

# 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 3<sup>rd</sup> 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:

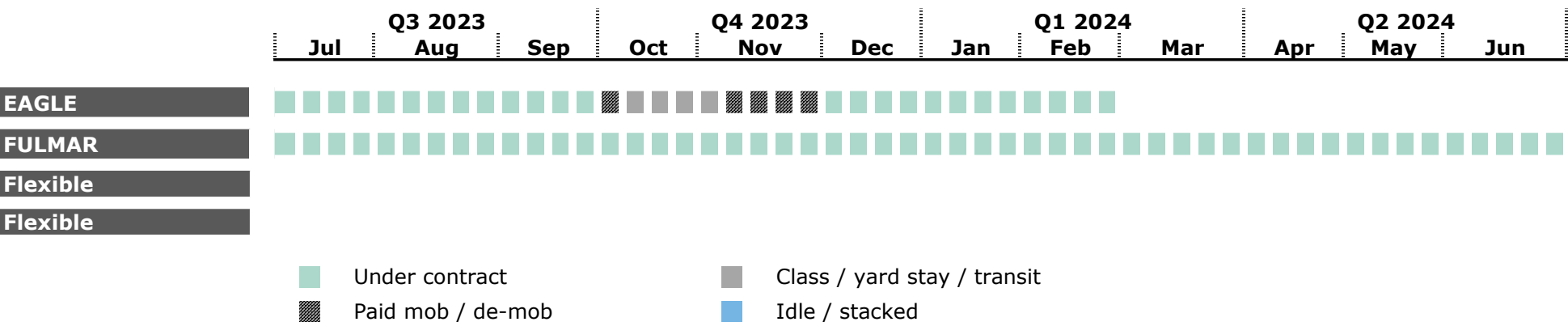
- Dividend amount: 0.25 per share
- Declared currency: NOK
- AGM: 6 June 2024
- Ex-date: 10 June 2024
- Record date: 11 June 2024
- Payment date: 24 June 2024

**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:

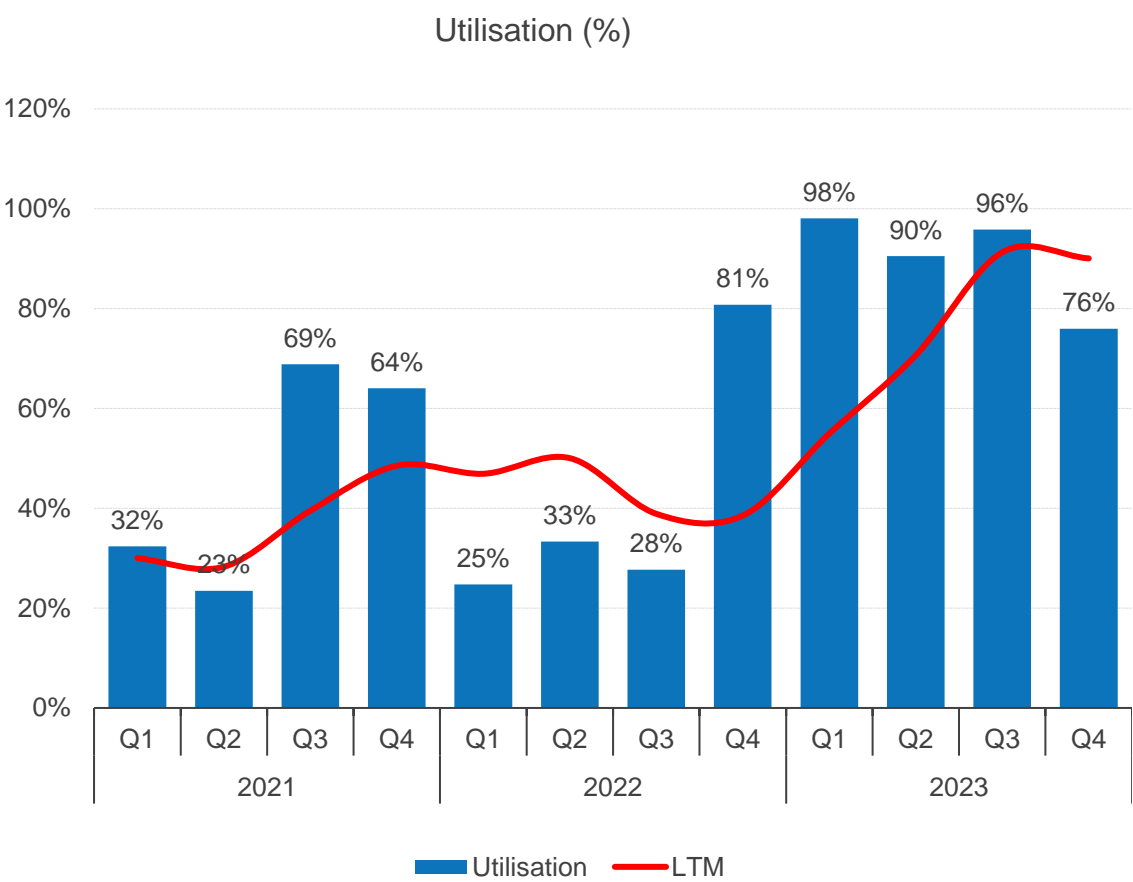
- **“Fulmar Explorer”**
  - In production
  - Employed until September 2025
- **“Eagle Explorer”**
  - Demobilizing to Singapore in anticipation of new work

## Positive outlook:

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



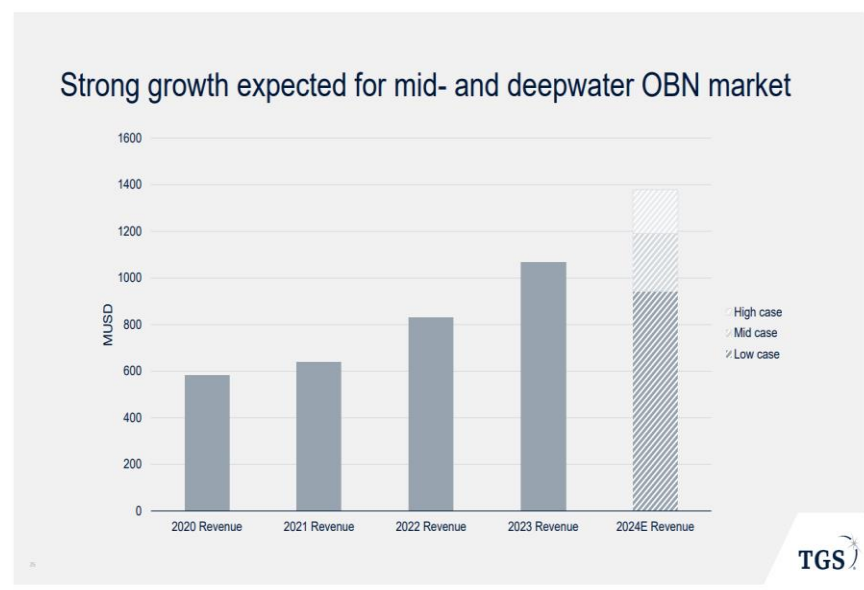
# Utilisation



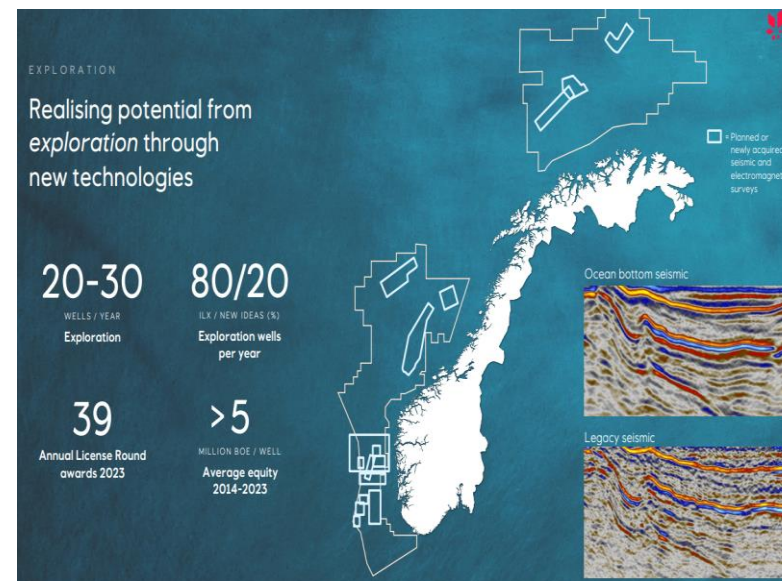
- Q4 utilisation was 76%
  - Fulmar has had 96% utilisation
  - Eagle 56% due to planned drydock performed in October / November
- Utilisation for the year was 90%

# OBN

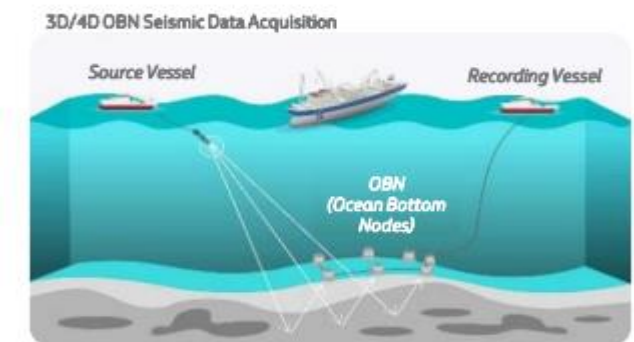
- The OBN market have gained market share of the total seismic market over the last few years
- Reasons for the increased adoption is oil companies focus infrastructure led exploration (ILX) and its superior image quality (further enhanced by AI)



Source: TGS Q4 2023 presentation



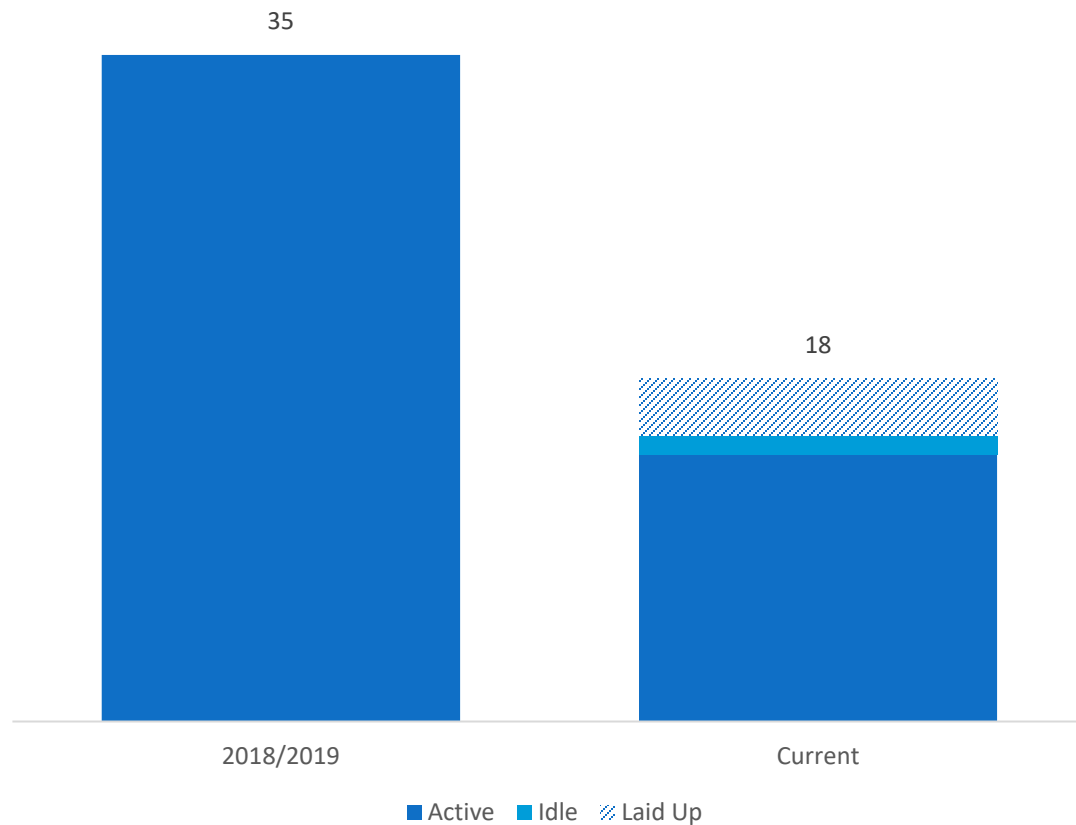
Source: Equinor CMD 2024



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%)

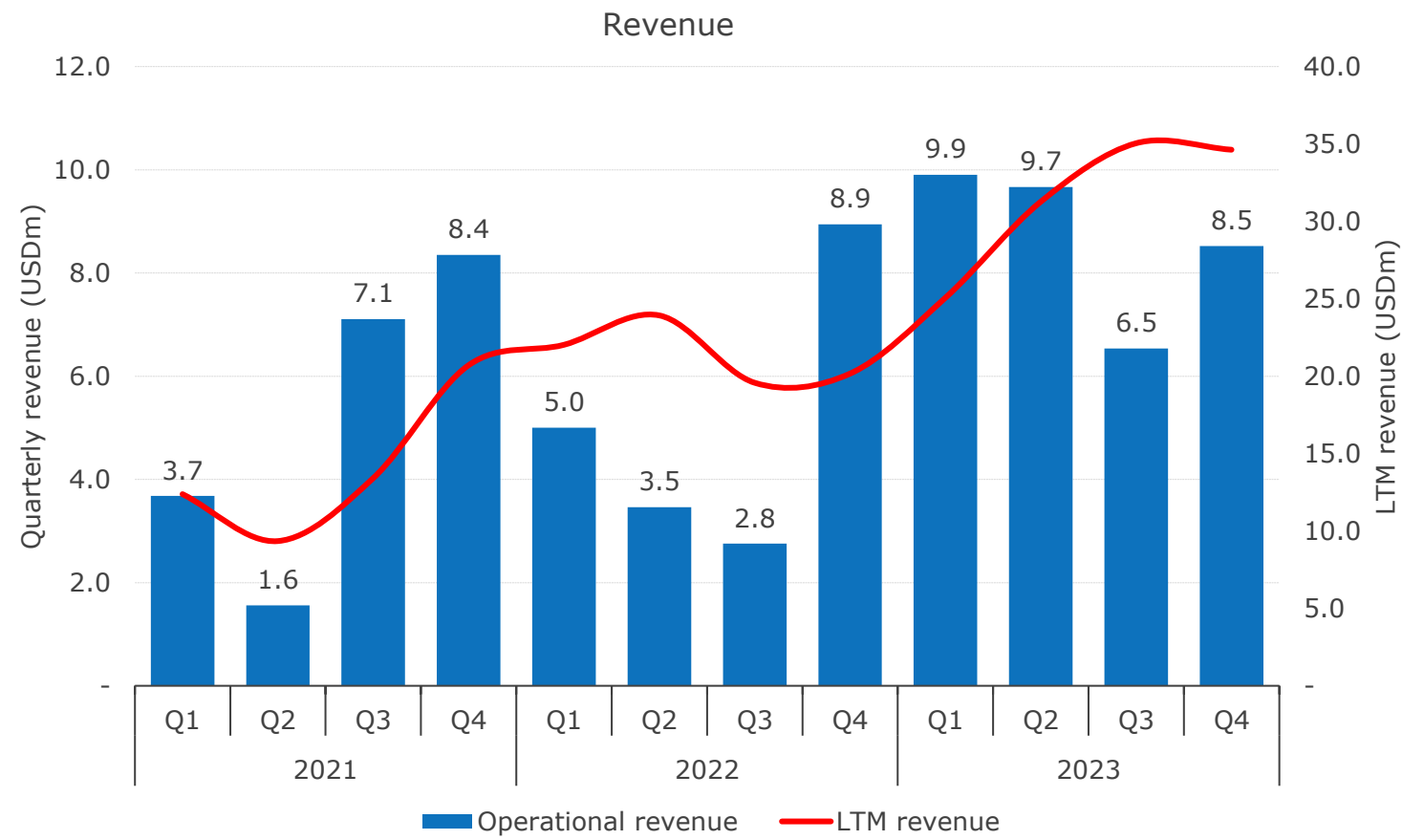
## **Guidance**

- 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

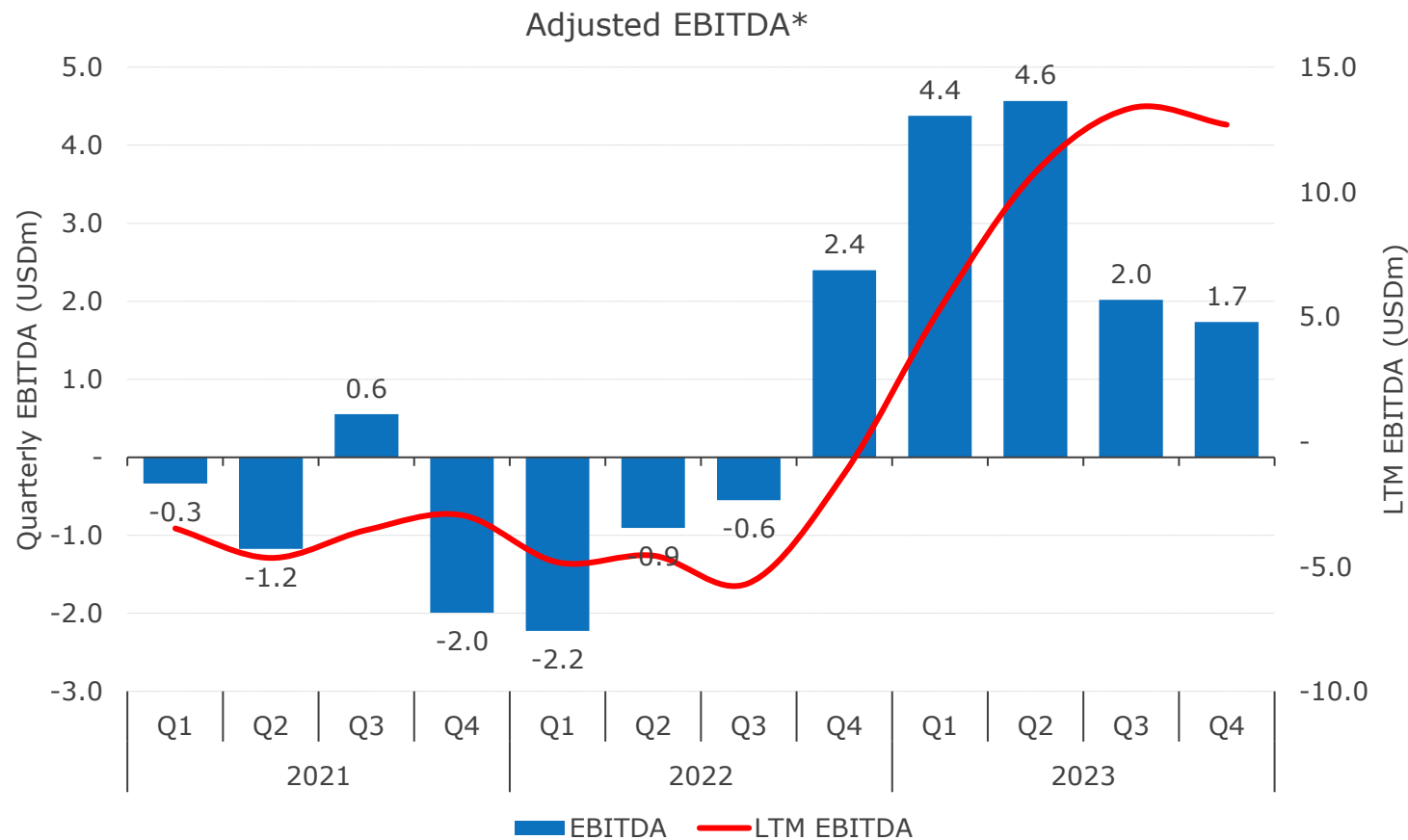
Key figures				
All figures in USD '000 (except EPS and equity ratio)	Quarters*		Full year*	
	Q4 2023	Q4 2022	2023	2022
Revenues	8,526	8,945	34,635	20,164
EBITDA	-174	-401	10,787	-1,275
EBIT	-1,982	-3,099	4,531	-9,617
Profit/(loss) for the period	-2,710	-3,828	6,787	-12,861
Earnings per share	-0.03	-0.05	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 Explore’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

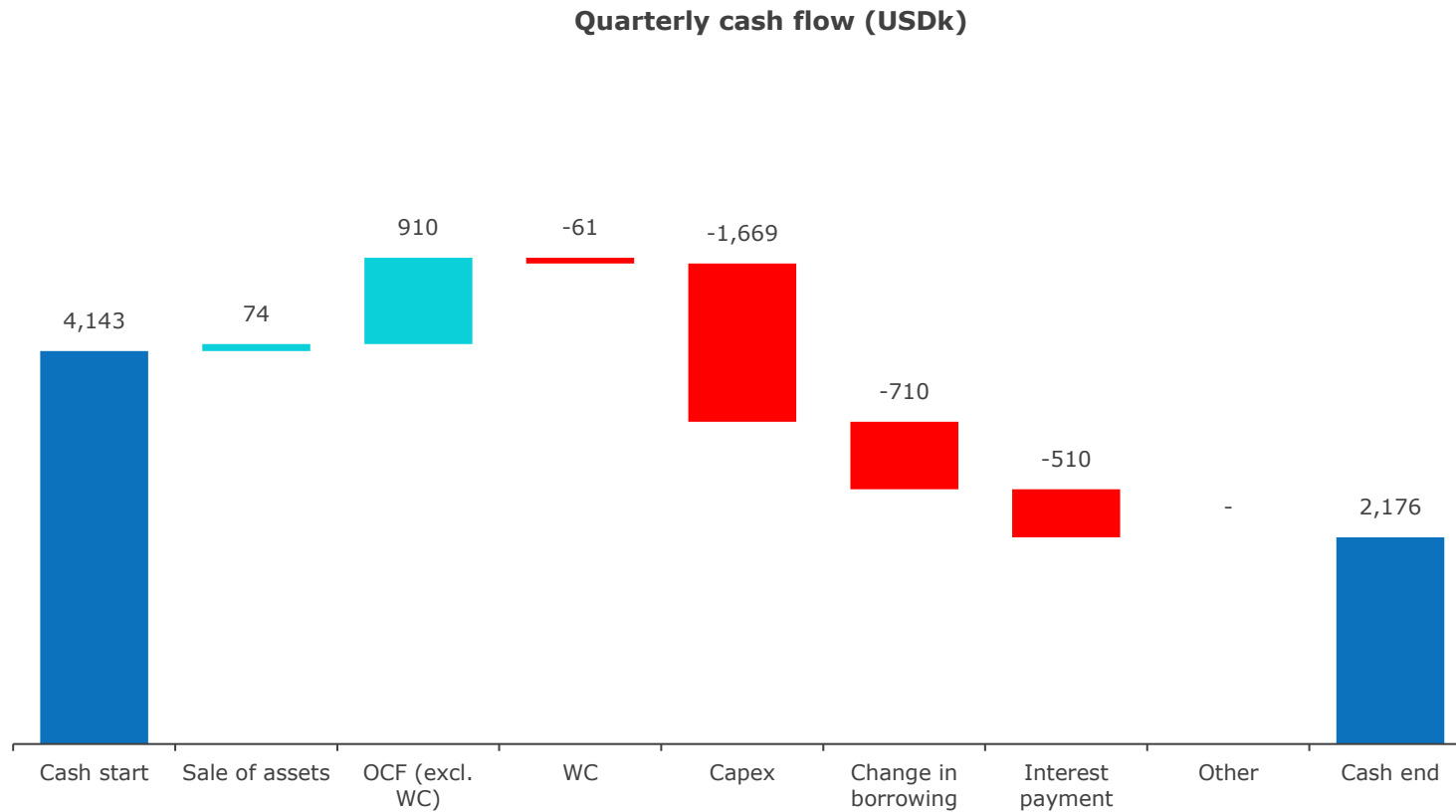


# EBITDA



- 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.

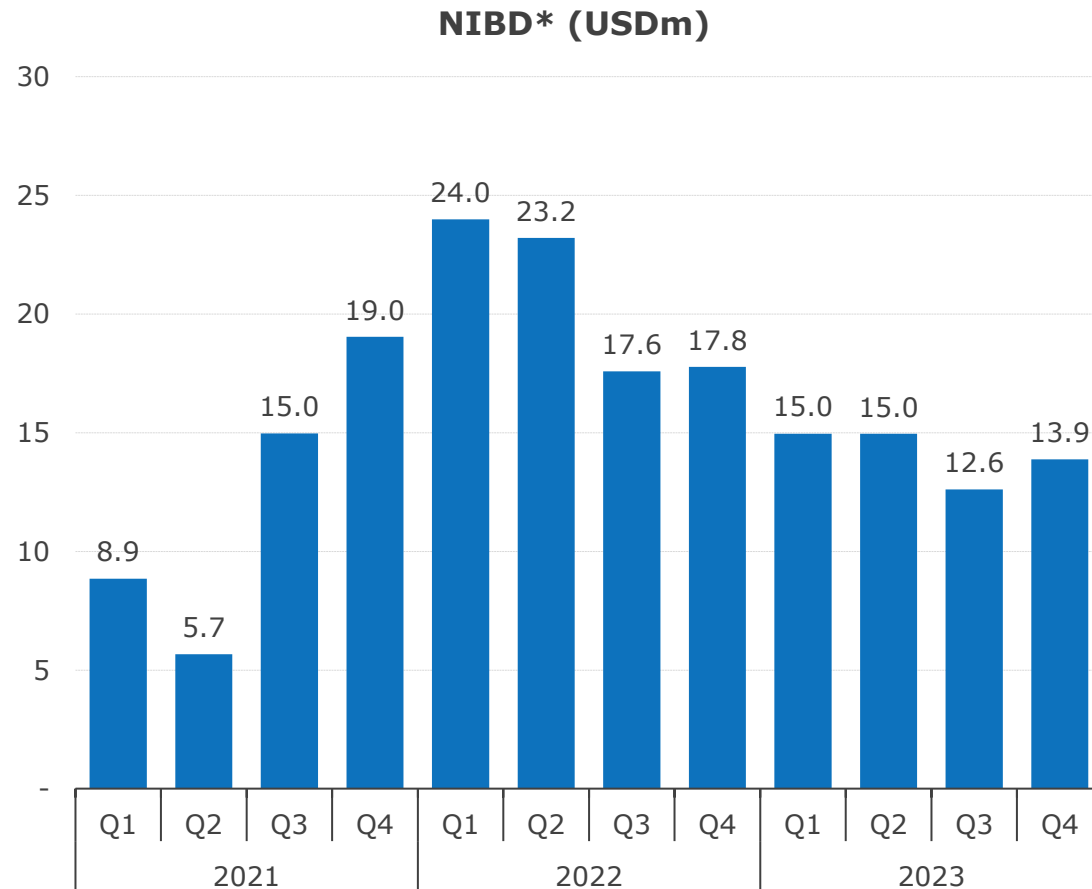
# Cash flow bridge



- 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
<b>Company EBITDA</b>	<b>41</b>	<b>28</b>	<b>20</b>	<b>28</b>	<b>15</b>	<b>19</b>
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
<b>Free Cash Flow to Equity</b>	<b>34</b>	<b>22</b>	<b>13</b>	<b>21</b>	<b>8</b>	<b>12</b>
<b>Dividend per share (NOK)</b>	<b>4,4</b>	<b>2,8</b>	<b>1,7</b>	<b>2,7</b>	<b>1,0</b>	<b>1,6</b>
<b>Dividend yield (NOK 4.63/share)</b>	<b>96 %</b>	<b>60 %</b>	<b>37 %</b>	<b>59 %</b>	<b>23 %</b>	<b>34 %</b>

- 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
<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>1,735</b>