

April 2017





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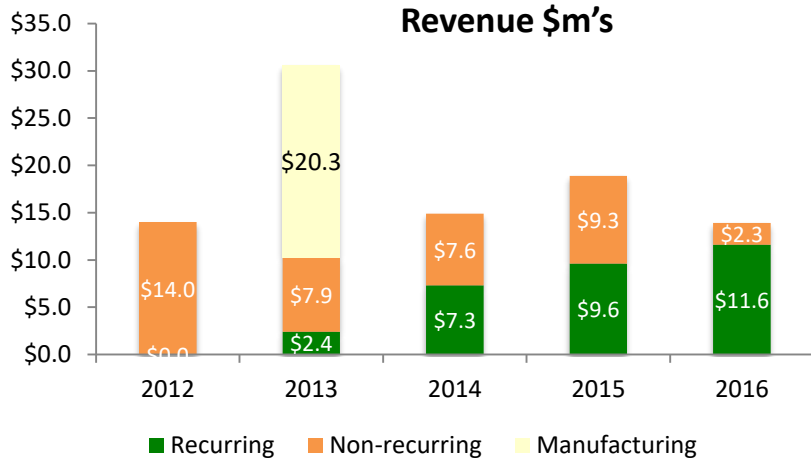
## 2016 Overview

- Strong operating performance from WGP
  - Completion of PRM surveys over Snorre and Grane in the North Sea
  - Completion of 1<sup>st</sup> PRM survey over Ekofisk in the North Sea
- Late data sales secured for the 2014 multi-client data
- Progress on the ARL flying node development programme
  - Redesign of Autonomous Node
  - Prototype sub-assemblies completed

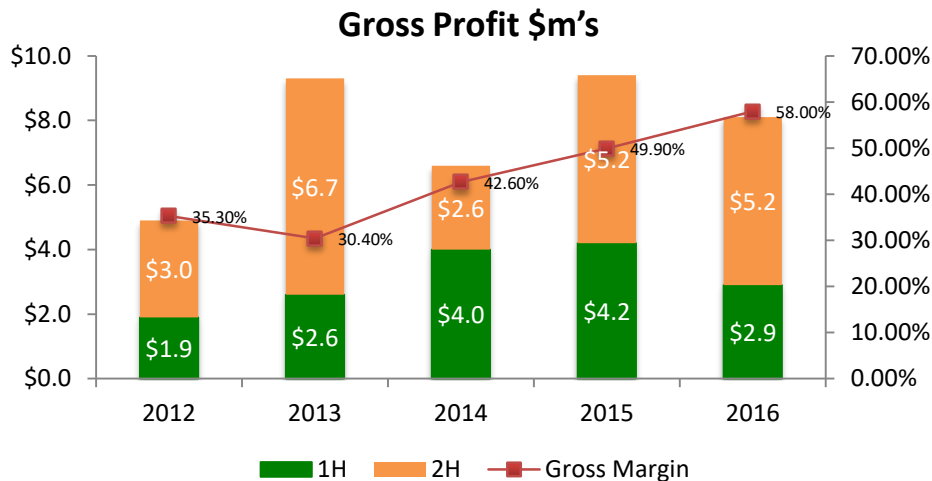


# 2016 Financial Highlights

## Group Results



- Revenue \$14.0m (2015: \$18.9m)
- Recurring revenue \$11.6m, a 22% increase (2015 \$9.6m)\*



- Gross Margin up 780bps to 57.9%
- Gross Profit \$8.1m (2015: \$9.4m)

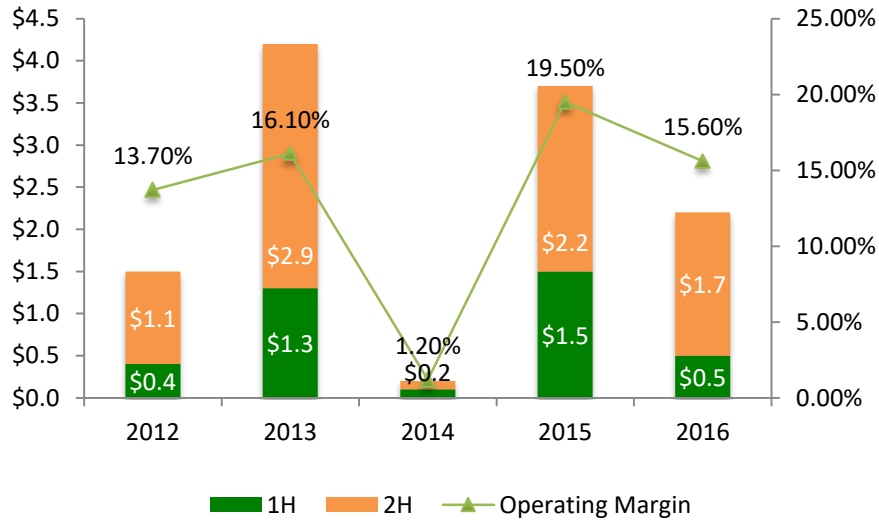
\* 2016 excludes \$2.4m of data sales, 2015 excludes \$2.4m of data sales plus proprietary projects of \$7.2m



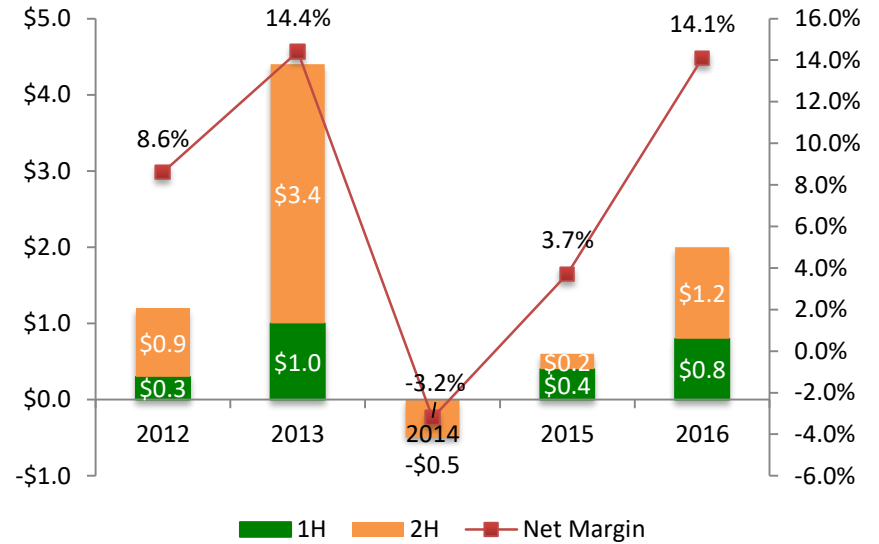
# 2016 Financial Highlights

## Group Results

### Operating Profit (EBITDA)



### Net Profit

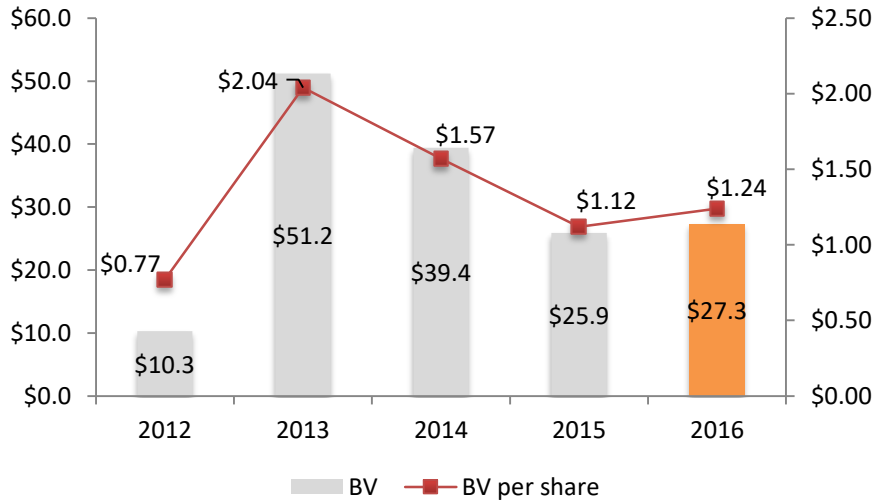




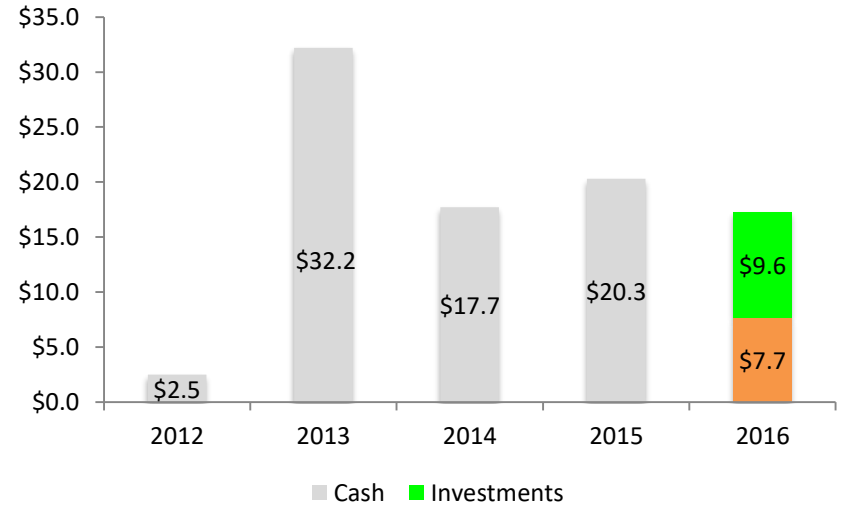
# 2016 Financial Highlights

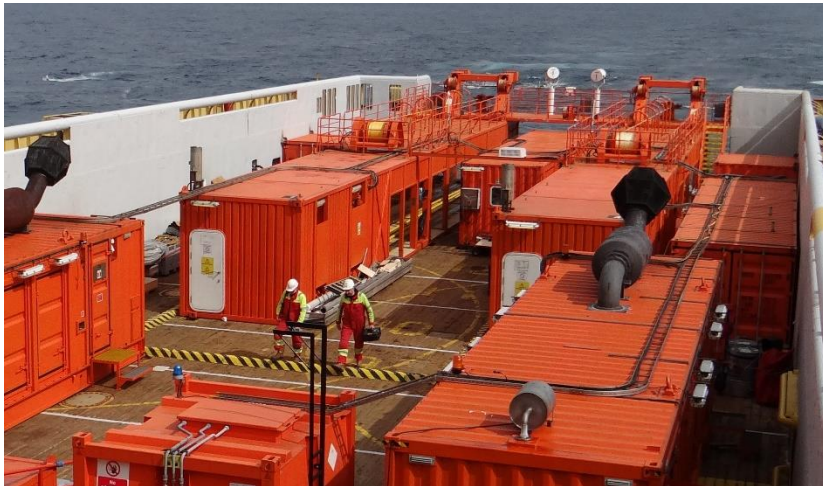
## Balance Sheet

### Book Value \$m's



### Cash & Investment Assets \$m's





- Continued strong performance of DPMSS™ operating over Snorre and Grane fields in the North Sea
- Further improvements in operational efficiency
- All surveys delivered on time with zero HS incidents

## WGP continued



- Successful design, build and deployment of new 3<sup>rd</sup> generation PMSS™ over Ekofisk in the North Sea
- First time installation and operation of a Lofs Operating Centre (LOC) encompassing
  - QC monitoring of the PRM system
  - Data merge of vessel attributes and
  - Real time QC with remote access for client





## WGP Outlook

- Award of further contract to acquire seismic data sets over Eldfisk field in the North Sea in 2017
- Anticipated healthy growth in the LoFS market over the next 2-3 years
- Involvement in R&D and trials related to new displacement technologies with the E&P market providing opportunities and potential for growth beyond the PRM work
- Continued focus on improving operational efficiencies and cost control



ARL

- Continued 'Flying Node' system design
- Priority to design and manufacture a prototype AUV
- Some delay during the computational fluid dynamics (CFD) analysis of node stability
- Resulting in modifications to improve stability and efficiency
- Majority of sub-assemblies completed at end of year



## ARL Technology Development

- Computational Fluid Dynamics analysis completed
- Resulting in change in shape to the outline of the original concept work
- First stage test of prototype to evaluate flight and stability performance successfully completed in 1Q17
- Autonomous flight tests due to begin 2Q17
- Target to have a full autonomous functionality by end of 3Q17



## ARL Outlook for 2017

- Complete the final assembly and factory test of the prototype node
- Perform first stage in water performance trials of prototype node
- Design and test the fully autonomous control functions
- Design and test the navigation and acoustic communications systems
- Perform second stage in water trials
- Design and test of node acoustic cage recovery homing system
- Design and manufacture of the seismic sensor system
- Various engineering studies to reduce engineering and financial risk



# Thalassa Investments/Acquisitions

## Thalassa

- **Papua Mining plc (“Papua”)**
  - 26% equity interest in Papua
  - Strategic investment, intentions to made clear in due course
- **The Local Shopping REIT plc (“LSR”)**
  - 23.3% equity interest in LSR
  - Cash management position



# Thalassa

## FOREX and Asset Risk Management

- FX exposure in GBP, EUR and NOK
- \$1.3m net gains in FOREX and asset risk management in 2016
- More than offset the decline in LSR position due to 17% decline in £ vs \$
- Group will continue to mitigate against foreign currency exposure
- \$4.4m of net gains since 2008



# Appendix



## 2016 Results Profit and Loss

in USD m's	2016	2015
Revenue	14.0	18.9
Cost of Sales	(5.9)	(9.4)
<b>Gross Profit</b>	<b>8.1</b> 58%	<b>9.4</b> 50%
Administrative expenses	(5.9)	(5.8)
<b>EBITDA</b>	<b>2.2</b> 16%	<b>3.7</b> 19%
Depreciation	(1.1)	(2.2)
<b>EBIT excluding non-recurring costs</b>	<b>1.1</b> 8%	<b>1.4</b> 8%
Non-recurring costs	-	(12.9)
<b>EBIT</b>	<b>1.1</b> 8%	<b>(11.5)</b> -61%
Net financial income/(expense)	1.3	(0.3)
Share of profits less losses of associated entities	0.1	-
<b>PBT</b>	<b>2.5</b> 18%	<b>(11.8)</b> -62%
Tax	(0.5)	(0.5)
<b>Profit/(loss) for the year</b>	<b>2.0</b> 14%	<b>(12.3)</b> -65%
Weighted average no. of shares in issue	22.8	24.7
<b>EPS \$</b>	0.09	(0.50)
<b>EPS £</b>	0.07	(0.35)





# 2016 Results

## Balance Sheet at 31 December

<b>Balance Sheet</b>			<b>Cash flow</b>		
<b>in USD m's</b>	<b>2016</b>	<b>2015</b>	<b>in USD m's</b>	<b>2016</b>	<b>2015</b>
Goodwill	0.4	0.4	PBT	2.5	(11.8)
Property, plant & equipment	11.0	8.0	Net working capital requirements	0.84	0.49
Available for sale investments	0.8	-	Impairment of assets	-	13.37
Loans	1.5	1.5	<b>Cash generated by operations</b>	<b>3.33</b>	<b>2.10</b>
Investments in associated entities	8.6	-	Depreciation and amortisation	1.10	2.66
<b>Total non-current assets</b>	<b>22.4</b>	<b>9.9</b>	<b>Net cash flow from operating activities</b>	<b>4.43</b>	<b>4.76</b>
Inventory	0.5	0.4	Net cash flow from investing activities	- 15.99	- 1.24
Receivables	0.8	0.8	Net cash flow from financing activities	- 1.02	- 0.94
Cash	7.7	20.3	<b>Net (decrease)/increase in cash</b>	<b>- 12.57</b>	<b>2.58</b>
<b>Total Current Assets</b>	<b>9.1</b>	<b>21.5</b>	Cash at the start of the year	20.30	17.73
Trade & other payables	4.2	5.0	<b>Cash at the end of the year</b>	<b>7.73</b>	<b>20.30</b>
<b>Total Current Liabilities</b>	<b>4.9</b>	<b>16.5</b>			
<b>Net Assets</b>	<b>27.3</b>	<b>26.4</b>			
no of shares in issue (31 Dec)	22.0	23.6	no of shares in issue (31 Dec)	22.0	23.6
BV/Shr (\$)	1.24	1.12	Csh/Shr (\$)	0.35	0.86
BV/Shr (£)	1.01	0.79	Csh/Shr (£)	0.29	0.61



# 2016 Results Ratios

	<b>2016</b>	<b>2015</b>
No. of shares in issue (m's)	21.6	23.6
Weighted average no. of shares	22.8	24.7
EPS - Basic (\$)	0.09	(0.50)
EPS - Basic (£)	0.07	(0.35)
	<b>2016</b>	<b>2015*</b>
P/SIs	1.21x	0.76x
P/EBITDA	7.61x	3.86x
P/E	8.60x	20.85x
P/BV	0.62x	0.54x
EV/sales	(0.08x)	(0.34x)
EV/EBITDA	(0.51x)	(1.74x)
EV/E	(0.58x)	(9.42x)
EV/BV	(0.04x)	(0.25x)

\*excluding non-recurring costs of \$12.9m