

SeaBird Exploration

Q4 2023 presentation



Forward-looking statements

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Agenda / Presenters

- Introduction
- Key developments
- Contract and outlook
- Financial
- Summary
- Q&A



Ståle Rodahl

Executive Chairman



Finn Atle Hamre

CEO



Sveinung Alvestad

CFO

SeaBird Exploration Plc

- **Only pure play OBN source company listed globally**
- Headquarter in Bergen
- Listed in Oslo under ticker SBX NO
- Market Cap.: USD 35.5m
- NIBD: USD 13.9m
- Positive market outlook
- Dividend of NOK 0.25 per share proposed to AGM



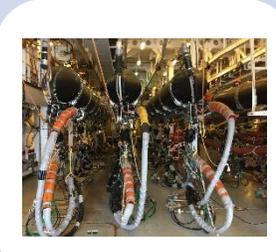
Eagle Explorer

OBN Source
2D



Fulmar Explorer

OBN Source



Equipment

Can equip one 2D and one OBN source, alternatively two OBN source

Key events Q4 2023

Operational

- Utilization of 76 %
- LTI of NIL
- **Eagle Explorer**
 - Completed source project in Malaysia October
 - Completed 3rd SPS
 - Completed 2D project in Malaysia late February, currently demobilizing to Singapore in anticipation of new work
- **Fulmar Explorer**
 - Good steady production in GoM
 - Executing on 2-year firm contract until September 2025

Financial

- Revenues of USD 8.5m (Q4/22: USD 8.9m)
- EBITDA of USD -0.2m (USD -0.4m)
- Net profit of USD -2.7m (USD -3.8m)
- Q4 EBITDA was negatively impacted by USD 1.9m in non-operational charge related to legal provisions and loss on an insurance claim. Underlying EBITDA was USD 1.7m
- Cash flow operating activities of USD 0.8m (USD 1.3m)
- Net interest bearing debt of USD 13.9m (USD 17.8m)*
- Equity ratio of 52% (45%)
- Dividend of NOK 0.25 per share proposed

Strong operational performance and first cash dividend announced

Dividend

Board of Directors has today proposed a cash dividend of NOK 0.25 per share

Key details:

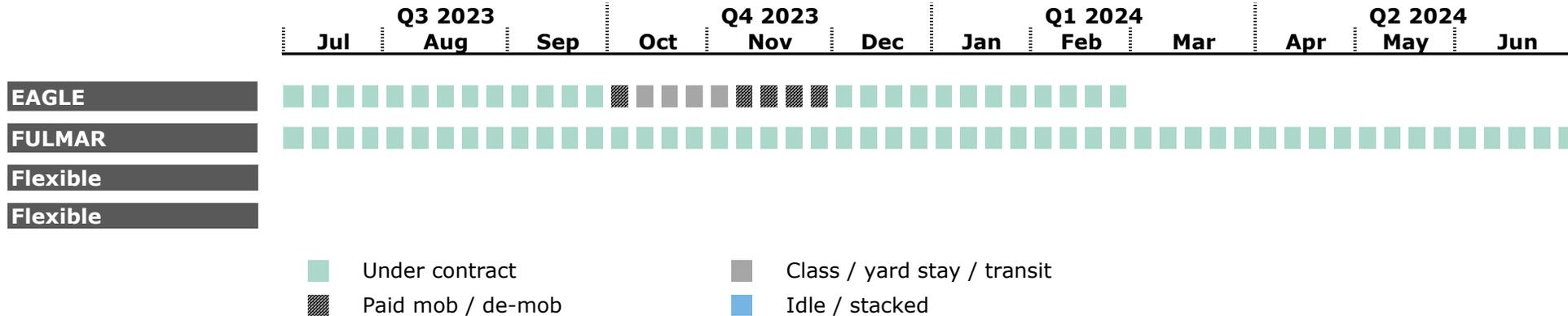
- Dividend amount: 0.25 per share
- Declared currency: NOK
- AGM: 6 June 2024
- Ex-date: 10 June 2024
- Record date: 11 June 2024
- Payment date: 24 June 2024

The Board of Directors aim to distribute excess cash to shareholders through dividends on a quarterly basis without jeopardizing Seabirds sound financial position

Contract overview and outlook



Contract coverage



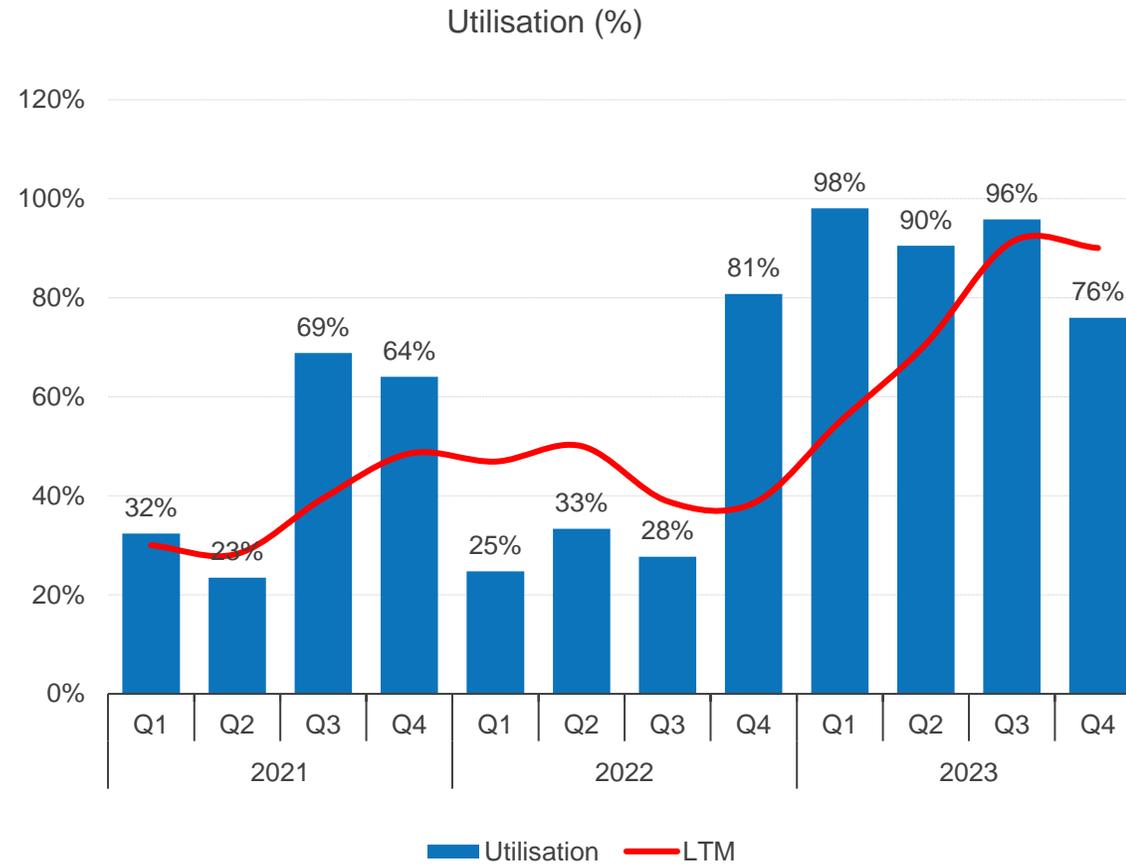
Key highlights:

- **“Fulmar Explorer”**
 - In production
 - Employed until September 2025
- **“Eagle Explorer”**
 - Demobilizing to Singapore in anticipation of new work

Positive outlook:

- Contract opportunities for Eagle are evaluated within OBN source and 2D
- Opportunities supporting profitable growth are continuously monitored

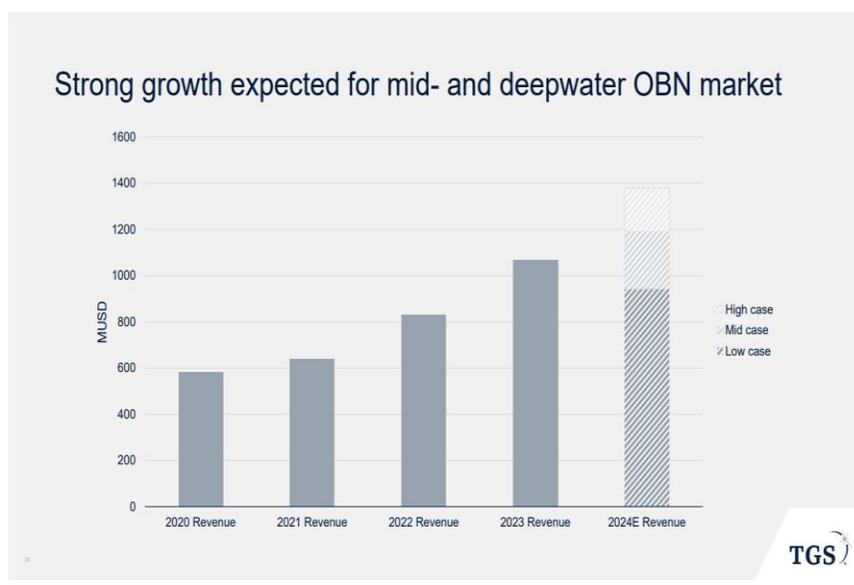
Utilisation



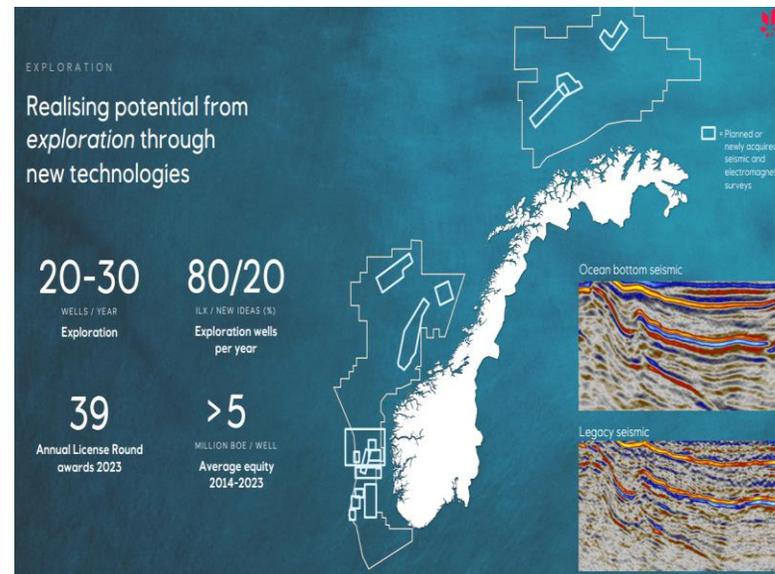
- Q4 utilisation was 76%
 - Fulmar has had 96% utilisation
 - Eagle 56% due to planned drydock performed in October / November
- Utilisation for the year was 90%

OBN

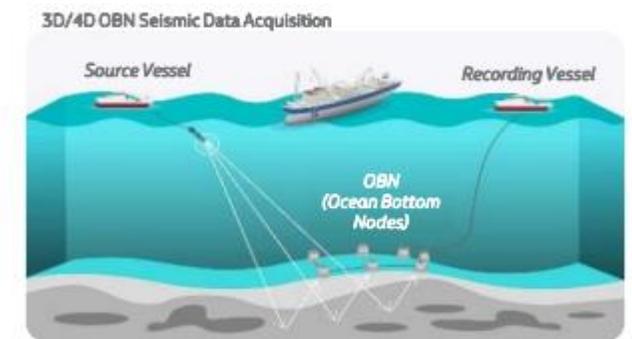
- The OBN market have gained market share of the total seismic market over the last few years
- Reasons for the increased adoption is oil companies focus infrastructure led exploration (ILX) and its superior image quality (further enhanced by AI)



Source: TGS Q4 2023 presentation



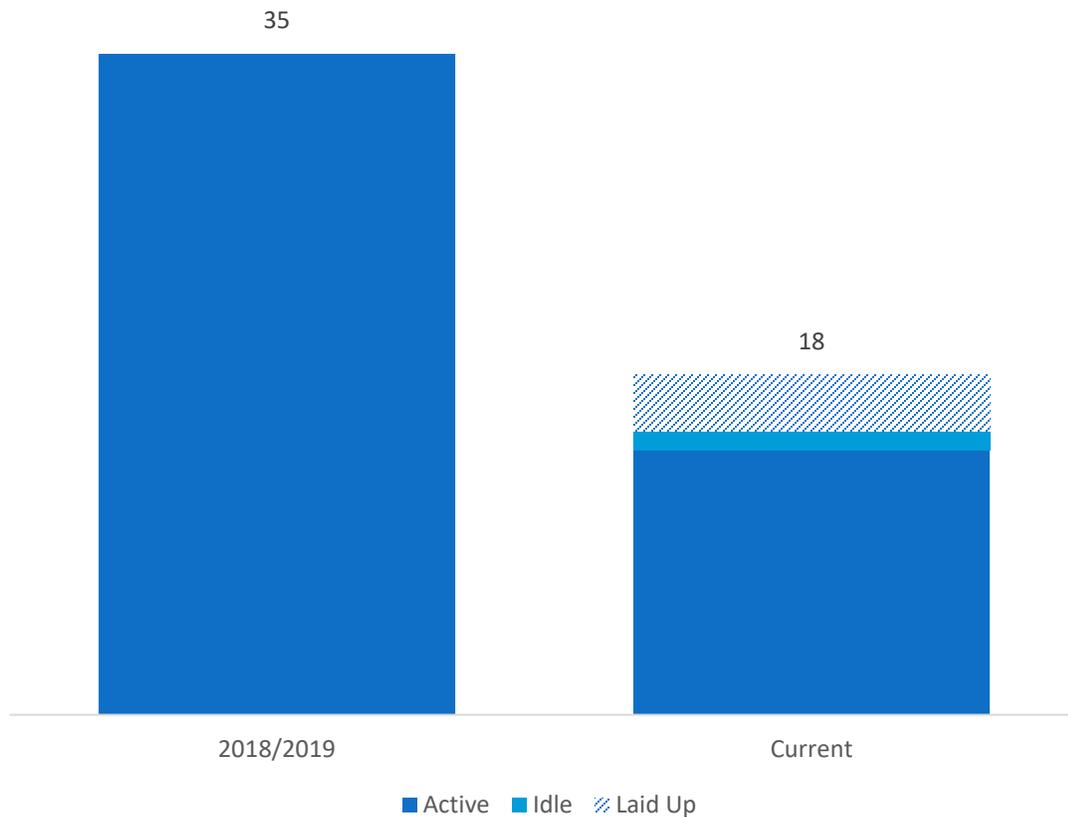
Source: Equinor CMD 2024



Investments of ~ US\$ 4 billion in the 2024-28 timeframe

Source: Petrobras Strategic Plan 2024

Source fleet overview



- Current fleet of active source vessels consists of 15 vessels*
- 3 vessels laid up with average age of 20 years
- Vessels leaving the industry
- The comparable fleet in 2018/2019 was 35 vessels.
- Active fleet reduced by ~60%

** This is the "free" fleet competing for work globally, excluding Russian and Chinese vessels due to limitations and also "inhouse" vessels from integrated players not being offered to competitors*

Financials



Financial highlights

Q4 2023*

- Revenues of USD 8.5m (Q4/22: USD 8.9m)
- EBITDA of USD -0.2m (USD -0.4m)
 - Negatively impacted by a USD 1.9m in non-operational charges. Underlying EBITDA of USD 1.7m
- Net profit of USD -2.7m (USD -3.8m)
- Cash flow operating activities of USD 0.8m (USD 1.3m)
- Net interest bearing debt of USD 13.9m (USD 15.4m)
- Equity ratio of 52% (45%)

Guidance

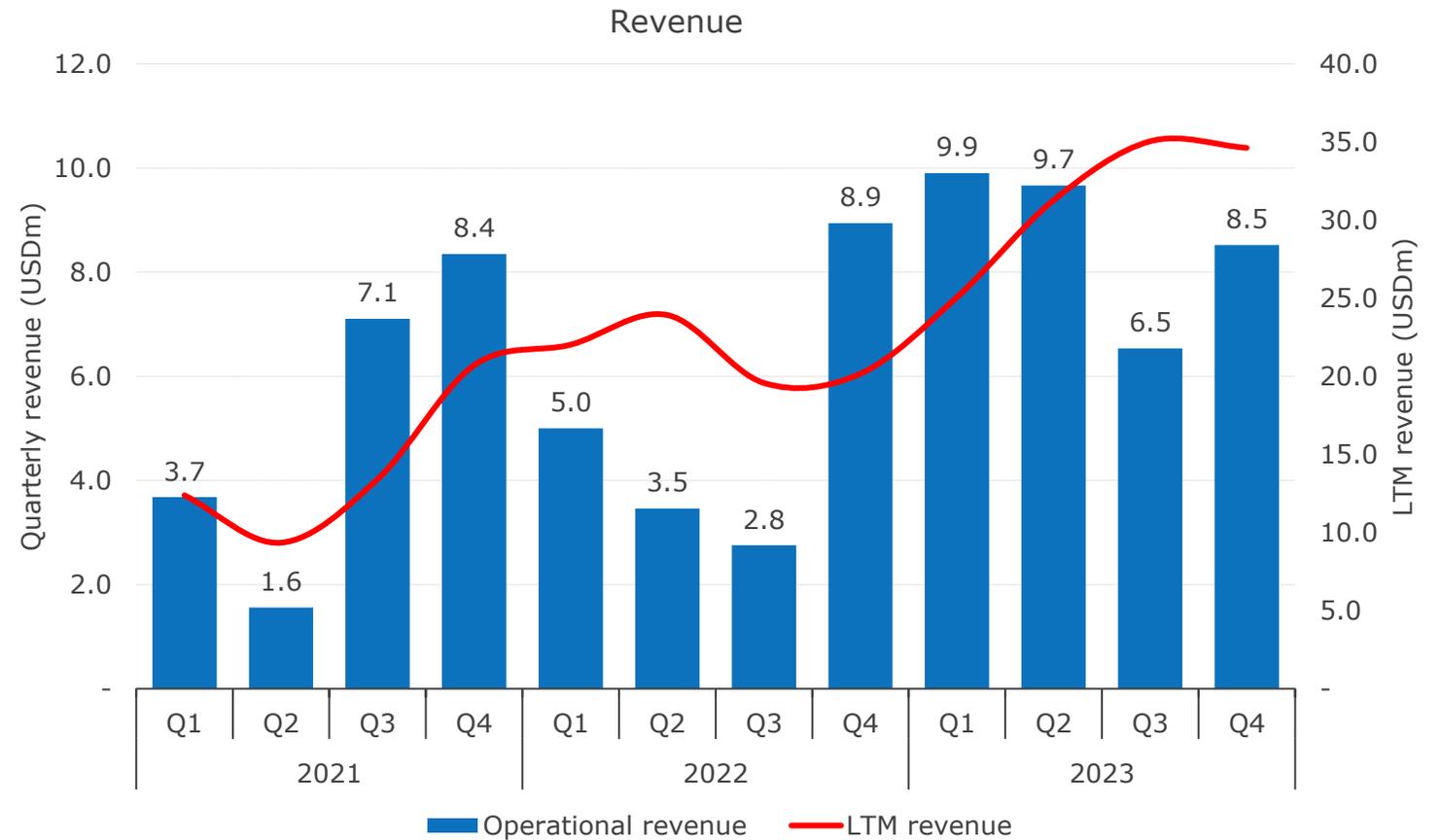
- SG&A: Annual run-rate of USD 3.5-4.0 million
- Strong focus on working capital optimalization, cash conversion and free cash flow to equity

Key figures

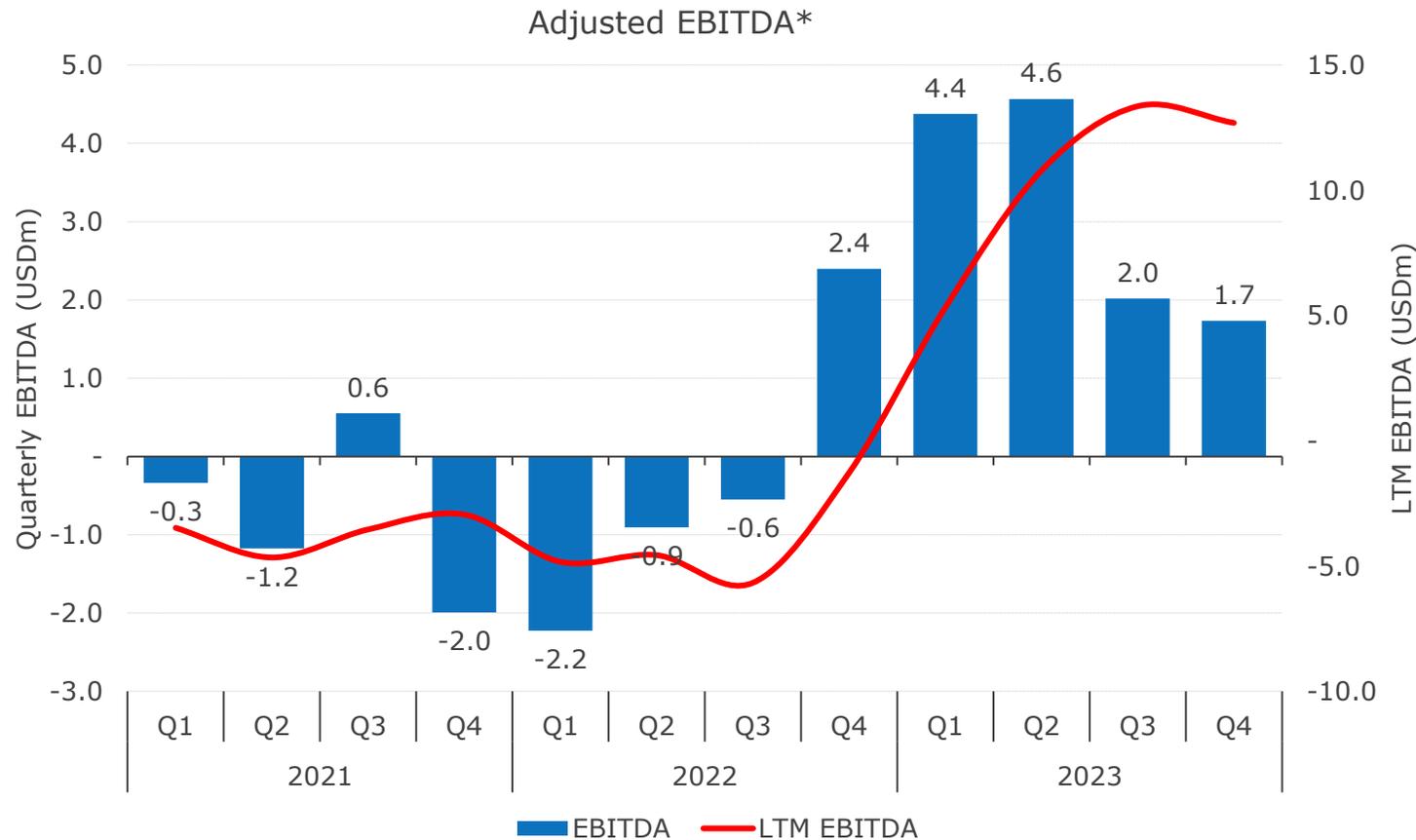
All figures in USD '000 (except EPS and equity ratio)	Quarters*		Full year*	
	Q4 2023	Q4 2022	2023	2022
Revenues	8,526	8,945	34,635	20,164
EBITDA	-174	-401	10,787	-1,275
EBIT	-1,982	-3,099	4,531	-9,617
Profit/(loss) for the period	-2,710	-3,828	6,787	-12,861
Earnings per share	-0.03	-0.05	0.11	-0.21
Cash flow operating activities	849	1,258	7,898	-16,459
Total assets	55,539	65,866	55,539	65,866
Net interest bearing debt	13,885	15,435	13,885	15,435
Equity ratio	52%	45%	52%	45%

Revenue

- Q4 revenue of USD 8.5m reflected lower economical utilisation on the vessels driven by the Eagle Explorer's offhire in relation with the special periodic survey
- Economical utilisation was 76%
 - Fulmar Explorer 96%
 - Eagle Explorer 56%
- Revenue for the year 2023 was USD 34.6 million, up substantially from USD 20.2 millions in 2022



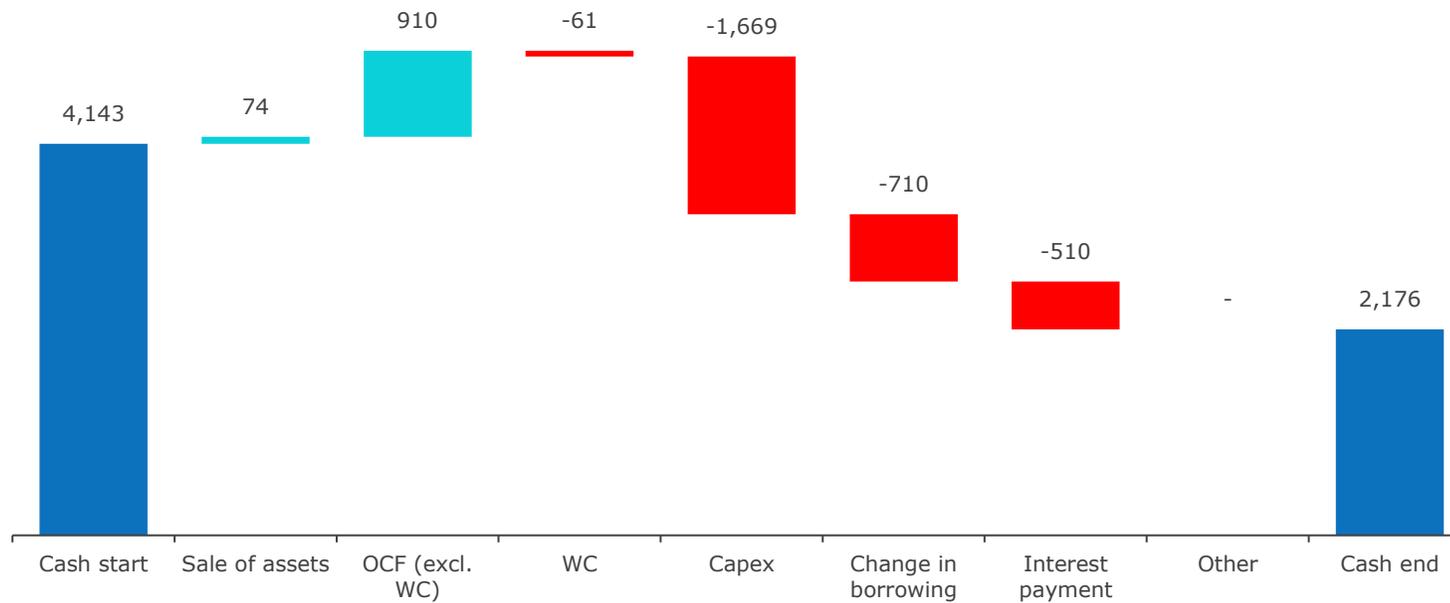
EBITDA



- Q4 EBITDA of USD -0.2m was negatively impacted by USD 1.9m legal provisions and loss on a insurance claim.
- Underlying EBITDA for the quarter was USD 1.7m, down from USD 2.4m the prior year quarter
- Underlying EBITDA for the full year 2023 was USD 12.7 million, up from a loss of 1.3m in 2022
- SG&A was USD 1.2m, resulting in 2023 SG&A of USD 3.7 million; which is in-line with the guidance of 3.5-4.0m annually with quarterly fluctuation.

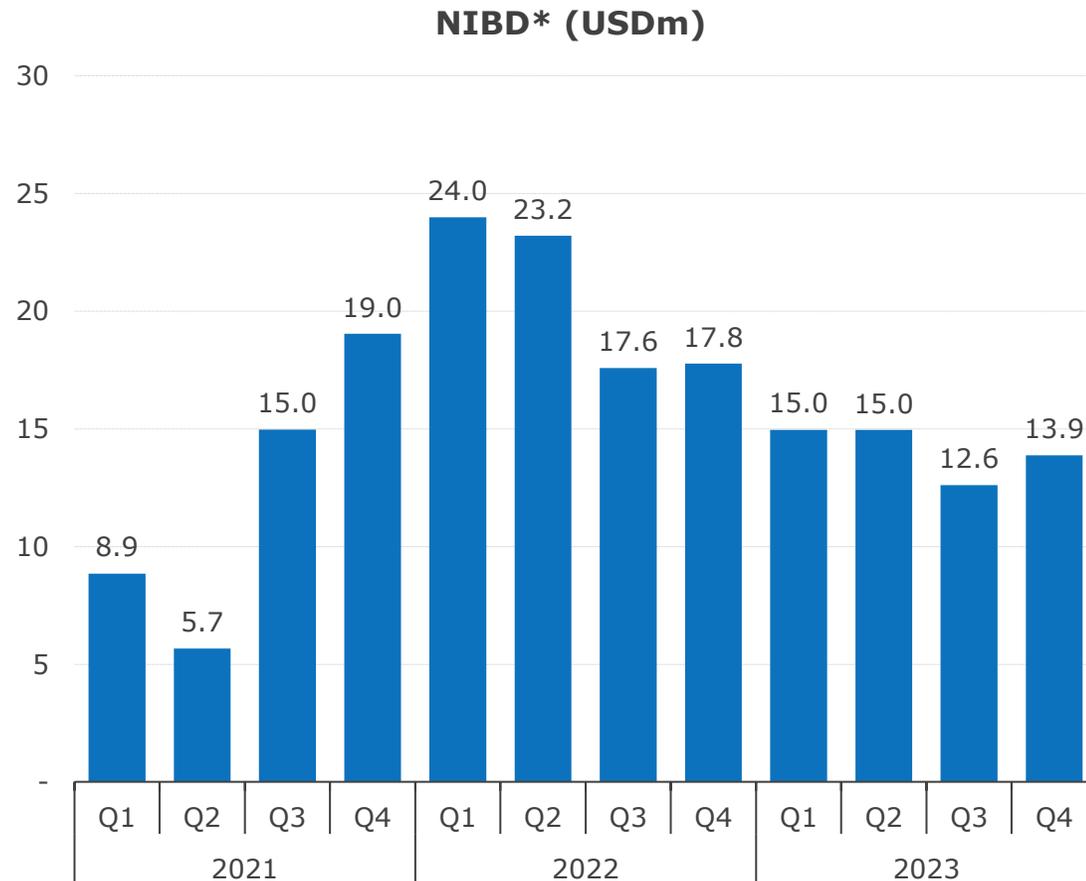
Cash flow bridge

Quarterly cash flow (USDk)



- Net cash flow for Q4 was USD -2.0m
- Cash flow from operation was USD 0.8m, where Working capital unwind was offset by working capital build on the 2D contract of Eagle
- Capex was USD 1.7m, mainly related to drydocking
- Debt service cost was USD 1.2m

Net interest-bearing debt



- Net interest-bearing debt has been reduced from USD 24.0m from the start of 2022 to USD 13.9m as of Q4 2023
 - Bank financing: USD 13.5m
 - Equipment financing: USD 2.6m
 - Cash: USD 2.2m
- Reduced NIBD by USD 10.1m (~40%) since peak
- The company is in compliance with all bank covenants

Summary



Illustrative dividend capacity

Assumptions			Current Fulmar contract + Eagle working:			
	Both vessels at 2013 rate level and 100% utilization	January 2024 run-rate	2D w/ 70% utilization	2D w/ 90% utilization	OBN w/ 70% utilization	OBN w/ 90% utilization
Vessel EBITDA	45	33	24	32	19	23
SG&A	- 4	- 4	- 4	- 4	- 4	- 4
Company EBITDA	41	28	20	28	15	19
Debt service (incl. amortization)	-4,5	-4,5	-4,5	-4,5	-4,5	-4,5
CapEx (est. '24/'25 mid-point)	-2,5	-2,5	-2,5	-2,5	-2,5	-2,5
Free Cash Flow to Equity	34	22	13	21	8	12
Dividend per share (NOK)	4,4	2,8	1,7	2,7	1,0	1,6
Dividend yield (NOK 4.63/share)	96 %	60 %	37 %	59 %	23 %	34 %

- Rates are based on current levels
- 1 OBN vessel LT contract OBN
- Flexible charter capacity would add to the dividend potential above
- Eagle Explorer will most likely work as mix between 2D and OBN source. There is also opportunities in the low-end 3D/hybrid marked
- CapEx is estimated as average between 2024 and 2025
- Other assumption: USDNOK 10.5 and 80.5m shares outstanding

Strategy

- Strong operational performance
- Strong market outlook
- Focus on cash conversion and free cash flow to equity
- Actively monitor value accretive opportunities
- Company has entered **capital distribution** phase
 - Dividend of NOK 0.25 per share
 - Aim to distribute all excess cash to shareholders through dividends on a quarterly basis without jeopardizing Seabirds sound financial position



Sound platform for profitability and consolidation in place

Q&A



Adjustments to EBITDA

USDk	2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reported EBITDA	-533	-1,420	284	-2,516	106	-1,172	-609	-401	4,376	4,567	2,018	-174
Green Minerals	194	247	269	524	468	268	59					
Write down of receivables					-2,800			2,800				
Legal provisions and other												1,909
Adjusted EBITDA	-338	-1,173	553	-1,992	-2,226	-904	-551	2,399	4,376	4,567	2,018	1,735