

# SeaBird Exploration

Q2 2024 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 37.3m
- NIBD: USD 12.9m
- 26 months firm backlog as of end-Q2
  - Eagle 12 months + 2x6-month options
  - Fulmar 14 months
- Cash distribution of NOK 0.25 per share proposed by BoD



**Eagle Explorer**

OBN Source  
2D



**Fulmar Explorer**

OBN Source



**Equipment**

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

# Seabird Exploration at a glance

- Provides marine seismic acquisition services to E&P- and integrated seismic companies
- Operates within the seismic source vessel market and 2D streamer market
- **Not active** in the Data Processing- or Multi-Client market
- Competitive advantages:
  - Young, state-of-the-art purpose-built source and streamer vessels
  - No vessel age restrictions
  - Industry leading operational- and cost efficiency within its segments
  - Following company restructuring, solid financial and operational track record



# Fleet overview



## Eagle Explorer (2009)

- Designed and built as a 12-streamer 3D vessel
- Currently equipped for 2D streamer and source vessel operations
- Completed 5-year special periodic survey (SPS) in Q4 2023 (next 2028)
- Replacement value estimated to around USD 100m



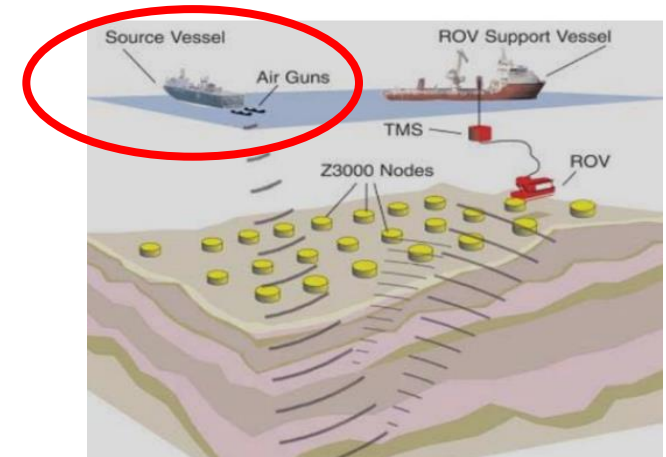
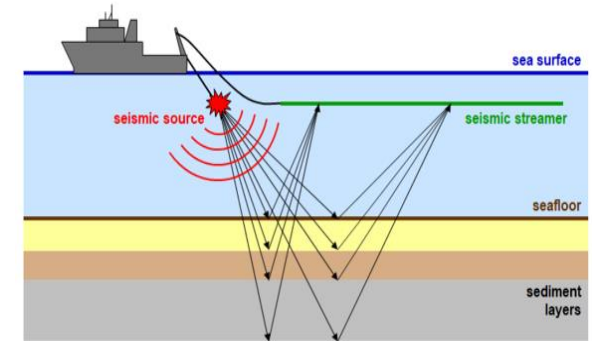
## Fulmar Explorer (2009)

- High-end source vessel
- Special periodic survey scheduled in 2026
- Replacement value estimated to around USD 75m



## Equipment

- Extensive equipment pool to replenish existing operations
- Can be used to supplement equipment on new capacity



# Key events Q2 2024

## Operational

- Utilization of 89 %
- LTI of NIL

### **Eagle Explorer**

- Awarded OBN contract in GoM with 12 months firm and two 6-month options
- Mobilised from Singapore to US GoM
- Commenced the 12-month contract late June

### **Fulmar Explorer**

- Good steady production in GoM
- 96% utilisation in Q2
- Executing on 2-year firm contract until September 2025

## Financial

- Revenues of USD 4.9m (Q2/23: USD 9.7m)
- EBITDA of USD 1.5m (USD 4.6m)
- Net profit of USD -0.5m (USD 2.1m)
  
- Cash flow operating activities of USD 2.9m (USD 0.9m)
- Net interest bearing debt of USD 12.9m (USD 15.0m)
- Equity ratio of 53% (54%)
  
- Cash distribution of NOK 0.25 per share completed in June
  
- BoD proposes NOK 0.25 per share cash distribution with payment in Q4, EGM notice will follow

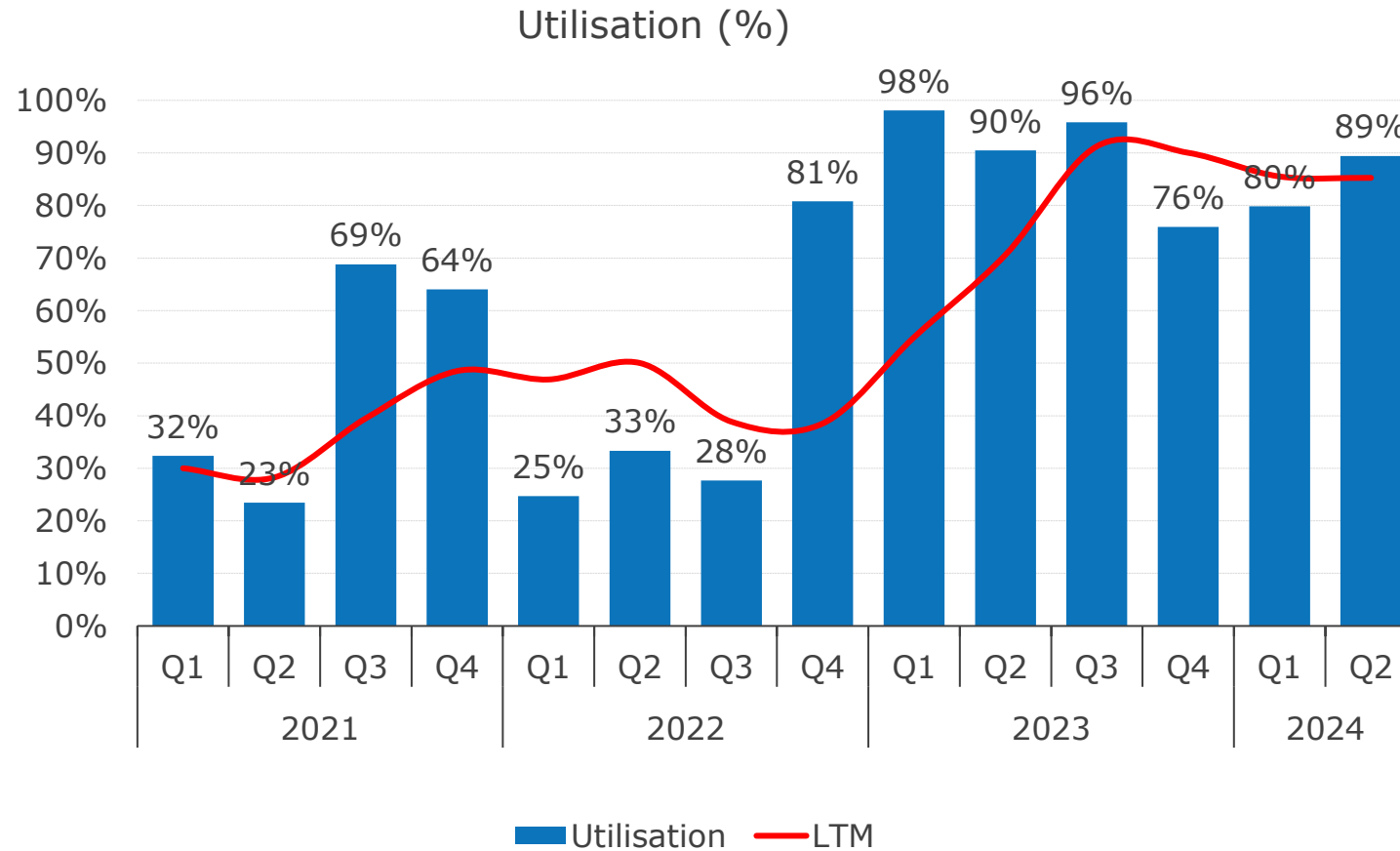
Strong operational performance and first cash dividend completed

# Contract overview and outlook





# Utilisation



## Q2 utilisation 89%

- Fulmar Explorer 96%
- Eagle Explorer 83%
- LTM utilisation 85%

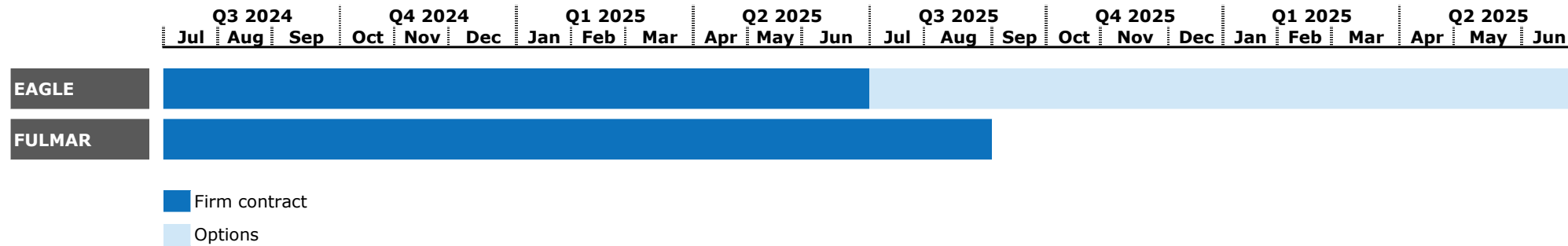
## Fulmar Explorer

- In OBN production throughout the quarter

## Eagle Explorer

- Paid mobilization most of the quarter
- Commenced OBN contract in GOM end-June

# 26 months firm backlog with 12 months options



### Eagle Explorer

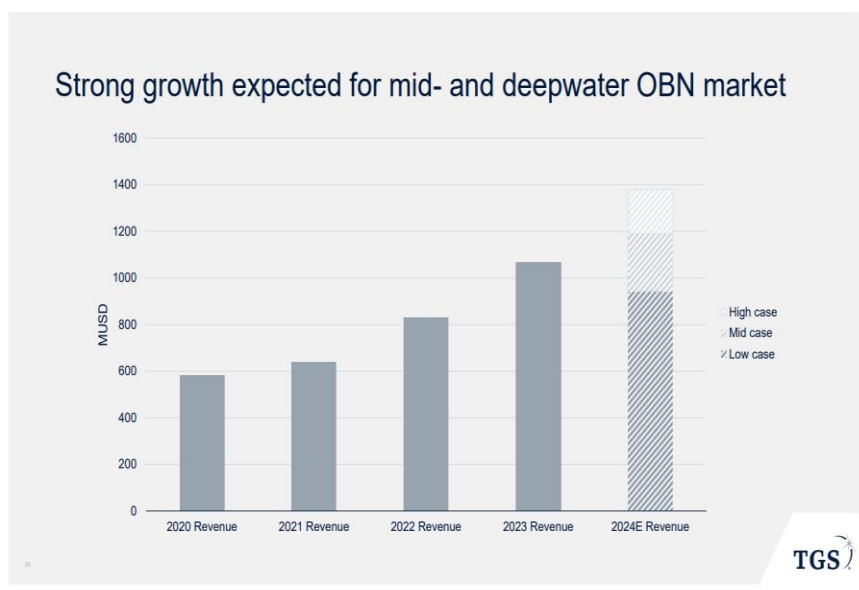
- In OBN production following mobilization to GOM in Q2
- Employed until July 2025
- 6 months options at increased day-rates
- Tier 1 client

### Fulmar Explorer

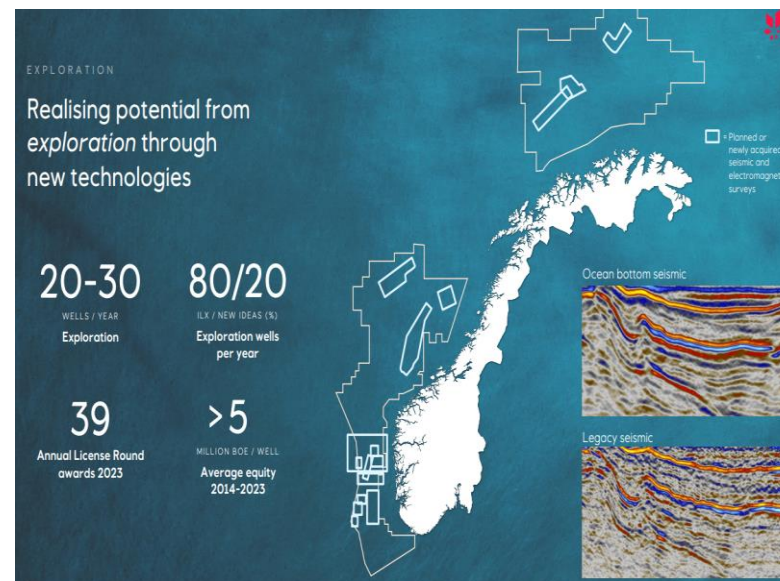
- In OBN production
- Employed until September 2025
- Tier 1 client

# OBN market in structural growth

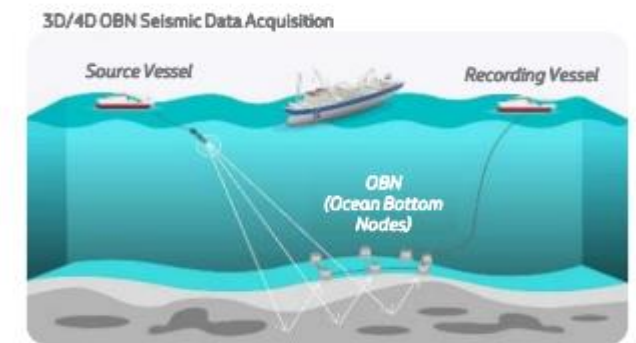
- The OBN market have gained market share of the total seismic market over the last few years
- Reasons for the increased adoption is oil companies focus infrastructure led exploration (ILX) and its superior image quality (further enhanced by AI)



Source: TGS Q4 2023 presentation



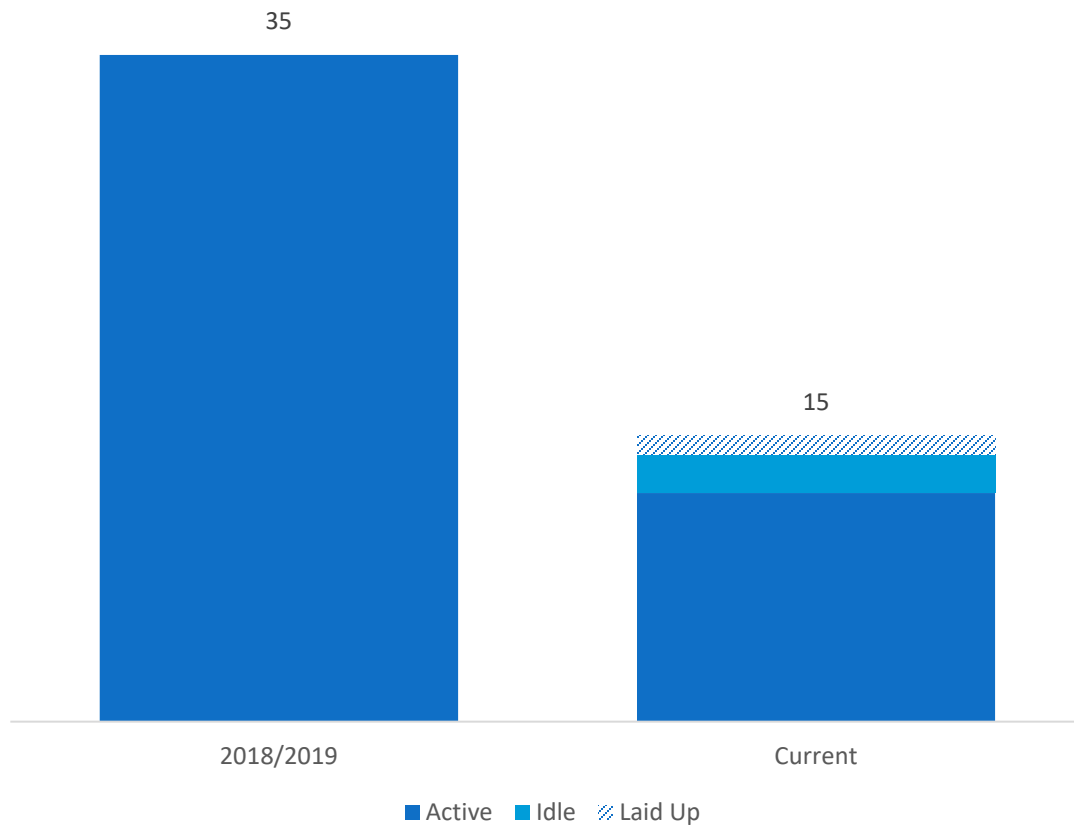
Source: Equinor CMD 2024



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\*
- The comparable fleet in 2018/2019 was 35 vessels.
- Active fleet reduced by ~60%
- Two (2) 3D streamer vessels changed hands in Q1 2024 at an avg. price of approx. USD 43m each\*\*

\* 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

\*\* Skipsrevyen

# Financials



# Financial highlights

## Q2 2024

- Revenues of USD 4.9m (Q2/23: USD 9.7m)
- EBITDA of USD 1.5m (USD 4.6m)
- Net profit of USD -0.5m (USD 2.1m)
- Cash flow operating activities of USD 2.9m (USD 0.9m)
- Net interest bearing debt of USD 12.9m (USD 15.0m)
- Equity ratio of 53% (54%)
- Completed NOK 0.25 cash distribution in June

## Guidance

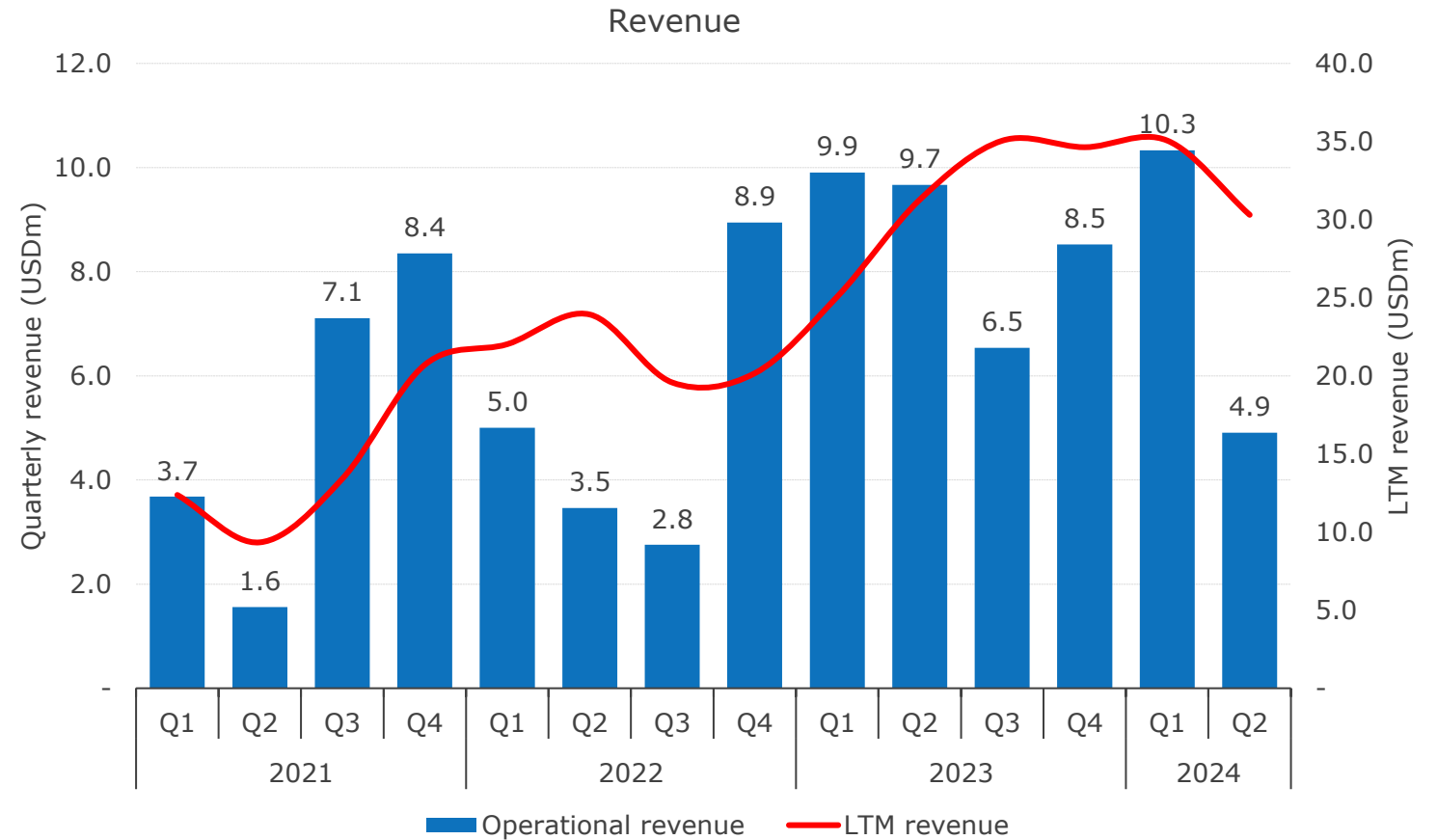
- SG&A: Annual run-rate of about USD 4.0m
- Strong focus on working capital optimization, cash conversion and free cash flow to equity

Key figures						
All figures in USD '000 (except EPS and equity ratio)	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.06.24	30.06.23	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%

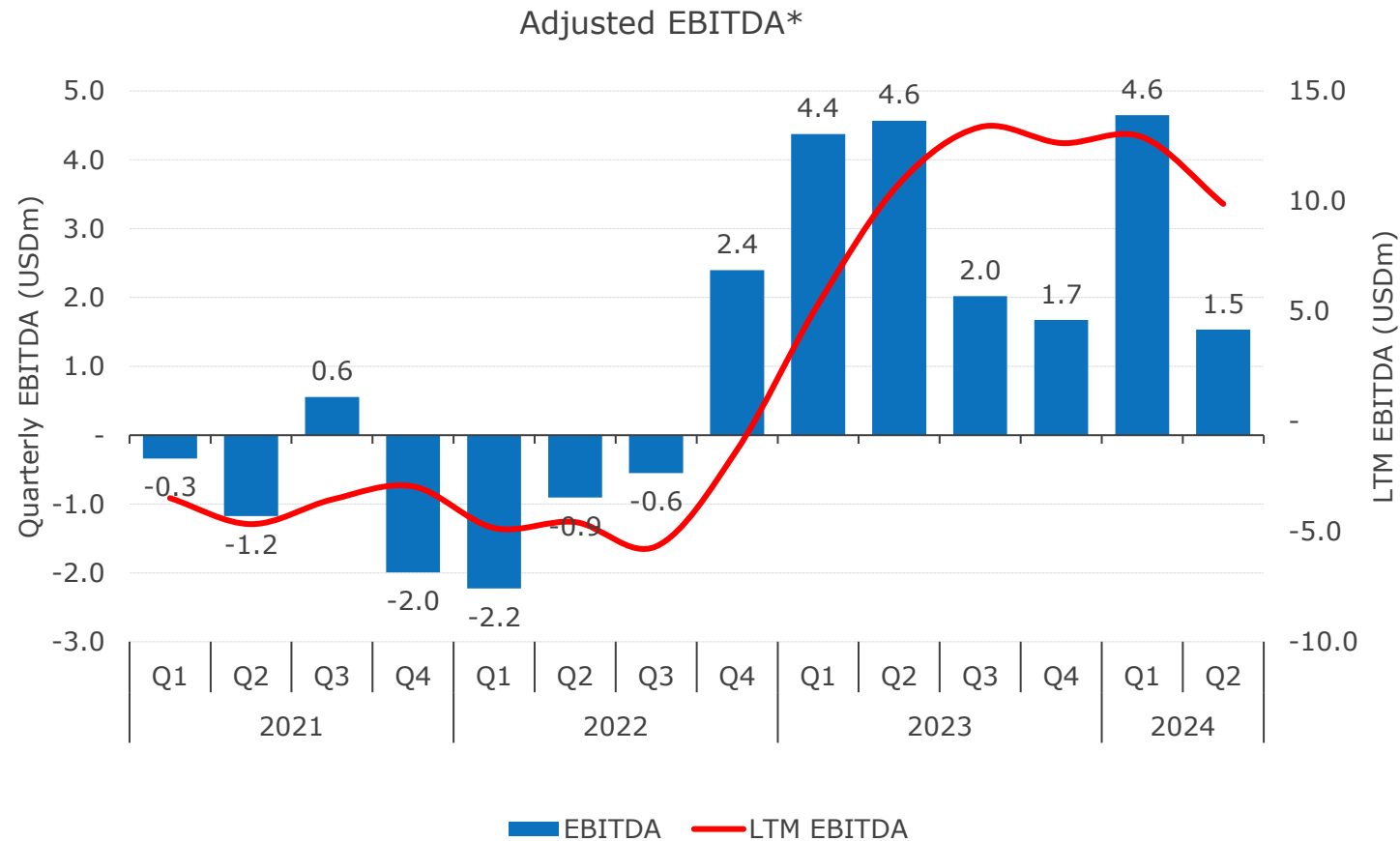
\* Quarterly and year to date figures are unaudited. Full year figures are audited

# Revenue

- Q2 revenue of USD 4.9m is down quarter over quarter as Eagle was mobilizing to the USD GoM
  - Mobilization revenue and cost is capitalized
- Economical utilisation was 89%
  - Fulmar Explorer 96%
  - Eagle Explorer 83% (paid mobilization)
- Revenue for the last twelve months was USD 30.3 million, slightly down from USD 31.3 million the same period last year



# EBITDA

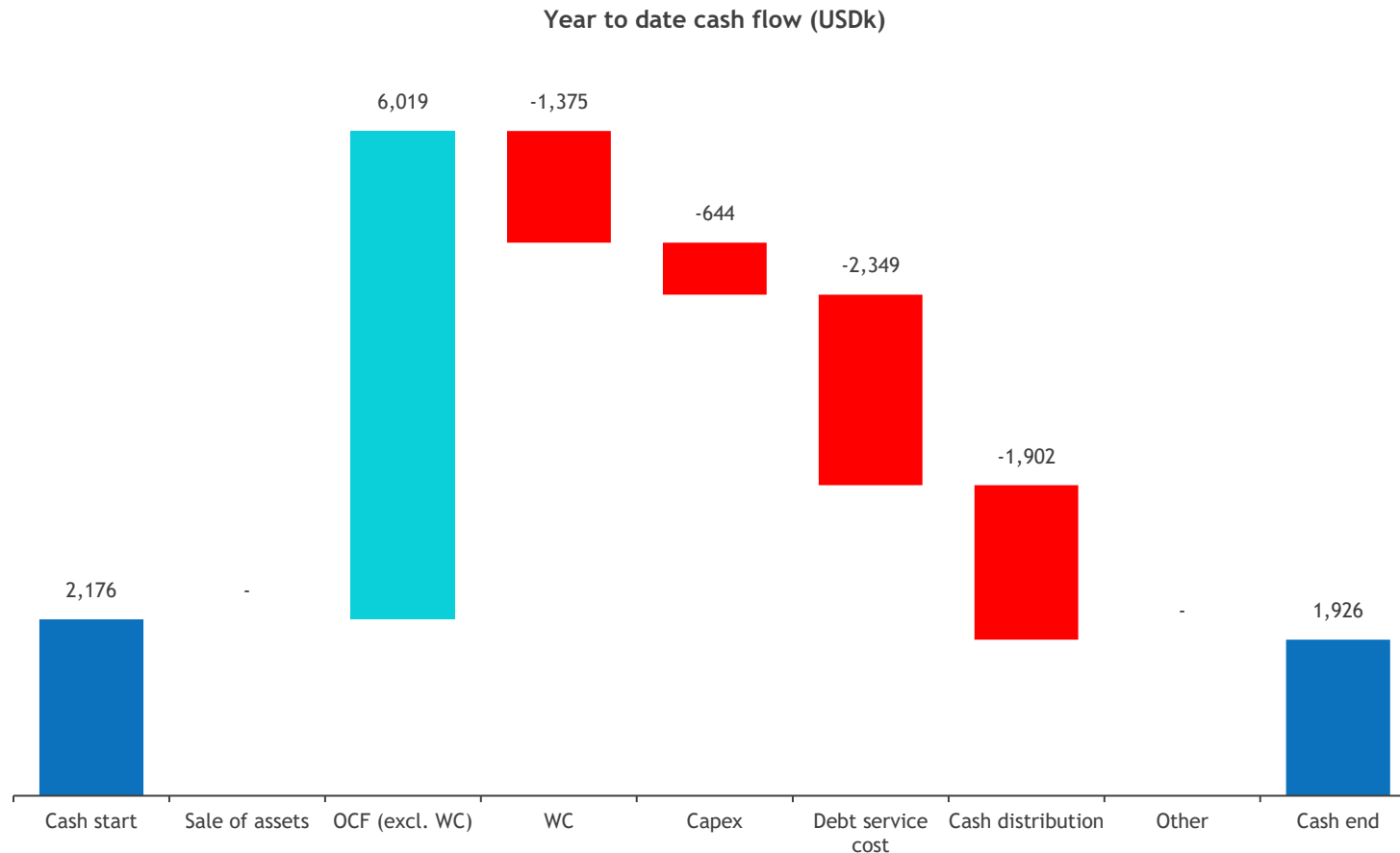


- Q2 EBITDA of USD 1.5m is lower than previous quarters as Eagle has been mobilizing the lion share of the quarter
- Underlying EBITDA for the last twelve months was USD 9.9 million, broadly in line with the prior year period
- SG&A was USD 1.1m resulting in a USD 4.3m on a last twelve months basis
  - We see annual SG&A around USD 4.0m with quarterly fluctuation

\* Adjustments to the EBITDA is enclosed in the appendix

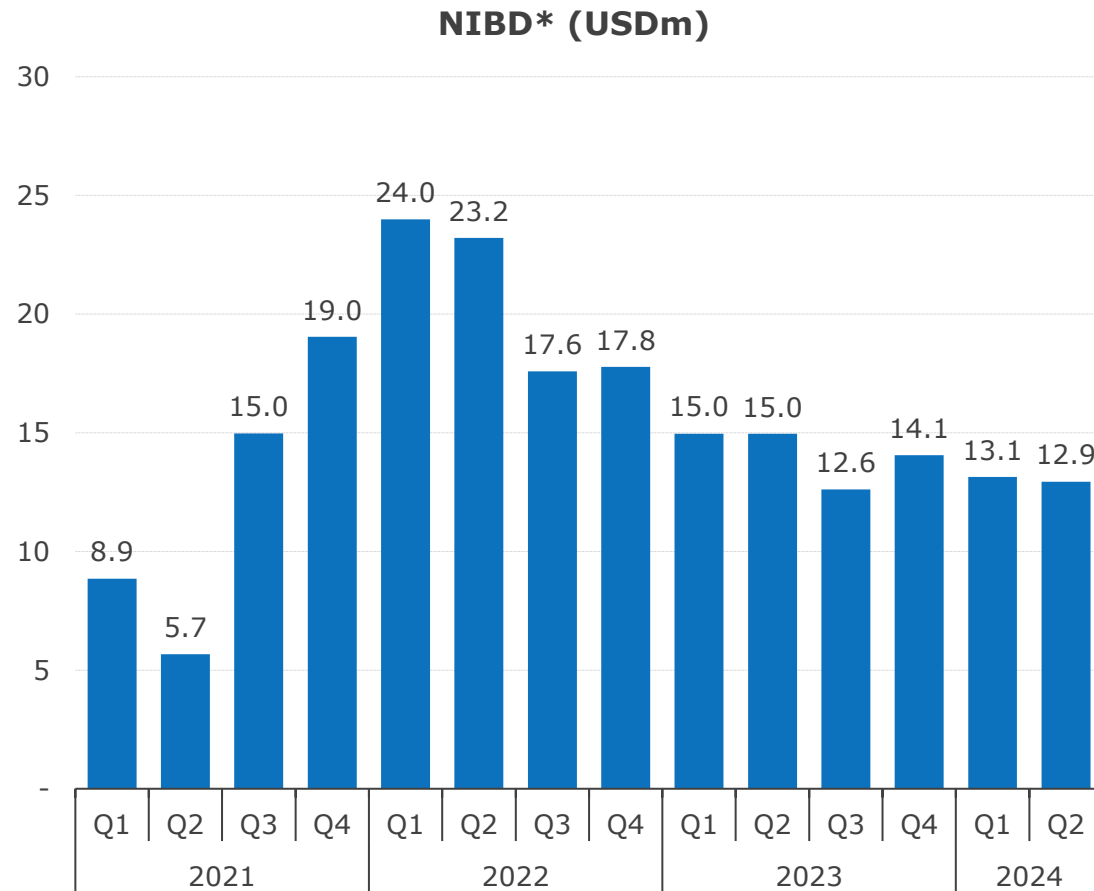


# Cash flow bridge year to date



- Net cash flow for the first six months of 2024 was USD -0.3m
- Cash flow from operation of USD 4.6m was negatively impacted by a USD 1.4m working capital from a low level
- Capital expenditures in the period was USD 0.6m
- Debt service cost for the half year was USD 2.3m
- Cash distribution to its shareholder of USD 1.9m was completed in June

# Net interest-bearing debt



- Net interest-bearing debt was USD 12.9m as of Q2 2024
  - Bank financing: USD 12.2m
  - Equipment financing: USD 2.7m
  - Cash: USD 1.9m
- Reduced NIBD by ~USD 11m (~45%) since peak
- The company is in compliance with all bank covenants

# Summary



# Capital Allocation



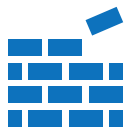
**Aim to distribute excess cash to shareholders on a quarterly basis without jeopardizing Seabirds sound financial position**



First cash distribution of NOK 0.25/share completed in June 2024



Second cash distribution of NOK 0.25/share proposed by the Board with payment in Q4 2024

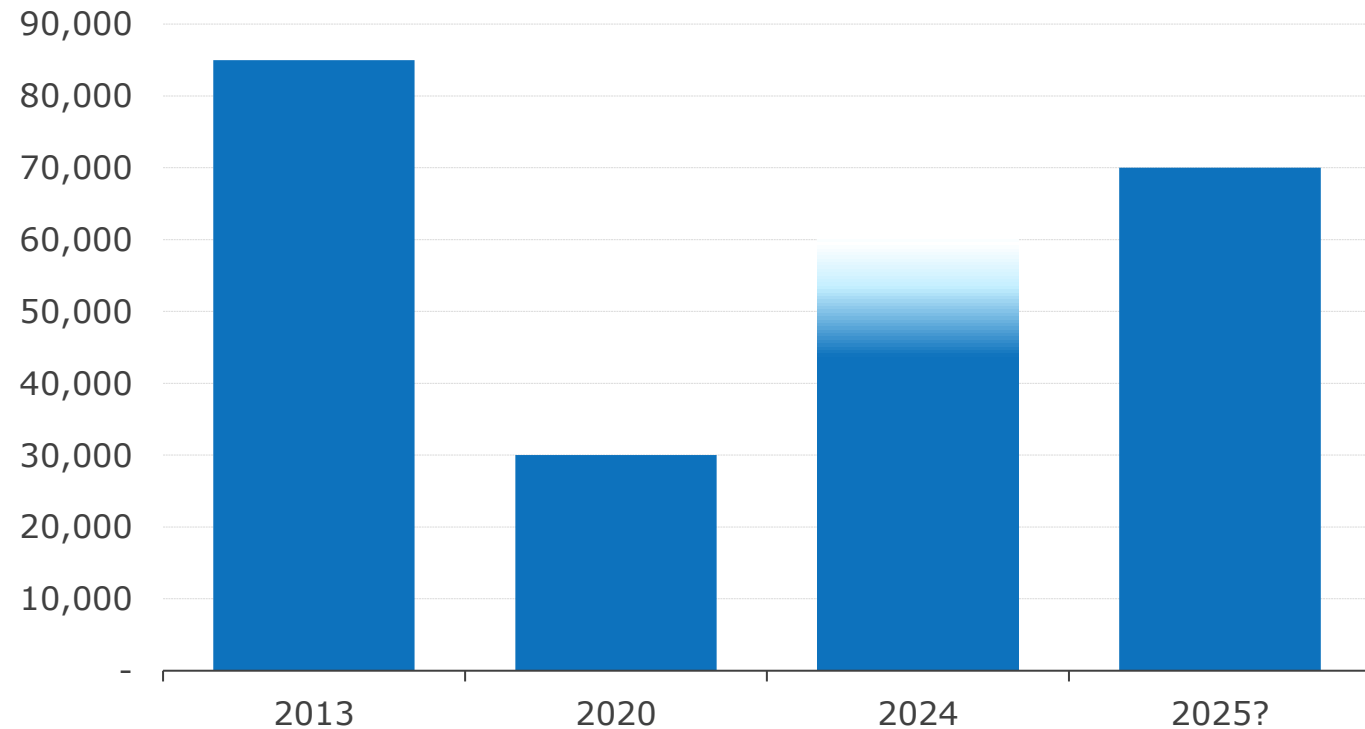


A prerequisite for further dividends is continued strong operational performance of Fulmar Explorer and Eagle Explorer

# Historical day-rates, backlog & dividend potential

- OBN sold out - next contracts expected to be higher than current backlog
- 2013 peak market rates would result in an additional ~USD 10m EBITDA per vessel versus current contracts. This corresponds to an increased dividend capacity of ~NOK 2.5 per share for the current fleet
- Segment vessel without contract transactions done at 4x prospective EBITDA. SBX currently valued at about 2-2,5x on next 12 months **backlog EBITDA**

Historical OBN dayrates (USD/d)



# Strategy

- Strong operational performance
- Sold out until July 2025
- Strong market outlook
- Dayrates still considerably below last peak – ready for the next step
- Actively monitor value accretive opportunities.
- Fragmented industry in need of further consolidation
- Focus on cash conversion and free cash flow to equity
- Company has entered **capital distribution** phase



**Sound platform for profitability and consolidation in place**

**Q&A**



# Adjustments to EBITDA

USDk	2021				2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Reported EBITDA	-533	-1,420	284	-2,516	106	-1,172	-609	-401	4,376	4,567	2,018	-2,296	4,648	1,533
Green Minerals	194	247	269	524	468	268	59							
Write down of receivables					-2,800			2,800						
Legal provisions												3,969		
<b>Adjusted EBITDA</b>	<b>-338</b>	<b>-1,173</b>	<b>553</b>	<b>-1,992</b>	<b>-2,226</b>	<b>-904</b>	<b>-551</b>	<b>2,399</b>	<b>4,376</b>	<b>4,567</b>	<b>2,018</b>	<b>1,673</b>	<b>4,648</b>	<b>1,533</b>