

# SeaBird Exploration

Q3 2024 presentation



# Forward-looking statements

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All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy and other plans and objectives for future results, constitute forward-looking statements and are prediction of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees and representatives assumes any obligation to update these statements. This presentation includes historical financial data. Your attention is directed to the notes to such data for a description of the accounting principles used to prepare historical data. This presentation must be viewed only in connection with the company's separately distributed earnings release.

# Agenda / Presenters

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



Ståle Rodahl

*Executive Chairman*



Finn Atle Hamre

*CEO*



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*CFO*

# SeaBird Exploration Plc - Pure Play OBN

- **Only pure play OBN source company listed globally**
- Own two high-end seismic acquisition vessels
- Solid capital structure
- Strong cash flow visibility next 12 months
- Entered capital distribution phase



**Eagle Explorer**

- Equipped for source and 2D streamer operations
- Next 5-year SPS in 2028
- Replacement cost ~USD 100m



**Fulmar Explorer**

- High-end source vessel
- Next 5-year SPS in 2026
- Replacement cost ~USD 75m



**Equipment pool**

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

# Financial Performance Summary



HSEQ

LTI\*: 0

Operational downtime LTM\*:  
2.2%



P&L & Balance

Q3 EBITDA: \$4.4m

Q3 NIBD: \$10.7m

Q3 WC: \$3.3m



Valuation\*

EV: \$50m

Implied vessel value: \$25m



Shareholder return

LTM distribution:  
NOK 0.90/sh\*

BoD proposes distribution:  
NOK 0.40/sh\*\*

\*) Last twelve months as per end Q3 2024

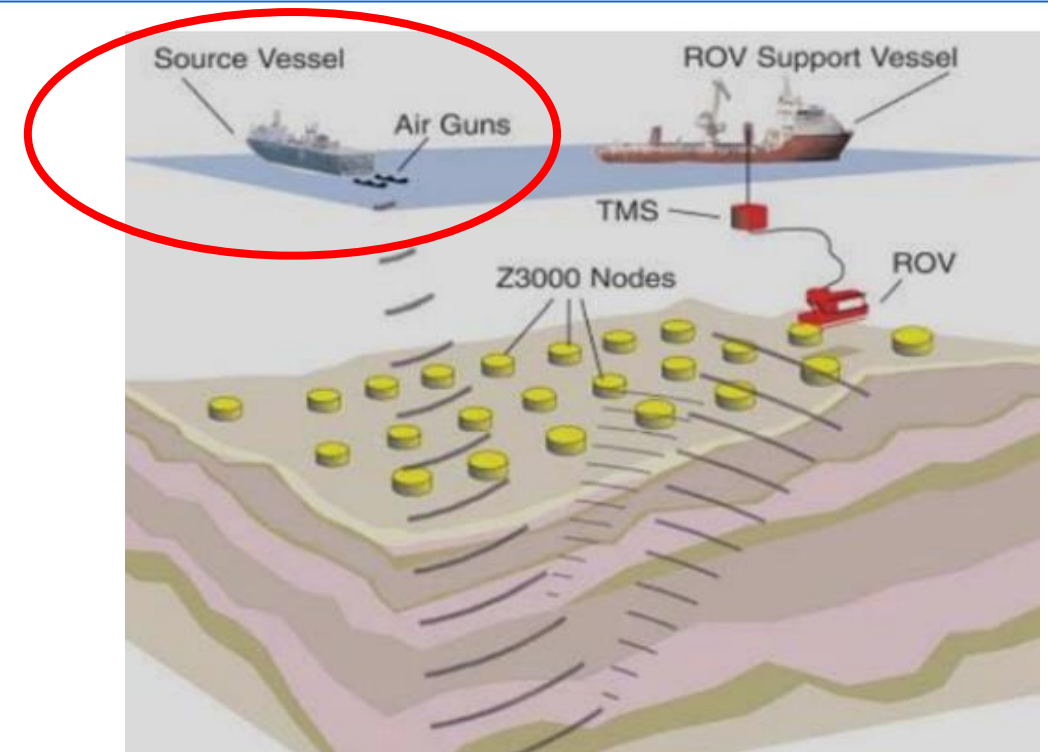
\*) Q3 2024 figures and share price as of 12 November 2024

\*) NOK 0.25 announced in February 2024 and NOK 0.25 in August 2024, and NOK 0.40/sh proposed in November 2024

\*\*\*) BoD proposes NOK 0.40/sh cash distribution with payment in Q1/25

# What do we do?

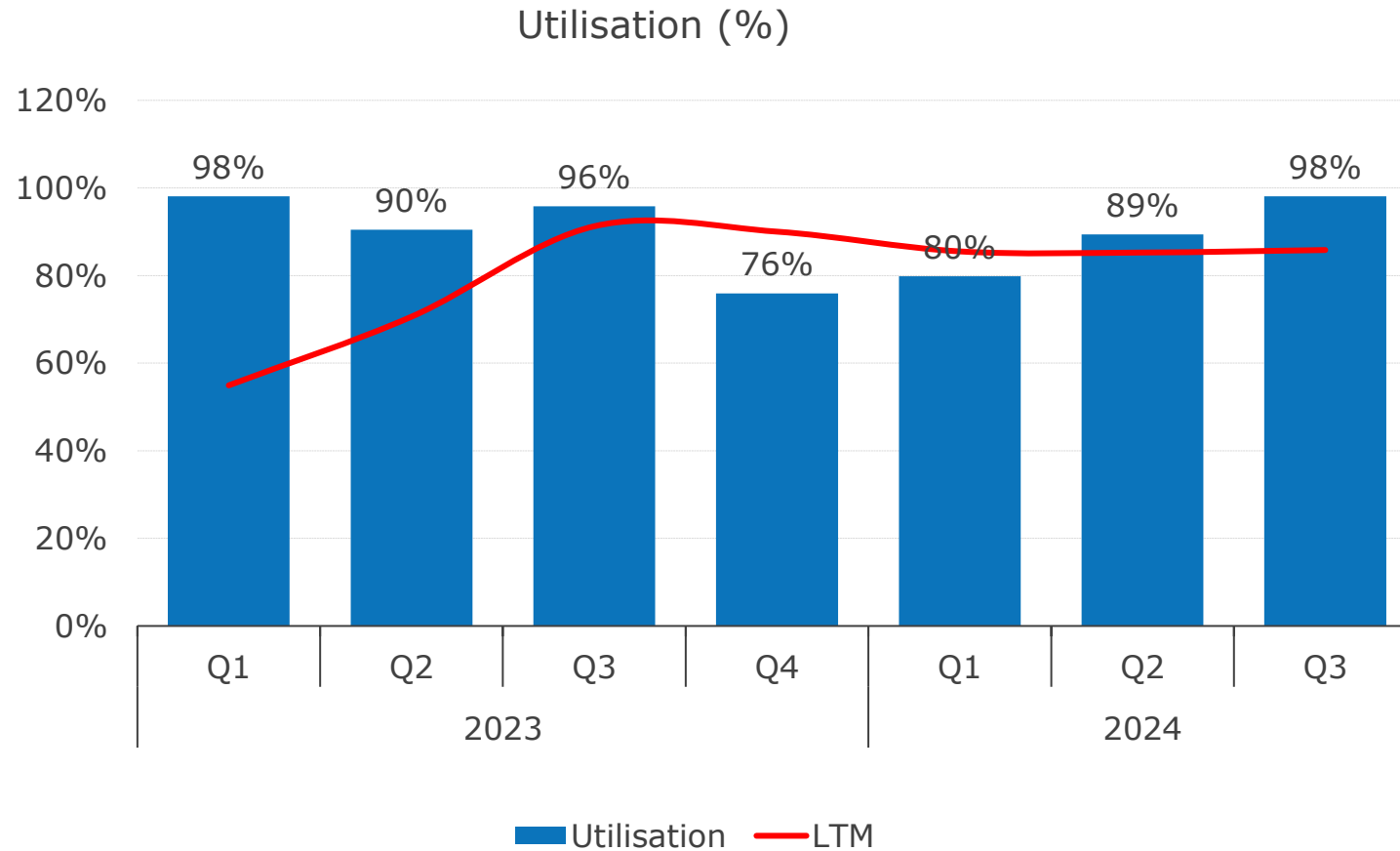
- Provides marine seismic acquisition services to E&P- and integrated seismic companies
- Operates within the seismic source vessel market and 2D streamer market
- **Not active** in the Data Processing- or Multi-Client market
- Competitive advantages:
  - Young, state-of-the-art purpose-built source 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



# Contract overview and outlook



# Utilisation



## Q3 utilisation 98%

- Fulmar Explorer 99%
- Eagle Explorer 97%
- LTM utilisation 86%

### Fulmar Explorer

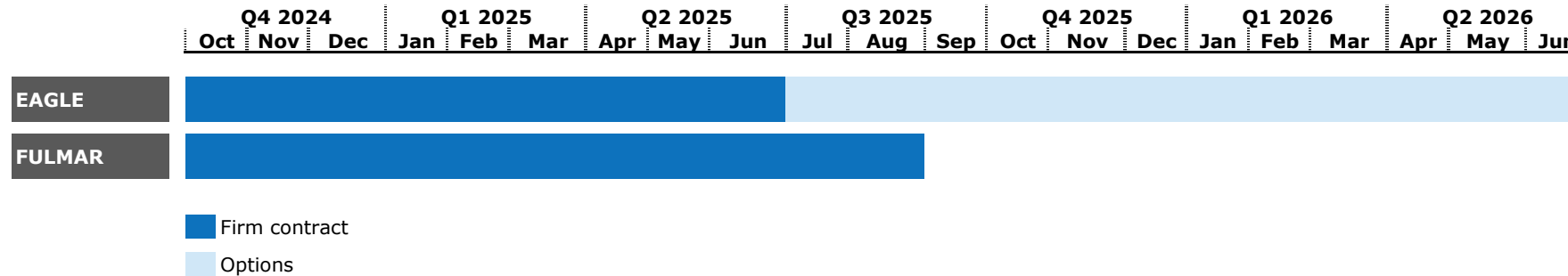
- In OBN production throughout the quarter

### Eagle Explorer

- In OBN production throughout the quarter



# 20 months firm backlog with 12 months options



## Backlog as of Q3 2024

- 20 months firm backlog
- 12 months option backlog

## Eagle Explorer

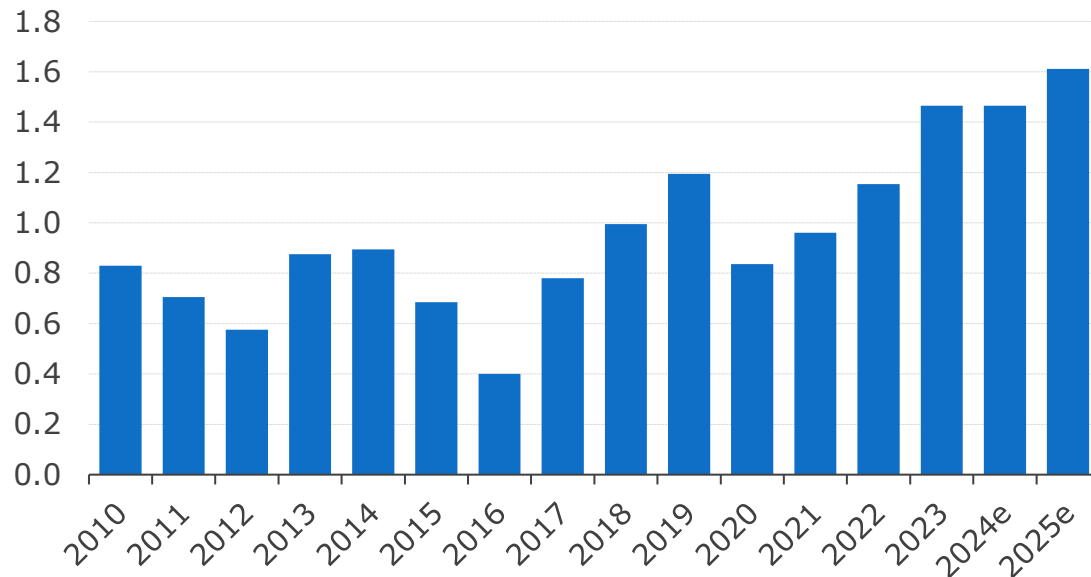
- In OBN production following mobilization to GOM in Q2 2024
- Contracted until July 2025
- 6+6 months options at increased day-rates
- Tier 1 client

## Fulmar Explorer

- In OBN production in GoM
- Contracted until September 2025
- Tier 1 client

# Structural growth in global OBN market

OBN spending (USDm)



*"OBN market remains strong with high exposure to production budgets. ... about 95% of our revenues generated in OBN right now is from production budgets rather than exploration"*

**TGS Q3 2024 conf. call**

*"...nodes are starting to be utilized in exploration in the past nodes were contained only for production purposes on small areas. ... the sparse nodes are being used for exploration purposes with excellent results..."*

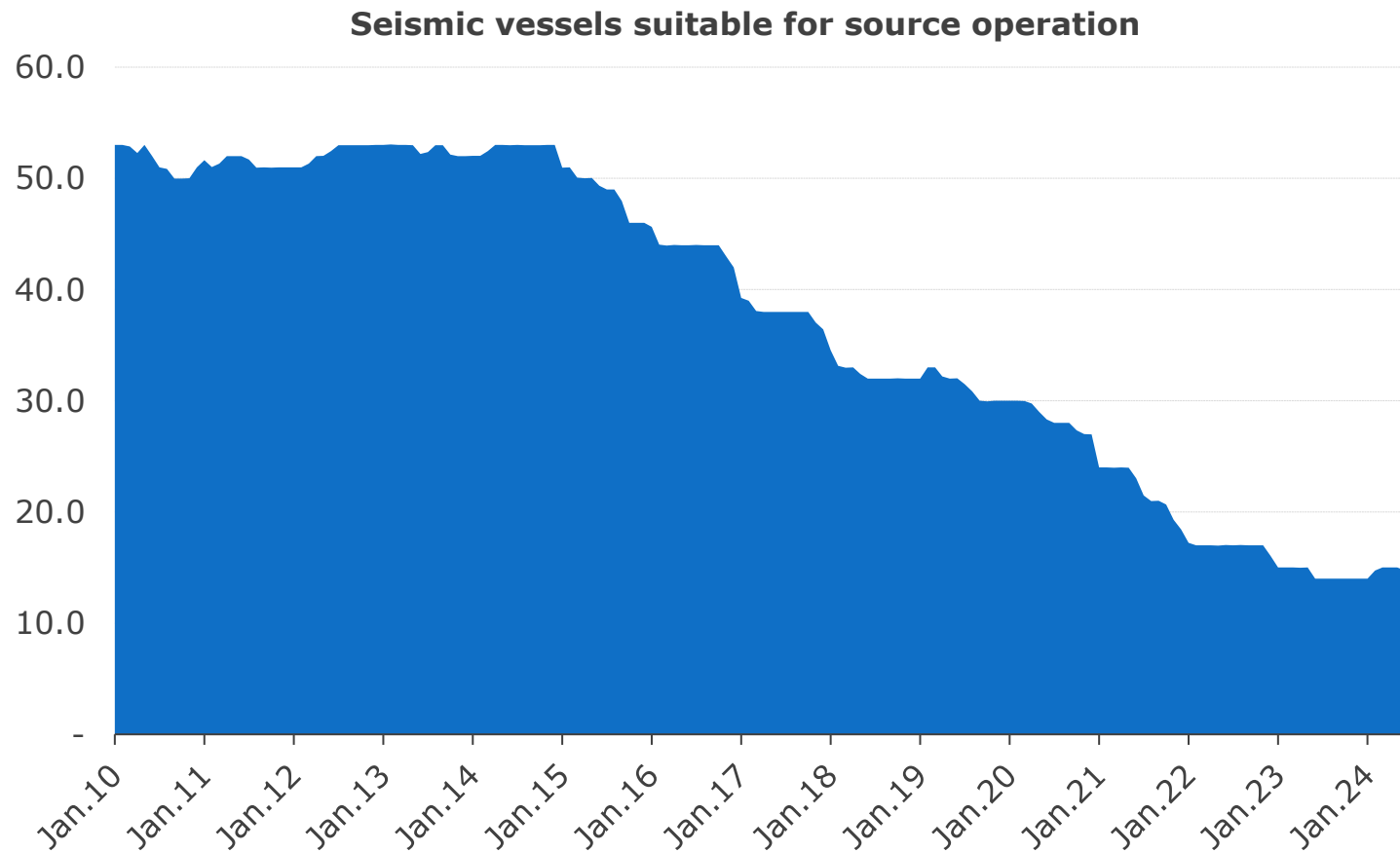
**- Viridien Q3 2024 conf. call**

- OBN market growing by 15% annually since 2020
- Strong market both driven activity growth and dayrate increase
- Strong focus on increased recovery rate, near field exploration and reduced cycle time

*"...We are also advancing our use of ocean bottom node... ...we aim to extend its application to exploration, enabling sharper subsurface imaging to identify exploration prospects more quickly and more cost effectively."*

**- AkerBP Q3 2024 conf. call**

# Supply side has contracted 70% over past 10 years



- The OBN source market is sold out
- 15 active OBN vessels, where all are on contract
- Limited candidates for conversion

\*) Excluding Russian and Chinese, and "inhouse" vessels from integrated players (e.g., BGP, Shearwater)

# Financials



# Financial highlights

Key figures						
All figures in USD '000 (except EPS and equity ratio)	Quarters*		9 months ending*		Full year*	
	Q3 2024	Q3 2023	30.09.24	30.09.23	2023	2022
Revenues	10,027	6,537	25,269	26,109	34,635	20,164
EBITDA	4,404	2,018	10,584	10,961	8,665	-1,275
EBIT	2,825	517	5,985	6,513	2,411	-9,617
Profit/(loss) for the period	2,313	454	4,424	9,497	3,127	-12,861
Earnings per share	0.03	0.01	0.05	0.12	0.04	-0.21
Cash flow operating activities	3,499	3,286	8,143	7,604	8,496	-16,459
Total assets	51,401	54,886			0	0
Net interest bearing debt	10,700	12,606			14,058	15,435
Equity ratio	57%	58%			50%	45%

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

## Q3 2024

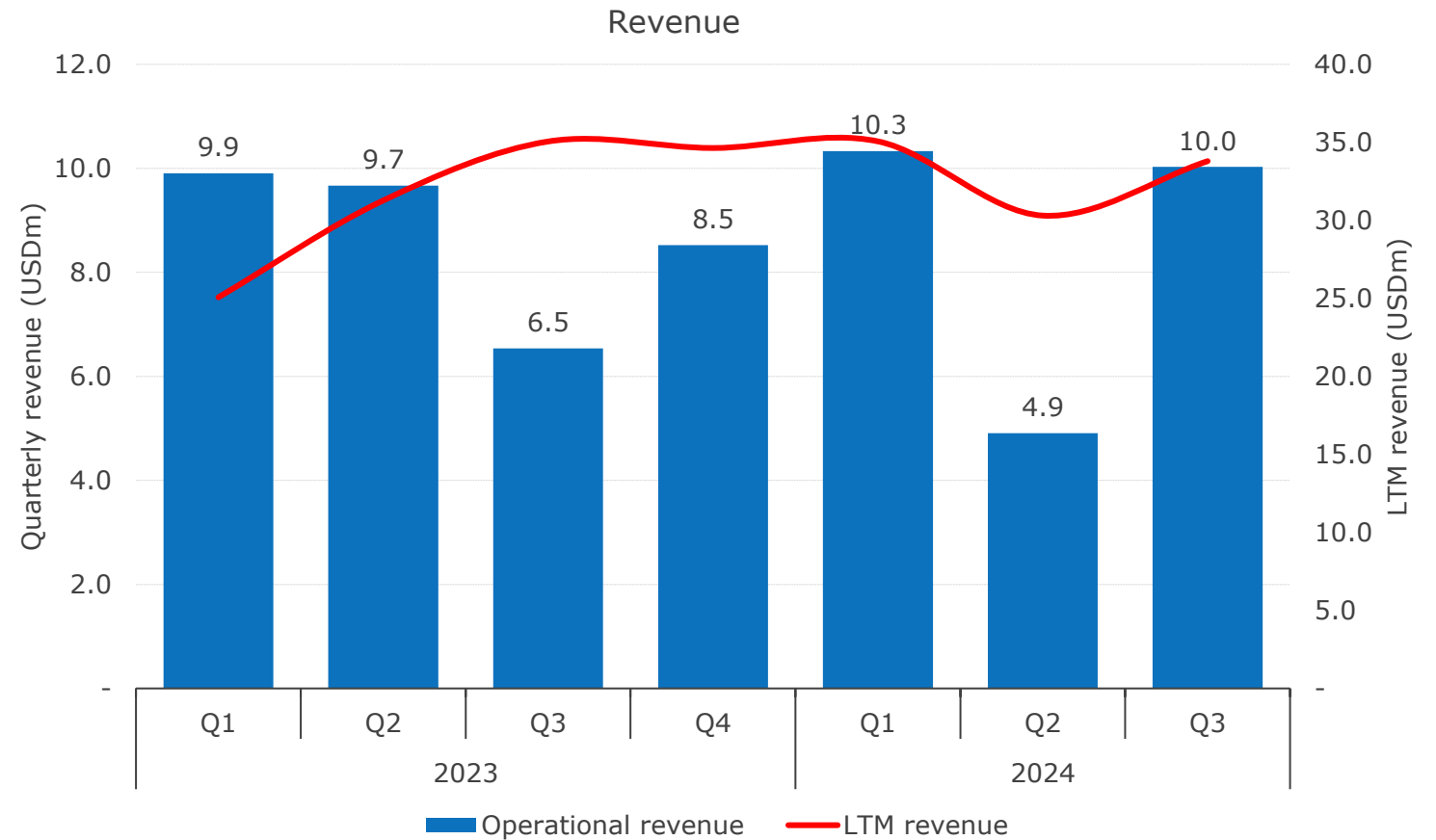
- Revenues of USD 10.0m (Q3/23: USD 6.5m)
- EBITDA of USD 4.4m (USD 2.0m)
- Net profit of USD 2.3m (USD 0.5m)
- Cash flow operating activities of USD 3.5m (USD 3.3m)
- Net interest bearing debt of USD 10.7m (USD 12.6m)
- Equity ratio of 57% (58%)

## Guidance

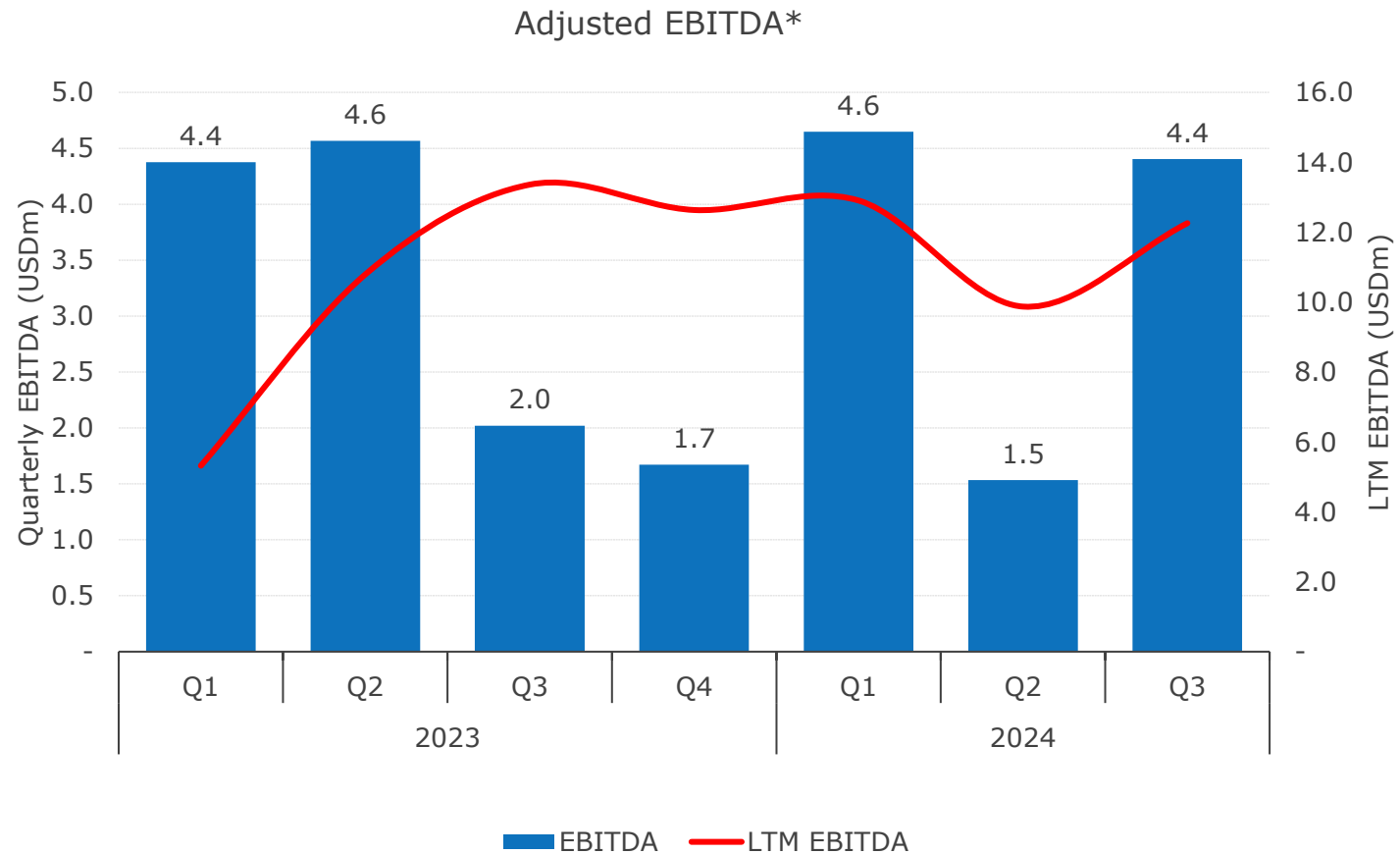
- SG&A: Annual run-rate of about USD 4.0m
- Strong focus on working capital optimization, cash conversion and free cash flow to equity

# Revenue

- Q3 revenue of USD 10.0m
- Economical utilisation was 98%
  - Fulmar Explorer 99%
  - Eagle Explorer 97%
- Revenue for the last twelve months was USD 33.8 million, slightly down from USD 35.1 million the same period last year



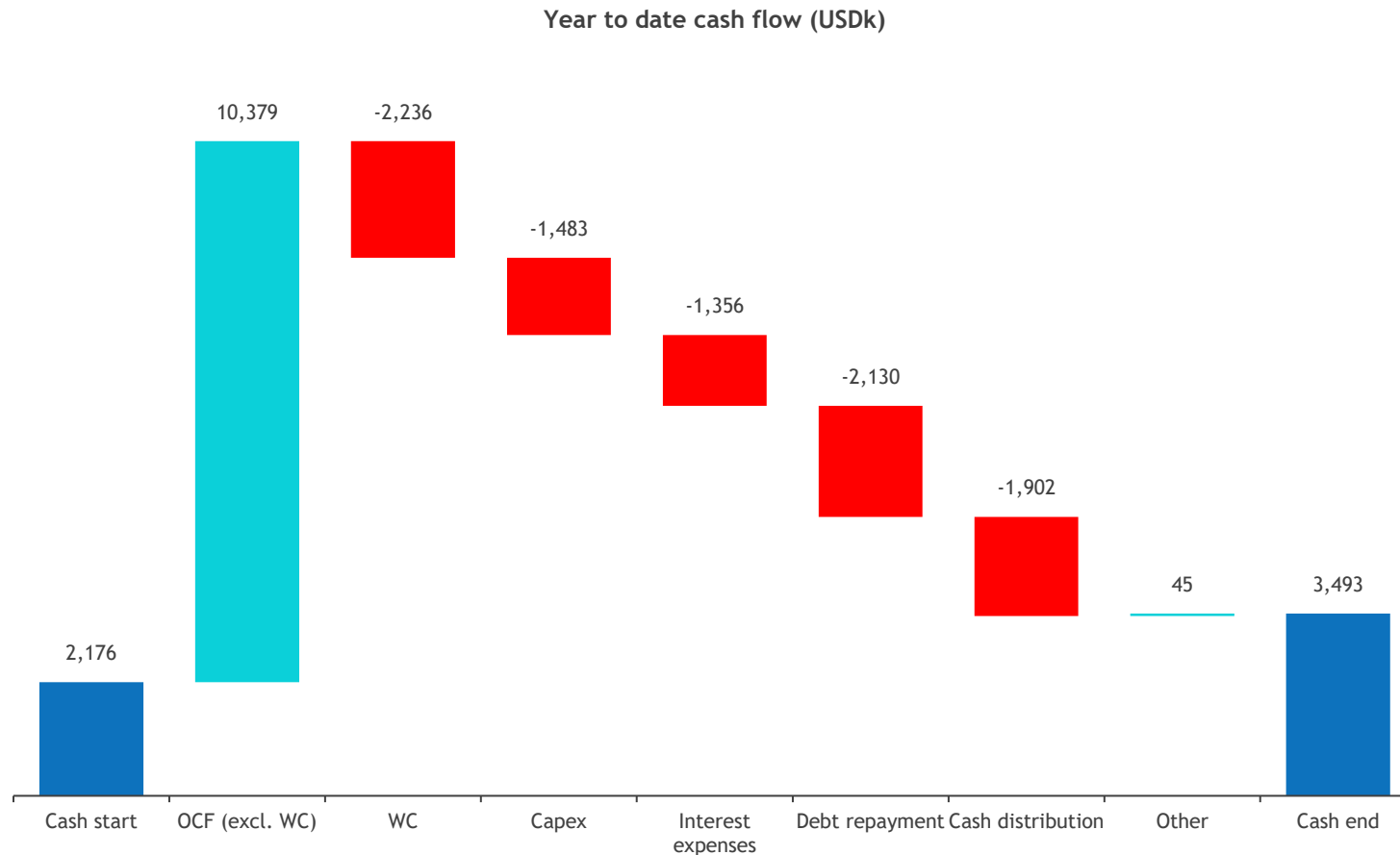
# EBITDA



- Q3 EBITDA of USD 4.4m reflects a strong operational quarter
- Underlying EBITDA for the last twelve months was USD 12.3 million, broadly in line with the prior year period
- SG&A was USD 0.8m resulting in a USD 4.4m 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

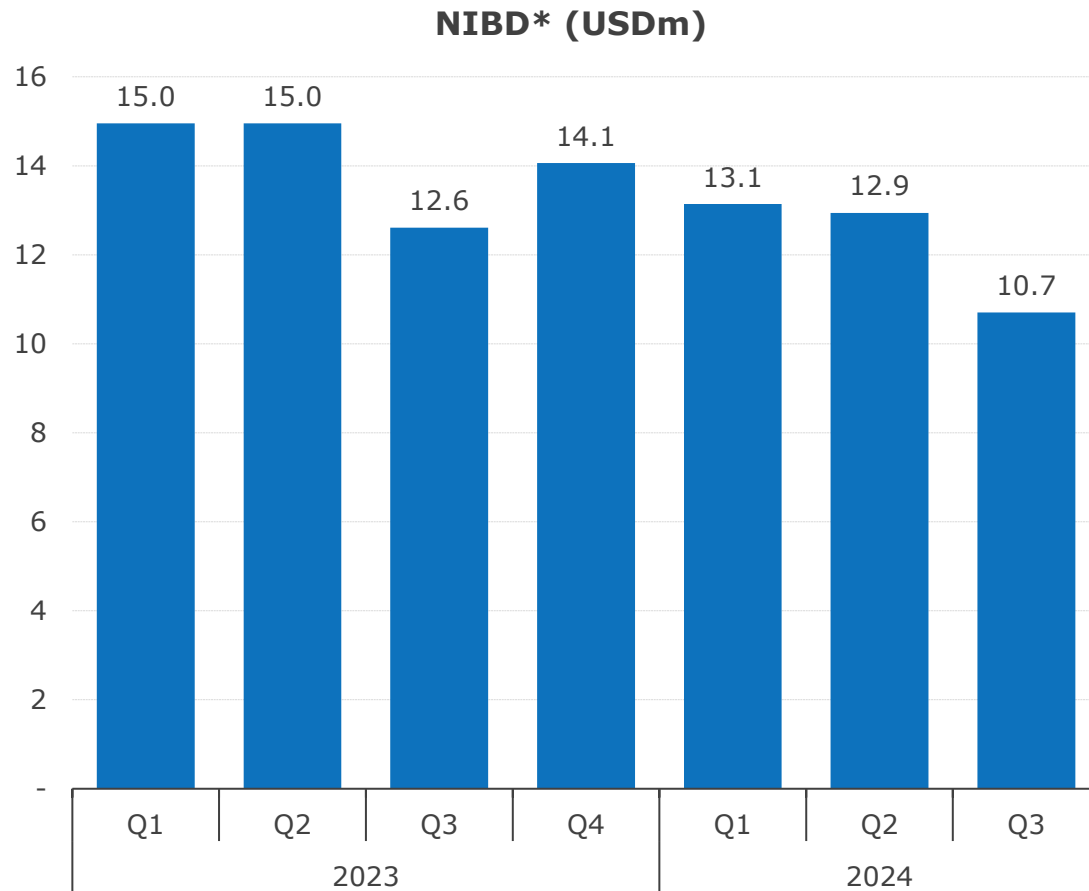
# Cash flow bridge year to date



- Net cash flow for the first nine months of 2024 was USD 1.3m
- Cash flow from operation of USD 8.1m was negatively impacted by a USD 2.2m working capital movement from a low level
- Capital expenditures in the period was USD 1.5m
- Debt service cost for the nine months was USD 3.5m
- Cash distribution to shareholders of USD 1.9m was completed in June



# Net interest-bearing debt



- Net interest-bearing debt was USD 10.7m as of Q3 2024
  - Bank financing: USD 11.5m
  - Equipment financing: USD 2.7m
  - Cash: USD 3.5m
- Reduced NIBD by ~USD 13m (~55%) since Q1 2022
- The company is in compliance with all bank covenants

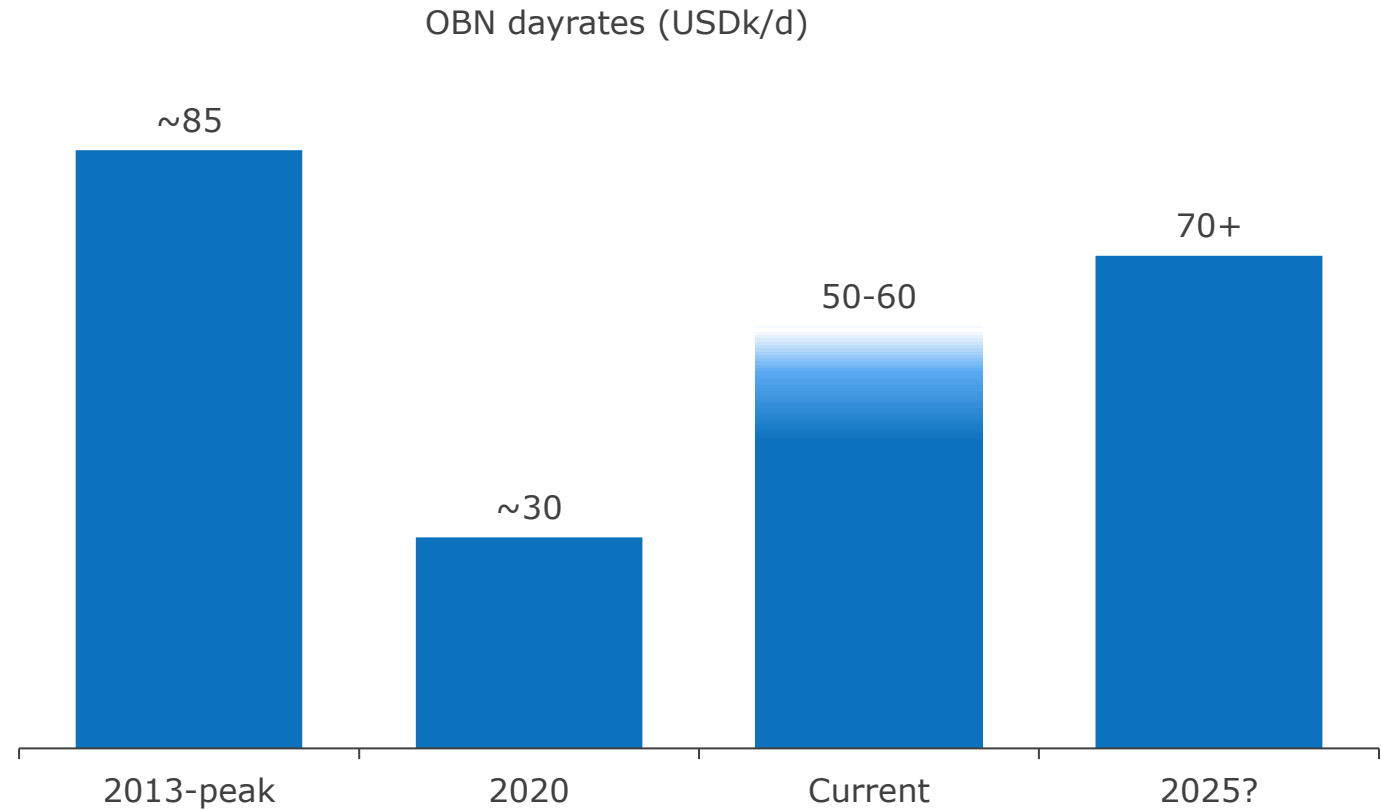
\* Equipment financing facility has been included and Green Minerals AS cash position has been deducted in the historical data for comparable reasons.

# Summary



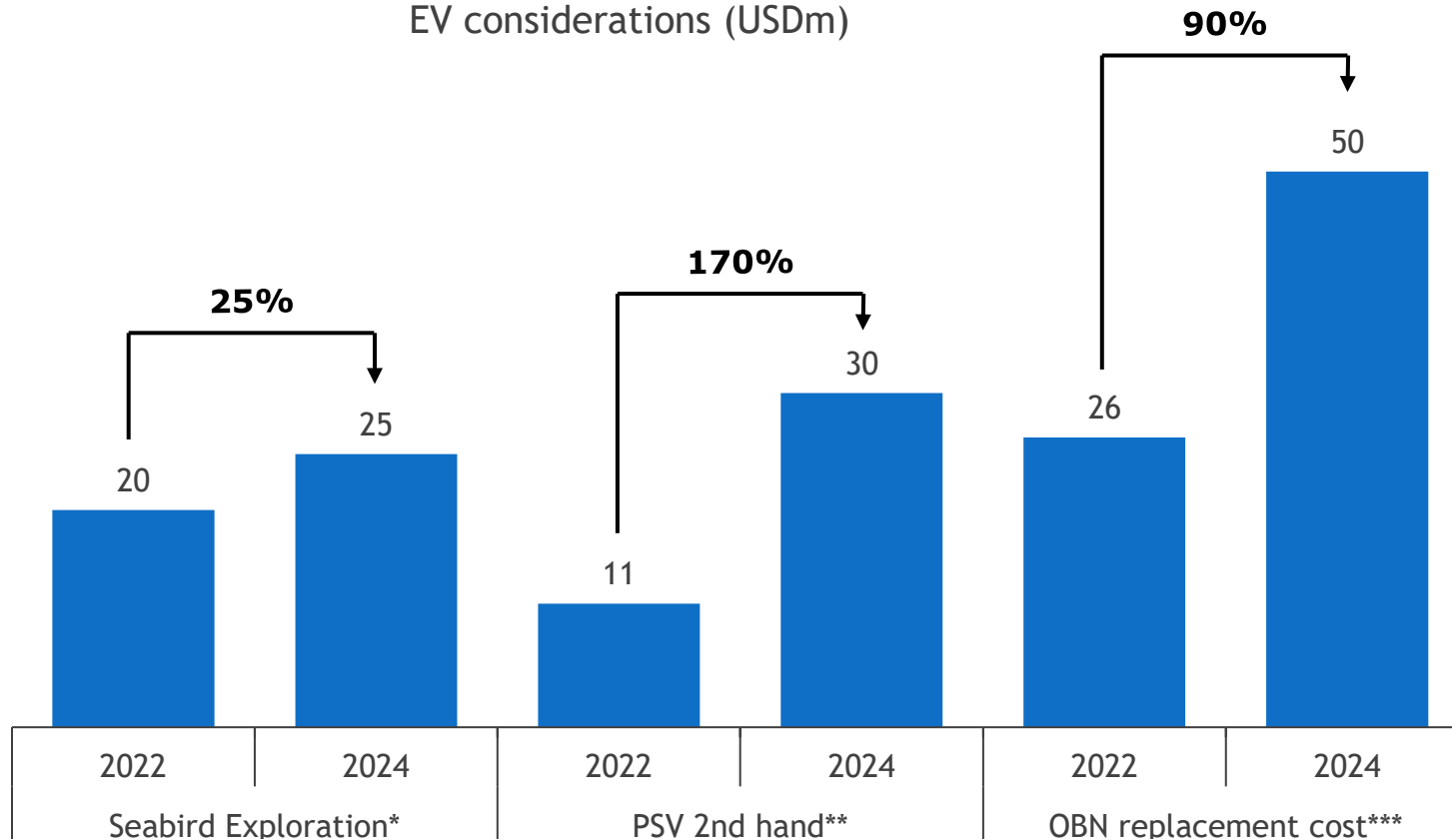
# Market outlook

- OBN market sold out, but rates are not yet at levels justifying newbuild or conversion
- Seabird's free cash flow increases by NOK 0.50 annually per share for each USD 5,000 dayrate increase



# Offshore markets are repricing, SBX lagging

EV considerations (USDm)



- SBX current implied vessel values have increased by 25% from 2022
- PSV market has recovered substantially with a 170% increase since 2022
- OBN replacement value is currently around USD 50m, up around 90% since 2022

\*) Current EV

\*\*) Source: Arctic Securities Research

\*\*\*) OBN replacement cost is based on 2<sup>nd</sup> hand PSV values and all-in cost for seismic equipment and installation

# Capital Allocation



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



Two cash distributions of NOK 0.25/ share each completed in 2024\*

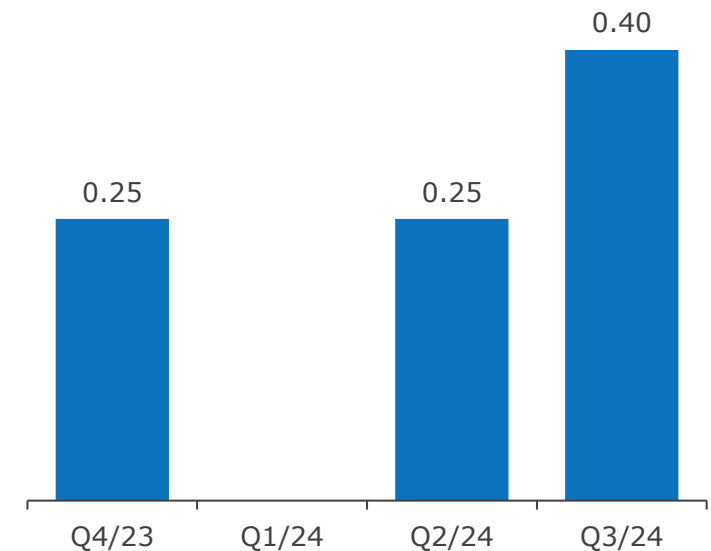


Third cash distribution of NOK 0.40/share proposed by the Board with payment in Q1/25, this takes LTM 2024 distribution to NOK 0.90/share



~45% of market capitalization distributed to shareholders since start of 2023\*\*

Announced distribution (NOK/sh)



# Summary

- Solid operational performance
- 20 months firm backlog provides good visibility
- Solid capital structure
- Excess cash being distributed to shareholders
  
- **Seabird Exploration gives shareholders**
  - **Strong visibility for growing cash distribution going forward**
  - **Low implicit value per vessel**



**Solid operational performance, strong earnings visibility and shareholder distribution**

**Q&A**



# Adjustments to EBITDA

USDk	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Reported EBITDA	4,376	4,567	2,018	-2,296	4,648	1,533	4,404
Green Minerals							
Write down of receivables							
Legal provisions				3,969			
<b>Adjusted EBITDA</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>	<b>4,404</b>