

Q2

2024

Second
Quarter



©V. Vasylyev

Headlines Q2 2024	3
Interim management statement	4
Consolidated interim statement of income	6
Consolidated interim statement of financial position	7
Consolidated interim statement of cash flow	9
Selected notes and disclosures	10

EBITDA of USD 1.5m

Strong operational performance

Awarded 12-month OBN contract + options

Both vessels on firm contracts until July and September 2025

BoD proposes NOK 0.25 cash distribution for Q4

HEADLINES Q2 2024

Operational

- Strong operational performance
- “Fulmar Explorer” with strong execution on her 2-year contract in the Gulf of Mexico
- “Eagle Explorer” awarded a 12-month firm contract with two 6-month options in US GoM
- “Eagle Explorer” completed her mobilization to the US GoM and commenced a 12-month contract with a repeat customer
- Market outlook remains strong
- Opportunities supporting profitable growth are continuously monitored

Subsequent

- Cash distribution of NOK 0.25 per share proposed by the Board of Directors

Financial

- Revenues for the second quarter of 2024 was USD 4.9 million, down from USD 9.7 million for the same period in 2023 as the “Eagle Explorer” was mobilizing and hence the revenues and costs were capitalized
- EBITDA of USD 1.5 million was down from USD 4.6 million in Q2 2023
- Cash flow from operation was USD 2.9 million, up from USD 0.9 million in Q2 2023, reflecting working capital unwinding
- Net cash flow in Q2 was USD -0.5 million, compared to USD -0.3 million in the prior year quarter. Note that the cash distribution of NOK 0.25 per share or USD 1.9 million was completed 25 June, and hence contributed to the quarters cash outflow
- Net interest-bearing debt was USD 12.9 million as of end Q2-2024
- Q2 equity ratio was 53%

Key figures

All figures in USD '000 (except EPS and equity ratio)	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Revenues	4,909	9,667	15,242	19,573	34,635	20,164
EBITDA	1,533	4,567	6,180	8,943	8,665	-1,275
EBIT	-12	3,145	3,160	5,996	2,411	-9,617
Profit/(loss) for the period	-519	2,113	2,110	9,043	3,127	-12,861
Earnings per share	-0.01	0.03	0.03	0.11	0.04	-0.21
Cash flow operating activities	2,915	870	4,644	4,318	8,496	-16,459
Total assets	50,994	58,481			0	0
Net interest bearing debt	12,941	14,951			14,058	15,435
Equity ratio	53%	54%			50%	45%

* Quarterly and year to date figures are unaudited. Full year figures are audited

INTERIM MANAGEMENT STATEMENT

Operational review

The Q2 utilisation was 89%, compared to 90% in the prior year quarter. Trailing last twelve months utilisation was 85%.

The "Fulmar Explorer" continued its OBN source contract in US Gulf of Mexico where she commenced a 2-year contract in September 2023.

The "Eagle Explorer" was awarded a 12-month firm contract plus two 6-month options for OBN work in the US Gulf of Mexico. Hence, the vessel started to mobilize to the US Gulf of Mexico medio-April, before commencing her 12-month contract in late June.

Financials

During the second quarter of 2024, the Group generated revenues totaling USD 4.9 million, a notable decrease from USD 9.7 million reported in the same period of 2023. For the first six months of the year, revenues amounted to USD 15.2 million, down from USD 19.6 million in the corresponding period of the prior year. This decline in revenue can primarily be attributed to a different revenue mix (OBN versus 2D work) from the Group's vessels, coupled with the capitalization of mobilization revenue for the Eagle Explorer during the second quarter of 2024.

EBITDA for the second quarter of 2024 was USD 1.5 million, significantly lower than the USD 4.6 million recorded in the second quarter of 2023. For the first six months of 2024, EBITDA amounted to USD 6.2 million, compared to USD 8.9 million in the prior year period. The year-over-year decrease in EBITDA reflects the same factors that influenced revenue, including the impact of the different revenue mix and the capitalization of mobilization revenue and costs associated with the Eagle Explorer.

Selling, general, and administrative (SG&A) expenses for the second quarter of 2024 were USD 1.1 million, up from USD 0.7 million in the same quarter of the previous year. For the first six months of 2024, SG&A expenses reached USD 2.1 million, a slight increase from USD 1.8 million during the corresponding period in 2023. It is anticipated that SG&A expenses will fluctuate on a quarterly basis, with an estimated annual run-rate of approximately USD 4.0 million.

The Group reported a net loss of USD 0.5 million for the second quarter of 2024, in contrast to a net profit of USD 2.1 million during the same period in 2023. For the first six months of the year, net profit stood at USD 2.1 million, a substantial decline from the USD 9.0 million recorded in the first half of 2023. This reduction in net profit is largely a consequence of the lower revenue and EBITDA, compounded by financial adjustments related to the deconsolidation of Green Minerals AS (GEM).

On 25 January 2023, Green Minerals AS (GEM) was distributed to the shareholders, which resulted in a gain of USD 5.0 million. GEM was deconsolidated from the Group's financial statements Q1 2023.

As of the end of the second quarter of 2024, the Group's cash and cash equivalents stood at USD 1.9 million, a slight decrease from USD 2.2 million at the end of the second quarter of 2023. The Group's net interest-bearing debt was USD 12.9 million at the close of Q2 2024, down from USD 15.0 million in the same period of the previous year. The Company's equity at the end of Q2 2024 was USD 27.0 million, reflecting an equity ratio of 53%.

Furthermore, on 17 April 2024, an Extraordinary General Meeting approved the distribution of NOK 0.25 per share to its shareholders, as proposed by the Board of Directors on 23 February 2024. This distribution was completed on 25 June 2024.

Risk factors

The information in this report may constitute forward-looking statements, which are based on various assumptions made by the Company, many of which are beyond its control and subject to risks and uncertainties. SeaBird is exposed to several financial risks, including market risk (currency, interest rate, and price risk), credit risk, and liquidity risk. The Group's risk management strategy aims to mitigate these risks where feasible and cost-effective.

Additionally, SeaBird faces significant exposure to economic cycles, particularly the capital spending of oil and gas companies, which fluctuates with oil prices and exploration results. The company's operating income is unpredictable due to fluctuating E&P budgets, competition, and operational challenges, such as adverse weather. SeaBird also encounters international regulatory risks, competitive pressures, and tax risks from its global operations. Operational risks, such as vessel damage and work accidents, pose the potential for significant losses and reputational harm.

For a more detailed description of relevant risk factors, please refer to the Annual Report 2023. As a result of these and other risks, actual events and outcomes may differ materially from those indicated in or implied by such forward-looking statements.

Environmental, social and corporate governance (ESG)

Sustainability is at the core of everything we do in SeaBird Exploration. SeaBird Exploration are providing access to seismic data, which reduces the environmental footprint for our clients. In addition, it has taken several direct steps like investing in electric compressors and other equipment, renewing the fleet and reducing speed in transit to reduce its direct environmental footprint.

Outlook

Continued strong OBN source segment and some interesting 2D prospects. Activity level is paired with longer contract durations assumed to be a result of the general energy situation and relative stable oil price for last 2 years. The company believes oil and gas will remain an important part of the energy mix in the foreseeable future.

Focus on increased oil recovery and near field developments will continue to be an important demand driver for the company's OBN source services. OBN source is expected to form the base for the company's seismic offering going forward. With quality tonnage, such as the "Eagle Explorer" and the "Fulmar Explorer", the company is in a good position to secure consistent high utilization.

2D remains a cost-efficient exploration method, with national energy security in select regions as the main driver. Current 2D tendering activity attests to this.

SeaBird is in a unique position to offer both 2D and OBN source and is therefore able to take advantage of the higher utilization potential of OBN source, while at the same time capitalizing on the higher earnings potential in the niche 2D market.

Responsibility statement

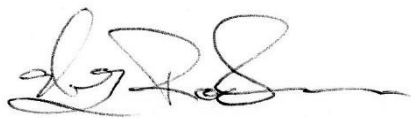
Declaration of the members of the board of directors and the officials responsible for the preparation of the interim condensed financial statements.

In accordance with Article 10, subsections (3) (c) and (7) of the Cyprus Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 ("Law") we, the members of the Board of Directors and the Company official responsible for the drafting of the condensed consolidated interim financial statements of Seabird Exploration Plc for the period 1 January to 30 June 2024, to the best of our knowledge, declare that:

- A. The condensed consolidated interim financial statements for the period 1 January to 30 June 2024 that are presented on pages 6 to 11:
 - a. have been prepared in accordance with the applicable International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union and the provisions of Article 10, subsection (4), of the Law
 - b. provide a true and fair view of the assets and liabilities, the financial position and the profit or losses of Seabird Exploration Plc and the entities included in the consolidated financial statements as a whole.
- B. The Interim Management Report includes a fair review of the information required by subsection (6) of Article 10 of the Law.

Board of Directors and Management

Seabird Exploration Plc
15 August 2024



Ståle Rodahl – Executive Chairman



Hans Christian Anderson – Director



Øivind Dahl-Stamnes – Director



Sverre Strandenes – Director



Odd Sondre Svalastog Helsing – Director



Finn Atle Hamre, Chief Executive Officer



Sveinung Alvestad, Chief Financial Officer

Consolidated interim statement of income						
All figures in USD '000 (except EPS)	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Contract revenues	4,909	9,667	15,242	19,573	34,635	20,164
Total revenues	4,909	9,667	15,242	19,573	34,635	20,164
Cost of sales	-2,394	-4,509	-7,388	-9,271	-19,062	-19,036
Selling, general and administrative expenses	-1,120	-731	-2,072	-1,779	-3,969	-3,889
Other income (expenses), net	138	141	398	420	-2,939	1,485
Total operating expenses	-3,376	-5,099	-9,062	-10,630	-25,970	-21,440
EBITDA**	1,533	4,567	6,180	8,943	8,665	-1,275
Gains (losses) on sale of property, plant and equipment	-	-	45	-	74	260
Depreciation	-1,545	-1,403	-3,065	-2,893	-6,274	-6,960
Amortization	-	-19	-	-54	-54	-139
Impairment	-	0	-	0	-	-1,502
Operating profit (loss) / EBIT	-12	3,145	3,160	5,996	2,411	-9,617
Finance Income	-	0	0	0	63	10
Finance expense	-482	-580	-960	-1,437	-2,588	-1,854
Share of net income of associates	-4	-609	-5	-615	-26	224
Other financial items, net	82	156	18	5,099	3,538	-475
Profit/(loss) before income tax	-417	2,113	2,213	9,043	3,399	-11,712
Income tax	-103	-	-103	-	-272	107
Profit/(loss) from continuing operations	-519	2,113	2,110	9,043	3,127	-11,605
Profit/(loss) from discontinued operation	-	-	-	-	-	-1,256
Profit/(loss) for the period	-519	2,113	2,110	9,043	3,127	-12,861
Profit/(loss) attributable to						
Shareholders of the parent	-519	2,113	2,110	9,043	3,127	-12,245
Non-controlling interests	-	-	-	-	-	-617
Earnings per share						
Basic	-0.01	0.03	0.03	0.11	0.04	-0.21
* Quarterly and year to date figures are unaudited. Full year figures are audited						
** Operating profit before depreciation, impairment, and gains (losses) on property, plant and equipment						

Consolidated interim statement of financial position				
All figures in USD '000	Quarters*		31 December*	
	Q2 2024	Q2 2023	2023	2022
ASSETS				
Non-current assets				
Property, plant and equipment	37,032	40,635	39,453	42,982
Multi-client Investments	-	-	-	54
Long term investments	414	-391	327	224
Total non-current assets	37,446	40,244	39,780	43,260
Current assets				
Inventories	323	1,203	1,125	643
Trade receivables	7,417	11,446	9,642	12,427
Contract assets	1,692	-	95	-
Other current assets	2,129	3,360	1,162	6,119
Restricted cash	62	27	42	57
Cash and cash equivalents	1,926	2,201	2,176	851
Total current assets	13,548	18,237	14,243	20,098
Non-current assets classified as held for distribution	-	-	-	2,333
Assets classified as held for sale	-	-	-	175
Total assets	50,994	58,481	54,024	65,866
* Quarterly figures are unaudited. Full year figures are audited				

Consolidated interim statement of financial position

All figures in USD '000	Quarters*		31 December*	
	Q2 2024	Q2 2023	2023	2022
EQUITY				
<i>Capital and reserves attributable to equity holders of the Company</i>				
Paid in Capital	23,122	36,944	36,944	36,944
Revaluation reserve	12	12	12	12
Currency Translation reserve	-407	-407	-407	-407
Share options granted	103	116	153	595
Retained earnings	4,131	-5,370	-9,899	-8,403
Non-controlling interests	-	-	-	1,075
Total Equity	26,961	31,294	26,803	29,815
<i>EQ ratio</i>	53%	54%	50%	45%
LIABILITIES				
Non-current liabilities				
Borrowings	11,789	2,521	13,115	-
Total non-current liabilities	11,789	2,521	13,115	-
Current liabilities				
Trade payables	1,588	3,949	3,821	9,051
Contract liabilities	1,726	0	469	1,467
Other payables	2,179	4,265	3,124	7,773
Provisions	2,249	819	2,249	331
Loans and borrowings	3,077	14,632	3,119	16,287
Current tax liabilities	1,426	1,000	1,323	1,000
Total current liabilities	12,244	24,665	14,106	35,908
Liabilities directly associated with assets classified as held for distribution	-	-	-	143
Total liabilities	24,034	27,186	27,221	36,051
Total equity and liabilities	50,994	58,481	54,024	65,866
* Quarterly figures are unaudited. Full year figures are audited				

Consolidated interim statement of cash flow						
All figures in USD '000	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Cash flows from operating activities						
Profit / (loss) before income tax	-417	2,113	2,213	9,043	3,399	-11,712
Adjustments for:						
Depreciation, amortization and impairment	1,545	1,422	3,065	2,947	6,327	8,601
Movement in provision	-	489	-	489	1,430	-
Gain/(loss) from disposal of PPE	-	-	-45	-	-74	-260
Unrealized exchange (gain) /loss	1	77	-50	111	347	181
Interest expense on financial liabilities	482	580	960	1,437	2,588	1,588
Other items	-171	64	-125	-5,193	-2,925	153
Paid income tax	-	-	-	-	-	-
(Increase)/decrease in inventories	240	-559	803	-559	-482	543
(Increase)/decrease in trade and other receivables	-726	62	-359	3,771	5,601	-9,641
Increase/(decrease) in trade and other payables	1,961	-3,378	-1,819	-7,728	-7,716	-5,912
Net cash from operating activities	2,915	870	4,644	4,318	8,496	-16,459
Cash flows from investing activities						
Capital expenditures	-328	-428	-644	-546	-2,745	-3,895
Proceeds from disposal of PPE	-	-	-	175	249	9,586
Net cash used in investing activities	-328	-428	-644	-371	-2,496	5,691
Cash flows from financing activities						
Proceeds from issuance of ordinary shares	-	-	-	-	-	13,169
Transaction costs on issuance of ordinary shares	-	-	-	-	-	-518
Receipts from borrowings	-	-	-	-	14,200	10,139
Repayment of borrowings	-710	-314	-1,420	-1,655	-16,997	-9,861
Interest paid	-449	-402	-929	-942	-1,996	-1,467
Dividend received	-	-	-	-	119	-
Cash distribution to shareholders	-1,902	-	-1,902	-	-	-
Net cash from financing activities	-3,061	-715	-4,251	-2,596	-4,674	11,462
Net (decrease)/increase in cash and cash equivalents	-473	-273	-251	1,350	1,325	694
Cash and cash equivalents at beginning of the period	2,399	2,475	2,176	851	851	157
Cash and cash equivalents at end of the period	1,926	2,201	1,926	2,201	2,176	851
Net increase in cash and cash equivalents from discontinued operation						
	-	-	-	-	-	-25
Cash and cash equivalents at beginning of the period in from discontinued operation	-	-	-	-	-	2,155
Cash and cash equivalents at end of the period in discontinued operations	-	-	-	-	-	2,130
* Quarterly and year to date figures are unaudited. Full year figures are audited						

Selected notes and disclosures

SeaBird Exploration Plc is a limited liability company. The Company's address is Panteli Katelari 16, DIAGORAS HOUSE, 7th floor, 1097, Nicosia, Cyprus. The Company also has an office in Bergen, Norway. The company is listed on the Oslo Stock Exchange under the ticker symbol "SBX".

Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) and the act and regulations for the Oslo Stock Exchange.

The condensed interim consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The consolidated financial statements for the year ended 31 December 2023 and quarterly reports are available at www.sbexp.com. The financial statements as of Q2 2024 and the half year, as approved by the board of directors 15 August 2024, are unaudited.

Significant accounting principles

The accounting policies used for preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for 2023 unless otherwise stated.

The company has adopted IFRS 15 "Revenue from Contracts with Customers" from 1 January, 2018. The company continues to recognize contract revenues and costs in line with project duration starting from first shot point in the seismic survey and ending at demobilization.

Leases

The Company is both a lessor, as it charters vessels to customers, and a lessee.

The Company has adopted IFRS 16 "Leases" from 1 January 2019. IFRS 16 set out a model for identification of lease arrangements and their treatment in financial statements, and long-term lease contracts usually need to be brought on to the balance sheet.

There are currently no long-term lease agreements for vessels that are affected by IFRS 16 "Leases". In 2023 the Company has made use of the exemption of not to recognize assets and liabilities for leases with a lease term of 12 months or less. The lease payments are included in the P&L-statement on a straight-line basis over the lease term.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the item. Costs are included in the asset's carrying amount or recognized as a separate asset, if appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Costs of all repairs and maintenance are expensed as incurred. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Type of asset	Estimated useful lifetime
Seismic vessels	15 years from date of conversion or 25 years from initial build
Maritime equipment	10 to 15 years
Seismic equipment	3 to 8 years
Office equipment	3 years

The year-to-date movement of Property, plant and equipment is highlighted in the table below.

Property, plant and equipment				
USD '000	Seismic vessels and equipment (owned)	Dry-dock costs and equipment (leased vessels)	Office equipment	Total
Net book amount 01 January 2024	34,731	4,722	-	39,453
Additions	628	17	-	644
Sale of assets	-	-	-	-
Depreciation	-2,322	-743	-	-3,065
Impairments	-	-	-	-
Reclassified	-0	-	-	-0
Net book amount 30 June 2024	33,037	3,995	-	37,032
Acquisition cost	53,533	9,620	159	63,312
Acc. Depreciation / amortization	-20,496	-5,625	-159	-26,280
Net book amount 30 June 2024	33,037	3,995	-	37,032

Selected notes and disclosures

Net interest-bearing debt

The Company has one USD 14.2 million loan facility and one USD 1.4 million guarantee facility from Sparebank 1 SMN. The aggregated outstanding amount as per 30 June 2024 is USD 12.1 million. The loans have final maturity in June/July 2026. The loan is recognized in the books at par value. Instalments of USD 0.7 million are due quarterly. Certain cash sweep mechanism applies.

The company also have one loan facility of USD 2.6 million that relates to equipment provided in the conversion of the "Fulmar Explorer".

Net interest-bearing debt			
USD '000	Q2 2024	Q2 2023	2023
Debt to credit institutions	11,789	2,521	13,115
Long term tax liabilities	-	-	-
Total non-current interest-bearing debt	11,789	2,521	13,115
Debt to credit institutions	3,077	14,632	3,119
Other current interest-bearing debt	-	-	-
Total current interest-bearing debt	3,077	14,632	3,119
Total interest-bearing debt	14,866	17,153	16,234
Cash and cash equivalent	1,926	2,201	2,176
Total net interest-bearing debt	12,941	14,951	14,058

Financial covenants

The loan agreement of the company includes the following covenants, which the company is in compliance with:

- The Company's book equity ratio shall be above 45%.
- The Company's working capital shall be positive; defined as short-term assets less short-term debt excluding short-term portion of long-term debt.
- The Company's available shall be at least USD 1 million on a consolidated basis.

Shareholders

Largest shareholders per 30 June 2024.

Largest Shareholders		
Name	Number of shares	Ownership
Mh Capital As	10,159,676	12.6%
Anderson Invest As	6,098,626	7.6%
Alden As	5,577,219	6.9%
Grunnfjellet As	5,100,000	6.3%
Storfjell As	3,255,775	4.0%
Myrseth	2,436,999	3.0%
Sigstad	2,040,451	2.5%
North Sea Group As	1,775,000	2.2%
Grønland	1,496,727	1.9%
Nordnet Livsforsikring As	1,362,820	1.7%
Kfs As	1,210,000	1.5%
Hubris Industrier As	1,208,333	1.5%
Whiterock Capital As	1,100,000	1.4%
Ubs Ag London Branch	1,089,790	1.4%
Håland	1,010,000	1.3%
F Storm As	953,122	1.2%
Sigurdson	925,202	1.1%
Husveg	700,000	0.9%
Austrått	685,850	0.9%
Mp Pensjon Pk	679,816	0.8%
Other	31,610,865	39.3%
Total	80,476,271	100.0%

Share capital and share options

The total number of ordinary shares on 30 June 2024 was 80,476,271 with a nominal value of EUR 0.17 per share.

2.3 million share options and warrants have been allocated to key employees. All options may be exercised at any time within one year from the corresponding vested dates.

Share options	
	Number of options
Granted	2,320,000
Forfeited	-
Total as of 30 June 2024	2,320,000
Vested	1,166,667
Non-vested	1,153,333
Total as of 30 June 2024	2,320,000

Related party transactions

Storfjell AS, a company controlled by Ståle Rodahl (Chairman of the Board of the Company), has invoiced Seabird Exploration Norway AS NOK 0.2 million related to various consultancy work in Q2 2024.

Going concern

The company's consolidated accounts have been prepared based on a going concern assumption.

Selected notes and disclosures

Alternative performance measurements

Seabird presents the alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Company's performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below.

Alternative performance measurements		
Measure	Description	Reason
EBITDA -Operating profit before depreciation	EBITDA is defined as operating profit before depreciation and impairment of fixed assets and represents earnings before interest, tax and depreciation, and is a key financial parameter for Seabird.	This is a measure for evaluation of operating profitability on a more variable cost basis as it excludes depreciation and impairment. EBITDA shows operating profitability regardless of capital structure and tax situations.
EBIT-Operating profit	EBIT represents earnings before interest and tax.	EBIT shows operating profitability regardless of capital structure and tax situations.
Equity ratio	Equity divided by assets at the reporting date.	Measure capital contributed by shareholders to fund the Company's assets.
Earnings per share	Earnings divided by average number of shares outstanding.	Measures the Company's earnings on a per-share basis.
Net interest bearing debt	Net interest-bearing debt consists of both current and non-current interest-bearing liabilities less interest bearing financial assets, cash and cash equivalents.	Net interest-bearing debt is a measure of the Company's net indebtedness that provides an indicator of the overall statement. It measures the Company's ability to pay all interest-bearing liabilities within available interest bearing financial assets, cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measurement of the risk related to the Company's capital structure.

CYPRUS (LIMASSOL)

16 Panteli Katelari Street
Diagoras House, 7th Floor
1097 Nicosia
Cyprus

NORWAY (BERGEN)

Sandviksbodene 68
5035 Bergen
Norway

WWW.SBEXP.COM