

A large version of the Spectrum logo, with the wave icon on the left and the word "Spectrum" in a large blue font to its right.

# 3<sup>rd</sup> Quarter 2015 Results

Unaudited



# CAUTIONARY STATEMENT

This presentation contains both statements of historical fact and forward looking information. Any forward looking information is based on management assumptions and analysis and are subject to risks and uncertainties that are difficult to predict as they relate to events and/or circumstances in the future.

Actual results and events may differ materially from those expected or projected in the forward looking statements. Spectrum undertakes no responsibility or obligation to update or alter forward looking statements.

This presentation should be read in conjunction with the 3rd quarter 2015 Earnings Release issued by Spectrum October 30<sup>th</sup> 2015.

# Q3 2015 Highlights

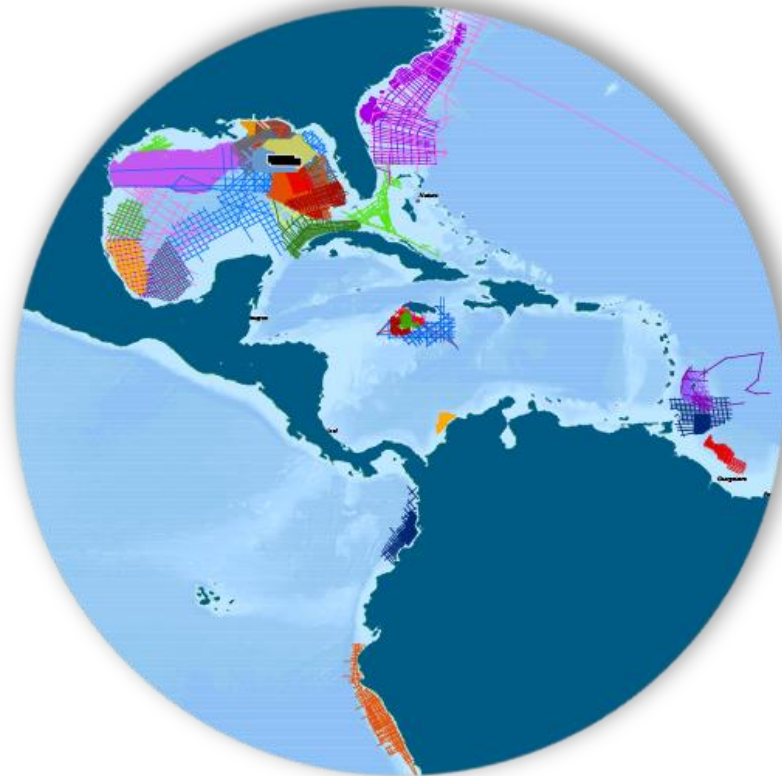
|             | Q3-15    | Q3-14   | Change |
|-------------|----------|---------|--------|
| Net Revenue | MUSD 18  | MUSD 53 | -66%   |
| EBITDA      | MUSD 11  | MUSD 45 | -75%   |
| EBIT        | MUSD (5) | MUSD 18 | -129%  |

- Q3 2015 MC investments of MUSD 13, down from MUSD27 Q3 2014
- Amortization rate of 87% in the quarter
- Net cash of MUSD 29.5 end of quarter

Investment level taken down in the quarter

## Q3 2015 Highlights

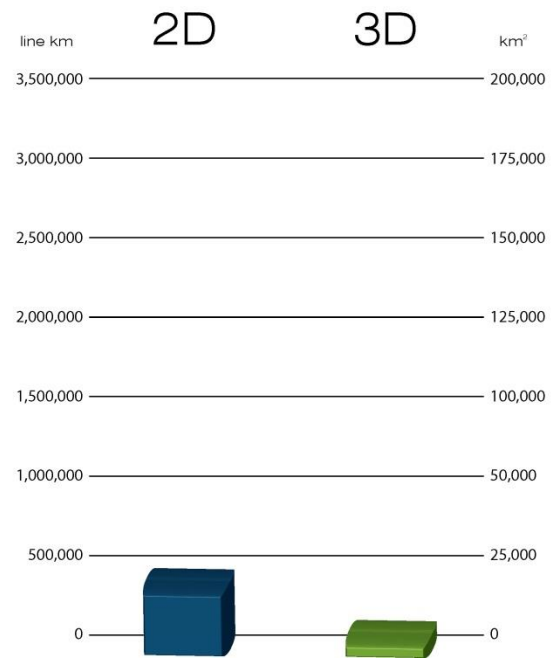
- New library promotion in progress
- A global 3 year sales and marketing plan implemented
- Mexico project is 70% completed in acquisition
  - Cooperation with SLB and PGS
- License round in Brazil with disappointing license round award result



Focus on sales and cash from a diverse library

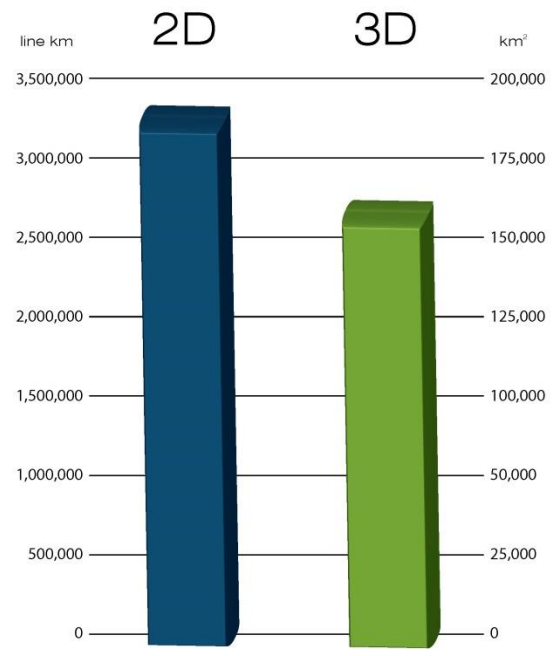
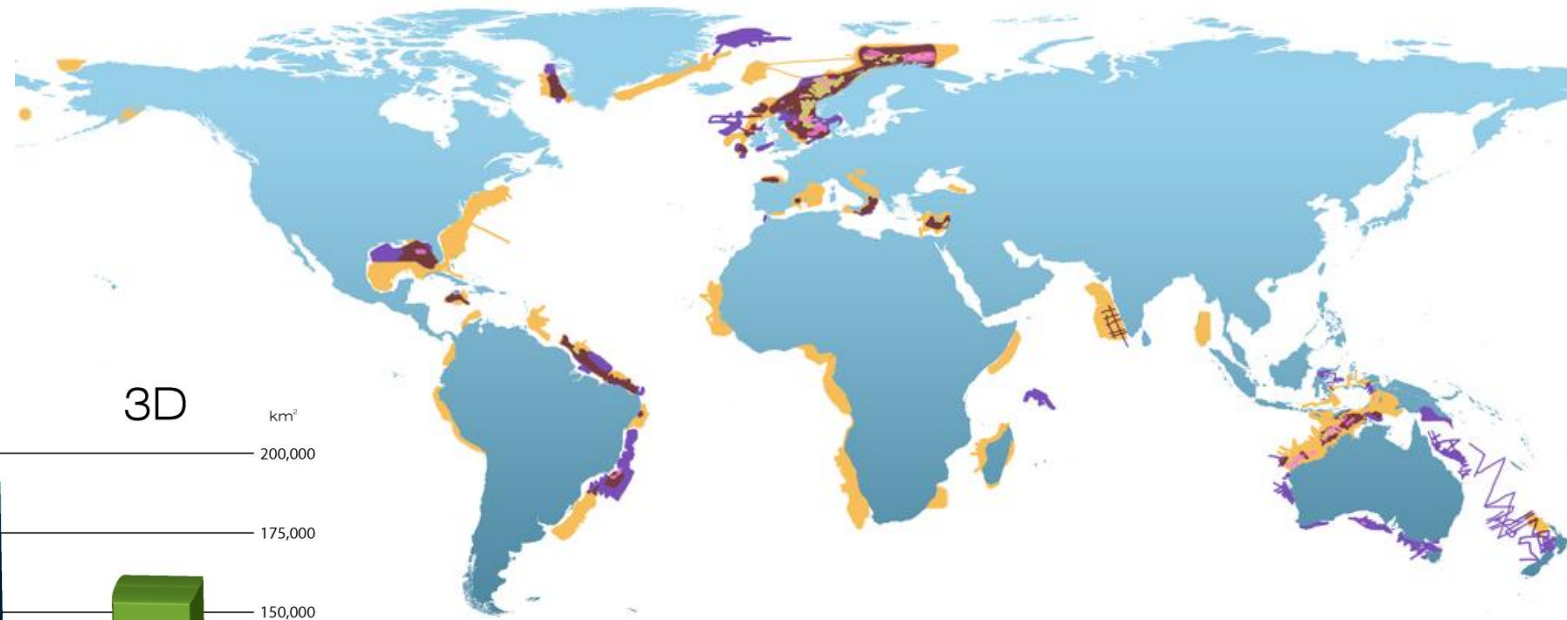
# Spectrum: Then & Now

2010



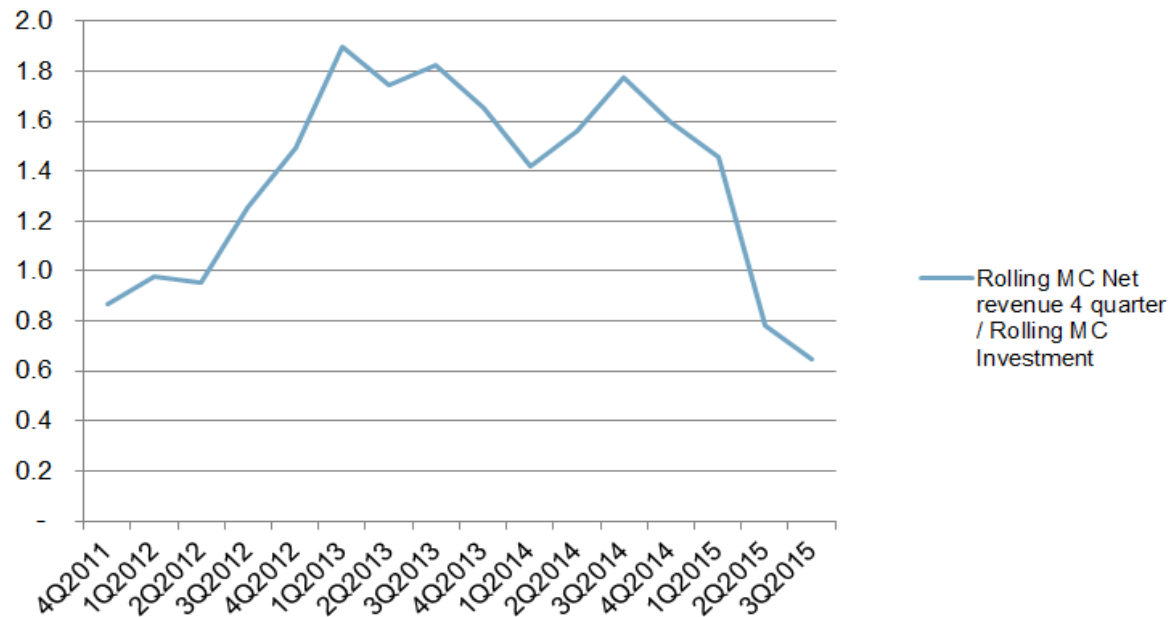
# Spectrum: Then & Now

2015



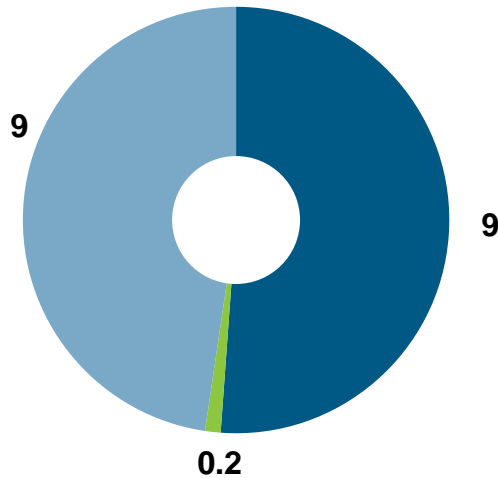
# Q3 2015 Highlights

|                              | Q3-15   | Q3-14   |
|------------------------------|---------|---------|
| Operational Cash Flow        | MUSD 27 | MUSD 37 |
| MC Investment                | MUSD 13 | MUSD 27 |
| CAGR MC investment 2011-2014 | 40%     |         |

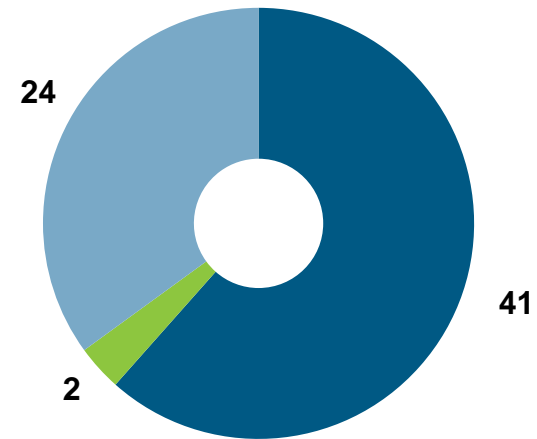


# Q3 2015 MC Revenue by Region

Q3 Net revenue MUSD 18



YTD Net revenue MUSD 67



- North and South America
- Africa
- Europe, Middle East & Asia



# Financials

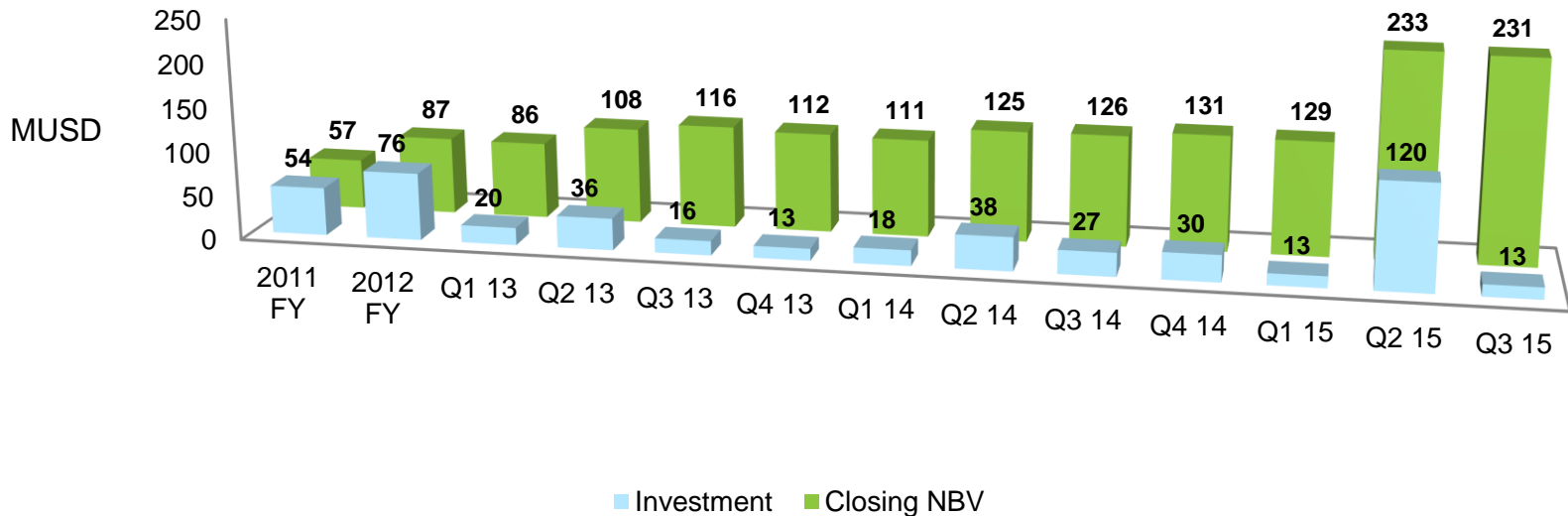


# Q3 2015 Income Statement

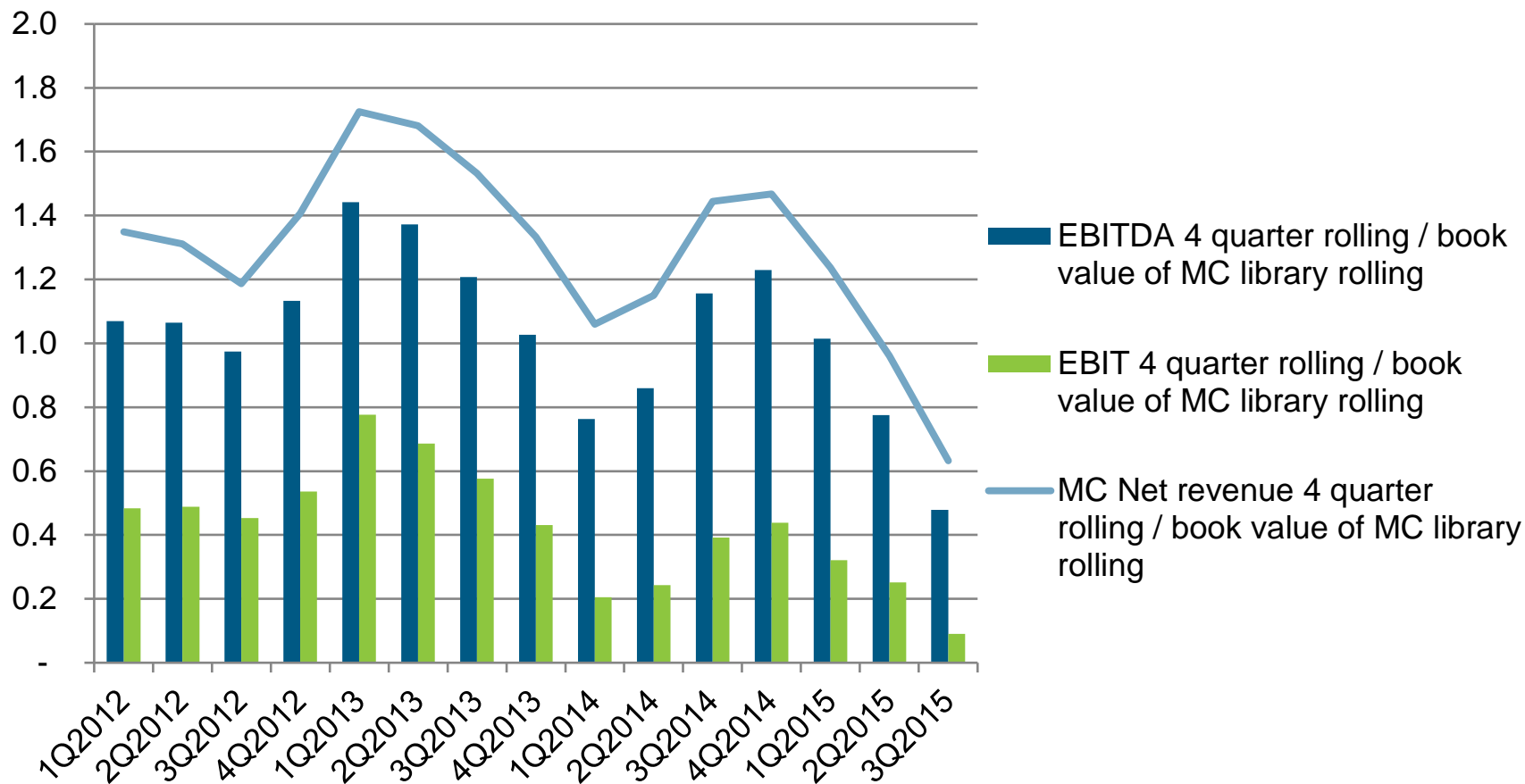
| (USD 1000)                           | Spectrum Group         |                        |              |                         |                         |              |
|--------------------------------------|------------------------|------------------------|--------------|-------------------------|-------------------------|--------------|
|                                      | Quarter ended 30.09.15 | Quarter ended 30.09.14 | Change in %  | 9 months ended 30.09.15 | 9 months ended 30.09.14 | Change in %  |
| <b>Net revenue</b>                   | <b>18,203</b>          | <b>52,843</b>          | <b>-66%</b>  | <b>67,833</b>           | <b>135,435</b>          | <b>-50%</b>  |
| Amortisation of multi-client library | (15,789)               | (26,532)               |              | (42,587)                | (69,541)                |              |
| Operating expenses                   | (6,786)                | (8,183)                | -17%         | (23,320)                | (26,145)                | -11%         |
| Cost of stock options                | (126)                  | 285                    |              | (600)                   | (1,186)                 |              |
| Depreciation                         | (695)                  | (767)                  | -9%          | (2,122)                 | (2,408)                 | -12%         |
| <b>EBIT</b>                          | <b>(5,194)</b>         | <b>17,647</b>          | <b>-129%</b> | <b>(797)</b>            | <b>36,154</b>           | <b>-102%</b> |
| Net Financial items                  | (2,017)                | 2,193                  |              | (3,716)                 | 1,898                   |              |
| <b>Profit / (loss) before tax</b>    | <b>(7,211)</b>         | <b>19,840</b>          | <b>-136%</b> | <b>(4,513)</b>          | <b>38,051</b>           | <b>-112%</b> |
| Earnings per share                   | (0.10)                 | 0.32                   |              | (0.07)                  | 0.62                    |              |
| Diluted earnings per share           | (0.10)                 | 0.28                   |              | (0.07)                  | 0.54                    |              |

# Multi-Client – NBV & Investments

- Q3 2015 MC investments
  - Prefunding
    - MUSD 13
    - 13.8% (no prefunding recognized in Mexico)
- Amortization Q3 2015
  - 87.8% (Q3 2014: 50.9%)



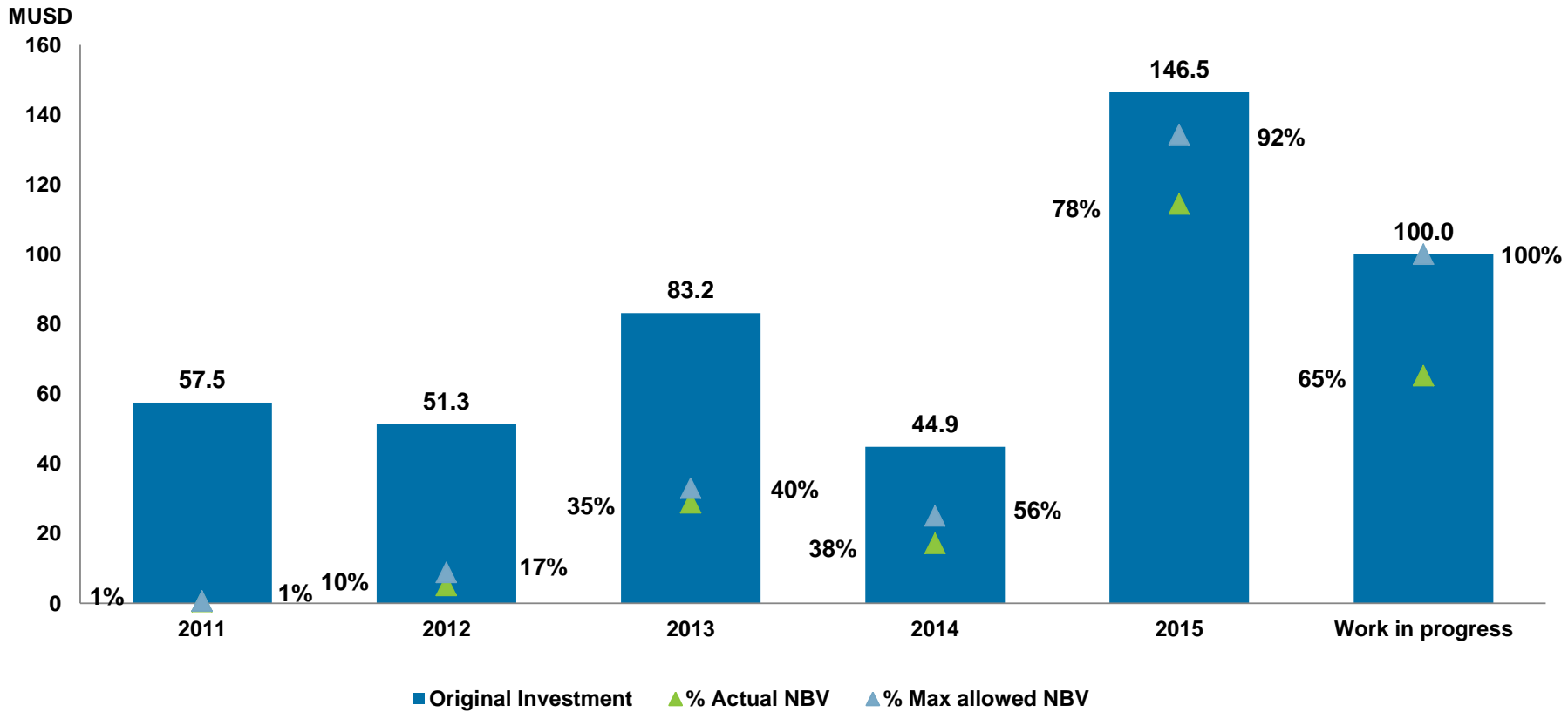
# Rolling Earnings & Net Sales / Book Value of MC library



MC library rolling includes library acquired in June 2015

# Investment per Vintage

Net Book Value (NBV) as % of original investment per financial year vs. allowed Maximum NBV



# Balance Sheet – Key Figures

|                             | SPECTRUM GROUP          |                         |                       |
|-----------------------------|-------------------------|-------------------------|-----------------------|
| <b>Assets</b><br>(USD 1000) | 30.09.15<br>(Unaudited) | 30.06.15<br>(Unaudited) | 31.12.14<br>(Audited) |
| MC Library                  | 231,067                 | 233,364                 | 131,266               |
| Other Intangible Assets     | 18,137                  | 17,085                  | 15,434                |
| Tangible Assets             | 4,964                   | 5,329                   | 5,868                 |
| Receivables                 | 76,186                  | 85,351                  | 90,448                |
| Cash and Equivalents        | 29,458                  | 17,445                  | 8,364                 |
| <b>Total Assets</b>         | <b>359,814</b>          | <b>358,573</b>          | <b>251,379</b>        |

| <b>Equity and Liabilities</b><br>(USD 1000) | 30.09.15<br>(Unaudited) | 30.06.15<br>(Unaudited) | 31.12.14<br>(Audited) |
|---|-------------------------|-------------------------|-----------------------|
| Equity                                      | 206,473                 | 211,036                 | 174,267               |
| Long Term Liabilities                       | 46,750                  | 48,875                  | 2,066                 |
| Current Liabilities                         | 106,591                 | 98,663                  | 75,045                |
| <b>Total Equity and Liabilities</b>         | <b>359,814</b>          | <b>358,573</b>          | <b>251,379</b>        |

# Q3 2015 Cash Flow Statement



| Cashflow<br>(USD 1000)                            | SPECTRUM GROUP   |                  |                   |                   |                    |
|---|------------------|------------------|-------------------|-------------------|--------------------|
|   | Quarter<br>ended | Quarter<br>ended | 9 months<br>ended | 9 months<br>ended | 12 months<br>ended |
|   | 30.09.15         | 30.09.14         | 30.09.15          | 30.09.14          | 31.12.14           |
| Cash flows from operating activities:             |                  |                  |                   |                   |                    |
| Profit / (Loss) before tax                        | (7,211)          | 19,840           | (4,513)           | 38,051            | 54,654             |
| Income taxes paid                                 | (3,450)          | (3,135)          | (4,535)           | (11,693)          | (12,878)           |
| Depreciation and amortisation                     | 16,484           | 27,299           | 44,709            | 71,950            | 97,567             |
| Other financial items inclusive share options     | 742              | (1,947)          | 2,111             | (912)             | (2,173)            |
| Working capital changes                           | 20,682           | (5,284)          | 22,426            | 231               | (9,000)            |
| <b>Net cash flow from operating activities</b>    | <b>27,247</b>    | <b>36,774</b>    | <b>60,198</b>     | <b>97,627</b>     | <b>128,170</b>     |
| Cash flows from investing activities:             |                  |                  |                   |                   |                    |
| Investment in multi-client library                | (13,032)         | (26,901)         | (55,242)          | (82,876)          | (113,280)          |
| Investment in subsidiaries net of cash            | -                | -                | (91,653)          | -                 | -                  |
| Investment in other assets                        | (69)             | (595)            | (2,793)           | (2,470)           | (3,866)            |
| Sale of assets                                    | -                | -                | 4,507             | (159)             | -                  |
| <b>Net cash flow from investing activities</b>    | <b>(13,101)</b>  | <b>(27,496)</b>  | <b>(145,181)</b>  | <b>(85,505)</b>   | <b>(117,305)</b>   |
| Cash flows from financing activities:             |                  |                  |                   |                   |                    |
| Issued share capital                              | 479              | -                | 42,043            | 268               | 268                |
| Equity transaction costs                          | (174)            | -                | (1,603)           | -                 | -                  |
| Repayment of capital and dividends                | -                | -                | (5,797)           | (5,306)           | (5,306)            |
| Net of borrowings including interest              | (1,418)          | (254)            | 72,502            | (353)             | 110                |
| <b>Net cash flow from financing activities</b>    | <b>(1,113)</b>   | <b>(255)</b>     | <b>107,145</b>    | <b>(5,392)</b>    | <b>(4,928)</b>     |
| Net change in cash and cash equivalents           | 13,033           | 9,023            | 22,162            | 6,730             | 5,937              |
| Net foreign exchange diff (unrealised)            | (1,020)          | (136)            | (1,069)           | (189)             | (292)              |
| Cash and cash equivalents at start of period      | 17,445           | 373              | 8,364             | 2,719             | 2,719              |
| <b>Cash and cash equivalents at end of period</b> | <b>29,458</b>    | <b>9,260</b>     | <b>29,458</b>     | <b>9,261</b>      | <b>8,364</b>       |

# Operations

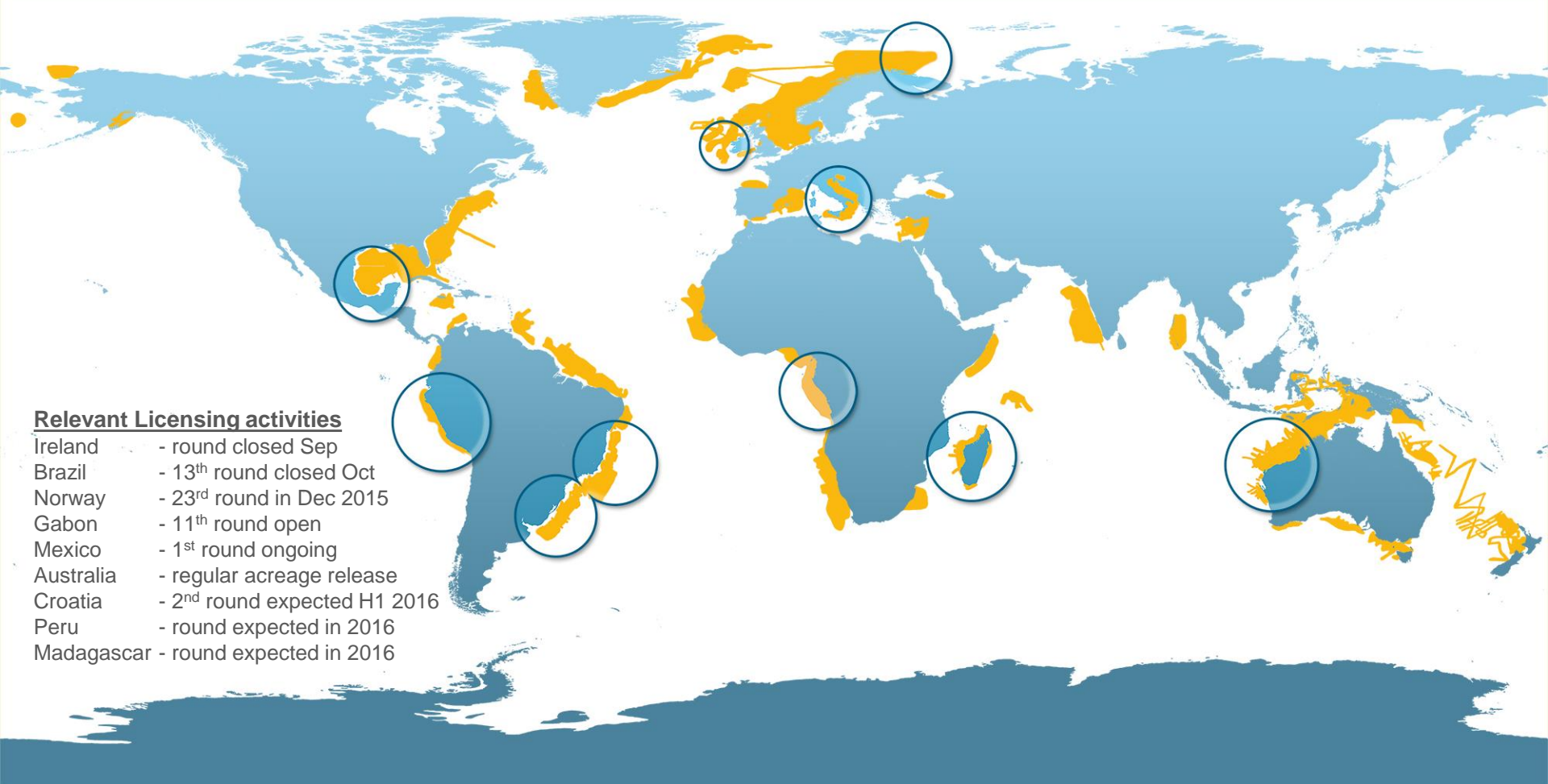




# Operations Summary

- Two active surveys during Q3
  - Mexico JV MC2D (three vessels)
  - Australia Rocket MC2D Phase 1 & 2
- Signing Multi-Client agreement with the government of Somalia
- Integration of new library

# Areas of High Interest



## Relevant Licensing activities

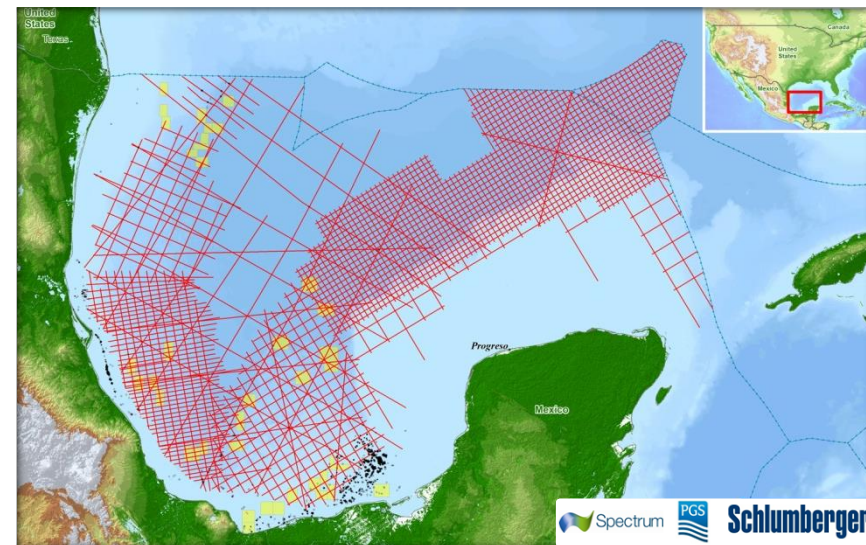
- Ireland - round closed Sep
- Brazil - 13<sup>th</sup> round closed Oct
- Norway - 23<sup>rd</sup> round in Dec 2015
- Gabon - 11<sup>th</sup> round open
- Mexico - 1<sup>st</sup> round ongoing
- Australia - regular acreage release
- Croatia - 2<sup>nd</sup> round expected H1 2016
- Peru - round expected in 2016
- Madagascar - round expected in 2016

# MC2D projects in Q3

- Australia Rocket MC2D
  - Phase 1 of 4,000 km completed (red lines)
  - Phase 2 of additional 4,000 km started end Sept (purple lines)
  - Final products available Q2 2016
  - Supported by industry

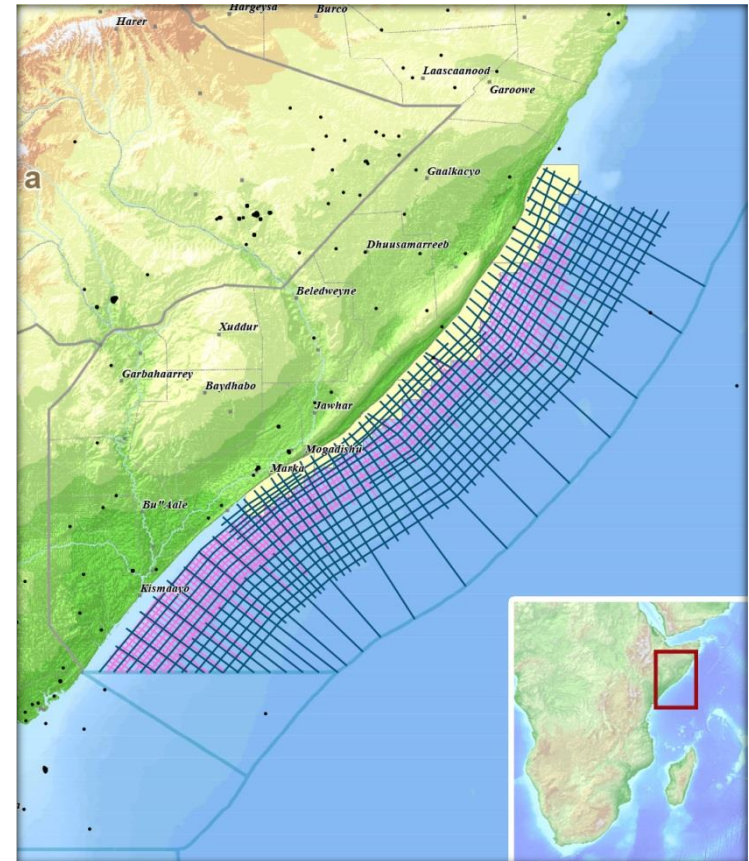


- Mexico MC2D JV
  - Phase 1 program of ~70,000 km broadband data
  - 2 months ahead of competition, first mover advantage
  - Supported by industry



# MC2D projects secured in Q3

- Securing Somalia MC2D Agreement
  - Exclusive right to acquire 28,000 km offshore South Somalia
  - Includes brokerage of existing 20,000 km data (2014 vintage)
  - Startup scheduled for Q4
  - Supported by industry



# Outlook



# 2015 Outlook

- Multi Client investment of MUSD 160 – 170
- Oil company seismic spending reduced with their cost cutting
- Spectrum focus on sales and cash

Oil companies adapting to lower oil price regime