP should be strongly correlated with the E&P segment

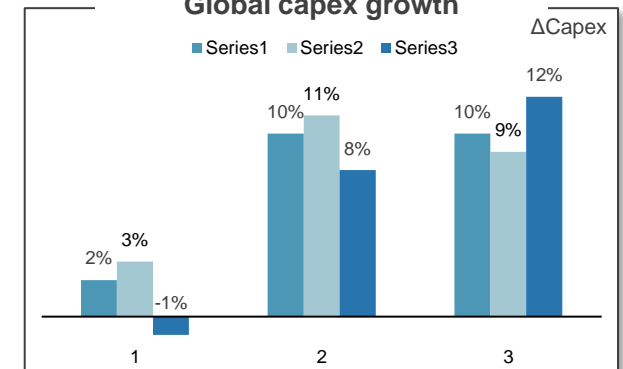
GDP growth



3 E&P capital expenditures

- Analysts expect the capex levels to increase across all key fragments of the market
- The increase is primarily driven by three different aspects, in sum yielding a profound basis for growth over the coming year
 - Higher oil price forecasts
 - Capex updates from all oil companies
 - Higher estimates from Rystad Energy
- Capex is in sum expected to uptake strongly

Global capex growth

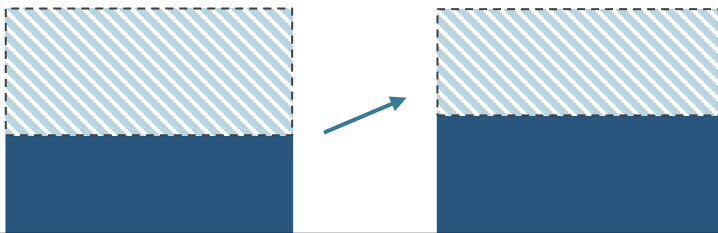


Fundamental drivers for the OBS market

Strong underlying fundamental drivers supportive of a sound market

1 Well-suited to support growing IOR focus

Enhanced recovery rates by using OBS



Increased recovery rates from existing fields highly prioritized – need for superior reservoir imaging

2 Fits near-field exploration and infill drilling agenda



The improved resolution of OBS can help uncover otherwise untapped near-field resources with strong economics

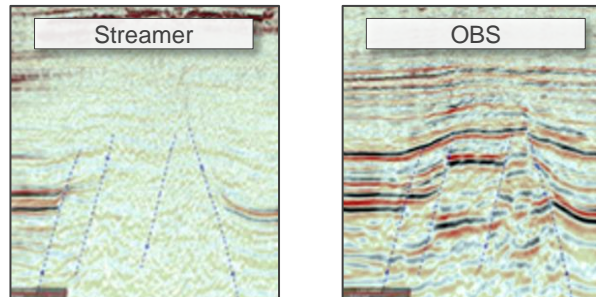
3 Required from increasingly complex geographies



High prevalence of allochthonous salt

Significant imaging challenges due to geological complexity in areas as GoM, West Africa, India and the Red Sea

4 Meets structural demand for higher quality data



Operators are increasingly acquiring higher quality seismic data to improve accuracy of models

5 Increased OBS net value creation fuelled by lower costs

30-200
Typical rates/km²
for recent large
OBS projects

Streamer seismic

More operators willing to use OBS if the price premium is reduced

Tender and pipeline overview

Improving tender activity and project pipeline for 2021-22

Selected potential OBN survey activities										
Timeline	2020			2021				2022		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Awarded	Egypt	North Sea				NS				
Active Tenders					NS			Middle East		
						North Sea				
							India			
Tender Pipeline									Asia Pacific	
								Middle East		
									North Sea	
Potential Multi-Client								West Africa		
									North Sea	
									North Sea	

COVID-19 implications

Diversification opportunities

Platform for growth and diversification into emerging markets

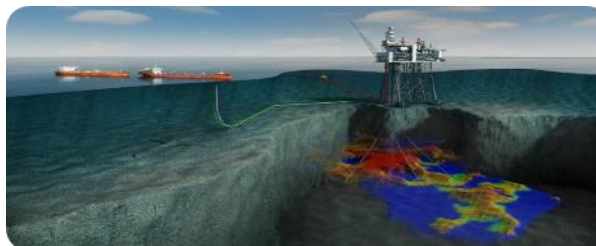
1 Utilize offshore operations skills in new areas, e.g. wind

- Utilize existing offshore operations and maritime competence for new applications, e.g. surveying for infrastructure planning
- Future growth driven by development of AUV technology



2 Carbon capture & storage

- Use of existing data for reservoir analytics and data acquisition for monitoring
- Likely to favour a mix of existing subsurface data and acquisition vessels



3 Exploration to support deep sea mining

- Potential to use existing seismic data and NOAR/ROV/AUV data acquisition to search for minerals
- Currently an early phase venture but seeing research and early commercial activity

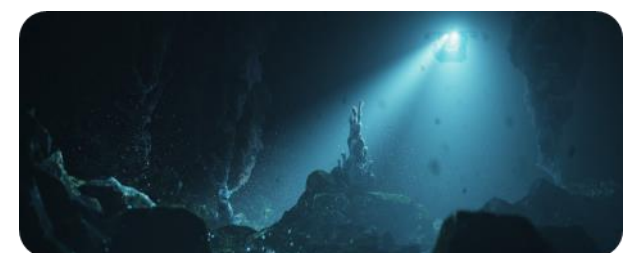


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Summary



Ongoing process to right-size balance sheet



Equity contribution of USD 17-20m secured



Delivering fit-for-purpose seismic solutions in close collaboration with clients – ensuring lower cost and higher efficiency



Asset light business model with a flexible cost base linked to utilization



Novel technology-agnostic node handling – can be fitted on any vessel of opportunity



Multi-client offering and revenue potential from existing data library



Improving market outlook



Platform for growth and potential diversification



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