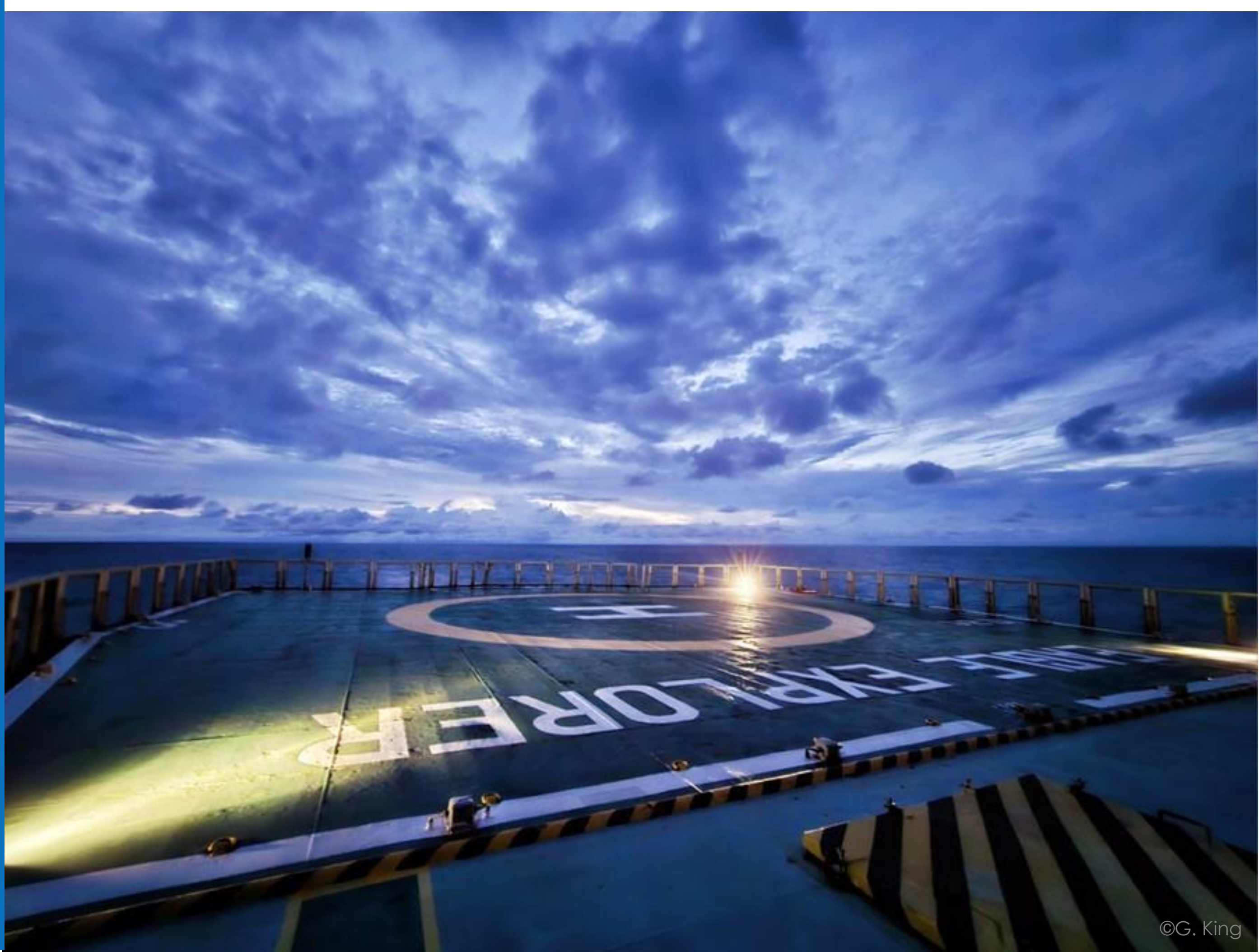
SeaBird Exploration Plc
Annual Report
2023



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Financial highlights for the Group

	Year ended 31 December	
All figures in USD 000's except equity ratio	2023	2022
Revenues	34,635	20,164
Cost of sales	-19,062	-19,036
SG&A	-3,969	-3,889
EBITDA*	8,665	-1,276
EBIT*	2,411	-9,617
Profit/(loss) for the period	3,127	-11,605
Capital expenditures	2,745	3,895
Total debt	16,234	16,287
Net interest-bearing debt*	14,058	15,436
Equity ratio*	50%	45%

Note see Note 34 in Consolidated Financial Accounts for definitions.*

Letter from the Chairman

I am very pleased to see Seabird Exploration report a positive net result for 2023 and would like to thank all our employees for your dedication and hard work.

The Q1 2023 spin-off of Green Minerals marked the final leg in the restructuring of the Group. Through the restructuring, we firmly believe we have right-sized the cost level, high-graded our capacity to industry-leading standards, amended our operating model to enable excellence in the product we deliver and rearranged into an appropriate funding structure. We are pleased to see these efforts finally beginning to show in the company`s numbers.

While we have succeeded in making long term OBN source work the backbone of the Company, the main challenge for 2024 is to further leverage on our considerable track record and capacity for 2D work. While being an erratic business, the increased need for energy security in many countries means the demand for 2D seismic will continue. The Company perceives competition to be low, providing a promising backdrop for strong profitability for the few who are left.

The structural growth in OBN continues unabated and the segment now constitutes more than 40pc of all offshore seismic activity, up from around 15pc before the large downturn in oil markets started in 2014. The OBN source market is in our opinion tighter now than it was at the last peak, but rates have failed to recover to previous highs of around USD 80,000 per day. We believe rates need to continue to improve, though, as seismic equipment & vessel economics are far from where they need to be to give an adequate return. Considering the extended downturn from 2014, vessel economics need to overshoot the "average" profitability just to catch up. Indeed, looking at the more than 50% reduction in vessel supply in the segments relevant to SeaBird and no newbuild orders in sight, the 60% or so growth in OBN demand over the same period implies that something has to give. That something is usually day rates.

Admittedly, while being a public company has many advantages, it can also create some constraints depending on how our equity is priced in the marketplace at any time. We continue to be strong advocates for the need for further consolidation in our industry, and believe recent trends support our argument. Notwithstanding this, we are confident that SeaBird Exploration following the restructuring is well positioned to take advantage of current trends in the energy markets. Recent industry-leading contract awards testifies to this. And we have both organization and equipment to do more in a market that is improving.

Seabird enters 2024 with a strong order backlog, a solid balance sheet and significant cash flow. Following a swift repayment of close to half the Company`s debt in 2022/23, our capital allocation focus has now turned to begin distributing cash to our shareholders. Indeed, in the Q4 2023 report we announced the first cash dividend in the Company`s history together with an unambiguous target to pay out all excess cash to shareholders on a quarterly basis going forward.

The Company continuously monitors opportunities that can support profitable growth under the constraints mentioned above.

Finally, I`d like to take this opportunity to thank everyone at SeaBird for your dedication and can-do-attitude. Always doing our utmost to deliver the best possible result to our clients keeps Seabird competitive. Let`s keep up the good work!

Thank you!

Sincerely,

Ståle Rodahl
Executive Chairman
SeaBird Exploration

Group Management

Finn Atle Hamre – Chief Executive Officer.
Position held from 2021.

Mr. Hamre has held the position as Chief Operating Officer of the company since June 2018, before taking over as CEO in 2021. Mr. Hamre has more than 25 years of experience in the Offshore Oil and Gas industry across both European and Asian markets. He has more than 15 years of experience in senior executive management positions including VP, MD, CCO and CFO. He holds a B.Eng. (Hons) in Naval Architecture, and a Master of Business Administration.

Sveinung Alvestad – Chief Financial Officer.
Position held from 2022.

Mr. Alvestad has joined the company as Director M&A in May 2021 and appointed CFO in August 2022. He has worked in investment banking for about 10 years, with a special focus on research on renewables and energy markets and companies. He holds a MSc in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU) in Trondheim. His engineering specialization is within electrical energy while the economics specialization is in investment, finance and financial management.

Board of Directors

Ståle Rodahl – *Executive Chairman of the board*

Ståle Rodahl has served 30 years in the financial industry, amongst others as a hedge fund manager and in various executive positions in the Investment Banking industry in New York, London and Oslo and in companies such as Alfred Berg, ABN Amro and ABG Sundal Collier. He has also served on the Board of Directors in companies in other industries. Mr. Rodahl holds a MSc with a major in Finance from the Norwegian Business School, BI with additional programs from London School of Economics (LSE) and NASD, New York.

Øivind Dahl-Stamnes – *Director*

Øivind Dahl-Stamnes has worked 36 years in the petroleum industry in Norway and internationally. He has held executive/management positions in Equinor and Esso/Exxon for more than 15 years within exploration and production operations. Recent assignments in Equinor include Vice President positions for the Troll field, the North Area Initiative and Partner Operated Licenses. He has also served as chairman and member of numerous Production License Management Committees for Equinor and Esso. Mr. Dahl-Stamnes holds a master's degree in geology from NTNU in Trondheim.

Sverre Strandenes – *Director*

Sverre Strandenes has worked more than 35 years in the oil and gas industry,and has extensive experience from the seismic industry. He obtained an MSc degree in geophysics from the University in Bergen in 1981. Following that, he held various positions in Norsk Hydro E&P division within the Research Center and the Exploration Department. In 1995 he joined PGS where he has held several senior/executive management positions, most recently as Executive Vice President Sales & Services.

Hans Christian Anderson – *Director*

Hans Christian Anderson works as a portfolio manager for one of the company's largest shareholders, Anderson Invest AS. He founded his first company when he was 18 years old and has a broad, international background as an investor in multiple industries. Mr. Anderson also serves on the board of directors of other companies.

Odd Sondre Svalastog Helsing – *Director*

Mr. Helsing currently holds the position as investment manager at MH Capital AS, the Company's largest shareholder. Mr Helsing has worked more than 11 years in finance and prior to joining MH Capital AS held the position as Co-Head of Equity and Sales at Clarksons Platou Securities. Mr. Helsing holds a bachelor's in economics and business administration from Norwegian School of Economics (NHH). He is a Norwegian citizen and resides in Norway.

Environmental, social, and corporate governance

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1. Sustainability governance

Sustainability governance in the shipping industry is a crucial element to ensure responsible and sustainable operations, considering the growing awareness of environmental and social issues. International organisations, such as the International Maritime Organisation (IMO), play a pivotal role in developing and implementing regulations to address the environmental impact of shipping activities. Examples include the International Convention for the Prevention of Pollution from Ships (MARPOL) and the Energy Efficiency Design Index (EEDI), which aim to set standards for pollution prevention and reduce greenhouse gas emissions.

Market-based mechanisms, including sustainability indices, sustainability-linked loans, and other financial instruments, can incentivise environmentally friendly behaviour in the shipping industry. Shipping companies also contribute to sustainability governance by integrating sustainable practices into their operations, developing policies, and reporting on their Environmental, Social, and Governance (ESG) performance.

Stakeholder engagement is another critical aspect of sustainability governance in shipping. Collaboration with customers, suppliers, governments, and NGOs helps shipping companies understand sustainability expectations and needs, fostering collaborative initiatives. Stakeholder engagement also builds trust and support, essential for long-term sustainability.

SeaBird Exploration acknowledges the inherent risks in the shipping industry related to pollution, spills, health and safety, and corruption. The company has implemented robust policies and controls to manage these risks, ensuring compliance with international and local laws. Oversight of SeaBird Exploration's ESG policy falls under the responsibility of the Board of Directors, which considers ESG issues throughout the year and reviews the Code of Conduct and corporate governance structure annually.

The Chief Executive Officer (CEO) oversees SeaBird Exploration's operations, with Technical Managers handling incidents on the front line. Regular training ensures that the team is equipped to carry out their duties in a vigilant and safe manner. Continuous monitoring and reporting allow for management follow-up, and significant cases are reported to the Board of Directors.

In alignment with the Norwegian Corporate Governance Code, SeaBird Exploration's commitment to sustainability is evident in its consideration of the United Nations' Sustainable Development Goals (SDGs). The company believes in contributing positively to the broader global agenda and collaborates with industry, customers, suppliers, investors, and regulators to make a meaningful contribution towards achieving the SDGs.

Material issue	Internal governance documents	International standards and references
Climate change	Environmental policy (HSE policy) SeaBird Exploration KPIs	The Paris Agreement The Intergovernmental Panel on Climate Change (IPCC) Initial IMO Strategy on Reduction of GHG Emissions from Ships
Air emissions	Environmental policy (HSE policy) SeaBird Exploration KPIs	IMO MARPOL Convention Annex VI EU Sulphur Directive 2016/802
Ecological impact	Environmental policy (HSE policy) SeaBird Exploration KPIs	UN Global Compact IMO MARPOL Convention Annex VI IMO Ballast Water Management Convention Hong Kong Convention
Anti-corruption	Company's Code of Conduct SeaBird Exploration KPIs	UN Global Compact The US Foreign Corrupt Practices Act and the UK Bribery Act
Employee health and safety	Company's Code of Conduct HSE policy SeaBird Exploration KPIs	UN Global Compact ILO Conventions Maritime Labour Convention, 2006 International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code) Hong Kong Convention Marine Crew Resource Management
Accident and safety management	Safety management system	International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code) Marine Crew Resource Management

2. Our approach to ESG and their integration into our strategy

SeaBird Exploration, a global provider of high-quality marine seismic data, places a significant emphasis on Environmental, Social, and Governance (ESG) factors within its operations. This ESG report, covering the period from January 1, 2023, to December 31, 2023, provides a comprehensive overview of the company's performance in environmental sustainability, social responsibility, and corporate governance across all regions of operation.

The commitment to ESG at SeaBird Exploration stems from the belief that responsible business practices not only benefit stakeholders but also contribute to the long-term sustainability of the business. The primary goal is to create value for shareholders while minimising environmental impact and positively contributing to local communities.

The report adopts a transparent and data-driven approach, leveraging internal and external data sources to evaluate performance against industry benchmarks and standards. SeaBird Exploration's commitment to ESG is evident in its strategy, policies, and operations, and the report serves as a demonstration of progress towards ESG goals. Recognising continuous improvement opportunities, the company remains dedicated to enhancing ESG performance in the years ahead.

The areas of focus include:

- Ensuring the safety of personnel.
- Establishing a profitable and sustainable business.
- Upholding good governance and adherence to regulations.
- Preserving the environment.

Aligned with the United Nations Global Compact's ten principles and the Sustainable Development Goals (SDGs), SeaBird Exploration's Sustainability Strategy aims to contribute to the SDGs by 2030. The company endeavours to report actions and initiatives in accordance with international standards and frameworks, inviting stakeholders to engage in its ESG journey and collaborate in building a sustainable future for the business and the broader community.

3. Environment performance

At SeaBird Exploration, we place a paramount emphasis on environmental sustainability and are unwaveringly committed to minimising our impact on the environment. Our environmental management strategy is shaped by the principles set forth in the United Nations Sustainable Development Goals (SDGs), with a specific and dedicated focus on SDG 13 (Climate Action) and SDG 14 (Life Below Water).

SeaBird Exploration recognises the vital role of the shipping sector in global trade and commerce and acknowledges its responsibility to contribute to Sustainable Development Goal (SDG) 13, which emphasises urgent action to combat climate change and its impacts. As a part of this commitment, SeaBird Exploration places a strong focus on environmental protection by meticulously monitoring and managing emissions, discharges, and spills that could pose environmental and ecological hazards within the shipping industry.

The company's comprehensive environmental policy encompasses various aspects, including environmental due diligence, carbon dioxide emissions, sulphur oxide emissions, nitrous oxide emissions, waste management, and spill prevention. SeaBird Exploration's adherence to the Ship Energy Efficiency Management Plan (SEEMP) and a robust accident reporting system ensures diligent and responsible operations. The company's ISO-certified Safety Management System aligns with the International Safety Management Code (ISM), ensuring compliance with international and local laws through proactive risk management, monitoring, and reporting.

Key focus areas for SeaBird Exploration include:

- Improving Energy Efficiency: Implementing measures to enhance the energy efficiency of vessels, such as optimising speed to reduce fuel consumption.
- Reducing Waste and Emissions: Adopting practices to minimise waste and emissions, including waste reduction and recycling programs, utilising low sulphur fuel, and employing ballast water treatment systems to prevent the spread of invasive species.
- Supporting International Cooperation: Engaging in and supporting international cooperation initiatives, such as those led by the International Maritime Organisation (IMO), to develop and implement policies and regulations aimed at reducing the environmental impact of the shipping sector.
- Encouraging Sustainable Supply Chain Practices: Collaborating with suppliers and customers to promote sustainable supply chain practices, including efforts to reduce emissions from cargo handling and transportation.

Through proactive measures in these areas, SeaBird Exploration actively contributes to mitigating the impacts of climate change and aligns with the goals of SDG 13, showcasing its commitment to environmental sustainability within the shipping industry.

Depleted reservoirs can be used to store carbon dioxide through carbon capture and storage projects, and seismic surveys contributes to map potential areas. SeaBird Exploration contributed to an OBN/source project in Malaysia, which is expected to reduce carbon dioxide volumes emitted via flaring by 3.3 million tonnes of CO2 equivalent per year, making it one of the largest offshore CCS projects in the world.

The shipping industry faces the imperative of managing emissions, discharges, and spills that could pose environmental and ecological hazards. These factors, if not handled with caution, can significantly impact air and water quality, as well as marine biodiversity. Recognising our responsibility to protect the environment, SeaBird Exploration diligently monitors and manages these risks to safeguard both the environment and our organisation.

SeaBird Exploration faces potential risks related to discharges and spills, necessitating effective risk management for success in our business and the market. Thorough reviews of environmental threats enable us to develop robust safeguards. To minimise the environmental impact of our operations, we employ monitoring and management tools that comply with international and local legislation. Annual audits by the Classification Society, in alignment with the ISM Code and, where applicable, ISO9001 and 14001 standards, further validate our commitment to environmental responsibility.

Oil spills can have devastating and prolonged effects on ecosystems. Consequently, SeaBird Exploration has implemented preventive measures and procedures to mitigate the risk of oil spills. In 2023, we are proud to report zero oil or environmental spills, showcasing the effectiveness of our preventive measures. We adopt a proactive approach, ensuring all vessels have Shipboard Oil Pollution Emergency Plans (SOPEPs) and that our crews are trained to respond swiftly and effectively in emergencies. Regular SOPEP drills maintain the readiness of our teams and equipment.

By embracing these measures, SeaBird Exploration not only protects the environment but also ensures the long-term sustainability of our operations. We remain committed to continual improvement, striving towards a future with zero spills.

In the realm of ballast water management, which is crucial for ship stability, SeaBird Exploration acknowledges the potential ecological threats posed by the discharge of ballast water containing harmful aquatic species. To address this concern, we adhere to the International Maritime Organisation's (IMO) Ballast Water Management Convention, employing authorised Ballast Water Management Plans and Ballast Water Management Systems (BWMSs) on our ships. These measures align with international standards, ensuring the safe and responsible discharge of ballast water and reflecting our commitment to environmental stewardship.

Ghost nets and marine debris

Marine debris, particularly ghost nets resulting from abandoned, lost, or discarded fishing gear, poses a significant environmental concern. Ghost nets can persistently ensnare and harm marine animals and underwater equipment, making them a potential threat during seismic surveys. In addition to the environmental impact, ghost nets can jeopardise survey equipment, leading to potential damage or delays in the survey process.

To address this issue, Seabird Exploration actively tackles ghost nets and other marine debris encountered during surveys. These items are inadvertently brought to the surface during operations and are carefully collected, stored on vessels, and subsequently disposed of in port. The entire process, including the recovery and disposal of debris, is meticulously logged within our safety management system.

In 2023, the Eagle Explorer has recorded over 44 instances of debris being retrieved and appropriately handed over for proper disposal. This commitment reflects our dedication to environmental responsibility and minimising the impact of our operations on marine ecosystems.

Furthermore, Seabird Exploration has implemented specific procedures and protocols to reduce the generation of marine debris during surveys. These include the proper disposal of any debris retrieved during the survey and the implementation of measures to secure and maintain equipment, minimising the risk of loss or breakage. These efforts contribute to our commitment to sustainable practices and the preservation of marine environments during our seismic survey operations.

Noise emissions

Seabird Exploration actively takes measures to mitigate the impact of acoustic noise generated by seismic vessels on marine animals, particularly in environmentally sensitive areas. The company has implemented specific operating protocols when navigating through such regions. To further ensure the protection of marine life, Seabird Exploration deploys protective species observers on board and utilises passive acoustic monitoring.

In the year 2023 alone, our commitment to environmental stewardship resulted in 57 instances where seismic surveys were temporarily halted due to the presence of protective species in the proximity of the project area. These measures underscore our dedication to responsible and sustainable practices that prioritise the well-being of marine ecosystems and wildlife.

4. Social performance

This section offers comprehensive insights into Seabird Exploration's labour practices, health and safety policies, and community engagement initiatives. Additionally, it outlines the company's endeavours to foster diversity and inclusion in the workplace, alongside its human rights policies.

HSE performance

In the realm of offshore operations, where inherent safety and security hazards abound, SeaBird Exploration places paramount importance on meticulous management to safeguard crewmembers, vessels, cargo, and the environment. Anchored in a zero-accident policy, the company operates in strict accordance with the International Safety Management (ISM) Code, as delineated in target 3.9.

Recognising safety and security as pivotal elements of its operations, SeaBird Exploration pledges to accord them the highest priority. The zero-accident policy serves as the bedrock of the company's risk management approach, supported by robust systems and procedures. Crewmembers undergo comprehensive training to equip them with the necessary skills and knowledge for effective risk identification and management.

Adherence to the ISM Code is integral to SeaBird Exploration's operations, offering a comprehensive framework for safety and security management in the maritime industry. Regular audits and inspections ensure compliance with the Code's provisions, with prompt corrective action taken when necessary.

Acknowledging responsibilities beyond its own operations, SeaBird Exploration collaborates closely with various stakeholders, including industry groups and regulatory authorities, to champion best practices and enhance safety and security across the industry.

In summary, SeaBird Exploration navigates the inherent hazards of offshore operations with a dedicated commitment to careful management, prioritising the well-being of crewmembers, vessels, cargo, and the environment. The company's zero-accident policy and adherence to the ISM Code form the core of its approach, as it actively collaborates with stakeholders to promote industry-wide best practices and elevate safety and security standards.

At SeaBird Exploration, the safety and well-being of our onshore and offshore workers are paramount. Our enduring commitment to health and safety is integral to our sustained success. We acknowledge the intrinsic safety and security hazards associated with offshore operations for our crew, vessels, cargo, and the environment, prompting the adoption of a zero-accident policy and strict compliance with the ISM Code.

To effectively manage risks, we have instituted comprehensive procedures to assess all known threats to our ships and crew. Encouraging a culture of reporting, our crew members are prompted to share all accidents, events, and near misses, with managerial support in place. Leveraging the OCIMF guidelines for Lost Time Incidents and Total Recordable Cases and Frequency, we conduct a thorough analysis of incidents across our entire fleet, identifying root causes to enhance future operations.

In 2023, we recorded only four first aid, all associated with poor situational awareness. Notably, we achieved zero Lost Time Incidents (LTI) and zero recordables during this period. Our commitment to continuous improvement in safety measures ensures that our workers operate in a safe and secure environment, further solidifying our dedication to their well-being.

Human and labour rights

At our company, we maintain a steadfast commitment to upholding universally accepted human rights, guided by the UN Guiding Principles on Business and Human Rights (UNGP). The validity of our operational license hinges on our consistent respect for the fundamental human rights of workers, clients, customers, societies, governments, and other stakeholders, as stipulated in targets 8.7 and 8.8.

Recognising that safeguarding and promoting human rights is integral to the sustainable and responsible conduct of our business, we firmly embed our principles in the UNGP—a comprehensive framework ensuring businesses' adherence to human rights. We are devoted to integrating these principles into all facets of our operations, encompassing hiring and training practices, supply chain management, and community engagement.

We acknowledge that upholding human rights demands ongoing commitment and a dedication to continuous improvement. Accordingly, we routinely review our policies and practices to align them with the latest standards and best practices. Collaboration with diverse stakeholders ensures the effectiveness and meaningful impact of our endeavours.

In summary, our company is wholly committed to upholding universally recognised human rights in accordance with the UN Guiding Principles on Business and Human Rights. We firmly believe that respecting human rights is imperative for the responsible conduct of our business, and we are resolute in continually enhancing our policies and practices to meet the highest standards.

At SeaBird Exploration, we prioritise the protection of human rights and align our actions with internationally declared standards. We recognise the significance of corporate support and respect for human rights, committing to uphold these principles across all facets of our operations. Our policies and practices are grounded in the UN Guiding Principles on Business and Human Rights, extending to all stakeholders, including workers, clients, customers, society, government, and others.

As a testament to our commitment to human rights, we ensure compliance with the Maritime Labour Convention (MLC 2006) on all our vessels. Each vessel holds a certificate affirming adherence to the standards outlined in this convention. Additionally, we have forged a special agreement with the International Transport Workers' Federation (ITF) to regulate seafarer working conditions. We take the well-being of our employees seriously, recognising their fundamental right to work in a safe and healthy environment.

We vigilantly monitor our operations to prevent engagement in any activities that violate human rights. Our robust systems are designed to identify, prevent, and mitigate potential risks. Collaborating closely with stakeholders, including local communities and authorities, allows us to address concerns promptly and uphold human rights.

In summary, SeaBird Exploration is committed to respecting human rights and ensuring that our operations align with internationally declared standards. We prioritise the well-being of our employees and collaborate with stakeholders to prevent any potential breaches of human rights.

Diversity and equality

5 GENDER EQUALITY

At SeaBird Exploration, our unwavering commitment is to establish a diverse and inclusive workplace that champions equality. Aligned with our dedication to achieving Sustainable Development Goal #5 (Gender Equality), we recognise diversity as a powerful driver of long-term value development. We firmly believe that a workforce with varied backgrounds and experiences fosters creativity and facilitates astute business decisions, enabling us to adapt swiftly to evolving markets and situations.

In our pursuit of an inclusive workplace, we have instituted a Code of Conduct that delineates standards and guidelines for our crew members to adhere to. Our company strictly prohibits discrimination based on various factors such as sex, ethnicity, colour, age, religion, sexual orientation, marital status, national origin, disability, heritage, political opinion, or any other basis. We take deviations from external legislation or our internal guidelines seriously, and any such instances or concerns should be reported directly to the nearest manager or in accordance with our complaint's procedures.

Acknowledging the predominantly male composition of the maritime industry, with women comprising only 2% of the world's 1.2 million seafarers, as reported by the International Maritime Organisation (IMO), and with 94% working in the cruise industry, we aim to contribute to a more gender-diverse industry by striving for balance in the gender composition of our workforce.

In 2023, SeaBird Exploration achieved an average gender distribution offshore of 3%. Recognising the untapped potential associated with gender parity, we believe that achieving a more balanced workforce is crucial. In our office, the gender distribution stands at 38% women and 62% men.

In conclusion, SeaBird Exploration is an equal opportunity employer committed to fostering diversity and inclusivity. We prohibit discrimination against any employee and expect our crew to adhere to our Code of Conduct. Our commitment extends to contributing to a more gender-diverse industry, and we are resolute in achieving gender parity within our workforce.

Training and development

4 QUALITY EDUCATION

Recognising the vital role of investing in training and development for organisational strength, SeaBird Exploration affirms its commitment to providing personnel with opportunities for learning and growth. This commitment is viewed not only to enhance productivity and efficiency but also as a catalyst for promoting safe operations.

SeaBird Exploration adopts a systematic approach to training and development, ensuring that personnel possess the requisite skills and knowledge to excel in their roles. The strategic alignment of individuals with appropriate positions through training contributes to the delivery of meaningful and inclusive work, thereby contributing to overall success.

The company takes pride in cultivating a culture of learning and development, viewing investments in personnel growth as indispensable for organisational stability and the achievement of long-term goals. As a testament to its commitment to education and training in the maritime sector, SeaBird Exploration extends opportunities for cadets to gain hands-on experience aboard its vessels.

Supporting the next generation of seafarers, SeaBird Exploration emphasises the importance of contributing to their education and development. Bringing cadets on board provides them with practical knowledge and skills that complement classroom learning, creating invaluable experiences crucial for their education and future careers in the industry.

The company remains dedicated to promoting education and training opportunities for all individuals interested in pursuing maritime careers. By facilitating cadets' experiences on its vessels, SeaBird Exploration actively contributes to nurturing the next generation of skilled and knowledgeable seafarers.

5. Governance performance

This section furnishes details on Seabird Exploration's corporate governance procedures, encompassing insights into its board composition and methods for risk management. Additionally, the company may outline its internal control mechanisms and articulate its guidelines for upholding ethical business practices.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our company is unwavering in its commitment to upholding human rights and advocating for universal labour standards. We actively instil responsible conduct among our employees through the alignment of our values, policies, and procedures with the principles of target 16.1. The prohibition of corruption is strictly enforced within our organisation, aligning with our commitment to target 16.2. We strongly encourage our staff to report any concerns they may have, fostering a culture of transparency and accountability.

Ethical business conduct

SeaBird Exploration maintains the highest standards of ethics and integrity throughout its business operations. This commitment is clearly articulated in the company's Code of Conduct, which adheres to the most stringent regulations and industry recommendations, including the OSEBX.

Recognising that robust governance and risk management structures are integral to achieving commercial success and generating long-term value for stakeholders such as employees, owners, and society, SeaBird Exploration prioritises transparency, reliability, and accountability in its reporting and communications.

To ensure that employees are well-prepared with the necessary training and reporting channels, the company has established robust policies and procedures for incident reporting and follow-up. SeaBird Exploration is fully dedicated to operating safely and in compliance with local laws and regulations, communicating the implications of relevant legislation to employees through comprehensive training programs.

The company remains steadfast in its dedication to promoting effective, accountable, and inclusive institutions at all levels of the organisation, recognising their pivotal role in building a sustainable future.

Code of Conduct

SeaBird Exploration's unwavering commitment to transparency, accountability, and ethical conduct permeates every facet of its operations. The company ensures compliance with all laws and regulations in the jurisdictions where it operates, even in areas with underdeveloped frameworks for human rights and corruption. Employees are held to high standards of integrity and honesty, irrespective of any personal or organisational conflicts of interest. Notably, SeaBird Exploration's activities align with the goals of Sustainable Development Goal 8, emphasising the promotion of decent work and economic growth.

In order to guarantee that all individuals associated with SeaBird uphold these elevated standards of behaviour and business practices, the company has formulated a comprehensive Code of Conduct. This document delineates the company's principles and expectations on crucial matters such as human and labour rights, health and safety, business ethics, and legal compliance. The Code of Conduct is readily accessible on the company's website, integrated into the Safety Management System, and included in the orientation for new employees. Furthermore, it serves as a standard addendum in every significant contract that SeaBird Exploration enters into with third parties.

Whistleblowing

SeaBird Exploration places a high value on fostering a culture of transparency and effective communication, recognising their pivotal role in achieving organisational objectives. In line with this commitment, the company has formulated a Whistleblowing Policy designed to offer support to all employees and contractors willing to report any concerns related to the company's activities. This includes actions or incidents that may violate the law, the company's Code of Conduct, or other policies.

To promote a conducive environment for reporting, SeaBird Exploration has instituted secure channels for reporting incidents and whistleblowing. The company actively encourages employees to feel comfortable bringing forth any concerns. Colleagues can confidentially report critical issues by sending an email to whistle@sbexp.com.

SeaBird Exploration wants to assure its employees and contractors that the company and its representatives are committed to non-retaliation against anyone who reports a concern through this channel. It's noteworthy that, as of now, there have been no reports made through this whistleblowing channel.

Anti-bribery and corruption

SeaBird Exploration firmly opposes corruption and bribery within the shipping industry, recognising the detrimental impact these practices can have on social and economic development. They pose risks to the safety of shipping crews, increase legal and reputational liabilities, and contribute to elevated costs. To address these concerns, SeaBird Exploration has established a zero-tolerance policy against bribery and corruption at all stages of its operations, as outlined in its Code of Conduct.

In actively managing corruption risks, the company closely monitors operations in high-risk countries and refrains from making port calls in any of the nations ranked in the bottom 20 of Transparency International's Corruption Perception Index for the year 2023. Moreover, SeaBird Exploration ensures that no facilitation payments were made in 2023 and reports no instances of non-monetary sanctions imposed on the company.

Demonstrating a commitment to transparency and anti-corruption efforts, SeaBird Exploration employs various measures to combat corruption. All personnel undergo mandatory anti-corruption training to enhance awareness of corruption issues and equip them with the skills to navigate potential bribery challenges.

Supply chain management

SeaBird Exploration operates with the highest level of integrity and expects all its business partners to adhere to similarly stringent ethical standards. Before committing to any significant undertakings or large-scale projects, we make sure to gather sufficient information about potential collaborators to assess the risk of corruption or human rights issues.

The extent of due diligence conducted on a specific business associate is directly proportional to the degree of cooperation involved. Consequently, we may undertake a comprehensive due diligence investigation on potential partners, evaluating any potential reputational concerns. Prior to each engagement, we screen key suppliers, such as shipping agents and commercial agents, and mandate their completion of a thorough due diligence checklist.

In an effort to improve supplier compliance and streamline management, we are currently in the process of implementing new procedures for onboarding, supplier management, and the tendering and selection of chase vessels. All vendors must certify that they have read and comprehended SeaBird Exploration's policies, including the Code of Conduct, to ensure a collective commitment to ethical standards.

Corporate governance

Openness and confidence are crucial elements in effective corporate governance, and SeaBird Exploration acknowledges the significance of cultivating transparency and trust among various stakeholders. These stakeholders encompass shareholders, the board of directors, executive management, employees, customers, suppliers, government agencies, and the public.

6. Targets and progress

This portion delineates the ESG objectives and aspirations of the organisation, along with its advancements in achieving these objectives.

Annually, we establish or sustain a series of crucial indicators or goals related to various facets of sustainable development, and the listed Key Performance Indicators (KPIs) reflect these efforts.

KPI	SDG	Target 2024
LTI	SDG 3	0
TRCF	SDG 3	< 1
Total injury rate	SDG 3	< 1
Intervention rate	SDG 8	> 1034
Training hours	SDG 4	> 7059
Retention rates	SDG 8	> 90%
Experience rates	SDG 4	> 90%
Spill	SDG 14	0
Garbage	SDG 14	Reduction from 2023
Emissions	SDG 13	> 80%
Supplier evaluation	SDG 16	> 50

Due to the variable nature of our projects and the fleet size impacting our operations, establishing emissions targets proves challenging. Consequently, we've formulated specific parameter configurations for engines and compressors outlined in the Ship Energy Efficiency Management Plan (SEEMP). Optimal settings, referred to as "green seismic operation" or "green transit," are identified based on the operational context. Our Key Performance Indicator (KPI) centers on the frequency of utilising these eco-friendly configurations. We monitor and assess these targets quarterly. Additionally, we've implemented the Maress engine settings monitoring system, enabling us to correlate engine load with operations. This facilitates engine trim adjustments, reducing emissions in the process.

7. Future goals and plans

In recent times, there has been a growing demand for sustainable development practices within the energy industry, and Seabird Exploration has taken strides in this direction by implementing various initiatives. Here are some areas where Seabird Exploration can enhance its sustainable development efforts in the future:

1. Minimise greenhouse gas emissions: Seabird Exploration is committed to reducing its greenhouse gas emissions by adopting measures such as employing more efficient engines settings and decreasing fuel consumption during operations.
2. Integrate sustainable practices into operations: The company aims to diminish its environmental footprint by incorporating sustainable practices, including waste reduction, utilisation of eco-friendly materials, and the promotion of recycling.
3. Foster collaboration with stakeholders: Seabird Exploration intends to promote cooperation with stakeholders, such as governments, NGOs, and local communities, to ensure that its operations are sustainable and devoid of adverse impacts on the environment and local communities.
4. Advocate sustainability in the supply chain: Seabird Exploration seeks to instil sustainability within its supply chain by partnering with suppliers committed to sustainable practices and sourcing environmentally friendly materials and equipment.

In essence, Seabird Exploration places a high priority on sustainable development across all facets of its operations, ranging from lessening its environmental impact to engaging in collaborative efforts with stakeholders to guarantee sustainable and mutually beneficial outcomes.

8. Stakeholder engagement

Stakeholder involvement plays a pivotal role in the sustainable development strategy of companies such as Seabird Exploration. As a global marine seismic data acquisition firm, Seabird Exploration operates in diverse regions, necessitating interactions with various stakeholders, including governments, NGOs, local communities, employees, and customers.

To ensure sustainable development, Seabird Exploration employs several approaches in engaging with stakeholders. A key method involves regular dialogue with local communities, governments, and NGOs. Collaboration with governmental bodies and non-profit organisations is integral for adhering to regulations, identifying, and mitigating environmental and social risks, and advocating responsible practices.

Seabird Exploration extends its engagement efforts to employees through diverse initiatives, ensuring they are well-informed about the company's sustainable development policies and practices. This includes providing training on environmental and social issues, encouraging employees to report concerns, and acknowledging their contributions to sustainable development.

In addition to primary stakeholders, Seabird Exploration actively involves its customers in the process. Collaborating closely with customers allows the company to grasp their needs, recognise areas for improvement, and endorse responsible practices within the energy industry.

Overall, Seabird Exploration's commitment to stakeholder engagement serves as a mechanism to identify and mitigate environmental and social risks, foster responsible practices, and cultivate trust and support from its stakeholders. Through these efforts, the company not only builds a reputation as a socially responsible and environmentally conscious entity but also attracts and retains customers, employees, and investors who prioritise sustainable development.

9. Disclaimer and assumption for the ESG reporting

The information provided relies on the most trustworthy data accessible during the reporting period. Although ESG disclosures offer a glimpse into the handling of sustainability risks, there are instances where certain data may be approximated.

10. Appendix: Sustainability accounting norms

Topic	Accounting metrics	Unit of measure	Data 2022	Data 2023	Reference
Climate risk and climate footprint	Scope 1 GHG emissions	Metric tonnes CO_2-eq.	15 597	24 192	GRI 305-1 SDG 13
Air pollution	Sulphur emissions (kg)		5 718	7 176	MARPOL Annex VI Reg. 14
	Other air emissions	Metric tonnes (t)	NO_x: 197	NO_x: 304	GRI 305-7 SDG 3 MARPOL Annex VI Reg. 13 and 14
Ship recycling	Responsible ship recycling	Text/figure	N/A	N/A	SDG 8, 12 and 14 EU ship recycling regulation (EU 1257/2013)
Ecological impacts	Shipping duration in marine protected areas and areas of protected conservation status	Number of travel days	0	0	GRI 304-2 SDG 14
	Number of aggregate volume of spills and releases to the environment	Number, cubic meters (m^3)	0	0	GRI 306-3 SDG 14
Accidents, safety and labour rights	Lost time incident frequency (LTIF)	Rate	0	0	GRI 403-9 SDG 3 and 8 IMO ISM code
	Diversity	Percentage (%)	At the end of 2023, the diversity mix was 62% men and 38% women in the office, roughly the same as end of 2022		GRI 405-1 SDG 5 and 10
	Labour rights	Text	Maritime Labour Convention (MLC) certification on all managed vessels		GRI 102-41 SDG 8
	Port state control	Number of deficiencies	0	0	SDG 8 and 14
	Marine casualties	Number	0	0	SDG 8
Business ethics	Corruption risk	Number of value	0	0	SDG 16
	Facilitation payments	Number	0	0	SDG 16
	Fines	Figure Reporting currency	$300	0	GRI 419-1 SDG 16
ESG governance	Policies and targets	Text	Code of Conduct, HSE policy, whistle-blower procedure		GRI Disclosure of Management Approach

Activity metric	Unit of measure	Data 2022	Data 2023
Number of unique shipboard individuals	Number	205	198
Total distance travelled by vessels	Nautical miles (nm)	49464	50181
Operating days	Days	365	365
Number of vessels in total shipping fleet	Number	3	2

Transparency Act

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1. Background

The Transparency Act came into effect on July 1, 2022, and requires several Norwegian companies to have a relationship with how their business operations may impact fundamental human rights and decent working conditions. The background for this law is a clear expectation from the authorities, society, and clients that businesses should act with increased responsibility throughout their value chain.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and delivery of services.

The purpose of this report is to provide stakeholders and other interested parties with insight into SeaBird Exploration's operations and performance, including financial, environmental, and social aspects. The report provides information on our strategies, goals, and achievements, as well as any challenges or risks the Group face. The purpose of this report is also to comply with reporting and transparency requirements from authorities or regulatory bodies, as well as to improve SeaBird Exploration's reputation and trust among stakeholders and society as a whole.

The scope of this report will focus on the company's policies and practices related to respecting human rights throughout its operations and supply chain. The report includes information on:

- Human rights risks and impact assessments
- Policies and procedures related to human rights, including any codes of conduct or standards adopted by the Group
- Training and awareness-raising activities for employees and suppliers related to human rights
- Grievance mechanisms for addressing human rights abuses or violations
- Due diligence processes for identifying and mitigating human rights risks in the supply chain
- Performance indicators and targets for improving the company's human rights practices over time.

Overall, the report provides a comprehensive and transparent account of the company's human rights practices, including any shortcomings or areas for improvement.

2. Explanation of the act

The Norwegian Transparency Act (offisielllovdata.no/lov/2020 06-19-43) was first passed in June 2020 and became effective on January 1, 2021. The Act aims to promote transparency and accountability in Norwegian business operations, particularly in relation to supply chains and human rights. It requires large companies to report on their efforts to identify and address risks of negative impacts on human rights, including forced labor, child labor, and other human rights violations, in their operations and supply chains.

In June 2021, the Norwegian Parliament passed an amendment to the Transparency Act (Prop. 161 L (2020-2021)) to extend the reporting requirements to include environmental risks and impacts. The amendment requires large companies to report on their efforts to identify and address environmental risks and impacts in their operations and supply chains, including greenhouse gas emissions, waste management, and water use.

The reporting requirements under the Transparency Act apply to companies with more than 250 employees or with an annual turnover exceeding NOK 70 million (approximately USD 8 million) and are required to be included in the annual report or in a separate report published on the company's website.

The Norwegian government has stated that the Transparency Act is part of its broader efforts to promote sustainable business practices and protect human rights and the environment.

3. Objectives of the act

The objectives of the Norwegian Transparency Act are to promote transparency and accountability in business operations, with a particular focus on identifying and addressing risks of negative impacts on human rights and the environment in supply chains.

The Act requires large companies to report on their efforts to identify and address these risks, including forced labor, child labor, and other human rights violations, as well as environmental risks and impacts, such as greenhouse gas emissions, waste management, and water use.

By requiring companies to report on these issues, the Act aims to increase awareness and understanding of the potential human rights and environmental impacts of business operations and supply chains, and to encourage companies to take steps to prevent and mitigate these risks. The Act also aims to provide stakeholders, including investors, clients, and civil society organizations, with information to help them make informed decisions about companies and their practices. Ultimately, the objective of the Transparency Act is to promote sustainable business practices and protect human rights and the environment.

4. Requirements for compliance

To comply with the Transparency Act, companies must provide a report that includes the following information:

1. A description of the company's policies and practices for identifying and addressing risks of negative impacts on human rights and the environment in its operations and supply chains.
2. An assessment of the company's actual and potential negative impacts on human rights and the environment, including an analysis of risks and impacts in its supply chain.
3. A description of the measures the company has taken to prevent and mitigate negative impacts on human rights and the environment, including information on due diligence processes, risk assessments, and remediation efforts.
4. A description of the company's engagement with stakeholders, including workers, local communities, and civil society organizations, to identify and address

risks of negative impacts on human rights and the environment.

5. A description of the company's monitoring and evaluation mechanisms for assessing the effectiveness of its measures to prevent and mitigate negative impacts on human rights and the environment.
6. A statement of assurance by the company's management that the report is accurate and complete.

The Transparency Act requires that the report be included in the company's annual report or in a separate report published on the company's website. Companies that fail to comply with the reporting requirements may be subject to fines or other sanctions.

5. Impact on businesses

The impact of the Norwegian Transparency Act on businesses depends on the specific company and its operations. However, in general, the Act has several potential impacts on businesses, including:

Increased awareness and understanding of human rights and environmental risks: The reporting requirements of the Transparency Act require companies to conduct a thorough assessment of their operations and supply chains to identify and address risks of negative impacts on human rights and the environment. This increases the awareness and understanding of potential risks and impacts and encourages companies to take steps to prevent and mitigate them.

Increased transparency and accountability: The Transparency Act requires companies to provide detailed information on their policies, practices, and efforts to prevent and mitigate negative impacts on human rights and the environment. This increases transparency and accountability and helps stakeholders, including investors, clients, and civil society organizations, make informed decisions about companies and their practices.

Reputational risks: Companies that fail to comply with the reporting requirements or are found to have negative impacts on human rights or the environment could face reputational risks, which could harm their brand and affect client and investor confidence.

Increased costs: Companies may need to invest in additional resources, such as staff or systems, to comply with the reporting requirements of the Transparency Act. This could result in increased costs for businesses.

Overall, the impact of the Norwegian Transparency Act on businesses is likely to be positive in the end, as it encourages sustainable business practices, protects human rights and the environment, and promotes transparency and accountability. However, in the short term, some companies may face challenges in complying with the reporting requirements and implementing measures to prevent and mitigate negative impacts on human rights and the environment. It is important for businesses to proactively assess their operations, identify risks, and develop strategies to address them in order to navigate the impact of the Transparency Act effectively.

6. Steps taken to comply with the act

SeaBird Exploration is a company managing ships and as such obliged to follow the International Safety Management Code (ISM), which means we need to have a safety management system. This system provides us with a tool for among others handling of controlled documents as policies, procedures, etc. Our section of governance documents contains:

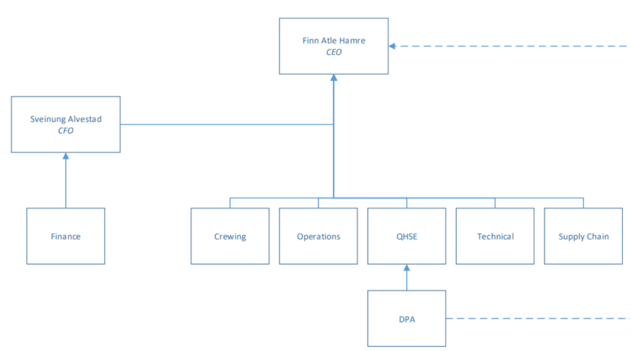
- Code of conduct
- Mission statement
- Policies on:
    - Anti-harassment
    - Health, safety, and environment
    - Quality
    - Right to refuse work
    - Security
    - Smoking
    - Substance abuse
    - Whistle-blower
    - Working alone

Risk assessments are an integral part of how we do business. Already on tender stage, a risk assessment is performed, where the following areas of activities are assessed: opportunities, general, client, health, safety, security, environment, CSR, emergency response and contingency, technology and equipment, logistics, subcontractors/partners, operation, maritime, legal, and contractual, finance, personnel, and ICT. Within CSR the following are considered: local content requirements, politically inconvenient regime, child labor, medevac facilities and possibilities, local CSR regime and local information campaign.

SeaBird Exploration's values:

1. **Integrity:** We treat everyone involved in the organization - staff, stakeholders, and customers alike - with dignity and respect. We are truthful and candid and endeavor to keep our promises and deliver on our commitments.
2. **Commitment:** We are committed to creating a culture that values individual and collective energy, spirit, leadership, creativity, and innovation.
3. **Excellence:** In everything the group do, we search for excellence and continuous improvement to ensure client satisfaction and business success.

Organization



Whistleblowing

SeaBird Exploration has developed a policy for whistleblowing in order to prevent or detect and correct improper activities, encourage all SeaBird employees and contractor personnel to report what he or she in good faith believes to be a material violation of law or policy or questionable business or financial activities by any SeaBird employees. This includes members of line management and senior management and ensures that a formal reporting process is established, and to protect Reporting Individuals from retaliatory action.

This procedure is also available for external parties, for example suppliers, and can be reached on our public webpage.

SeaBird Exploration conducts yearly internal and external audits to ensure that we follow our own and regulatory standards.

Training

SeaBird Exploration has pre-defined training requirements for both office and vessels. All job descriptions define what is expected in terms of education and experience. In addition, a matrix of required training to be taken ad hoc or annually is part of our safety management system, and subject for yearly review. The latest additions to the training matrix concern cyber security and anti-corruption.

Management system

As a ship management company, SeaBird is controlled by regulators to have a safety management system in place. This system is approved by Class society and is subject to yearly audit, both internal and external. In addition, are we audited by clients and contractors on a regular basis. The safety management systems contain among others document control, incident reporting, management of change, risk assessments, system of permit to work and all our processes and procedures. All processes and procedures are reviewed on an annual basis. The safety management system also includes handling and follow-up of any findings from any kinds of audits.

Handling of deficits

Any kind of incidents or deviation from our standard operations shall be reported and analyzed with the purpose of improving health, safety, environmental, security and quality performance. The process covers the reporting requirements defined in the ISM Code, ISPS Code, MLC, ISO standards. All personal injuries, spills, property damages, non-conformities and near-misses shall be reported and considered for investigation as per SeaBirds Incident Management Matrix.

Knowledge sharing

The group's safety management system allows the possibility to distribute the acquired knowledge within in the fleet. This is encouraged through procedures, and the question is automatically raised through the handling of incidents. For safety observations, the possibility would be same, in addition good practice and improvement suggestions are categories to be used.

Definition of risk parameters

Risk parameters for human rights violations in the supply chain may vary depending on the industry and geographic area. However, some common risk parameters are:

- Geographical location: Certain areas may have a higher risk of human rights violations, such as countries with poor human rights records, areas with political unrest or conflict, or areas with high labor migration.
- Working conditions: Poor working conditions can lead to human rights violations, such as forced labor, child labor, unfair wages, long working hours, hazardous working conditions, or lack of union rights.
- Environmental issues: Irresponsible environmental practices can also lead to human rights violations, such as pollution of water, air, and soil, or destruction of natural areas and indigenous lands.
- Business practices: Some business practices can also have a negative impact on human rights, such as corruption, bribery, or exploitation of the company's power to pressure suppliers.
- Political involvement: Some companies may also be involved in political activity that can lead to human rights violations, such as support for authoritarian regimes or illegal activities that may threaten human rights.

It is important to identify these risk parameters to be able to map and address potential risks in the supply chain to ensure that the company and its suppliers comply with international human rights standards.

SeaBird Exploration has developed a questionnaire to be used for evaluation of suppliers. The questionnaire contains questions on their quality management system, health and safety, environmental management system, corporate social responsibility (CSR) and financial information. The CSR part has the following questions:

- Is your company certified with social accountability management system?
- Does your company have in place a policy commitment to respect human rights?
- Does your company carry out a human rights due diligence (e.g. a human rights impact assessment) as appropriate to your size and context of operation?
- Has your company ever been subject of an investigation or been accused of violating the FCPA, UK Bribery Act or any applicable anti-corruption laws or engaging in any practice which could be construed as an improper payment to a public official.
- Does your company have policies in place to foster a work environment free from abuse, threats and mistreatments?
- Does your company have procedures in place that ensure only hiring employees with a minimum age in accordance with local laws corresponding to the ILO conventions?
- Do you provide training to your employees aimed at anti-corruption?

- Do you acknowledge the right of workers to adopt collective bargaining?
- Does your company have policies that ensure that new and existing workers are not discriminated against on the grounds of race, sex, age, colour, religion, disability, sexual orientation and ethnicity?
- Does your company have policies on workforce conditions that ensure reasonable working hours and fair remunerations corresponding to ILO conventions?
- Does your company have policies that ensure all workers are provided holidays and leave to which they are legally entitled?

In addition to the questions above, the suppliers are asked to provide relevant policies, whether they are certified by renowned certification organizations like ISO, FPAL, etc. If they are not, additional information is requested.

Code of conduct

SeaBird Exploration has developed its own Code of Conduct, which is available on our website. Our Purchase Orders (PO) refer to this published Code of Conduct and by accepting our orders, our suppliers also accept our Code of Conduct.

Audits

SeaBird have a system in place to conduct regular audits of our suppliers. In 2023, four companies were audited, one vendor, two manning agencies and one agent. There were no findings related to the purpose of the Transparency Act

Data from 2023

In 2023, the team identified 193 unique suppliers from 21 different countries. The different countries are listed below along with their scores in different human rights indexes. The amount of money spent in the different countries are also listed, and the number of suppliers in the different countries.

Country	Freedom House*	HDI*	CPI***	Unified value (USD)	Number of companies
Australia	95	0.951	75	9 563	1
Bulgaria	79	0.795	45	20 876	4
Canada	98	0.936	76	3 000	1
Cyprus	92	0.896	53	300 290	9
Czech Republic	92	0.889	57	38 515	1
Denmark	97	0.948	90	76 519	5
Finland	100	0.940	87	18 857	2
France	89	0.903	71	362 308	4
Germany	94	0.942	78	212 678	6
Greece	86	0.887	49	216	1
India	66	0.633	39	897 084	5
Italy	90	0.895	56	24 557	1
Malaysia	53	0.803	50	880 064	5
The Netherlands	97	0.941	79	1 943	2
Norway	100	0.961	84	2 941 560	70
Poland	81	0.876	54	37 255	3
Singapore	47	0.939	83	2 222 854	20
Sweden	100	0.947	82	174	1
UAE	18	0.911	68	23 141	4
UK	93	0.929	71	1 874 019	15
USA	83	0.921	69	1 438 227	33

*)https://freedomhouse.org/countries/freedom-world/scores
**)https://hdr.undp.org/data-center/human-development-index#/indicies/HDI
***)https://www.transparency.org/en/cpi/2022

As SeaBird's business is part of a highly technical industry, most of the suppliers either deliver spare parts or technical services on board the vessels. These parts or services are very specialized and there are few to none alternatives, Regardless, they are part of the screening process as outlined earlier. On the feedback of the questionnaire, all suppliers have responded satisfactorily, and control both themselves and their own suppliers. So far, the team have received feedback from 45 of the suppliers. Unfortunately, not all suppliers reply, even after several reminders. Numbers of delayed feedback have decreased in the last months.

This is the second year SeaBird reports on the transparency act, unfortunately the company started quite late in 2022 sending out the questionnaire, implying that for example the groups activity in Egypt ended before this work started. Identifying Egypt as the country among the suppliers with the highest risk for human right violations, this should have been recognized earlier.

7. Challenges faced

The main challenge encountered has been to receive feedback on questionnaires in a timely manner. The nature of SeaBirds operation can be hectic, and suppliers need to be reminded to return the questionnaire. Some of the suppliers are very specialized, and without a real competitor, and can therefore permit to omit feedback. However, as more and more companies are in the same situation, standardized questionnaires should be considered developed, as this can be a time-consuming exercise.

As SeaBird Exploration is a small company with few employees, the handling of input or actions to be taken to control our suppliers is quite challenging. Efforts are being made to involve a major part of the organization in order to seek the needed information from our suppliers.

8. Solutions to overcome challenges

For the group to overcome the identified challenges, more involvement from the entire SeaBird Exploration organization has been needed. This has had a positive effect where the organization has a deeper understanding of the necessity to control the suppliers.

9. Successes achieved

It was difficult to identify any successes in the implementation, both because the compant had difficulties in getting feedback from the suppliers, and also, because those they did receive feedback from, report that their policies follow the intention of the transparency act. As vendors have gotten more familiar with the requirements, SeaBird do see that a number of replies have gone up, but they are still lacking relevant information which requires additional follow-up from SeaBird side.

10. Improved supply chain transparency

Transparency plays a crucial role in risk mitigation by providing a clear view of the supply chain. Businesses can proactively identify vulnerabilities like single-source dependencies, or geopolitical risks. Armed with this information, companies develop contingency plans, diversify suppliers, and build resilience against disruptions such as natural disasters, trade disputes, or supplier bankruptcies.

Ethical and sustainable practices are promoted through supply chain transparency. Compliance with labor standards, environmental regulations, and responsible sourcing principles can be verified. Understanding the conditions under which products are manufactured empowers organizations to ensure fair wages, safe working conditions, and environmentally responsible operations. Furthermore, transparency facilitates the identification of potential human rights abuses, promoting social responsibility throughout the supply chain.

Improved transparency leads to increased efficiency in supply chain operations. Insight into production cycles, transportation routes, and inventory levels enables better planning and optimization. Identifying areas of inefficiency, such as excess inventory or underutilized transportation capacity, allows for corrective actions. Moreover, closer collaboration with suppliers fosters improved communication and coordination, streamlining processes and reducing costs.

Transparent supply chains simplify regulatory compliance. Accurate and auditable records regarding product origins, certifications, and adherence to safety and quality standards aid in meeting stringent regulations. Proactive identification and resolution of non-compliance issues minimize the risk of fines or penalties while demonstrating commitment to regulatory frameworks.

In summary, improved supply chain transparency empowers businesses to make informed decisions, mitigate risks, improve operational efficiency, promote sustainability, and build trust with clients. By effectively addressing challenges and adapting to market demands, organizations gain a competitive advantage in today's globalized and socially conscious marketplace.

11. Increased efficiency in operations

Improved efficiency in operations encompasses various aspects that contribute to streamlining processes, optimizing resource utilization, and eliminating wasteful activities within the supply chain. Supply chain transparency plays a vital role in achieving these efficiencies.

Transparency fosters closer collaboration and communication with suppliers. By sharing information, organizations can work closely with suppliers to synchronize activities, improve lead times, and reduce delays. Strong supplier relationships facilitate faster response times, ensure reliable supply, and enable efficient problem-solving when issues arise.

Through supply chain transparency, companies can identify and optimize processes. By visualizing the flow of information and cash across the supply chain, organizations can identify areas of inefficiency and implement process improvements. Streamlining processes reduces lead times, eliminates waste, minimizes errors, and improves overall productivity.

Transparent supply chains provide visibility into transportation routes, modes, and costs. This information allows businesses to optimize transportation logistics, choose the most efficient routes, and consolidate shipments when possible. Efficient transportation planning minimizes transit times, reduces fuel consumption, optimizes capacity utilization, and lowers transportation costs.

Transparency is often achieved through the integration of digital technologies, such as supply chain management systems, real-time tracking tools, and data analytics platforms. These technologies enable seamless information sharing, automation of manual tasks, and data-driven insights. By leveraging technology, organizations can streamline operations, reduce errors, and improve overall efficiency.

By focusing on these aspects and leveraging the benefits of supply chain transparency, businesses can optimize their operations, reduce costs, improve customer satisfaction, and gain a competitive edge in the market.

The benefits of improved supply chain transparency align with the objectives of transparency acts and regulations. Transparency acts are legislative measures implemented by governments to promote greater visibility and accountability within supply chains. These acts aim to ensure that businesses operate ethically, maintain responsible practices, and provide accurate information to clients.

Transparency acts often emphasize the importance of ethical and sustainable practices within supply chains. Improved transparency enables businesses to verify compliance with labor standards, environmental regulations, and responsible sourcing principles. By providing visibility into supply chain operations, these acts promote the adoption of fair wages, safe working conditions, and environmentally responsible practices.

Transparency acts aim to empower clients by providing them with accurate information about the products they purchase. Supply chain transparency enables businesses to trace and communicate product origins, manufacturing processes, and other relevant details to clients. This information builds trust, enhances client confidence, and enables them to make informed choices based on their values.

Transparency acts encourage businesses to identify and mitigate risks within their supply chains. Improved transparency provides companies with a clear view of potential vulnerabilities and disruptions, such as single-source dependencies or environmental risks. By proactively addressing these risks, businesses can enhance their resilience, reduce the impact of disruptions, and ensure the continuity of their operations.

These acts often require businesses to comply with specific reporting and disclosure requirements. Improved supply chain transparency facilitates compliance by providing accurate and auditable records of activities, certifications, and compliance with safety and quality standards. By promoting transparency, these acts ensure that businesses adhere to regulatory frameworks and maintain accountability.

Supply chain transparency contributes to operational efficiency, which is aligned with the goals of transparency acts. By providing visibility into inventory levels, demand patterns, and production schedules, transparency enables businesses to optimize processes, reduce waste, and streamline operations. These efficiencies help companies comply with regulations, minimize costs, and enhance overall performance.

In summary, the benefits of supply chain transparency closely align with the goals and objectives of transparency acts. By promoting ethical practices, empowering clients, mitigating risks, ensuring compliance, and optimizing processes, supply chain transparency contributes to the overarching objectives of transparency legislation.

12. Enhanced client trust

Transparency acts play a significant role in enhancing client trust and confidence in companies. When businesses prioritize supply chain transparency and comply with relevant legislation, it fosters trust among clients. Here's how transparency acts contribute to building enhanced client trust:

Firstly, transparency acts require businesses to provide clients with access to information about the products they purchase. This includes details about sourcing, manufacturing processes, and relevant certifications or standards followed. By providing this information, businesses empower clients to make informed decisions based on their values and preferences. Access to reliable and accurate information builds confidence in the products they buy and the companies they support.

Clients increasingly expect businesses to operate with social responsibility and ethical practices. Transparency acts encourage companies to disclose their efforts in these areas, such as fair labor practices, responsible sourcing, and environmental sustainability. When clients see that a company is transparent about its commitment to these values, it establishes trust and reassurance that the business is operating ethically and responsibly.

Transparency acts hold companies accountable for their actions and require them to disclose relevant information about their supply chains. When businesses comply with these regulations, they demonstrate their commitment to transparency and accountability. This commitment reassures clients that the company is reliable and trustworthy, as it is willing to be transparent and open about its operations.

Transparent supply chains create a foundation for building long-term relationships with clients. When businesses openly share information about their supply chain practices and demonstrate responsible behavior, it establishes a sense of trust and loyalty among clients. Transparent companies are more likely to attract and retain customers who value transparency and socially responsible practices, leading to stronger and more sustainable customer relationships.

In summary, transparency acts contribute to enhancing client trust by ensuring businesses provide accurate information, demonstrate social responsibility, and establish accountability. By embracing transparency and meeting the requirements of these acts, companies can build a strong foundation of trust with clients, leading to increased customer loyalty, and a competitive advantage in the market.

13. Potential for increased sales and revenue

Improved supply chain transparency, facilitated by transparency acts, has the potential to positively impact sales and revenue for businesses. Here's how increased transparency can contribute to sales growth and revenue generation:

Firstly, many clients today actively seek out companies that demonstrate transparency and ethical practices. By being transparent about their supply chains, businesses can attract a growing segment of clients who prioritize transparency, sustainability, and social responsibility. This client preference for transparent companies can lead to increased sales as clients choose products from companies they trust and perceive as responsible.

Supply chain transparency can provide a competitive advantage in the market. When businesses are transparent about their sourcing, manufacturing processes, and adherence to regulations, it differentiates them from competitors. Transparent companies are often seen as more trustworthy, credible, and socially responsible, which can give them an edge in customer acquisition and retention. This competitive advantage can translate into increased market share, higher sales, and revenue growth.

Transparency acts reflect the evolving expectations of clients. As these regulations become more prevalent and companies comply with them, clients come to expect transparency as a standard practice. By meeting these expectations and providing the transparency clients desire, businesses can attract and retain customers who value such practices. Meeting client expectations leads to customer satisfaction, positive word-of-mouth recommendations, and increased sales.

When companies are transparent about their supply chains, they demonstrate a commitment to integrity, ethical practices, and client well-being. This transparency fosters a positive reputation, which can attract new customers and reinforce loyalty among existing customers. A strong reputation positively influences purchase decisions, resulting in increased sales and revenue.

Transparency acts often extend beyond national borders, with global regulations focusing on supply chain transparency. By embracing transparency and complying with these regulations, businesses can expand their reach into new markets. Transparent supply chains can help overcome barriers to entry and gain the trust of clients in new regions, driving sales growth and revenue expansion.

Supply chain transparency can also have an impact on investor confidence. Investors increasingly consider environmental, social, and governance (ESG) factors when making investment decisions. Companies with transparent supply chains are perceived as lower-risk and more attractive investments. Enhanced investor confidence can result in increased funding, capital, and resources that contribute to business growth and revenue generation.

It is important to note that the actual impact on sales and revenue will depend on various factors such as industry, target market, competitive landscape, and the effectiveness of transparency initiatives. However, by embracing transparency and meeting the expectations of clients and stakeholders, businesses can position themselves for increased sales and revenue opportunities.

14. Recap of key points

In conclusion, SeaBird has a system in place to identify suppliers and risk-assess the potential exposure to companies violating human rights. The safety management system also provides the opportunity for logging, follow-up and addressing any breach of our code of conduct. Further and more diligent work is ongoing to secure quality feedback from our suppliers, and through this process, employees have a higher awareness of the objective of the Transparency Act.

15. Future implications of the act

Going forward, the company believe that the focus from Norwegian companies, will make it easier to have questionnaire returned from suppliers, if they are more used to receive them. The major EU companies have good procedures in place now, and we expect minor EU companies and other regions to follow in the future.

16. Recommendations for advances

Considerable effort is invested in completing forms from companies with whom SeaBird collaborates with suppliers, as well as in following up on responses from our own suppliers. It would be highly advantageous if government officials could develop a standardized form, streamlining these processes and promoting efficient feedback.

Management Report

This Management Report is prepared for Seabird Exploration PLC (alone or together with its subsidiaries referred to as "Seabird" or "Company" or "Group").

1.1 Operating activities

2023 was a year of high activity with full utilisation on both vessels. During the year the Company managed to secure new long-term contract for one of its vessels and to keep employment of both vessels through the year.

The Eagle Explorer completed a 2D survey in India in June and started a Source project in Malaysia in direct continuation. Thereafter the vessel completed scheduled 5-yearly Class renewal and continued with a 2D project on Malaysia which was completed on end February 2024.

The Fulmar Explorer was fully committed throughout the year and has secured contract commitment until end August 2025.

Seabird's majority of shares in Green Minerals AS were distributed to its shareholders on 25 January 2023. As at 31 December 2022 Green Minerals AS was recognised as discontinued operation.

1.2 Seismic services outlook

During 2023 the demand remained high with some normal seasonal fluctuations and towards to the end of year the market stabilized.

In the seismic market, SeaBird operates in two segments: 2D and OBN source. OBN is primarily related to increased recovery from producing fields and seismic spending the last couple of years has largely been allocated to improved oil recovery (IOR) from producing fields as well as near-field exploration.

This has resulted in a commensurate increase in source vessel demand related to ocean bottom seismic surveys. The ocean bottom seismic (OBS) market is still expected to be a core market for the company and is therefore less sensitive to fluctuations in oil price than conventional 2D and 3D seismic.

Contract prices are improving compared to previous years and expected to increase gradually, especially if 2D activity continues to increase, with the majority of the relevant global fleet being allocated either to OBN source or 3D. The company has an upgraded modern, versatile, and competitive fleet of 2 owned vessels plus the ability to outfit additional further vessels.

1.3 Quality, Health, Safety, and Environment

We are guided by our commitment to quality, health, safety, and environment (QHSE).

SeaBird's operating management system is central to the company's performance evaluation process and is fully endorsed and supported by senior management through the company's policies.

In addition to quality, the system ensures safe operations. The company had none Loss time incidents (LTI) in 2023.

SeaBird's detailed analysis of past performance ensures that continual improvements are being made to QHSE procedures and also ensures that set QHSE targets for 2023 are achievable. Focal points for 2024 is to continue to streamline operations without compromising on health, safety, environment, and quality.

Our management system is certified to ISO 14001:2015 (environmental management systems), ISO 9001:2015 (quality management systems) and ISO 45001:2018 (occupational health and safety management systems).

All SeaBird vessels comply with the requirements of the International Safety Management code and the Marine Labor Convention 2006.

The company continues to work actively on minimizing its impact on the environment. We strive to achieve the highest levels of environmental awareness and operational competency. Continual improvement is achieved by developing ever more stringent internal environmental plans and targets annually. No environmental incidents were recorded in 2023.

Established QHSE processes ensures the company:

- ✓ Provides a safe, healthy work environment both offshore and onshore;
- ✓ Continuously improves operational performance and quality;
- ✓ Deliver its services promptly and cost effectively
- ✓ Considers the environment in all aspects of its operations

1.4 Transparency act

The Transparency Act came into effect in Norway on July 1, 2022, and requires several Norwegian companies to have a relationship with how their business operations may impact fundamental human rights and decent working conditions. The background for this law is a clear expectation from the authorities, society, and clients that businesses should act with increased responsibility throughout their value chain.

SeaBird Exploration, as an ISO-certified company has already developed routines to identify and manage risk in our day-to-day operations, where negative impacts on human rights and the environment in supply chains are identified. We have developed a questionnaire, where among others forced labour, child labour and other human rights violations, as well as environmental risks and impacts are addressed. One of the challenges encountered is to have the questionnaires returned in a timely manner, but so far we have not identified any negative impacts on neither human rights nor environment. SeaBird Exploration has a system in place to address and handles any non-compliance to our code of conduct. We also carry out in-house audits to verify the compliance of our suppliers (in 2023, 4 [four] companies where audited). In 2023, we have used 193 different suppliers, and we have received feedback from 45 (forty-five) of these. Please see the separate transparency act section for more information.

1.5 Interaction with the capital market

25 January 2023, the company completed the distribution of its shares in Green Minerals AS to its shareholders.

1.6 Financial calendar

6 June 2024	Annual General Meeting
15 May 2024	First quarter report
15 August 2024	Half-year report
13 November 2024	Third quarter report
20 February 2025	Fourth quarter report
30 April 2025	Annual report 2024

1.7 20 largest shareholders' table

Investor	No. of shares 31.12.2023	% of total
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	5,075,301	6.3%
Storfjell As	3,255,775	4.0%
Whiterock Capital As	2,500,000	3.1%
Myrseth	2,436,999	3.0%
Grønland	2,062,759	2.6%
Europa Link As	1,887,129	2.3%
Sigstad	1,810,000	2.2%
North Sea Group As	1,760,000	2.2%
Kfs As	1,210,000	1.5%
Hubris Industrier As	1,208,333	1.5%
Nordnet Livsforsikring As	1,060,028	1.3%
The Bank Of New York Mellon Sa/Nv	1,006,096	1.3%
F Storm As	953,122	1.2%
Håland	850,000	1.1%
Mp Pensjon Pk	679,816	0.8%
Ps Investments As	655,344	0.8%
Blueberry Capital As	647,830	0.8%
Total number owned by top 20	**50,894,053**	**63.2%**
Total number of shares	**80,476,271**	**100.00%**

1.8 Financial review

The consolidated financial statements of SeaBird Exploration Plc as well as the separate financial statements for the parent company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Revenues were USD 34.6 million in 2023 compared to USD 20.2 million in 2022. Vessel utilization increased from 39% in 2022 to 90% in 2023. Most of the revenues were related to contracts with oil companies and other seismic companies. Cost of sales was USD 19.1 million in 2023 (USD 19.0 million in 2022). SG&A was USD 4.0 million in 2023, broadly in line with 2022 of USD 3.9 million. Depreciation and amortization were USD 6.3 million in 2023 (USD 7.1 million in 2022). Total impairments were nil in 2023 (USD 1.5 million in 2022); the impairments in 2022 were primarily related to Petrel Explorer that was sold in August the same year. The company reports a net profit of USD 3.1 million for 2023 (loss of USD 11.6 million in 2022). Capital expenditures were USD 2.7 million in 2023, down from USD 3.9 million in 2022; the capex for the year 2023 is mainly related to the drydocking of Eagle Explorer during the year. Cash and cash equivalents at the end of the year were USD 2.2 million (USD 0.9 million in 2022). Net cash from operating activities was USD 3.8 million in 2023 (negative USD 17.0 million in 2022). The company's term loan facility is secured with 1st priority mortgage on Eagle Explorer and Fulmar Explorer. As of 31 December 2023, the balance of the facility was USD 13.5 million. Net interest-bearing debt was USD 14.1 million as per 31 December 2023 (USD 15.4 million as per 31 December 2022). The Group refinanced its debt during 2023 and the new loan facility expires on 30 June 2026. The company has financial risk management objectives and policies to handle cash flow, liquidity, and credit risk, which includes frequent forecasting, review by management and board and by holding sufficient cash reserves to fund the company's operations. The company does not hedge currency, credit, bunker, or other forms of risk. Please see notes 3 and 31 in the Consolidated Financial Accounts for further details on the company's risk management policies and key risk exposures.

1.9 Significant events during the year

On **12 January 2023**, the company announced distribution of shares in Green Minerals.

On **31 January 2023**, the company announced contract extension.

On **10 May 2023**, the company announced contract award for Eagle Explorer.

On **9 June 2023**, the company announced it has signed a term sheet for the refinancing of the Company's term loan and guarantee facilities. The full loan amendment agreement was signed in July 2023.

On **14 July 2023**, the company announced contract award for Fulmar Explorer.

On **12 September 2023**, the company announced contract extension and a new contract award for Eagle Explorer.

1.10 Subsequent events

The most significant events occurred after the date of the statement of the financial position include:

On **18 April 2024**, the parent Company announced that in the extraordinary general meeting had been approved the distribution of NOK 0.25 per share to its shareholders, which will be effected through the reduction of share premium.

On **23 February 2024**, the parent Company announced that the Board of Directors has proposed a cash dividend of NOK 0.25 per share.

For the full list of subsequent events please refer to Note 33 of the consolidated financial statements.

1.11 Corporate Governance

Our corporate governance policy guides our operations and culture. The company's corporate governance policies are set out in the corporate governance section of this annual report.

1.12 Going concern

The company's accounts have been prepared on the basis of a going concern assumption. Please refer to note 2.1 in the consolidated financial statements.

1.13 Group Outlook

The company sees continued tendering activity in the OBN source segment with clients looking for longer commitments and some interesting 2D prospects. Activity level is paired with longer contract durations assumed to be a result of the general energy situation and oil price. 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 and 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`s response to take advantage of this change in market dynamics is to consolidate as much high-end capacity as we can and thereby increase our market share. SeaBird's equipment pool enhances SeaBird's ability to capitalize on its seismic know-how and market access by equipping third party vessels on flexible charters. 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.

1.14 Deviation from Q4 2023 report

The group's annual consolidated financial statement has been adjusted compared to the unaudited quarterly results announced on 24 February 2024. The adjustments mainly reflect ECL provisions, non-cash currency adjustments, reclassifications and tax costs. The total effect is a reduced net profit of USD 3.6 million in the Company's consolidated statement of income and USD 2.0 million in reduced net assets for 2023.

1.15 Resolution

The financial statements for the company have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). They were prepared under the historical cost convention, except financial investment and share options that is held at fair value through profit and loss. Also, the Financial Statements have been prepared on a going concern basis.

The company's net profit for 2023 is USD 3.1 million. The profit for the year will be transferred to the Group's reserves.

1.16 Financial risk and instruments

SeaBird's activities are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and monitors and controls risks with a potential significant negative effect for the Group and evaluates to minimize the risks if the cost of doing so is acceptable. For further information please see Note 3 and 31 in the Consolidated Financial Statement.

1.17 Group composition

With reference to Note 19 in the Consolidated Financial Statement

Company	**Shareholding and voting rights**
Aquila Explorer Inc.	100%
Biliria Marine Company Limited	100%
GeoBird Management AS	100%
Green Energy Group AS	100%
Harrier Navigation Company Limited	100%
Hawk Navigation Company Limited	100%
Munin Navigation Company Limited	100%
Oreo Navigation Company Limited	100%
Raven Navigation Company Limited	100%
Sana Navigation Company Limited	100%
Seabed Navigation Company Limited	100%
SeaBird Crewing Mexico S. DE R.L. DE C.V.	100%
SeaBird Exploration Americas Inc.	100%
SeaBird Exploration Asia Pacific PTE. Ltd.	100%
SeaBird Exploration Crewing Limited	100%
SeaBird Exploration Cyprus Limited	100%
SeaBird Exploration Finance Limited	100%
SeaBird Exploration FZ-LLC	100%
SeaBird Exploration Multi-Client Limited	100%
SeaBird Exploration Nigeria Ltd.	100%
SeaBird Exploration Norway AS	100%
SeaBird Exploration Private Limited	26%
SeaBird Exploration Shipping AS	100%

SeaBird Exploration Vessels Limited	100%
SeaBird Seismic Mexico S. DE R.L. DE C.V.	100%
Susco AS	100%

1.18 Dividend

No dividend was distributed for the years 2022 and 2023. Please see Subsequent events for more information on capital distribution.

1.19 Share capital

There are no any restrictions in exercising of voting rights. Please be referred to Note 15 in the Consolidated Financial Statement for further information.

1.20 Board of Directors

The Board of Directors consists of Ståle Rodahl (Executive Chairman of the board), Øivind Dahl-Stamnes (Director), Hans Christian Anderson (Director), Odd Sondre Svalastog Helsing (Director) and Sverre Strandenes (Director). Please be referred to Note 30 for further information.

1.21 Committees

The audit committee has responsibility for overseeing financial reporting and related internal controls, risk, independent and internal auditors, and ethics and compliance. The Group's audit committee consist of:

- Ståle Rodahl – Executive Chairman of the board
- Sverre Strandenes – Director of the board

The Nominating committee members work to evaluate the characteristics and performance of board members and are responsible for selecting the best candidates for each seat on the board. The Group's nomination committee consist of:

- Stig Myrseth
- Per Øyvind Berge
- Hans Jan Henry Anderson

1.22 Internal control

The Group operates an internal control system and procedures, the adequacy of which is evaluated by the Board of Directors and by an independent Audit Committee which was established by the Board of Directors. The operation of the internal control system is intended to manage the risks of not achieving business objectives and ensure to a reasonable extent the proper management of the risks of its financial and operational systems Group. The internal control system includes procedures aimed at detection and prevention of errors, omissions and/or fraud which they could cause material inaccuracies in the preparation of the Group's financial statements. The adequacy of the internal control system ensures the validity of financial data and protection against material errors in the presentation of the Group's results.

Furthermore, the Group performs annual internal audit; Internal audit to control compliance towards requirements in; ISO 9001, ISO 14001, ISO 45001, ISM code, ISPS code, MLC and requirements of the Management System.

1.23 Independent Auditors

The independent auditors RSM Cyprus Ltd have expressed their willingness to continue in office as the Company's auditors. A resolution authorizing the Board of Directors to appoint and fix their remuneration will be proposed at the next AGM.

Ståle Rodahl, Executive Chairman

Hans Christian Anderson, Director

Øivind Dahl-Stamnes, Director

Sverre Strandenes, Director

Odd Sondre Svalastog Helsing, Director

The board of directors Seabird Exploration PLC
Date 30 April 2024

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Consolidated statement of income

		Year ended 31 December	
All figures in USD 000's	Note	2023	2022
Revenues	5, 6	34,635	20,164
Cost of sales	22	-19,062	-19,036
Selling, general and administrative expenses	22	-3,969	-3,889
Other income (expenses), net	10, 17, 21	-2,939	1,485
Earnings before interest, tax, depreciation and amortization (EBITDA)	-	**8,665**	**-1,276**
Gain/(loss) on sale of property, plant and equipment	-	74	260
Depreciation	7, 9	-6,274	-6,960
Amortization	9	-54	-139
Impairment	7	-	-1,502
Earnings before interest and taxes (EBIT)		**2,411**	**-9,617**
Finance income	-	63	10
Finance expense	25	-2,588	-1,854
Share of net profit/(loss) of associates	19	-26	224
Other financial items, net	19, 20	3,539	-475
Profit/(loss) before income tax		**3,399**	**-11,712**
Income tax	8	-272	107
Profit/(loss) continuing operations		**3,127**	**-11,605**
Net profit/(loss) discontinued operations	-	-	-1,256
Profit/(loss) for the period		**3,127**	**-12,861**
Profit/(loss) attributable to continuing operations			
Shareholders of the parent		3,127	-11,605
Non-controlling interests	19	-	-
Profit/(loss) attributable to discontinued operations			
Shareholders of the parent		-	-639
Non-controlling interests	19	-	-617
	-		
Earnings per share	26	**0.04**	**-0.21**
From continuing operations	26	0.04	-0.20
From discontinued operations	26	-	-0.01

Consolidated statement of comprehensive income

		Year ended 31 December	
All figures in USD 000's	Note	2023	2022
Profit/(loss)		**3,127**	**-12,861**
Other comprehensive income		-	-
Exchange difference arising on the consolidation of foreign companies financial accounts		-	-
Total other comprehensive income, net of tax		**-**	**-**
Total comprehensive income		**3,127**	**-12,861**
Total comprehensive income attributable to:			
Shareholders of the parent		3,127	-12,244
Non-controlling interests	19	-	-617
Total		**3,127**	**-12,861**

Consolidated statement of financial position

		As of 31 December	
All figures in USD 000's	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	7	39,453	42,982
Multi-client library	9	-	54
Investment in associates and other investments	19, 32	327	224
Total non-current assets		**39,780**	**43,260**
Current assets			
Inventories	13	1,125	643
Trade receivables	10	9,642	12,428
Other current assets	11	1,258	6,119
Restricted cash	14	42	57
Cash and cash equivalents	14	2,176	851
Total current assets	-	**14,243**	**20,098**
	-		
Assets classified as held for sale	12	-	175
Assets classified as held for distribution	19	-	2,333
TOTAL ASSETS		**54,023**	**65,866**

Consolidated statement of financial position

All figures in USD 000's	Note	As of 31 December 2023	2022
EQUITY			
Shareholders' equity			
Paid in capital	15	36,944	36,944
Currency translation reserve	-	-395	-395
Share options granted	15	153	595
Retained earnings		-9,899	-8,404
Total equity attributable to the parent		**26,803**	**28,740**
Non-controlling interests		-	1,075
TOTAL EQUITY		**26,803**	**29,815**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	18	13,115	-
Total non-current liabilities		**13,115**	**-**
Current liabilities			
Trade payables	16	3,821	9,051
Contract liability	16	469	1,467
Other payables	16	3,124	7,773
Provisions and other liabilities	17	2,249	331
Loans and borrowings	18	3,119	16,287
Tax liabilities	8	1,323	1,000
Total current liabilities		**14,105**	**35,909**
	-		
Liabilities classified as held for distribution	19	-	142
TOTAL LIABILITIES		**27,220**	**36,051**
TOTAL EQUITY AND LIABILITIES		**54,023**	**65,866**

On 30 April 2024, the Board of Directors of SeaBird Exploration Plc authorized these consolidated financial statements for issue.

Ståle Rodahl – Executive Chairman

Hans Christian Anderson – Director

Øivind Dahl-Stamnes – Director

Sverre Strandenes – Director

Odd Sondre Svalastog Helsing – Director

Consolidated statement of changes in equity

All figures in USD 000's	Paid in capital	Currency translation reserve	Share options granted	Retained earnings	Non-controlling intrests	**Total equity**
Equity as of 1 January, 2022	**45,492**	**-407**	**192**	**-17,861**	**930**	**28,346**
Profit/(Loss)				-12,244	-617	-12,861
Other comprehensive income						-
Total comprehensive income	**-**	**-**	**-**	**-12,244**	**-617**	**-12,861**
Share issue	12,651					12,651
Share premium reduction	-16,233			16,233		-
Share premium reduction - Green Minerals AS shares	-4,966			4,966		-
Transactions with non-controlling interest	-	-	-	572	762	1,334
Share options granted/cancelled	-	-	403	-	-	403
Other equity transactions	-	12	-	-69	-	-57
Total contributions by and distributions to owners	**-8,548**	**12**	**403**	**21,702**	**762**	**14,331**
Equity as of 31 December 2022	**36,944**	**-395**	**595**	**-8,404**	**1,075**	**29,815**
Profit/(Loss) for the year				3,127	-	3,127
Other comprehensive income for the year				-		-
Total comprehensive income for the year	**-**	**-**	**-**	**3,127**	**-**	**3,127**
Distribution of Green Minerals AS				-4,610		-4,610
Deconsolidation of Green Minerals AS			-240	-	-1,075	-1,315
Net share options movement			-202			-202
Other equity transactions	-	-		-12		-12
Total contributions by and distributions to owners	**-**	**-**	**-442**	**-4,622**	**-1,075**	**-6,139**
Equity as of 31 December 2023	**36,944**	**-395**	**153**	**-9,899**	**-**	**26,803**

Consolidated statement of cash flow

		Year ended 31 December	
All figures in USD 000's	Note	2023	2022
Cash flows from operating activities			
Profit/(loss) before income tax		3,399	-11,712
Adjustments for			
Depreciation, amortization and impairment	7, 9, 28	6,327	8,601
Movement in provision	17	1,430	-
Loss /(gain) from disposal of fixed assets	-	-74	-260
Unrealized exchange (gain)/loss	-	347	482
Interest expense on financial liabilities	25	2,588	1,588
Other items	-	-2,927	-
(Increase)/decrease in inventories	-	-482	543
(Increase)/decrease in trade receivables, contract assets and restricted cash	-	5,602	-9,641
Increase/(decrease) in trade payables, contract liability and other payables	-	-8,038	-6,703
Increase/(decrease) in tax liabilities	-	323	110
Net cash used in operating activities	-	**8,495**	**-16,992**
	-		
Cash flows from investing activities	-		
Capital expenditures	7	-2,745	-3,895
Proceeds from disposal of PPE	7	249	9,586
Net cash used in investing activities	-	**-2,496**	**5,691**
	-		
Cash flows from financing activities	-		
Net proceeds from issuance of ordinary shares	15	-	12,651
Receipts from borrowings	18	14,200	11,501
Repayment of borrowings	18	-16,997	-10,606
Interest paid	-	-1,996	-1,551
Dividend received	-	119	-
Net cash from financing activities	-	**-4,674**	**11,995**
	-		
Net decrease in cash and cash equivalents	-	**1,325**	**694**
Cash and cash equivalents at beginning of the period, unrestricted	14	851	157
Cash and cash equivalents at end of the period, unrestricted	14	**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, unrestricted	-		**2,155**
Cash and cash equivalents at end of the period in discontinued operations, unrestricted	-		**2,130**

Notes to the consolidated financial statements

All figures in USD 1.000, if not stated otherwise. The consolidated financial statements and the separate financial statements are an integral part of the annual financial statements and should be read in conjunction with each other.

1 General information

Seabird Exploration Plc (alone or together with its subsidiaries referred to as "SeaBird" or "company" or "Group") is a global provider of marine seismic data for the oil and gas industry. SeaBird specializes in high quality operations within the high end of the 2D and source vessel market. SeaBird concentrates on contract seismic surveys. The main success criteria for the Group are an unrelenting focus on quality, health, safety and environment (QHSE), combined with efficient collection of high-quality seismic data.

The company was incorporated in the British Virgin Islands as a limited liability company in 2000. The company was re-domiciled to Cyprus on 18 December 2009. Seabird has direct ownership in two vessels and the company is listed on Oslo Børs with ticker SBX. The company's registered address is at Panteli Katelari 16, Diagoras House floor 7, 1097, Nicosia, Cyprus. The Group main office is located in Bergen (Norway) with the office address Sandviksbodene 68, 5035 Bergen. SeaBird Exploration Plc is tax resident in Norway and registered in the corporate registers both in Norway and Cyprus.

At 31 December 2023, Seabird's owned fleet consisted of the seismic vessels "Eagle Explorer" (Eagle) and "Fulmar Explorer" (Fulmar). The Group sold one non-core vessel, the Petrel Explorer, in August 2022. In addition, the Group has a substantial pool of seismic equipment which could be operated on third parties' vessels. At year-end there were no chartered vessels in operation.

The accompanying consolidated and separate financial statements represent the activities of SeaBird for the year ended 31 December 2023 (the "period"). These consolidated and separate financial statements were authorized for issue by the board of directors on 30 April 2024.

2 Material accounting policy information

The accounting policies that are material to the Group are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

(IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The consolidated financial statements have been prepared under the historical cost convention, except financial investment and share options that is held at fair value through profit and loss. The preparation of financial statements also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 Critical accounting estimates and judgments.

Going concern assumption

The assessment of going concern relies heavily on the ability of the Group to secure future cash inflows over the going concern assessment period which extends through to a period of at least one year from the date of approval of the financial statements to meet their liabilities as they become due. The following steps have been undertaken to allow Management to conclude on the appropriateness of the going concern assumption:

a. Understand what could cause the Group not to be a going concern

b. Consider the current liquidity position, customer and sector position, market and operational risks and availability of additional funding if required

c. Board review of the base case forecast produced by management

d. Perform reverse stress tests to assess under what circumstances going concern would become a risk – and assess the likelihood of whether they could occur

e. Examine other mitigating actions to remedy the stress test scenarios

f. Conclude upon the going concern assumption

(a) Understand what could cause the Group not to be a going concern

The potential scenarios which could lead to the Group not being a going concern are:

- Not having sufficient cash to meet liabilities as they fall due and therefore not being able to provide services to its customer base and meet financing obligations. The main source of operating cash flows for the Group is the securing of employment for its fleet. As of 31 December 2023 the Group was in a net current asset position of USD 0.1 million.

- A non-remedied breach of the financial covenants of Sparebank 1 SMN bank (Note 18 Interest bearing loans and borrowings) and failure to obtain a waiver. Under the terms of the agreement this could lead to the outstanding balance becoming due for immediate repayment. These covenants are:

  - ✓ Minimum fee cash: USD 1 million
  - ✓ Positive working capital excluding current portion of interest-bearing debt
  - ✓ Equity ratio 45 %

(b) Consider the current liquidity position, customer and sector position, market and operational risks and availability of additional funding if required.

At 31 December 2023 unrestricted cash and cash equivalents amounted to USD 2.2 million, while total current assets amounted to USD 14.2 million.

As at 31 December 2023, the Group had Interest-bearing loans and borrowings of USD 16.2 million, current liabilities of USD 14.1 million and current liabilities excluding interest bearing debt of USD 11.0 million. As at 31 December 2023, the Group's total equity amounted to USD 26.8 million, after a net profit of USD 3.1 million for the year.

The general market outlook continued to improve in 2023, with both tendering activity and rate level being higher now than were a year ago. At the same time the seismic industry has gone through a momentous resetting where the fleet of active vessels has been reduced by more than 50% and the number of players has been drastically reduced. Following the conversion of Fulmar Explorer in 2021 (completed early 2022) the company is well positioned to take advantage of the strong market. The attractiveness of the Group's assets is also reflected in the contracts secured during the year, namely a two year contract for the "Fulmar Explorer" and two contracts for the "Eagle Explorer". This has resulted in the best yearly EBITDA result for seven years. The Eagle Explorer is currently available, but given the leads and discussion the management is confident that she will back on work shortly.

If needed, the company may also attempt to raise liquidity through the stock exchange by utilizing equity market opportunities. This was successfully applied on two occasions during 2022. The access to the public equity market does not exclude the possibility to dispose of tangible fixed assets held by the company and delay scheduled investment programs and capital expenditure if required to ensure additional liquidity. This was also implemented in 2022 through the sale of one non-core vessel with a substantial loan repayment effect.

(c) Board review of the base case forecast produced by management

The management has developed a base case cashflow forecast incorporating the most likely scenarios based on historic data and contract activity. The following steps were taken by the Board to ensure the most accurate base case budget is prepared:

- The inputs and assumptions used in the base case cashflow forecast were compared to external market sources to ensure reasonability.
- Inputs and assumptions were challenged through historic data.
- Reviewed the variance analysis between prior year projected cashflows versus actual cash flows.
- Compared employment rates to approved and prospective contracts.
- Challenged the cost base used for contracts.
- Ensured the base cashflow is updated with actual data from 2023.
- Examined different scenarios, their likelihood and impact on the Group.
- Reviewed the probability of signing new contracts, based on current negotiation developments.
- Obtained approval and confirmed the refinancing of its existing loan facilities.

The main assumptions/facts used in the cash flow projections include the estimated EBITDA to be generated in 2024, the inclusion of cash inflows relating to potential contracts. If these assumptions are accurately estimated there should be no breach of covenants in the next twelve months and the Group will be able to cover its short-term liabilities.

(d) Perform reverse stress tests to assess under what circumstances going concern would become a risk

The base case forecast model was further adjusted to establish at what point the Group may not be able to meet its obligations. The Management has developed two stress test scenarios:

1. The first stress test scenario incorporates a reduced utilization or reduced contract rates by 50% on new employment. In this scenario, the company will be able to meet all its commitments.

2. The second stress test scenario includes only the signed contracts up to the signing date of the financial statements. In its assessment, the board considers availability of alternative sources of financing to mitigate the impact on liquidity, including cost saving measures and tighter working capital control as a first response. The Group has contingency plans in place in case of a prolonged stand-off, which will take the Group's run-rate on cash costs down to a very low level, enabling it to handle a period of low demand from the oil companies. However, based on the sensitivity, the Group will have sufficient cash to cover its expenses and commitments during the forecast period.

Hence, for the going concern becoming a risk for the Group, it would need to see a scenario where the existing contract is cancelled and new contracts are at lower profitability than the existing one would be awarded. That said, the current project progresses properly and there are no any events leading to such incidents.

(e) Examine other mitigating actions to remedy the stress test scenarios.

- Diversification of operations
- Alternative credit funding sources
- The Group is listed in the Oslo Stock Exchange and has access to funds from shareholders, if needed.
- As per above this tool was applied successfully twice during 2022; the latest share issue in July 2022 was substantially oversubscribed indicating the general interest to invest in the seismic market and the Group.

(f) Conclude upon the going concern assumption

The above matters do not reveal any significant doubt over the Group's ability to continue as a going concern. However, Management determined that the actions taken so far and the available options are sufficient regarding this matter of going concern, and has therefore prepared the consolidated and stand-alone financial statements on a going concern basis.

2.2 Adoption of new or revised standards and interpretations

There were no changes in accounting principles and no new IFRS standards, amendments or interpretations that have been up for adoption in 2023.

New standards, amendments, IFRSs or IFRIC interpretations for annual reporting periods after 31st of December 2023 are expected to not be significant for the Group's financial statements going forward.

2.3 Consolidation

(A) Subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company (its "subsidiaries").

Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Subsidiaries are fully consolidated from the date on which control is transferred to SeaBird. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by SeaBird. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of SeaBird's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between SeaBird companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by SeaBird. For a complete listing of subsidiaries please refer to note 19 Subsidiaries and associates within the Group.

(B) Non-controlling interests (minority interests)

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (meaning transactions with owners in their capacity as owners).

For more information regards to non-controlling interest see note 19 Subsidiaries and associates within the Group.

If the Group loses control of a subsidiary with non-controlling interest;

- the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position
- Recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with IFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.
- recognizes the gain or loss associated with the loss of control attributable to the former controlling interest

The non-controlling interest represents the investment in Green Minerals AS.

Green Minerals AS was decided to be distributed to SeaBird's shareholder in 2022, and as such has been recognized as discontinued operation in the annual accounts for 2022. The distribution was completed 25 January 2023, and thus deconsolidated from the annual accounts for the year 2023.

2.4 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing related services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The Group has one business segment. The CEO of the Group is considered to be the Chief Operating Decision Maker.

2.5 Foreign currency translation

(A) Presentation currency

The consolidated financial statements are presented in US dollars, which is also the Group's functional currency.

(B) Transactions and balances

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses arising from financing activities are recognized in finance costs while all other foreign exchange gains and losses are recognized in their individual line items.

(C) Seabird companies

The results and financial position of all the SeaBird entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

I. assets and liabilities for each balance sheet item are translated at the closing rate at the date of that balance sheet;

II. income and expenses are translated at average exchange rates during the year (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

III. all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

2.6 Interests in joint operations and associates

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

The Group's multi-client projects presented in these financial statements joint control arrangements accounted for as joint operations.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinued the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.7 Property, plant and equipment

Property, plant and equipment comprise mainly vessels and seismic equipment on board owned or chartered vessels. Vessels, seismic equipment designated for source and 2D operation and office equipment are carried at historical cost, less accumulated depreciation and impairment.

Cost represents either the purchase price or the fair value at the time of acquisition if the purchase was through a business combination. Certain expenditures for conversions and major improvements are also capitalized if they appreciably extend the life or increase the earning capacity of a vessel. Elements of cost include costs that are directly attributable to the improvement or conversion project but not administration and other general overhead costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated on a straight-line basis (historical cost less residual value) over their estimated useful lives, as follows:

- Vessels: Up to 25 years
- Conversion expenditures: Vessels remaining life
- Seismic equipment (immovable): Vessels remaining life
- Seismic equipment (movable): 3 to 8 years
- Office equipment: 3 years

The vessels are depreciated from the date they are available for use, i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management. Costs for special periodic and class renewal surveys (dry-docking) are capitalized and depreciated over the estimated period between surveys. When special periodic and class renewal surveys occur the part of the fixed assets register that is replaced is derecognized. Other maintenance and repair costs are expensed as incurred. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included under "Gain/(loss) on sale of property, plant and equipment" in the income statement.

Property, plant and equipment under construction or under conversion are recognized at cost less impairment. Elements of cost include costs that are directly attributable to the conversion project but not administration and other general overhead costs.

2.8 Intangible assets

(A) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(B) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(C) De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic lives based on straight line amortization. Useful lives and amortization method for intangible assets with finite useful life are reviewed at least annually. Gains and losses arising from de-recognition of an intangible asset are measured at the difference between the net sales proceeds and the carrying amount of the asset and are reported as "other income (expenses), net" in the income statement as part of operating profit.

The company currently owns no intangible assets other than multi-client investments, which are described below.

(D) Multi-client library

The multi-client library consists of seismic data surveys to be licensed to customers on a non-exclusive basis. Costs directly incurred in acquiring, processing and otherwise completing multi-client seismic surveys, including depreciation and mobilization costs, are capitalized to the multi-client library.

Generally, each multi-client survey is amortized in a manner that reflects the pattern of consumption of its economic benefits.

Upon completion of data processing and delivery to the prefunding customers and those contracted during the work in progress phase, amortization is recognized based on total costs versus forecasted total revenues of the project.

Thereafter, a straight-line amortization is applied over the project's remaining useful life, which for most projects is estimated to be four years. The straight-line amortization is distributed evenly through the financial years, independently of sales during the quarters.

Whenever there is an indication that a survey may be impaired, an impairment test is performed in accordance with the policy described in Note 2.9 Impairment of non-financial assets. A systematic impairment test of all surveys is performed at least annually at the end of the financial year.

2.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit or loss.

2.10 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.11 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subsequently held at fair value or amortized cost based on the classification provisions described below.

2.11.1 Financial assets - classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income "OCI" or through profit or loss), and
- those to be measured at amortized cost

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables, cash and cash equivalents and restricted cash.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon de-recognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not hold any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group does not hold any equity instruments at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes the listed debt investment and the non-listed equity investment shown within the line long-term investments.

2.11.2 De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

2.11.3 Financial assets: impairment and credit loss allowance for ECL

The Group assesses on a forward looking basis the ECL for debt instruments (including loans) measured at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss.

Debt instruments measured at amortized cost are presented in the consolidated statement of financial position net of the allowance for ECL.

For debt instruments at FVOCI, an allowance for ECL is recognized in profit or loss and it affects fair value gains or losses recognized in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognized from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Group applies the general approach. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking such as the future prospects of the oil and gas industry in which the Group's debtors operate.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events such as: significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

2.11.4 Reclassification of financial assets

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

2.11.5 Financial assets write off

Financial assets are written off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write off represents a de-recognition event. The Group may write off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

2.11.6 Financial liabilities measurement categories

Financial liabilities are initially recognized at fair value and classified as subsequently measured at amortized cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognized by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

The Group's financial liabilities are classified as subsequently measured at amortized cost.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date.

2.11.7 De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. In determining whether a modification of terms of a liability is a substantial modification, the Group considers quantitative and qualitative factors. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification, is recognized in profit or loss as the modification gain or loss.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The Group's inventories comprise of fuel and lube oils.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments.

2.14 Share capital

Ordinary share capital is classified as equity. The difference between the fair value of the consideration received by the company and the nominal value of the share capital issued is taken to the share premium account.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where and if any group company purchases the parent company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Group's equity holders.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For more information see Note 15 Share capital and share options.

2.15 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where SeaBird operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. SeaBird establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, the deferred income tax, if it is not accounted for, arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by SeaBird and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee benefits and share based payments

(A) Pension obligations

SeaBird operates various defined contribution plans under which it pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(B) Share-based compensation

Equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for SeaBird equity instruments (options) is booked as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any nonmarket vesting conditions (for example, profitability and sales growth targets).

Nonmarket vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The entity may modify the terms of an existing equity instrument granted in a share-based payment transaction. As a minimum, the services received are measured at the grant date fair value, unless the instruments do not vest because of a failure to satisfy a non-market vesting condition that was specified at grant date. This applies irrespective of any modifications to the terms and conditions on which the instruments were granted (including cancellation or settlement). In addition, the effects of modifications that increase the total fair value of the share-based payment arrangement, or are otherwise beneficial to the employee, are recognized. A modification that results in a decrease in the fair value of equity instruments does not result in a reduction in the expense recognized in future periods. When the modification increases the fair value of the equity instruments granted, the incremental fair value is measured by comparing the fair value of the instrument immediately before and immediately after the modification. This incremental fair value is then included in the measurement of the amount recognized for services received. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest. The amount based on the grant date fair value of the original equity instruments continues to be recognized over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognized immediately. If the modification increases the number of equity instruments granted, the fair value of the additional equity instruments granted, measured at the date of the modification, is included in the measurement of the amount recognized for services received.

The cancellation or settlement of an equity instrument is accounted for as an acceleration of vesting. The amount that would otherwise have been recognized for services received over the remainder of the vesting period is, therefore, recognized immediately. If new equity instruments are granted to an employee in connection with the cancellation of existing equity instruments, and they are identified, on the date when they are granted, as replacement equity instruments for the cancelled equity instruments, this is accounted for as a modification of the original equity instruments. The incremental fair value granted is the difference between the fair value of the replacement equity instruments and the net fair value of the cancelled equity instruments at the date the replacement equity instruments are granted. The net fair value of the cancelled equity instruments is their fair value, immediately before the cancellation, less the amount of any payment made to the employee that is accounted for as deduction from equity. If the entity does not identify new equity instruments granted as replacement equity instruments for those cancelled, the new equity instruments are accounted for as a new grant.

2.17 Provisions

Provisions are recognized when SeaBird has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous leases are contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provision is made in respect of onerous contracts for the present obligation under the contract. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18 Revenue recognition

Revenues for contracts with customers arise primarily from proprietary seismic services . Source contracts of seismic vessels and time-charter contracts of maritime vessels under which a vessel is chartered-out to the customer for a specific period are accounted for as leases (refer to Note 2.19 Leases).

Revenue is recognized at the amount that the Group expects to be entitled in exchange for transferring the promised services to the customer (the ‘transaction price’). The Group includes in the transaction price an amount of variable consideration (for example, additional consideration related to a “variation order”) only to the extent that it is probable that a significant reversal will not occur when the associated uncertainly is resolved. Revenue is shown net of value-added tax, discounts, and after eliminating sales within the Group. Revenue is recognized when it is probable that the Group will collect the consideration to which it will be entitled and when specific criteria have been met under the contract. In evaluating whether collectability is probable, the Group considers only the customer's ability and intention to pay.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases of decreases in estimates are reflected in the profit or loss in the period in which the circumstances become known to the management.

The principles applied for each of the main types of contracts with customers are described in more detail below:

Identification of performance obligations

The Group assesses whether a contract contains one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation on the basis of its standalone selling price. The proprietary 2D contracts (that do not include data processing service) are generally considered to have a single performance obligation. The service related to seismic data processing, which is occasionally agreed in contracts with customers, is typically considered to be a separate performance obligation.

Timing of revenue recognition in proprietary seismic services

Revenue from proprietary seismic services (2D contracts) is recognized over time as the services are performed and the Group is entitled to the compensation under the contract for the work performed. The performance obligation is considered to be satisfied over time because the Group performs the service at the customer specification, the resulting data is owned by the customer the Group is entitled to payment at any given point in time for the portion of work performed and the Group has no alternative right to otherwise use or benefit from the resultant data. Revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The percentage of completion is measured with reference to the actual cost (cost per day multiplied by days lapsed) to total expected costs (cost per day multiplied by expected project days).

Timing of revenue recognition in source contracts and time-charter contracts

Revenue from source contracts and time-charter contracts is recognized in accordance with the lessor accounting policies (Note 2.19 Leases). Typically, source contracts and time-charter contracts are classified as operating leases and hire income is recognized on a straight-line basis over the term of the relevant lease.

Financing component

The Group typically does not have any contracts where the period between the delivery of the service and payment by the customer exceeds one year. Consequently, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

Contract assets and contract liabilities

In case the services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the services rendered (that is, the Group has earned 'unbilled revenue'), a contract asset is recognized. The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9 (see Note 2.11.3 Financial assets: impairment and credit loss allowance for ECL).

If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognized. The Group recognizes any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Costs to obtain or fulfil contracts with customers

The Group can recognize the incremental costs incurred by the Group to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if such costs meet the following recognition criteria:

- Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained.
- Costs to fulfil a contract are those that (a) relate directly to the contract, (b) generate or enhance resources of the Group that will be used in satisfying performance obligations, and (c) the costs are expected to be recovered.

The Group accounts for the mobilization costs incurred to transfer the vessel to the intended contract area as "costs to fulfil a contract" if they meet the above criteria and recognizes the costs as an asset on the balance sheet, classified within "other current assets". The asset is amortized on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognized in “cost of sales” in the profit or loss. Additionally, the asset is assessed for impairment under the expected credit loss provisions and any impairment loss is recognized in “cost of sales” in profit or loss.

The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

2.19 Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract.

The Group enters into lease agreements as a lessee with respect to its vessels chartered-in, the Group’s office premises, as well as rentals of office equipment. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office equipment). For these leases, the Group recognizes the lease payments as an operating expense on a straight- line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the current year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessee transfer’s ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy (see Note 2.7 Property, plant and equipment).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are recognized in profit or loss, classified within "Cost of sales" if related to rental of vessels or in "Selling, general and administrative expenses" if related to rental of office space or office equipment.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its vessels chartered-out under source contracts.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.20 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in SeaBird's financial statements in the period in which the dividends are approved by the Board of Directors.

2.21 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2.22 Contingent assets and liabilities

Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Contingent liabilities are defined as:

- possible obligations resulting from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; and
- a present obligation that arises from past events but is not recognized because:
    - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not reported in the financial statements, with the exception of contingent liabilities which originate from business combinations. For more information see Note 28 Commitments and contingencies.

2.23 Contract costs

Costs incurred relating to future performance obligations are deferred and recognized as assets in the consolidated statement of financial position.

The nature of the asset is incremental costs of obtaining a contract that would not have incurred if the contract had not been obtained and will be recovered by the revenue over the contract period.

Costs related to contracts and future performance obligation longer than 12 months are classified and presented as other non-current assets. All other costs for future performance are presented as other current assets.

Contract costs incurred will be expensed and presented as Operational expenses (cost of sales) in line with the satisfaction of the performance obligation.

2.24 Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard the company recognizes an asset from the costs incurred to fulfil a contract if those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the company can specifically identify);

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered

Costs related to mobilization of vessels are capitalized under other current assets and amortized over the contract period when the above criteria are satisfied.

3 Risk factors and financial risk management

3.1 Financial risk factors

SeaBird's activities are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and monitors and controls risks with a potential significant negative effect for the Group and evaluates to minimize the risks if the cost of doing so is acceptable. The Group may use derivative financial instruments to hedge certain risk exposures from time to time. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included in Note 31 Financial instruments. The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The audit committee oversees how management monitors and manages risk and review the adequacy of the risk management framework in relation to the risks faced by SeaBird.

(A) Market risk

(I) Currency exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's operating cash inflows are derived from its seismic activities, which are mostly priced in U. S. dollar whilst vessels' costs and crew costs are also mostly in U.S. dollar, thus creating a natural hedge. Nevertheless, as the Group operates internationally, it undertakes transactions denominated in foreign currencies, in particular with regards to taxation payments, as well as administrative expenses. Consequently, the Group is exposed to foreign exchange risk, primarily with respect to Norwegian kroner, Euro, Singapore Dollar, and British Pound. To manage foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group's management monitors the currency rate fluctuations continuously and entities in the Group may use from time-to-time various foreign exchange contracts. SeaBird did not have any open foreign exchange contracts as at 31 December 2023 and 2022. Quantitative information regarding the Group's exposure to foreign exchange risk as at year end is set out in Note 31 Financial instruments.

(II) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Variable interest rates expose the Group to cash flow interest rate risk, while fixed interest rates expose the Group to fair value interest rate risk. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest bearing assets. The Group has a loan see Note 18 Interest bearing loans and borrowings. The management monitors the interest rate fluctuations on a continuous basis and acts accordingly. Quantitative information regarding the Group's exposure to interest rate risk as at year end is set out in Note 31 Financial instruments.

(B) Credit risk

The company sells its services solely to participants in the energy industry, which may increase the Group's overall exposure to credit risk as customers may be similarly affected by prolonged industry downturns. SeaBird has policies in place to ensure that sales of services are made to customers with an appropriate credit history. When contracts are made with counterparties that are considered particularly risky, the company normally dictates short payment terms and upfront payments in contractual arrangements with the client to properly mitigate credit risk. Still, the Group faces the risk of non-payment from customers.

Credit risk also arises from cash and cash equivalents, deposits with financial institutions as well as contract assets and contract costs. SeaBird seeks to limit the amount of credit exposure to any financial institution and is only investing in liquid securities with counterparties with strong credit ratings. The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries or performance guarantees and similar in the normal course of business.

Note 31 Financial instruments details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of available debt funding and the ability to close out market positions. Due to the cyclical nature of the seismic industry, SeaBird has been aiming to maintain flexibility in funding by a mixture of debt and equity financing. Quantitative information about the Group's exposure to liquidity risk is set out in Note 31 Financial instruments.

(D) Risks related to debt arrangements

SeaBird's current and future debt arrangements may include covenants and undertakings of a general, financial and technical nature and such debt arrangements may contain cross-default provisions. Failure by the Group to meet any of the covenants, undertakings and/or a failure to repay debt instalments falling due could result in all outstanding amounts under the different debt arrangements becoming immediately due for payment, which could potentially have a material adverse effect on the Group's financial position and the value of the shares and the Group's operations and results. Please see Note 18 Interest bearing loans and borrowings for more information.

(E) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year. The capital structure of the Group consists of net debt (borrowings – disclosed in Note 18 Interest bearing loans and borrowings – after deducting cash and bank balances – disclosed in Note 14 Cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group is subject to capital requirements, see Note 18 Interest bearing loans and borrowings were the loan covenants are described.

3.2 Other risk factors

SeaBird is subject to various other risk factors. The risks described below are not exhaustive as additional risks not presently known to SeaBird or which SeaBird currently deems immaterial may also impair the Group's business operations. If any of the following risks actually materialize, SeaBird's business, financial position and operating results could be materially and adversely affected.

SeaBird is exposed to the economic cycle, as changes in the general economic situation could affect demand for SeaBird's services. Demand for offshore geophysical services depends on the level of capital spending by oil and gas companies. Capital expenditures, and in particular exploration and development expenditures, by oil and gas companies can be negatively affected by a number of factors including, but not limited to, decreases in oil and gas prices, fluctuations in production levels and disappointing exploration results.

Low oil prices typically lead to a reduction in capital expenditures as these companies scale down their investment budgets. Sustained periods of substantially reduced capital expenditures by these companies may reduce the demand for the SeaBird's products and services. Furthermore, recoveries in oil and gas prices do not immediately increase exploration, development and production spending, so improving demand for SeaBird's services will generally lag oil and gas price increases. SeaBird's operating income/loss and operating results can vary from month to month. Its operating income is difficult to forecast due to changes in oil companies' exploration and production (E&P) budgets and expenditures, the competitive environment, efficiency in operations, adverse weather conditions and other general economic, changes in input costs and changes market conditions.

SeaBird is also exposed to commodity (bunker fuel) price risk on some contracts. As SeaBird in general has a fairly short order backlog for contracts where SeaBird is carrying the risk of bunker fuel prices, this risk has not historically been mitigated by forward commodity contracts. Changes in oil prices and exploration and production budgets could materially affect the business and operating results. Unanticipated difficulties in pursuing SeaBird's business strategy could have a material adverse effect on the Group's business, operating results, or financial condition. The market for SeaBird's products and services is competitive. SeaBird faces competition from other companies within the seismic industry. Generally, overcapacity in the seismic market would have a negative effect on the operating results of the Group, and the possible failure of SeaBird to maintain competitive offering of equipment and services could have a material adverse effect on its business, operating results or financial condition.

SeaBird has a strategy of contracting its vessels both towards the long-term market as well as the more volatile spot market. There can be no guarantee that SeaBird will be able to secure contracts at such rates and utilization rates that are needed. In addition, SeaBird may experience significant off-hires between charters. Furthermore, disputes under the charter parties may occur, which can result in responsibility and losses for the Group. Operations in international markets are subject to risks inherent in international business activities, including, in particular, general economic conditions in each such country, overlapping differing tax structures, managing an organization spread over various jurisdictions, unexpected changes in regulatory requirements, complying with a variety of foreign laws and regulations. SeaBird's business depends on contracts with customers regarding collection and sale/licensing of geophysical data.

Each contract normally involves a substantial value or consideration to the Group. Furthermore, some of the contracts are governed by the laws of the operations' areas, which may create both legal and practical difficulties in case of a dispute or conflict. SeaBird also operates in regions where the ability to protect contractual and other legal rights may be limited compared to regions with more well-established markets.

There will always be operational risks involved in performing offshore seismic surveys. This includes among others unexpected failure or damage to vessels and technical equipment, work accidents or adverse weather conditions. These risks can cause personal injury, prevent surveys to be performed as scheduled, other business interruptions, property and equipment damage, pollution and environmental damage. SeaBird may be subject to claims as a result of these hazards. SeaBird seeks to prevent loss or damages from such incidents by insurance, contractual regulations and emergency routines. However, there will always be some exposure to technical and operational risks, with unforeseen problems leading to unexpectedly high operating costs, substantial losses, additional investments, etc., which may have a material negative effect on the Group's operating results and financial position. If for example a vessel is rendered a total loss, the contract with the customer will be void and SeaBird will under such circumstances lose income that would otherwise come from operating this vessel. Additionally, the occurrence of any of these risks could damage SeaBird's reputation.

The parent company is subject to taxation in Norway while several of its subsidiaries are subject to taxation in Cyprus. The Group is also subject to taxation in various other jurisdictions because of its global operations. SeaBird faces the risk that its tax filings are challenged and may be subject to unexpected claims for unpaid taxes or sanctions as a consequence of breach of applicable tax legislation.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as listed debt and equity investments) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by SeaBird is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. SeaBird uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date including quoted market prices or dealer quotes for similar instruments and discounted cash flows.

The carrying value of financial assets and financial liabilities approximate their fair values.

Details with regards to fair value estimation relevant to other financial instruments are set out in Note 31 Financial instruments.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made by management in the application of IFRSs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

(A) Estimating useful lives, residual value of vessels and equipment

The Group's estimates of useful lives and plans for depreciation are based on investment considerations and on experience of technical and economic life of similar assets. Expected useful life and residual values of the vessels can change according to environmental requirements, wear and tear, corporate strategy, actual usage of the asset, as well as other operational reasons. If the economic life assigned to the assets proves to be too long, impairment losses or higher depreciation expense could result in future periods, while longer actual useful life will decrease the depreciation expense in future years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each year-end.

(B) Estimated impairment of vessels and equipment

The carrying amount of a vessel is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. In such instances, an impairment charge would be recognized if the recoverable amount (higher of value-in-use and fair value) and its eventual disposition is less than the vessel's carrying amount.

When examining internal indicators of impairment, management assesses a number of factors, such as the vessels' backlog, operating cash flows, financial plans, and the Group's business strategy. Management also considers the physical condition when assessing the earning capacity of an asset. In examining external indicators for impairment, management considers factors such as the economic cycle and macro-economic fluctuations, global oil price movement, factors affecting governmental exploration plans, as well as other factors impacting the customers' capex plans and demand for seismic services.

The recoverable amounts of the vessels are ordinarily determined using value in use calculations. Each vessel, along with the seismic equipment attached or allocated to the vessel, is considered to be a cash generating unit being tested for impairment. In developing estimates of future cash flows, the Group must make assumptions about future day-rates, utilization, operating expenses, capital investments, residual values and remaining useful life of the vessels. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective. Significant and unanticipated changes in these assumptions could result in impairments in the future periods. Currently, there is elevated uncertainty with regards to the future outlook in terms of utilization and day-rates. To the extent that the future actual revenues achieved prove to be less than forecasted, impairment losses on vessels and equipment may result.

Note 7 Property, plant and equipment sets out information about the impairment testing performed in the current year.

(C) Going concern assumption

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in Note 2.1 Basis of preparation.

(D) Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(E) Provision for liabilities

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(F) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

5 Segment information

The company's seismic services and operations are conducted and monitored within the Group as one business segment.

Primary reporting format – types of revenues

All figures in USD 000's	2023	2022
Contract revenue	34,635	20,164
Total	**34,635**	**20,164**

Revenues from the company's largest customer in 2023 amounted to 62% of the Group's total annual revenues. In 2022 the largest customer contributed to 26% of total revenues.

Secondary reporting format – geographical segments

All figures in USD 000's	2023	2022
REVENUE		
Europe, Middle East & Africa (EMEA)	28	5,126
North & South America (NSA)	18,152	5,150
Asia Pacific (APAC)	16,455	9,888
Total	**34,635**	**20,164**
SEGMENT ASSETS		
Europe, Middle East & Africa (EMEA)	4,289	22,368
North & South America (NSA)	26,721	25,481
Asia Pacific (APAC)	23,013	18,017
Total	**54,023**	**65,866**
CAPITAL EXPENDITURE		
Europe, Middle East & Africa (EMEA)	268	3,895
North & South America (NSA)	530	-
Asia Pacific (APAC)	1,947	-
Total	**2,745**	**3,895**

A substantial portion of the property and equipment is mobile due to SeaBird's world-wide operation. Asset locations at the end of a period are not necessarily indicative of the geographic distribution of the revenues generated by such assets during the period. Geographic distribution of assets is based upon location of physical ownership. The geographic distribution of revenues is based upon location of performance. Capital expenditures are based on the location of the company that is making the investment.

6 Revenue

Revenue split on type of contract

All figures in USD 000's	2023	2022
Contract revenue	-	4,917
Time-charter revenue	34,607	15,211
Other revenues	28	36
Total revenues	**34,635**	**20,164**

The amount of revenue as presented above represents the revenue net of discounts. Within the year an amount of USD 2.6 million has been provided as a discount to the associate.

Time of revenue recognition

All figures in USD 000's	2023	2022
At a point in time	-	-
Over time	34,635	20,164
Total revenues	**34,635**	**20,164**

Set out below is the amount of revenue recognized from

All figures in USD 000's	2023	2022
Amounts included in contract liabilities at the beginning of the year	1,467	368
Amounts included in contract liabilities at the end of the year	469	1,467

7 Property, plant and equipment

The company's capital expenditures in 2023 was USD 2.7 million, where approximately USD 1.7 million was related to the 5-year special purpose survey of the "Eagle Explorer", the remaining relates to ordinary maintenance expenditures for the company. The total capital expenditures for the vessel in 2022 was USD 3.9 million, where the lion share relates to the finalization of the reactivation and upgrade for the "Fulmar Explorer".

All figures in USD 000's	Vessels and equipment	Dry-dock costs and equipment	Office equipment	Total
Opening net book amount as of 1 January, 2022	**41,773**	**4,170**	**106**	**46,050**
Additions	522	3,373	-	3,895
Sale of assets	-254	-34	-	-288
Depreciation	-5,458	-1,449	-53	-6,960
Impairment	-	-	-	-
Assets reclassified (to)/from held for sale	285	-	-	285
Other	-	-	-	-
Net book amount as of 31 December 2022	**36,868**	**6,060**	**53**	**42,982**
Cost	49,858	9,009	159	59,026
Accumulated depreciation and impairment	-12,990	-2,948	-106	-16,044
Net book amount as of 31 December 2022	**36,868**	**6,060**	**53**	**42,982**
Opening net book amount as of 1 January, 2023	**36,868**	**6,060**	**53**	**42,982**
Additions	2,150	595	-	2,745
Depreciation	-4,287	-1,933	-53	-6,274
Net book amount as of 31 December 2023	**34,731**	**4,722**	**-**	**39,453**
Cost	51,124	9,603	159	60,886
Accumulated depreciation and impairment	-16,392	-4,881	-159	-21,433
Net book amount as of 31 December 2023	**34,731**	**4,722**	**-**	**39,453**

Impairment assessment

The Group performed impairment reviews and determined the value in use of its fleet based on discounted estimated future cash flows carried out in accordance with the Group's policy described in Note 2.9 Impairment of non-financial assets. The assessment has not resulted in any impairment loss.

The Group's value in use model includes estimates of the expected future cash flows for each vessel along with the immovable and allocated movable seismic equipment. Cash flows are based on day-rates, utilization, operating costs and required capital investments over the remaining life of the vessel. These cash flows are discounted at the Group's weighted average cost of capital (WACC) which approximates 12.0% to estimate the present value, which is compared to book value at the date of the assessment. The impairment review is performed on the following vessels:

Asset	Valuation approach
Eagle Explorer	Value in use
Fulmar Explorer	Value in use

The main assumptions used in the calculation of the value in use of the Group's vessels are:

- Day-rates are based on an approximately 10% discount to awarded and probable projects expected to materialize. The rates are increased by 2% per year.
- Utilization is based on awarded and probable projects expected to materialize. Utilization beyond is based on the historic average utilization of the industry. Utilization remains constant until the end of the vessel's useful life.
- Operating and capital expenditure is based on historic averages and the Group's operating budget and business plan. Expenses increase by 2% per year.

WACC is calculated using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters. WACC has been set at 12.2% (2022: 13.0%). The WACC is estimated on a post-tax basis to be in line with the post-tax cash flows used in the model.

The calculation of value in use is sensitive to changes in the key assumptions, which are considered to be the day-rates, utilization rates, daily OPEX and the discount rate. Management has performed a sensitivity analysis on these assumptions in order to assess the impact on the recoverable amounts had the key assumptions been changed in the negative direction, all other things being equal.

The following apply to Fulmar Explorer:

- A decrease in day-rates by 10% over the remaining useful life of the vessels would result in an impairment loss of USD 3.3 million.
- A decrease in utilization rates by 10%-points over the remaining useful life of the vessels would result in an impairment loss of USD 6.2 million.
- An increase in operating expenses by 10% over the remaining useful life would not induce impairment loss.
- An increase in the WACC by 5%-points (41% increase) would not induce impairment loss.

The following apply to Eagle Explorer:

- A decrease in day-rates by 10% over the remaining useful life of the vessels would result in an impairment loss of USD 0.9 million.
- A decrease in utilization rates by 10%-points over the remaining useful life of the vessels would result in an impairment loss of USD 5.1 million.
- An increase in operating expenses by 10% over the remaining useful life would not induce impairment loss.
- An increase in the WACC by 5%-points (41% increase) would not induce impairment loss.

Given the inherent imprecision and corresponding importance of the key assumptions used in the impairment tests, it is possible that changes in the future conditions may lead management to use different key assumptions, which could require a material change in the carrying amount of the vessels. The risks associated with the judgments, estimates and assumptions used in this exercise are discussed in Note 4 Critical accounting estimates and judgments (B).

The impairment assessment on the Group's fleet is carried out in accordance with the Group's policy described in Note 2.9 Impairment of non-financial assets to the financial statements.

Mortgages and assets

The Group has a loan and guarantee facilities with Sparebank 1 SMN with a total frame of USD 15.6 million (see note 18 Interest bearing loans and borrowings). The facilities are secured with 1st priority mortgages over the vessels, assignment of the vessel's earnings, insurances, trade receivables, bank accounts and inventories.

Other payables amounted to USD 1.0 million as of 31 December 2023 are secured by 2nd priority mortgages on the vessels.

8 Income tax expense

SeaBird Exploration Plc is subject to taxation in Norway which impose corporation tax at the rate of 22% and the majority of its subsidiaries in Cyprus. The Group is also subject to taxation in various other jurisdictions because of its global operations. The Group continues to evaluate its historical tax exposures which might change the reported tax expense.

All figures in USD 000's	2023	2022
Current period	199	33
Adjustment for prior periods	73	-140
Total current tax	**272**	**-107**

All figures in USD 000's	2023	2022
Continuing operations profit/(loss) before income tax	3,399	-11,712
Tax arising at the rate of 22%	748	-2,577
Effect of tax adjustments in arriving at taxable profit and tax losses	-748	2,577
Foreign operations taxed at different rates	-	-
Tax effect current year	199	33
Reassessment of prior year tax provisions	73	-140
Total tax expense/(reversal) attributable to continuing operations	**272**	**-107**

All figures in USD 000's	2023	2022
Attributable to continued operations	272	-107
Attributable to discontinued operations	-	-

All figures in USD 000's	2023	2022
Long term tax payables	-	-
Current portion of tax liabilities	1,323	1,000
Total tax liabilities	**1,323**	**1,000**

Income taxes, penalties, and interest

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where SeaBird operates and generates taxable income. SeaBird establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

In deciding whether deferred tax assets are to be recognized in connection to unutilized tax losses, management considers the subsidiary's history of taxable losses and the probability of generating taxable profits before the unused tax losses expire. Management's assessment has concluded that no deferred tax assets should be recognized as at year-end.

9 Multi-client library

The components of the multi-client library are summarized as follows:

All figures in USD 000's	2023	2022
Opening net book amount as of 1 January	**54**	**179**
Amortization	-54	-139
Other	-	14
Net book amount as of 31 December	**-**	**54**

Costs directly incurred in acquiring, processing and otherwise completing multi-client seismic surveys, including vessel's depreciation, are capitalized to the multi-client library. Please see Note 2.9 – Impairment of non-financial assets – for the capitalization and amortization policies related to the multi-client library.

10 Trade receivables and contract assets

Trade receivables

All figures in USD 000's	2023	2022
Trade receivables gross	11,704	16,093
Less allowance for expected credit losses	-2,062	-3,665
Trade receivables – net	**9,642**	**12,428**

Of the USD 11.7 million in gross trade receivables, USD 1.8 million relates to receivables from associated companies (Note 19 Subsidiaries and associates within the Group and Note 30 Related-party transactions).

The average credit period on sales of goods is approximately 30 days. None of the trade receivables that have been written off is subject to enforcement activities.

Allowance for ECL and write offs, net of reversals

The movement in allowance of expected credit losses that has been recognized for trade receivables and contract assets, as well as the methodology under which the allowance has been estimated, are presented in Note 3.1 Financial risk factors.

All figures in USD 000's	2023	2022
Loss on trade receivables	2,062	-
Reversed write offs	-	-
Allowance for ECL and write offs, net of reversals	**2,062**	**-**

11 Other current assets

Other current assets overview

All figures in USD 000's	2023	2022
Prepaid expenses and deposits	165	1,471
Contract costs	95	2,261
Other current assets	998	2,387
Total other current assets	**1,258**	**6,119**

The contract costs relate to preparation and mobilization of the vessel and equipment to the intended contract area, capitalized as “costs to fulfil a contract” under the Group’s accounting policy described in Note 2.18 Revenue recognition and Note 2.24 Costs to fulfil a contract.

The contract costs at 31 December 2023 are fully amortized within Q1 2024. The total amount of contract costs recognized as at 31 December 2022 have been amortized in the profit or loss in the financial year 2023. No impairments have been recognized in the year in respect of contract costs assets.

12 Asset held for sale

Assets held for sale have been marketed for sale or have been agreed sold but the sales process have not been concluded. The valuations represent sales price or estimated market values for the equipment partly substantiated by statements from independent experts. The Company had nil asset held for sale as at 31 December 2023. USD 0.2 million was held for sale as at 31 December 2022, the sale was finalized during 2023 in line with book values of 31 December 2022.

All figures in USD 000's	2023	2022
Equipment	-	175
Total assets held for sale	**-**	**175**

13 Inventories

The company recognized USD 1.2 million in fuel and lube oil consumption as expenses in 2023 (2022: USD 3.4 million).

All figures in USD 000's	2023	2022
Marine gas oil	726	457
Lube oil	399	186
Total inventories	**1,125**	**643**

14 Cash and bank balances

The restricted cash is held in blocked bank accounts related to payroll tax, employees' prepaid taxes and rent deposits.

All figures in USD 000's	2023	2022
Restricted cash	42	57
Cash and cash equivalents	2,176	851
Cash and bank balances	**2,218**	**908**

15 Share capital and share options

Number of authorized shares

	2023	2022
Number of ordinary shares	91,000,000	91,000,000
Nominal value per share	EUR 0.17	EUR 0.17

Share Capital

All figures in USD 000's	2023	2022
Share capital	16,036	16,036
Share premium	20,908	20,908
Paid in capital	**36,944**	**36,944**

Number of shares issued

	2023	2022
Total number of shares issued at 1 January	**80,476,265**	**34,276,665**
New shares issued	-	46,199,600
Reclassification	6	-
Total number of shares as per 31 December	**80,476,271**	**80,476,265**

In January 2022 the Company issued 14,000,000 new shares at a premium price of NOK 2.25 and increased its share capital by EUR 2,380,000 to EUR 8,207,033.

In May 2022 the Company issued 3,500,000 new shares at a premium price of NOK 2.25 and increased its share capital by EUR 595,000 to EUR 8,802,033.

In July 2022 the Company issued 26,699,600 new shares at a premium price of NOK 3.00 and increased its share capital by EUR 4,538,932 to EUR 13,340,965.

In November 2022 the Company issued 2,000,000 new shares at a premium price of NOK 3.00 and increased its share capital by EUR 340,000 to EUR 13,680,965.

In December 2022 the Company reduced its share premium by USD 16,233,336 with the purpose to write off losses of the Company. The share premium was further reduced by USD 4,965,858 in relation with the distribution of the Company's shares in Green Minerals AS to its shareholders. The distribution was completed on 25 January 2023.

In March 2023 the Company reallocated 6 shares that has been held outside the Norwegian VPS in relation with the reallocation of the shareholder register from Cyprus to Norway. The shares were registered with a premium price of nil and increased its share capital by EUR 1.

There are no share classes and no voting restrictions on the shares.

Employee Share Option Plans

The employee share option program consists of 2.3 million warrants and options as of 31 December 2023. The options will vest over period of three years from the grant date, while the Warrants will vest over a period of two years. One third of the options granted will vest one year after grant date, one third of the options granted will vest two years after grant date and one third of the options granted will vest three years after grant date; similar, the warrants will be distributed over two periods. All options and warrants are exercisable at any time within one year from the corresponding vested dates. The options and the warrants have an average exercise price of NOK 6.23.

Estimated value of the share options granted, reduced for services not rendered, as at 31 December 2023, is presented in equity as share options granted.

	Number of options and warrants outstanding
Opening amount as of 1 January, 2023	**3,140,000**
Granted during the year	-
Forfeited during the year	-
Exercised in year	-
Expired in year	-820,000
Closing amount at 31 December 2023	**2,320,000**
of which is vested	1,166,667
of which is non-vested	1,153,333
Total options	**2,320,000**

Share based payments effect on the group's profit or loss amounts to USD 0.2 million for 2023 and USD -0.2 million for 2022. The total value of share options granted is calculated using the Black-Scholes model, assuming that all the options will be exercised. The fair value determined at the grant date is expensed over the vesting period of the options for the options granted less expected number of forfeited options. The calculation is based on:

- Trailing 252 days logarithmic return volatility of 43%
- Given exercise price for the given option trance the given year, averaging to NOK 6.23
- Time to maturity for the given option tranches
- Assume no dividends
- A risk-free interest rate of 5.6 % per annum

16 Trade and other payables

Contract liability is income earned before contract start-up and accrued over the contract period. The accrued amount at 31 December 2023 was related to one contract starting up in late 2023 and was completed in early 2024.

The Group has a credit line with Glander International Bunkering, this vendor credit is secured with second priority mortgages over the vessels.

All figures in USD 000's	2023	2022
Trade payables	3,821	9,051
Contract liability	469	1,467
Accrued interest on taxes	-	48
Accrued interest on loans	-	172
Vendor credit	-	2,341
Accrued vessel and office costs	1,826	3,124
Payroll related liabilities	1,126	1,286
VAT and other payables	172	802
Total trade and other payables	**7,414**	**18,291**

17 Provisions and other liabilities

Provisions and other liabilities

All figures in USD 000's	2023	2022
Legal provision	488	331
Other liabilities related arbitration awards	1,761	-
Total Provisions and other liabilities	**2,249**	**331**

Other liabilities relate to two arbitrations which were awarded against two fully owned subsidiaries within the year under review, with the final amount due being USD 1.8 million. The Profit & Loss impact for the year is USD 1.4 million which has been recognised in other expenses (see Note 21 Other income (expenses), net).

Changes in provisions

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**331**	**331**
Additional provision in the year	1,430	-
Reclassification	488	-
Closing book amount as of 31 December	**2,249**	**331**

An amount of USD 0.5 million has been reclassified from Other Payable in the 2022 Annual report to Provision and other liabilities in the 2023 annual accounts.

18 Interest bearing loans and borrowings

Sparebank 1 SMN term loan and guarantee facility

Within the year, the Group received a new bank facility for the amount of USD 14.2m for the repayment of the facilities which matured in June 2023. The effective loan interest was 12.3% in 2023 (2022: 8.8%). The loan facility carries quarter instalments of USD 0.77 million and has a maturity date on 30 of June 2026. The new facility includes also a guarantee of USD 1.4 million which matures on 05 of July 2026. The loan is recognized in the books at par value. The facilities are secured with 1st priority mortgages over the vessels, assignment of the vessel's earnings, insurances, trade receivables, bank accounts and inventories.

Seabird has a USD 14.2 million bank facility where the balance is USD 13.5 million at year end 2023.

Sparebank 1 SMN loan financial covenants:

- Minimum free cash: USD 1 million

- Positive working capital excluding current portion of interest bearing debt
- Equity ratio 45 %

The Group is in compliance with all the financial and non-financial bank loan covenants as of 31 December 2023, with the exception of the value of hull and machinery insurances which shall be equal to at least 80% of the vessel's market value. Due to the substantial increased of the market value of the Company's two vessels, the value of the hull and machinery insurances has fallen below the 80% threshold per 31 December 2023. The Company has received a waiver from the lender in respect of this covenant.

All figures in USD 000's	2023	2022
Sparebank 1 SMN		
Non-current	10,543	-
Current	3,061	15,687
Other		
Non-current	2,572	-
Current	58	600
Total	**16,234**	**16,287**

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**16,287**	**15,327**
Receipts from borrowings	14,200	11,501
Conversion of borrowing	2,340	-
Interest on loans and borrowings	2,400	1,616
Repayment of borrowings	-16,997	-10,606
Interest paid	-1,996	-1,551
Closing book amount as of 31 December	**16,234**	**16,287**

An amount of USD 2.3m which was included in other payables as at 31 December 2022, was converted into a loan within the year under review. The loan does not carry any instalments and there is no specified maturity date.

19 Subsidiaries and associates within the Group

Company	Owner	Country of incorporation	Shareholding and voting rights	
			2023	2022
Aquila Explorer Inc.	Seabird Exploration PLC	Panama	100%	100%
Biliria Marine Company Limited**	Seabird Exploration PLC	Cyprus	100%	100%
GeoBird Management AS	Seabird Exploration PLC	Norway	100%	100%
Green Energy Group AS*	Seabird Exploration PLC	Norway	100%	100%
Harrier Navigation Company Limited	Seabird Exploration PLC	Cyprus	100%	100%
Hawk Navigation Company Limited**	Seabird Exploration PLC	Cyprus	100%	100%
Munin Navigation Company Limited**	Seabird Exploration PLC	Cyprus	100%	100%
Oreo Navigation Company Limited**	Seabird Exploration PLC	Cyprus	100%	100%
Raven Navigation Company Limited**	Seabird Exploration PLC	Cyprus	100%	100%
Sana Navigation Company Limited	Seabird Exploration PLC	Cyprus	100%	100%
Seabed Navigation Company Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Crewing Mexico S. DE R.L. DE C.V.	Seabird Exploration Norway AS	Mexico	100%	100%
SeaBird Exploration Americas Inc.	Seabird Exploration PLC	USA	100%	100%

SeaBird Exploration Asia Pacific PTE. Ltd.	Seabird Exploration PLC	Singapore	100%	100%
SeaBird Exploration Crewing Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Exploration Cyprus Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Exploration Finance Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Exploration FZ-LLC	Seabird Exploration PLC	UAE	100%	100%
SeaBird Exploration Multi-Client Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Exploration Nigeria Ltd.	Seabird Exploration Norway AS	Nigeria	100%	100%
SeaBird Exploration Norway AS	Seabird Exploration PLC	Norway	100%	100%
SeaBird Exploration Private Limited	Seabird Exploration PLC	India	26%	26%
SeaBird Exploration Shipping AS	Seabird Exploration PLC	Norway	100%	100%
SeaBird Exploration Vessels Limited	Seabird Exploration PLC	Cyprus	100%	100%
SeaBird Seismic Mexico S. DE R.L. DE C.V.	Seabird Exploration Norway AS	Mexico	100%	100%
Susco AS*	Seabird Exploration PLC	Norway	100%	100%

*) Green Energy Group AS and Susco AS were dissolved 7 March 2024.

**) Biliria Marine Company Limited, Hawk Navigation Company Limited, Munin Navigation Company Limited, Oreo Navigation Company Limited and Raven Navigation Company Limited field for voluntary liquidation with the Cyprus court on 29 December 2023. The voluntary liquidation process is expected to be completed in 2024.

Seabird Exploration Private Limited is recognised using the equity accounting principle. For further information, please refer to Note 2.6 Interests in joint operations and associates.

Green Minerals AS was distributed to shareholders on 25 January 2023, the remaining 446,801 (approximately 3% of the outstanding shares) shares is booked at fair value through the profit and loss. During the prior year, Green Minerals AS was considered a subsidiary with 51% shareholding and voting rights.

The company has recognized the following balances for its investment in other companies:

All figures in USD 000's	2023	2022
Associates	65	224
Other investments	262	-
Total other financial items, net	**327**	**224**

Other investments represent the shareholding in Green Minerals AS, which is recognized at fair value through the profit and loss

Equity accounted investees:

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**224**	**-**
Dividends received	-119	-
Share of profit / (loss) included in net financials	-26	224
Impairments	-14	-
Closing book amount as of 31 December	**65**	**224**

Associated company:

All figures in USD 000's	Year ended 31 December 2023	2022
Current assets	2,047	11,875
Current liabilities	-1,795	-11,012
Net assets	**252**	**863**
Share of net asset	65	224
Revenue	17,324	7,511
Expenses	-17,423	-6,650
Total comprehensive income	**-99**	**861**
Share of profit / (loss)	-26	224

Asset and liabilities held for distribution:

All figures in USD 000's	Year ended 31 December 2023	2022
Cash and cash equivalents	-	2,156
Trade and other receivables	-	169
Receivables from related parties	-	8
Total Assets	**-**	**2,333**
Trade and other payables	-	142
Total Liabilities	**-**	**142**

20 Other financial items, net

All figures in USD 000's	2023	2022
Foreign exchange gain	367	482
Foreign exchange loss	-599	-293
Other financial income	3,995	26
Other financial expense	-224	-690
Total other financial items, net	**3,539**	**-475**

Other financial income represents the Group's profit from distributing the Group's majority shareholdings in Green Minerals AS to its shareholders (USD 3.7 million) and the fair value gain through the profit and loss for the remaining shares held (USD 0.3 million). The distribution was completed on 25 January 2023.

21 Other income (expenses), net

All figures in USD 000's	2023	2022
Net client reimbursements	189	1,304
Meals and accommodation	523	171
Loss on trade receivables	-2,062	-
Other income (expense)	-1,589	10
Total other income (expense)	**-2,939**	**1,485**

Loss on trade receivables relates to movement in allowance of expected credit losses. Please see Note10 Trade receivables and contract assets for more information on the loss on trade receivables.

Two fully owned subsidiaries of the Group were part of separate arbitrations that were awarded against the respective companies within the year under review. The Profit & Loss impact for the year is USD 1.4 million which has been recognised in other income/(expenses) (see Note 17 Provisions and other liabilities).

22 Expenses by nature

Cost of sales

All figures in USD 000's	2023	2022
Charter hire	-	-
Seismic and marine expenses	6,298	13,974
Other operating expenses	2,599	90
Cost of sales	**8,897**	**14,064**
Crew and crew related costs	10,165	4,972
Total charter hire and operating expenses	**19,062**	**19,036**

Selling, general and administrative expenses

All figures in USD 000's	2023	2022
Staff cost and Directors' remuneration	1,200	2,159
Legal and professional	1,678	1,171
Travel expenses	72	21
Rent and other office expenses	73	90
Other expenses SG&A	946	448
Selling, general and administrative expenses	**3,969**	**3,889**

Included in Rent and office expenses is the rental cost of office premises and small items of office equipment following the 'short-term leases' and 'low-value assets' exemptions adopted by the Group.

23 Audit expenses

All figures in USD 000's	2023	2022
Statutory audit	334	198

An amount of USD 0.3 million relates to prior year under provision and is included under legal and professional expenses.

24 Employee benefit expense

All figures in USD 000's	2023	2022
Crew salaries and benefits	8,415	3,433
Salary costs for staff	691	1,602
Social security cost for staff	183	208
Pension cost for staff	186	172
Directors' remuneration	112	142
Insurance and other costs	28	35
Total employee benefit expense	**9,615**	**5,592**
Including accrued costs relating to the employee stock option plan	153	595
Average number of employees and temporary crew contractors	76	67

25 Finance expense

All figures in USD 000's	2023	2022
Interest on loans and borrowings	2,400	1,616
Interest on suppliers' balances	165	237
Interest on tax liabilities	23	1
Total finance expense	**2,588**	**1,854**

26 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year (Note 15 Share capital and share options).

All figures in USD and/or 000's except earnings per share	2023	2022
Number of shares		
Number of ordinary shares in issue at period end	80,476	80,476
Weighted average number of ordinary shares in issue	80,476	59,228
Profit/(Loss) attributable to equity holders of the company		
Profit/(Loss) attributable to ordinary shares	3,127	-12,244
Profit/(Loss) attributable to ordinary shares for continue operation	3,127	-11,605
Profit/(Loss) attributable to ordinary shares for discontinue operation	-	-639
Basic earnings per share		
From continuing operations	0.04	-0.20
From discontinued operations	-	-0.01
Total basic earnings per share	**0.04**	**-0.21**

The total outstanding amount of shares in the company was 80,476,271 common shares at 31 December 2023 with a nominal value of EUR 0.17 per share. There are no share classes. The weighted average number of ordinary shares issued was 80.5 million in 2023 and 59.2 million in 2022.

27 Dividends

No dividend was distributed for the year ended 31 December 2022 and no dividend is proposed to be distributed for the year ended 31 December 2023. Please see note 33 Subsequent events for more information on shareholder distribution.

28 Commitments and contingencies

i) The Group has a tax refund claim of USD 1.5 million in India, the realization of which is considered probable. In addition, the company has a tax penalty claim of USD 1.5 million from Indian authorities related to contracts in 2013 and 2014, the outcome of which is not assessed as probable. It is uncertain when and if the cases will be concluded.

ii) One of the Group's Norwegian wholly owned subsidiary has received a summons demanding compensation "at the court's discretion" in connection with a de-rigging of seismic equipment from a third-party vessel the company managed in 2020-2021. The company considers the claim to be groundless, and no provision has therefore been made in the accounts. A response to the summons has been filed and the main hearing in the district court is scheduled for December 2024.

iii) During 2020 the Group sold it's shares in Osprey Navigation Co. Inc. Operating activities in this company ceased in 2020 with the sale of Osprey Explorer for demolition. The sale of the shares generated a non-cash profit of USD 3.0 million as an old balance sheet item previously recorded as a tax liability in Seabird accounts remained in Osprey Navigation Co. Inc upon the sale and therefore was de-recognized in the Seabird consolidated financial statements. Although unlikely, it cannot be ruled out that the creditor may seek to recover the remaining balance from other Group companies, including the parent company SeaBird Exploration Plc. However, to date there is no indication that this will be the case. In this respect it should also be considered that additional tax exposure may incur related to VAT, currency risk and delayed interest charges, which may increase a future potential liability.

iv) In March 2022 a wholly owned subsidiary of the Group (the "Subsidiary"), received a letter from the London Court of International Arbitration ("LCIA"), based on which a counterparty ("the Claimant") submitted a request for arbitration for the adjudication of disputes arose between the two parties under a representation agreement signed in 2018. As at year end 31 December 2022 and as of the date of signing off the consolidated Financial Statements being 23 June 2023, no final award was being issued by the LCIA. The management of the Group as at 31 December 2022 and as at the date of signing the respective Consolidated Financial Statements, performed an assessment over the outcome of the above described arbitration, and concluded that the possibilities of receiving an award by the LCIA against the Subsidiary and in favour of the Claimant were remote. Therefore, the management on the basis of its assessment, neither informed the external auditors over the existence of this arbitration which was in progress nor included any disclosures over this matter in the Consolidated Financial Statements for the year ended 31 December 2022, in line with the provisions of IAS 37 Contingent Liabilities and Contingent Assets. On 7 November 2023, LCIA issued a final award against the Subsidiary for the above arbitration, based on which it should pay to the Claimant an amount of USD 1.02m, plus other sundry costs (see Note 21 Other income (expenses), net). Following the final decision issued by the LCIA, it proved that the management's assessment as at 31 December 2022 in regards to this case was wrong and as a result the matter should have been disclosed in the Consolidated Financial Statements for the year ended 31 December 2022. The payable amount of USD 1.1m remains outstanding as at 31 December 2023 and is disclosed in Note 17 Provisions and other liabilities.

29 Leases

The Group as a lessee

There are no lease agreements for assets at 31 December for 2023 and 2022.

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

The Group as a lessor

During 2023 the company did the following short-term leases:

- Eagle Explorer – approximately 10 months
- Fulmar Explorer - 12 months

During 2022 the company did the following short-term leases:

- Eagle Explorer – approximately 5 months
- Fulmar Explorer - approximately 7 months

30 Related-party transactions

Key management and board compensation

Key management is defined as Finn Atle Hamre (CEO) and Sveinung Alvestad (CFO).

Board include Ståle Rodahl (Chairman), Øivind Dahl-Stamnes, Hans Christian Andersson, Sverre Strandenes and Odd Sondre Svalastog Helsing.

All figures in USD 000's	2023	2022
Management salaries and other short-term employee benefits	512	406
Post-employment benefits	29	38
Board remuneration	112	142
Consulting agreements (board members)	176	61
Total key management and board compensation	**829**	**647**

Loans from related parties

No loans were granted nor outstanding in 2023. During the year 2022, short term loans were granted to a subsidiary of the Group amounting to a total of NOK2.660.000 from related parties. The loans bore interest of 5% resulting to NOK133.000 interest charge. All amounts were received and repaid within the year 2022.

Loans to related parties

The Company has no loans to related parties.

Balances and transactions with related parties

As of 31 December 2023, the Group has recorded USD 1.8 million (2022: USD 8.8 million) in trade receivables from associated company. The net total revenue recognised by the Group of the associated company for the year 2023 was USD 7.4 million (2022: USD 5.0 million), plus an amount of USD 0.02m representing other income.

Commitments and contingencies to related parties

The Company has neither commitments nor contingencies to related parties.

Shareholding

Management and the board of directors, as of 31 December 2023 held the following shares on own account:

Name	Title	Ordinary shares	% ownership	Outstanding options*	Outstanding warrants*
Ståle Rodahl	Chairman	3,255,775	4.05%	240,000	360,000
Hans Christian Anderson	Board Member	-	-	-	-
Odd Sondre Svalastog Helsing	Board Member	1,208,333	1.50%	-	-
Øivind Dahl-Stamnes	Board Member	70,000	0.09%	-	-
Sverre Strandenes	Board Member	-	-	-	-
Finn Atle Hamre	CEO	15,125	0.02%	740,000	-
Sveinung Alvestad	CFO	44,843	0.06%	600,000	-

*Please see Note 15 Share capital and share options for further information of the company's share option program.

On 24 February 2023, Mr Sondre Helsing, Board member, has through his wholly owned company Hubris Industrier AS today purchased 325,000 shares in Seabird Exploration Plc at a price of NOK 4.54 per share. Following this transaction Mr Helsing owns 1,208,333 shares in the Company.

On 24 November 2023, Mr Øivind Dahl-Stamnes, Board member, has through his wholly owned company Dorris AS purchased 6,800 shares in Seabird Exploration Plc at a price of NOK 5.08 per share. Following this transaction Mr Dahl-Stamnes owns 70,000 shares, representing approximately 0.1% of the outstanding shares in the Company.

On 16 November 2023, Mr Øivind Dahl-Stamnes, Board member, has transferred 43,200 shares from his personal account to his wholly owned company Dorris AS. Mr. Dahl-Stamnes holding in Seabird Exploration Plc remains unchanged at 63,200 shares, representing approximately 0.1% of the outstanding shares.

On 9 October 2023, Mr Øivind Dahl-Stamnes, Board member, has transferred 20,000 shares from his personal account to his wholly owned company Dorris AS. Mr. Dahl-Stamnes holding in Seabird Exploration Plc remains unchanged at 63,200 shares, representing approximately 0.1% of the outstanding shares.

Purchase of services from board members

Storfjell AS, a company controlled by Ståle Rodahl (Chairman of the Board of the Company), has invoiced Seabird Exploration PLC USD 0.2 million related to various consultancy work performed. The comparable figure for 2022 was USD 0.1 million.

31 Financial instruments

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- cash and cash equivalents and restricted bank balances

In general, vessels on time charter are prepaid, while vessels contracted to oil companies usually have payment terms on an average of approximately 30 days. Interest is charged on outstanding overdue trade receivables.

The Group always measures the loss allowance for trade receivables (including lease receivables) and contract assets at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated by carrying out an individual assessment on each outstanding balance. Management takes into account the counterparty's financial position, past default experience, industry knowledge and market reputation. Management also considers macroeconomic factors, such as general economic conditions, factors specific to the oil and seismic industry and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The collection of receivables is closely monitored by management.

With regards to cash and cash equivalents, the Group measures its expected credit loss by reference to the banks' external credit ratings and relevant published default and loss rates, taking into consideration the EUR 100,000 per bank deposit protection guaranteed under the EU Deposit Guarantee Scheme. The Norwegian Bank's Guarantee Fund covers deposits up to NOK 2 million per depositor per bank. The Group monitors changes in external credit ratings and default rates and compares these to credit risk at initial recognition. Cash held at banks with investment grade are assessed as low credit risk and belong to Stage 1. As the Group's deposits are held in banks with high credit quality ratings with investment grade, the probability of default is low, and the expected credit loss is minimal. Thus, no loss has been recognized in the consolidated financial statements.

Group's maximum exposure to credit risk:

All figures in USD 000's	Note	2023	2022
Trade receivables	10	11,704	16,093
Restricted cash	14	42	57
Cash and cash equivalents	14	2,176	851
Total		**13,923**	**17,001**

The ageing of trade receivables at the reporting date was:

All figures in USD 000's	Gross	Impairment	Total
Not past due	6,118	-	6,118
Past due 0-30 days	4,587	-	4,587
Past due 31-120 days	-	-	-
More than 120 days	5,388	-3,665	1,723
Total trade receivable as of 31 December 2022	**16,093**	**-3,665**	**12,428**
Not past due	5,238	-	5,238
Past due 0-30 days	2,217	-	2,217
Past due 31-120 days	416	-	416
More than 120 days	3,834	-2,062	1,772
Total trade receivable as of 31 December 2023	**11,704**	**-2,062**	**9,642**

The following table details the movement in the allowance for expected credit losses of trade receivables and contract assets:

All figures in USD 000's	Note	2023	2022
Opening amount as of 1 January		3,665	3,665
Provision for expected credit losses		2,062	-
Write-off		-3,665	-
Net carrying amount as of 31 December		**2,062**	**3,665**

The Group has recognized a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that the receivables are generally not recoverable. Please note that the USD 1.8 million included on the balance sheet with duration above 120 days relates to an associated company that the company has high visibility of recovering the funds.

As described in Note 3.1 Financial risk factors (B), the company's concentration of credit risk is due to the narrow customer base within the oil & gas industry and the fact that the market participants face common risks connected to the industry's general economic conditions.

Liquidity Risk

Ultimate responsibility for risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short-, medium- and long-term funding and liquidity requirements. The group manages liquidity risk by maintaining sufficient cash and cash equivalents, seeking the availability of equity funding and debt funding, and by continuously monitoring forecast and actual cash flows.

The tables below summarize the maturity profile of the group's financial liabilities at year end on contractual undiscounted payments. The tables have been drawn based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. Floating interest rates are applied on the interest-bearing borrowings (refer to Note 18 Interest bearing loans and borrowings) and tax liabilities.

All figures in USD 000's	On Demand	Less Than 12 Months	1 to 5 Years	Total
Interest-bearing borrowings	-	16,287	-	16,287
Trade payables	-	9,051	-	9,051
Other payables	-	9,240	-	9,240
Provisions	-	331	-	331
Total financial liabilities as of 31 December 2022	**-**	**34,909**	**-**	**34,909**
Interest-bearing borrowings	-	4,921	15,207	20,128
Trade payables	-	3,821	-	3,821
Other payables	-	3,593	-	3,593
Provisions	-	2,249	-	2,249
Total financial liabilities as of 31 December 2023	**-**	**14,584**	**15,207**	**29,791**

Interest-bearing borrowings included amortisation profile of debt and interest for the respective periods.

Currency risk

As described in Note 3.1 Financial risk factors (A)(I), the Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to fluctuations with respect to Norwegian kroner, Euro and Singapore Dollar.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are presented in the tables below.

All figures in USD 000's	Total	NOK	EUR	SGD	Others
Assets	2,632	2,627	5	-	-
Liabilities	-5,458	-2,379	-2,422	-805	148
Net position as of 31 December 2022	**-2,826**	**248**	**-2,417**	**-805**	**148**
Sensitivity 10%	-283	*25*	*-242*	*-81*	*15*

All figures in USD 000's	Total	NOK	EUR	SGD	Other
Assets	1,403	524	74	-	805
Liabilities	-3,859	-612	-1,512	-1,297	-439
Net position as of 31 December 2023	**-2,457**	**-88**	**-1,438**	**-1,297**	**366**
Sensitivity 10%	-246	-9	-144	-130	37

The table also details the Group's sensitivity to a 10% decrease in US dollar against the relevant foreign currencies. A positive number below indicates an increase in profit. For a 10% weakening of US dollar against the relevant currency, there would be an opposite negative impact on the profit.

Exchange rates applied during the year:

	Average rate		Year end	
USD per :	2023	2022	2023	2022
EUR	1.0810	1.0536	1.1050	1.0666
GBP	1.2433	1.2309	1.2715	1.2026
NOK	0.0947	0.1039	0.0983	0.1014
SGD	0.7443	0.7246	0.7573	0.7459

Interest rate risk

As described in Note 3.1 Financial risk factors (A)(II), the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowing from Sparebank 1 SMN which is a floating interest loan.

The table below presents the carrying values of its floating-rate financial instrument:

All figures in USD 000's	Note	2023	2022
Sparebank 1 SMN - Libor + margin	18	13,605	15,687

Cash equivalents and restricted cash of USD 2.2 million as at 31 December 2023 (2022: USD 0.9 million) are interest bearing assets with variable rates.

An increase/decrease of 100 basis points in interest rates at during 2022 would have increased/decreased equity and profit or loss by USD 0.1 million (2022: USD 0.2 million).

Fair value estimation

Green Minerals AS was distributed to shareholders on 25 January 2023, the remaining 446,801 (approximately 3% of the outstanding shares) shares is booked at fair value through the profit and loss. The fair value per 31 December 2023 was USD 0.3 million.

32 Long-term investments

The group holds a long-term investment which relates to an associated company (Note 19 Subsidiaries and associates within the Group).

Green Minerals AS is booked at fair value through the profit and loss. The Group holds 3% of the Green Minerals AS's shares outstanding.

33 Subsequent events

On 18 April 2024, the parent Company announced that in the extraordinary general meeting had been approved the distribution of NOK 0.25 per share to its shareholders, which will be effected through the reduction of share premium.

On 23 February 2024, the parent Company announced that the Board of Directors has proposed a cash dividend of NOK 0.25 per share.

34 Performance measurement definitions

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 in below table.

Alternative performance measurements		
Measure	Description	Reason
EBITDA -Operating profit before depreciation and amortization	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.

Other definitions	
Measure	Description
Vessel utilization	Utilization is a measure of the Company`s ability to keep vessels in operation and on contract with clients, expressed as a percentage and are based on actual days.

35 Operating environment

The economic environment in 2023 and over the medium term is subject to a high degree of uncertainty, with the continuation of the war in Ukraine, Israel-Gaza conflict, rising tensions in US-China relations, high inflation and high interest rates threatening a significant slowdown in the global economy.

Russia – Ukraine conflict

The conflict between Russia and Ukraine continues to be highly unstable. The tension in the region impacted the Russian and global economies negatively and resulted to ongoing political tensions and international sanctions against certain Russian companies and individuals. The sanctions imposed restricted the parties from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The conflict between Ukraine and Russia may have an impact on global Oil & Gas demand and pricing which again may affect the global market for Marine Seismic services. The Group also uses some crew members of Ukraine and Russian Nationality, these crew members have been working for the Group for a number of years and have not so far indicated any mistrust or other concerns by working together. This situation is monitored by the Group. Secondary the Group may encounter difficulties to pay salaries to Russian crew members due sanctions. If such situation arises the Group will assess the possibility and ultimately change crew to other Nationalities. Currently the Group does not have any ongoing projects or contracts with Russian or Ukrainian interests.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Israel – Gaza conflict

The Israel-Gaza conflict has escalated on 07 October 2023, with the launch of a major attack by Hamas. There might be a significant exposure and economic uncertainty for entities with operations, subsidiary entities or investment in the war area. Other entities, which do not have a direct exposure with the war area might also be indirectly affected by the negative global economy and global trade impact that arise due to the war.

Management believes that it is neither significantly impacted from the Israel-Gaza nor the Russia-Ukraine conflict, as its operations are not affected by the situation, therefore are reasonably well positioned to withstand volatility and economic uncertainties that may arise from the geopolitical and global economic environment. Management will continue to monitor the situation closely and assesses appropriate actions when, and if, needed.

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Statement of income

All figures in USD 000's	Note	Year ended 31 December 2023	2022
Revenues	8	-	1,003
Cost of sales	-	-4	-54
Selling, general and administrative expenses	11	-1,036	-1,397
Other income (expenses), net	9	-2,051	-
Impairment on group receivables, net	16,17	-15	-6,808
Write down on group payables	16	1,518	-
Impairment on investments in subsidiaries, net of reversals	14	-5,385	-4,241
Earnings before interest and taxes (EBIT)		**-6,973**	**-11,497**
Finance expense	12.16	-2,183	-631
Share of net income (loss) of associates	14	-5	-
Fair value adjustments through profit and loss	14	262	-
Other financial items, net	10, 14	6,117	791
Profit/(loss) before income tax		**-2,782**	**-11,337**
Income tax	3	-	-
Profit/(loss) for the period		**-2,782**	**-11,337**

Statement of comprehensive income

All figures in USD 000's	Note	Year ended 31 December 2023	2022
Profit/(loss)		**-2,782**	**-11,337**
Other comprehensive income		-	-
Total other comprehensive income, net of tax		**-**	**-**
Total comprehensive income		**-2,782**	**-11,337**

Statement of financial position

All figures in USD 000's	Note	As of 31 December 2023	2022
ASSETS			
Non-current assets			
Investments in subsidiaries	14	49,869	50,328
Financial assets at fair value through profit and loss	14	262	-
Investment in associated companies	14	65	-
Total non-current assets		**50,196**	**50,328**
Current assets			
Trade receivables and other current assets	4	10	5
Due from related parties	16	7,544	12,760
Cash and cash equivalents	5	136	40
Total current assets		**7,690**	**12,805**
Assets classified as held for distribution	14	-	2
TOTAL ASSETS		**57,886**	**63,135**
EQUITY			
Shareholders' equity			
Paid in capital	6	36,944	36,944
Revaluation reserve		12	12
Share options granted	6	153	354
Retained earnings		-12,867	-5,475
TOTAL EQUITY		**24,242**	**31,835**
LIABILITIES			
Non-current liabilities			
Total non-current liabilities		**-**	**-**
Current liabilities			
Trade payables and other payables	7	218	320
Due to related parties	16.17	33,426	30,981
Total current liabilities		**33,644**	**31,301**
TOTAL LIABILITIES		**33,644**	**31,301**
TOTAL EQUITY AND LIABILITIES		**57,886**	**63,135**

On 30 April 2024, the board of directors of SeaBird Exploration Plc authorized these Financial Statements for issue.

Ståle Rodahl – Executive Chairman

Hans Christian Anderson – Director

Øivind Dahl-Stamnes – Director

Sverre Strandenes – Director

Odd Sondre Svalastog Helsing – Director

Statement of cash flow

		Year ended 31 December	
All figures in USD 000's	Note	2023	2022
Cash flows from operating activities			
Profit/(loss) before income tax		-2,782	-11,337
Adjustments for			
Write down on group payables	16	-1,518	-
Impairment on investments in subsidiary	16	5,385	4,241
Impairment on group receivables, net	16	15	6,808
Share option plan	6	-202	-244
Loss /(gain) from sale of shares in subsidiaries	_	-4,608	-
Unrealized exchange (gain)/loss	_	9	88
Interest income	16	-1,434	-931
Interest expense	16	2,183	631
Fair value adjustments through profit or loss	_	-262	-
Share of net income/(loss) of associates and joint ventures	_	5	-
Other items	_	2,009	697
(Increase)/decrease in trade and other receivables and restricted cash	_	-2,065	1
Increase/(decrease) in trade and other payables	_	-102	-7
Net movement of related parties balances	16	3,460	-12,558
Net cash used in operating activities	_	**96**	**-12,611**
	_		
Cash flows from investing activities	_		
Payment for investment in subsidiaries	_	-	-
Net cash used in investing activities	_	**-**	**-**
	_		
Cash flows from financing activities	_		
Net proceeds from issuance of ordinary shares	6	-	12,651
Net cash from financing activities	_	**-**	**12,651**
	_		
Net decrease in cash and cash equivalents	_	**96**	**40**
Cash and cash equivalents at beginning of the period, unrestricted	_	40	0
Cash and cash equivalents at end of the period, unrestricted	_	**136**	**40**

Statement of changes in equity

All figures in USD 000's	Paid in capital	Revaluation reserve	Share options granted	Retained earnings	**Total equity**
Equity as of 1 January, 2022	**45,492**	**12**	**110**	**-15,338**	**30,276**
Profit/(Loss)				-11,337	-11,337
Other comprehensive income					-
Total comprehensive income	**-**	**-**	**-**	**-11,337**	**-11,337**
Share issue	12,651				12,651
Share premium reduction	-16,233			16,233	0
Share premium reduction – Green Minerals shares	-4,966			4,966	-0
Net share options movement			244		244
Other equity transactions					-
Total contributions by and distributions to owners	**-8,548**	**-**	**244**	**21,199**	**12,895**
Equity as of 31 December 2022	**36,944**	**12**	**354**	**-5,475**	**31,835**
Profit/(Loss) for the year				-2,782	-2,782
Other comprehensive income for the year					-
Total comprehensive income for the year	**-**	**-**	**-**	**-2,782**	**-2,782**
Share issue					-
Green Minerals distribution				-4,610	-4,610
Net share options movement			-202		-202
Other equity transactions					-
Total contributions by and distributions to owners	**-**	**-**	**-202**	**-4,610**	**-4,811**
Equity as of 31 December 2023	**36,944**	**12**	**153**	**-12,867**	**24,241**

Notes to the financial statements

All figures in USD 1.000, if not stated otherwise.

The separate financial statements are an integral part of the annual financial statements and should be read in conjunction with the consolidated financial statements.

1 General information

The accompanying consolidated financial statements represent the activities of SeaBird Exploration PLC for the year ended 31 December 2023 (the “period”). The financial statements were authorized for issue by the board of directors on 30 April 2024.

These financial statements are the separate financial statements.

Country of incorporation

The company was incorporated in the British Virgin Islands as a limited liability company in 2000. The company was re-domiciled to Cyprus on 18 December 2009. Seabird has direct ownership in two vessels and the company is listed on Oslo Børs with ticker SBX. The company’s registered address is at Panteli Katelari 16, Diagoras House floor 7, 1097, Nicosia, Cyprus. The Group main office is located in Bergen (Norway) with the office address Sandviksbodene 68, 5035 Bergen. SeaBird Exploration Plc is tax resident in Norway and registered in the corporate registers both in Norway and Cyprus.

Principal activities

The principal activity of the company, which is unchanged from last year, is the ownership of companies operating within the seismic industry, including providing financing to subsidiaries.

Basis of preparation

Going concern

As at 31 December 2023 the Company is in a net current liability position of USD 26.0, and incurred losses for the year of USD 2.8 million. As at 31 December 2023 the Company is in a net assets position of USD 24.2 million. The assessment of going concern of the Company relies heavily on the ability of the Company and its subsidiaries, the Group, to secure future cash inflows over the going concern assessment period which extends through to a period of at least one year from the date of approval of the financial statements to meet their liabilities as they become due. Refer also to Note 2.1 of the Consolidated Financial Statements.

Based on the assessment, Seabird Group will be in the position to repay its short-term obligations as they fall due. For this reason, management considers it reasonable to use the assumption of going concern in the preparation of the audited financial statements of the Company.

2 Material accounting policy information

The accounting policies that are material to the Company are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated. SeaBird Exploration Plc has prepared its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies are consistent with those applied in the consolidated financial statements.

Dividend income is recognized when the shareholders' rights to receive payment have been established.

For the discussion of risk factors, financial risk management, and critical accounting estimates and judgments; refer to note 3 and 4 of the consolidated financial statements.

Shares in subsidiaries (see Note 14 Shares in subsidiaries and associates) are stated at cost less any provision for impairment. The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in profitability, negative balance between the subsidiary's equity position and the carrying value of the investment, or external macro-economic factors that may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future cash flows associated with these subsidiaries are compared to their carrying amounts to determine if a write-down to fair value is necessary.

The remaining accounting policies applied by the Company are those described in note 2 to the Consolidated Financial Statement.

3 Income tax expense

SeaBird Exploration Plc is subject to taxation in Norway which impose corporation tax at the rate of 22%.

All figures in USD 000's	2023	2022
Current period	-	-
Adjustment for prior periods	-	-
Total current tax	**-**	**-**

All figures in USD 000's	2023	2022
Continuing operations profit/(loss) before income tax	-2,782	-11,337
Tax arising at the rate of 22%	-612	-2,494
Effect of tax adjustments in arriving at taxable profit and tax losses	612	2,494
Total tax expense/(reversal) attributable to continuing operations	**-**	**-**

The company performed a detailed review of its tax provisions as a part of its annual closing procedures.

4 Trade receivables and other current assets

Trade receivables

All figures in USD 000's	2023	2022
Trade receivables gross	2,060	-
Less allowance for expected credit losses	-2,060	-
Total trade receivables	**-**	**-**

Allowance for ECL and write offs, net of reversals

All figures in USD 000's	2023	2022
Loss on trade receivables	2,060	-
Reversed write offs	-	-
Total allowance for ECL	**2,060**	**-**

Other current assets

All figures in USD 000's	2023	2022
Prepaid expenses and deposits	10	5
Other current assets	-	-
Total other current assets	**10**	**5**

5 Cash and cash equivalents

All figures in USD 000's	2023	2022
Cash and cash equivalents	136	40
Cash and bank balances	**136**	**40**

6 Share capital and share options

Number of authorized shares:

	2023	2022
Number of ordinary shares	91,000,000	91,000,000
Nominal value per share	EUR 0.17	EUR 0.17

Share capital:

All figures in USD 000's	2023	2022
Share capital	16,036	16,036
Share premium	20,908	20,908
Paid in capital	**36,944**	**36,944**

Number of shares issued:

Total number of shares issued at 1 January	**80,476,265**	**34,276,665**
New shares issued	-	46,199,600
Reclassification	6	-
Total number of shares as per 31 December	**80,476,271**	**80,476,265**

In January 2022 the Company issued 14,000,000 new shares at a premium price of NOK 2.25 and increased its share capital by EUR 2,380,000 to EUR 8,207,033.

In May 2022 the Company issued 3,500,000 new shares at a premium price of NOK 2.25 and increased its share capital by EUR 595,000 to EUR 8,802,033.

In July 2022 the Company issued 26,699,600 new shares at a premium price of NOK 3.00 and increased its share capital by EUR 4,538,932 to EUR 13,340,965.

In November 2022 the Company issued 2,000,000 new shares at a premium price of NOK 3.00 and increased its share capital by EUR 340,000 to EUR 13,680,965.

In December 2022 the Company reduced its share premium by USD 16,233,336 with the purpose to write off losses of the Company. The share premium was further reduced by USD 4,965,858 in relation with the distribution of the Company's shares in Green Minerals AS to its shareholders. The distribution was completed on 25 January 2023.

In March 2023 the Company reallocated 6 shares that has been held outside the Norwegian VPS in relation with the reallocation of the shareholder register from Cyprus to Norway. The shares were registered with a premium price of nil and increased its share capital by EUR 1.

There are no share classes and no voting restrictions on the shares.

Employee Share Option Plans

The employee share option program consists of 2.3 million warrants and options as of 31 December 2023. The options will vest over period of three years from the grant date, while the Warrants will vest over a period of two years. One third of the options granted will vest one year after grant date, one third of the options granted will vest two years after grant date and one third of the options granted will vest three years after grant date; similar, the warrants will be distributed over two periods. All options and warrants are exercisable at any time within one year from the corresponding vested dates. The options and the warrants have an average exercise price of NOK 6.23.

Estimated value of the share options granted, reduced for services not rendered, as at 31 December 2023, is presented in equity as share options granted.

	Number of options and warrents outstanding
Opening amount as of 1 January, 2023	**3,140,000**
Granted during the year	-
Forfeited during the year	-
Exercised in year	-
Expired in year	-820,000
Closing amount at 31 December 2023	**2,320,000**
of which is vested	1,166,667
of which is non-vested	1,153,333
Total options	**2,320,000**

Share based payments effect on the group's profit or loss amounts to USD 0.2 million for 2023 and USD -0.2 million for 2022. The total value of share options granted is calculated using the Black-Scholes model, assuming that all the options will be exercised. The fair value determined at the grant date is expensed over the vesting period of the options for the options granted less expected number of forfeited options. The calculation is based on:

- Trailing 252 days logarithmic return volatility of 43%
- Given exercise price for the given option trance the given year, averaging to NOK 6.23
- Time to maturity for the given option tranches
- Assume no dividends
- A risk-free interest rate of 5.6 % per annum

7 Trade payables and other payables

All figures in USD 000's	2023	2022
Trade payables	60	312
Accrued expenses and other payables	158	8
Total trade and other payables	**218**	**320**

8 Revenues

All figures in USD 000's	2023	2022
Costs recharged to group companies (Management fee)	-	958
Management fee mark-up to group companies	-	45
Total revenues	**-**	**1,003**

The group has a transfer pricing policy in place, which implies that certain sales, general and administrative costs are rechargeable to SeaBird Exploration Norway.

9 Other income (expenses), net

All figures in USD 000's	2023	2022
Allowance for ECL and write offs, net of reversals	-2,060	-
Other income (expenses)	9	-
Other income (expenses), net	**-2,051**	**-**

10 Other financial items, net

All figures in USD 000's	2023	2022
Profit on sale of shares	4,608	-
Interest income on intercompany borrowings	1,407	927
Net foreign exchange gain/(loss)	31	-92
Other financial income/(expense)	71	-44
Total other financial items, net	**6,117**	**791**

Profit on sale of shares represents the Company's profit from distributing the Company's shareholdings in Green Minerals AS to its shareholders (USD 4.6 million). The distribution was completed on 25 January 2023.

The other financial income/(expense) includes an amount of USD 0.07m relating to the fair value gain on the acquisition of the associate.

11 Expenses by nature

All figures in USD 000's	2023	2022
Directors' remuneration	112	142
Net share options movement	-202	244
Legal and professional	476	400
Other expenses SG&A	650	611
Selling, general and administrative expenses	**1,036**	**1,397**

Other expenses SG&A include management fee charge of USD 0.5 million to Seabird Exploration Norway AS (2022: USD 0.5 million).

12 Finance expenses

All figures in USD 000's	2023	2022
Interest expense on intercompany borrowings	2,183	631
Total finance expense	**2,183**	**631**

Please see Note 16 Related-Party transactions for more information on Interest expense on intercompany borrowings.

13 Dividends

No dividend was distributed for the year ended 31 December 2022 and no dividend is proposed to be distributed for the year ended 31 December 2023. Please see Note 33 in the consolidated statement for more information on shareholder distribution.

14 Shares in subsidiaries and associates

Company	Country of incorporation	Shareholding and voting rights		Investments in subsidiaries (USD000's)	
		2023	2022	2023	2022
Aquila Explorer Inc.	Panama	100%	100%	-	-
Biliria Marine Company Limited**	Cyprus	100%	100%	10	127
GeoBird Management AS	Norway	100%	100%	672	-
Green Energy Group AS*	Norway	100%	100%	3	3
Harrier Navigation Company Limited	Cyprus	100%	100%	13,635	13,635

Hawk Navigation Company Limited**	Cyprus	100%	100%	-	-
Munin Navigation Company Limited**	Cyprus	100%	100%	9	33
Oreo Navigation Company Limited**	Cyprus	100%	100%	-	-
Raven Navigation Company Limited**	Cyprus	100%	100%	77	1,025
Sana Navigation Company Limited	Cyprus	100%	100%	2	2
Seabed Navigation Company Limited	Cyprus	100%	100%	3,865	3,865
SeaBird Exploration Americas Inc.	USA	100%	100%	-	-
SeaBird Exploration Asia Pacific PTE. Ltd.	Singapore	100%	100%	0	-
SeaBird Exploration Crewing Limited	Cyprus	100%	100%	2,061	2,061
SeaBird Exploration Cyprus Limited	Cyprus	100%	100%	2,657	2,657
SeaBird Exploration Finance Limited	Cyprus	100%	100%	1,049	1,049
SeaBird Exploration FZ-LLC	UAE	100%	100%	41	41
SeaBird Exploration Multi-Client Limited	Cyprus	100%	100%	292	332
SeaBird Exploration Norway AS	Norway	100%	100%	0	-
SeaBird Exploration Private Limited***	India	26%	26%	65	-
SeaBird Exploration Shipping AS	Norway	100%	100%	40	40
SeaBird Exploration Vessels Limited	Cyprus	100%	100%	25,456	25,456
Susco AS*	Norway	100%	100%	-	2

*) Green Energy Group AS and Susco AS were dissolved on 7 March 2024.

**) Biliria Marine Company Limited, Hawk Navigation Company Limited, Munin Navigation Company Limited, Oreo Navigation Company Limited and Raven Navigation Company Limited field for voluntary liquidation with the Cyprus court on 29 December 2023. The voluntary liquidation process is expected to be completed in 2024.

***) Seabird Exploration Private Limited is recognised using the equity accounting principle. For further information, please refer to Note 22.6 interest in joint operation and associated in the consolidated financial statement for information on transactions with non-controlling interests.

Green Minerals AS was distributed to shareholders on 25 January 2023, the remaining 446,801 (approximately 3% of the outstanding shares) shares is booked at fair value through the profit and loss. During the prior year, Green Minerals AS was considered a subsidiary with 51% shareholding and voting rights. It's carrying amount as at 31 December 2022 was USD 0.002m, and it was recorded under "Assets classified as held for distribution".

Movements in investments in subsidiaries:

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**50,328**	**54,569**
Acquisition	4,926	2
Reclassifies to Assets classified as held for distribution		-2
Impairments	-5,385	-4,241
Closing book amount as of 31 December	**49,869**	**50,328**

The acquisition in 2023 relates to debt conversions to equity in two wholly owned Norwegian subsidiaries.

Equity accounted investees:

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**-**	**-**
Acquisition	1	-
Fair value gain on acquisition	69	-
Share of profit (loss)	-5	-
Closing book amount as of 31 December	**65**	**-**

Financial assets at fair value through profit and loss:

All figures in USD 000's	2023	2022
Opening book amount as of 1 January	**-**	**-**
Fair value gain on distribution	307	-
Fair value gain/(loss) in the period	-45	
Closing book amount as of 31 December	**262**	**-**

15 Commitments and contingencies

The company's commitments and contingencies as per 31 December 2023 relate to the financial guarantees as described in Note 16 Related-Party transactions (v).

16 Related-Party transactions

i) Purchases of services and expenses recharged to group companies

Expenses amounting to nil were recharged to group companies with 5% mark-up during 2023 (2022: USD 1.0 million recharged to group companies).

ii) Key management personnel compensation

The compensation of the key management personnel employed by the company's subsidiaries, as well as the remuneration of the company's directors, are presented in group Consolidated Financial Statement note 30.

iii) Due from related parties

Loans to companies within SeaBird group:

All figures in USD 000's	2023	2022
Opening net book amount as of 1 January	**12,760**	**12,808**
Additional loans, net of repayments	-1,682	5,833
Conversion of loans to equity in subsidiaries	-4,926	-
Interest charged	1,407	927
Impairment on group receivables, net	-15	-6,808
Net book amount as of 31 December	**7,544**	**12,760**
Gross book amount	19,287	24,534
Accumulated impairment	-11,743	-11,774
Net book amount as of 31 December	**7,544**	**12,760**

The above loans were provided at 6.9 % weighted average interest rate (5.8% in 2022) and have been repayable on demand. The loans are unsecured.

Impairment losses are included in statement of income, "Impairment on group receivables".

iv) Due to related parties

Loans from companies within SeaBird group:

All figures in USD 000's	2023	2022
Opening net book amount as of 1 January	**30,981**	**36,780**
Additional loans, net of repayments	1,780	-6,430
Interest charged	2,183	631
Write down on group payables	-1,518	-
Net book amount as of 31 December	**33,426**	**30,981**

The above loans were provided at 6.9 % weighted average interest rate (5.8% in 2022) and are repayable on demand.

v) Financial guarantees

The company is exposed to credit risk in relation to financial guarantees given to Sparebank 1 SMN related to a credit facility provided to SeaBird Exploration Norway AS. The company is equally liable for the repayment of the facility. However, the management has considered the substance of the agreement and concluded that the obligation is in substance a financial guarantee. The Company's maximum exposure in respect of these guarantees is the maximum amount the company could have to pay if the guarantee is called on, irrespective of the likelihood of being exercised, as shown below:

All figures in USD 000's	2023	2022
Sparebank 1 SMN credit facility	13,605	15,687

The Sparebank 1 SMN credit facility which have been guaranteed by the Company has a maximum limit of USD 15.6 million. The balance is USD 13.5 million at year end 2023.

vi) Dividends

The company received dividends from subsidiaries of nil in 2023 (nil in 2022).

vii) Shareholding

Management and the board of directors, as of 31 December 2023 held the following shares on own account:

Name	Title	Ordinary shares	% ownership	Outstanding options*	Outstanding warrants*
Ståle Rodahl	Chairman	3,255,775	4.05%	240,000	360,000
Hans Christian Anderson	Board Member	-	-	-	-
Odd Sondre Svalastog Helsing	Board Member	1,208,333	1.50%	-	-
Øivind Dahl-Stamnes	Board Member	70,000	0.09%	-	-
Sverre Strandenes	Board Member	-	-	-	-
Finn Atle Hamre	CEO	15,125	0.02%	740,000	-
Sveinung Alvestad	CFO	44,843	0.06%	600,000	-

*) See Note 6 Share capital and share options for further information of the company's share option program.

17 Financial Instruments

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The company has the following types of financial assets that are subject to the expected credit loss model:

- Amounts due from related
- Cash and bank balances (including restricted cash)
- Financial guarantees

The table below details the company's maximum exposure to credit risk as at year end:

All figures in USD 000's	Note	2023	2022
Amounts due from related parties, gross	16	19,287	24,534
Financial guarantees	16	13,605	15,687
Cash and cash equivalents	5	136	40
Total		**33,028**	**40,261**

The amount of financial guarantee contracts presented in the table above reflects the company's maximum exposure with regards to the guarantees described in Note 16 Related-Party transactions (v) and is not an amount recognized on the statement of financial position.

The receivables from subsidiaries are assessed for lifetime expected credit losses, determining whether credit risk has increased significantly since initial recognition. At year-end 2023 the gross receivable balance is USD 19.3 million. When the Company has receivables from subsidiaries, the loss allowance is estimated based on individual assessment per receivable, taking into consideration the subsidiary's equity position, financial performance, liquidity position and ability to pay. The company writes off an amount due from related companies when there is information indicating that the counterparty is unable to pay and/or when there is a management decision to settle intra-group balances through write-offs.

With regards to cash and cash equivalents, the company measures its expected credit loss by reference to the banks' external credit ratings and relevant published default and loss rates, taking into consideration the €100.000 per bank deposit protection guaranteed under the EU Deposit Guarantee Scheme and the NOK 2 million guarantee provided by the Norwegian Bank's Guarantee Fund. As the company's balances at year end were minimal, no loss has been recognized in the financial statements.

Liquidity Risk

Ultimate responsibility for risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity requirements. The company manages liquidity risk by continuously monitoring forecast and actual cash flows on a group level and ensuring the availability of funding through an adequate amount of available debt or equity.

The table below summarizes the maturity profile of the company's financial liabilities at 31 December 2023 on contractual undiscounted payments.

The amounts included for financial guarantee contracts are the maximum amount the company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (see Note 16 Related-Party transactions) and is not an amount recognized on the statement of financial position.

All figures in USD 000's	On Demand	Less Than 12 Months	1 to 5 Years	Total
Due to related parties	30,981	-	-	30,981
Financial guarantee contracts	-	15,687	-	15,687
Total financial liabilities as of 31 December 2022	**30,981**	**15,687**	**-**	**46,668**
Due to related parties	33,426	-	-	33,426
Financial guarantee contracts	-	4,921	15,207	20,128

Total financial liabilities as of 31 December 2023	**33,426**	**4,921**	**15,207**	**53,554**

Financial guarantee contracts include amortisation profile of debt and interest for the respective periods.

Currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts per 31 December 2023.

All figures in USD 000's	Total	NOK	EUR	GBP	Others
Assets	-		-	41	
Liabilities	-523	-296	-268		-
Net position as of 31 December 2022	**-523**	**-296**	**-268**	**41**	**-**
Sensitivity 10%	*-52*	*-30*	*-27*	*4*	*-*

All figures in USD 000's	Total	NOK	EUR	GBP	Others
Assets	7,888	7,823	-	-	65
Liabilities	-209	-209	-	-	-
Net position as of 31 December 2023	**7,679**	**7,613**	**-**	**-**	**65**
Sensitivity 10%	*768*	*761*	*-*	*-*	*7*

The following significant exchange rates applied during the year:

	Average rate		Year end	
USD per :	2023	2022	2023	2022
EUR	1.0810	1.0536	1.1050	1.0666
GBP	1.2433	1.2309	1.2715	1.2026
NOK	0.0947	0.1039	0.0983	0.1014
SGD	0.7443	0.7246	0.7573	0.7459

18 Audit fees

All figures in USD 000's	2023	2022
Statutory audit	157	198

19 Subsequent events

Note 33 to the consolidated financial statements describes the significant events that occurred subsequent to the end of the reporting period that impact the company and its subsidiaries. There were no other significant events concerning the parent company alone.

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Independent Auditor's Report

To the Members of Seabird Exploration Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Seabird Exploration Plc and its subsidiaries (the "Group"), and the separate financial statements of Seabird Exploration Plc (the "Company"), which are presented in pages 29 to 92 and comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2023, and the consolidated statements of income, comprehensive income, changes in equity and cash flows and the statements of income, comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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Basis for Qualified Opinion

Disposal of shares in Osprey Navigation Co. Inc

We were first appointed as auditors of Seabird Exploration Plc to perform the audit of the financial year ending at 31 December 2021. During our audit work for that year, we reviewed the opening balances, and we were unable to obtain sufficient appropriate audit evidence in respect to the transaction relating to the disposal of shares in Osprey Navigation Co. Inc. which took place in 2020. This was also a matter qualified by the predecessor auditor. In 2020, the Group recognized a profit from the sale of shares in subsidiaries of US$3.0 million. This relates to the disposal of its 100% shareholding in Osprey Navigation Co. Inc ("Osprey") based on an agreement entered into (the "transaction") with another party (the "buyer"). As mentioned in note 28 ("Commitments and contingencies"), the non-cash profit arises from the fact that the buyer acquired the 100% shareholding in Osprey for a nominal consideration of US$1, that at the time of the disposal was in a net liability position of US$3.0 million. Osprey ceased operations during 2020 following the disposal of its vessel for demolition. As further mentioned in note 28, the Group considers it unlikely that the creditors of Osprey may seek to recover the outstanding liabilities from the Company or other companies of the group.

In addition, based on the latest assessment of the above outstanding liabilities in May 2021, the total exposure of the liability was recalculated at US$4.65 million, which mainly relates to withholding taxes, VAT liabilities, penalty charges and delayed interest charges. Up to the date of approval of the consolidated financial statements we have not being provided with a reassessment therefore, the final liability may vary due to currency risk and delayed interest charges.

We were unable to obtain sufficient appropriate audit evidence about the business rationale of the transaction from the buyer's point of view. In addition, we were not able to obtain external confirmation from the buyer in respect of this transaction nor to obtain a formal legal opinion and a formal third-party statement in relation to the Osprey liability and whether there is any recourse on the Company and the Group. Consequently, we were unable to determine whether all amounts and events associated with the disposal of the subsidiary had appropriately been accounted for in the consolidated and separate financial statements. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Had we been able to obtain sufficient appropriate evidence in respect of the above matters, adjustments might have been necessary to the financial information and disclosures for the years ended 31 December 2023, 2022 and 2021.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We remained independent of the Group and the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to Note 28 of the Consolidated Financial Statements, which describes the effects of the amendment of the disclosure made due to a prior year omission which is adjusted retrospectively in line with the provisions of IAS 8. Our opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion and the Emphasis of Matter sections, we have determined the matters described below to be the key audit matters to be communicated in our report in relation to our audit of the consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Impairment evaluation of vessels and related equipment

The carrying value of the vessels and related dry-dock costs and equipment as at year-end recorded as part of "Property, plant and equipment (PPE)", is US $39.5 million representing 73% of the Group's total assets. Management has considered the existence of impairment indicators such as the past economic performance of the Group and the sustained uncertainty in the seismic market and has performed an impairment testing to determine the recoverable amounts of the vessels and related dry-dock costs and equipment carried over as PPE.

We refer to Note 7 to the consolidated financial statements. The Group's accounting policies for PPE and impairment of non-financial assets are disclosed in Notes 2.7 and 2.9 respectively. Note 4 (B) "Critical accounting estimates and judgements" provides further information on the uncertainties surrounding the estimations used.

In performing the impairment testing for PPE, management has estimated the recoverable amounts based on value-in-use calculations using a discounted cash flow model. Estimating the cash flows involves the use of various assumptions concerning the following:
o future utilization;
o day-rates;
o operating expenses;
o capital expenditure; and
o discount rate to calculate the present value.

Significant management judgment needs to be applied to develop these assumptions and there is a high degree of estimation uncertainty. Considering the significance of the carrying value of these assets to the consolidated financial statements, we have identified the impairment evaluation as a key audit matter.
</td><td>
Our procedures in relation to the impairment evaluation of vessels and related equipment included amongst others:

- Assessing the value-in-use calculation as an appropriate methodology for the impairment assessment for the assets in the PPE category;
- Testing the mathematical accuracy of the discounted cash flow models and the relevance of the input data used;
- Assessing the reasonableness of management's key assumptions used in the value-in-use calculations by considering factors such as:
  o market conditions and prospects;
  o the Group's historical performance including historic utilization rates, day-rates, operating expenses;
  o projected performance and capital expenditure in comparison to the Group's budgets and historic actuals;
  o orders backlog and submitted tenders;
  o the appropriateness of the discount rate used;
  o appropriateness of the projection period.
- Using our internal valuation specialists to review the model and the following components:
  o input data used to determine the weighted average cost of capital;
  o charter rates
- Using our internal valuation specialist to consider the market and cost approaches as part of the impairment review;
- Comparing the value in use results to broker valuations;
- Performing sensitivity analysis and considering the potential impact of downside changes in the key assumptions;
- Challenging management assumptions in terms of utilization and rates;
- Comparing the recoverable amount to the carrying value.
- Reviewing the disclosures in the financial statements notes 2.9 "Impairment of non-financial assets" , 4(B) "Critical accounting estimates and judgments" and 7 "Property, plant and equipment" in connection to the IFRS requirements.

All the above procedures were completed in a satisfactory manner.
</td></tr>
</table>

Except for the matter described in the Basis for Qualified Opinion relating to the disposal of shares in Osprey Navigation Co. Inc., we have determined that there are no other key audit matters to communicate in our report on the audit of the separate financial statements of the Company.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, including the financial highlights for the Group, the letter from the Chairman, the Group Management, the Board of Directors, the environmental, social and governance report, the transparency report, the management report and the declaration of the Members of the Board of Directors in pages 3 to 28 and page 100, but does not include the consolidated and separate financial statements, and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis of Qualified Opinion section above, we were unable to obtain sufficient and appropriate evidence about the disposal of shares in Osprey Navigaton Co. Inc. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated and Separate financial statements

The Board of Directors is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Independent Auditor's Report (continued)

To the Members of Seabird Exploration Plc

Auditor's responsibilities for the audit of the Consolidated and Separate financial statements (Cont'd)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Requirements of Article 10(2) of the EU Regulation 537/2014:

1. **Appointment of the auditor and period of engagement**

We were first appointed as auditors of the Group and the Company on 4 January 2022 by a shareholders' resolution. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagements of 3 years.

2. **Consistency of the additional report to the Audit Committee**

We confirm that our audit opinion on the consolidated and separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 30 April 2024 in accordance with Article 11 of the EU Regulation 537/2014.

3. **Provision of non-audit services**

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group or the Company and which have not been disclosed in the consolidated and separate financial statements or the management report.

Report on Other Legal and Regulatory Requirements (Cont'd)

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Seabird Exploration Plc for the year ended 31 December 2023 comprising an XHTML file which includes the consolidated and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2023 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of Seabird Exploration Plc is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of Seabird Exploration Plc. According with the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated and separate financial statements included in the digital files correspond to the consolidated and separate financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated and separate financial statements, and the consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements and separate financial statements.
- In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated and Separate management report. We have not identified material misstatements in the management report, except as explained in the Basis for Qualified Opinion section of our report.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the environmental, social and corporate governance report and management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the consolidated and separate financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the environmental, social and corporate governance report and management report include all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have Identified material misstatements in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Independent Auditor's Report (continued)

To the Members of Seabird Exploration Plc

Other legal requirements (Cont'd)

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is George Themistocleous.

George Themistocleous
Certified Public Accountant and Registered Auditor
for and on behalf of
RSM CYPRUS LTD
Certified Public Accountants and Registered Auditors

Limassol, Cyprus
30 April 2024

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

SeaBird Exploration Plc – 30 April 2024

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of Seabird Exploration Plc for the year ended 31 December 2023, on the basis of our knowledge, declare that:

(a) The annual consolidated and separate financial statements which are presented on pages 29 to 92:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Seabird Exploration Plc and the entities included in the consolidated financial statements as a whole

(b) The management report provides a fair view of the developments and the performance as well as the financial position of the Seabird Exploration Plc as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Ståle Rodahl – Executive Chairman

Hans Christian Anderson – Director

Øivind Dahl-Stamnes – Director

Sverre Strandenes – Director

Odd Sondre Svalastog Helsing – Director

Responsible for drafting the financial statements:

Sveinung Alvestad, Chief Financial Officer

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