

Q3

Third
Quarter

2023



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**Operational EBITDA
of USD 4.2m**

**Strong operational
cash flow of USD
3.4m**

**5-year drydocking
of Eagle completed
on time and budget**

**Fully employed until
end February 2024**

**Expect to announce
first dividend with the
Q4 2023 report**

HEADLINES Q3 2023

Operational

- Strong operational performance
- Both vessels in production throughout the quarter
- Eagle Explorer completed source project in Malaysia
- Market outlook remains strong, OBN sees structural growth
- Opportunities supporting profitable growth are continuously monitored

Subsequent

- 5 yearly Special Period Survey completed on Eagle Explorer on time and on budget
- Eagle Explorer Commenced mobilisation for 2D project

Financial

- Revenues for the third quarter of 2023 was USD 6.5 million, up from USD 2.8 million for the same period in 2022.
- Q3 revenue was, as disclosed in the Q2 report, negatively impacted by a USD 2.1m reversal of revenues in relation with the project wind down in India.
- EBITDA of USD 2.0 million up from USD -0.6 million in Q3 2022.
- Cash flow from operation was USD 3.4 million, up from USD -8.1 million in Q3 2022.
- Net cash flow in Q3 was USD 1.9 million, compared to USD 1.5 million in the prior year quarter.
- Net interest-bearing debt was USD 12.6 million as of end Q3-2023
- Q3 equity ratio was 58%

Key figures

All figures in USD '000 (except EPS and equity ratio)	Quarters*		9 months ending*		Full year*	
	Q3 2023	Q3 2022	30.09.2023	30.09.2022	2022	2021
Revenues	6,537	2,756	26,109	11,220	20,164	20,705
EBITDA	2,018	-609	10,961	-1,676	-1,275	-4,185
EBIT	517	-1,842	6,513	-7,319	-9,617	-11,779
Profit/(loss) for the period	454	-2,534	9,497	-9,034	-12,861	-11,425
Earnings per share	0.01	-0.04	0.12	-0.18	-0.21	-0.35
Cash flow operating activities	3,405	-8,070	7,049	-17,408	-16,459	6,270
Total assets	54,886	68,292			0	0
Net interest bearing debt	12,606	12,879			15,435	13,015
Equity ratio	58%	48%			45%	41%

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

FINANCIAL REVIEW

Operational review

The Q3 utilisation was 96%, compared to 28% in the prior year quarter. Trailing last twelve months utilisation was 91%.

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

The "Eagle Explorer" completed her source contract in Malaysia early October, following this she started 5 yearly SPS.

Subsequent events

The Eagle Explorer completed her 5 yearly SPS on time and on budget, she thereafter started mobilizing for a 3-month 2D contract.

Financials

The group's revenues for the third quarter in 2023 amounted to USD 6.5 million and USD 26.1 million for the nine first months of the year, this compares to USD 2.8 million and USD 11.2 million for the prior year periods respectively. The revenue was, as announced in the Q2 report, impacted by a USD 2.1 million reversal due to events outside of the company's control on the project in Indian that was completed in June 2023. EBITDA for the quarter was USD 2.0 million and USD 11.0 million for the nine first months, up substantially from USD -0.6 million and USD -1.7 million the prior year periods. Selling, general and administrative expenses was USD 0.7 million in Q3 2023 and USD 2.5 million for the first nine months, this compares to USD 1.1 million and 3,6 million for the prior year periods. SG&A is expected to fluctuate on a quarterly basis, and we expect an annualised run-rate in the range of USD 3.5-4.0 million; this is lower than our earlier guidance of around USD 4.0 million. The net profit for Q3 was USD 0.5 million and USD 9.5 million the first nine months of 2023. The prior year periods net profit was USD -2.5 million and USD -9.0 million respectively. Please note that Green Minerals AS ("GEM") was distributed to the shareholders on 25 January 2023. In connection with the distribution the company has recorded a gain of USD 5.0 million in other financial items. Green Minerals AS was deconsolidated from the financial statements from Q1 2023, historical numbers have not been updated.

The Company's cash and cash equivalents position as of end Q3 was USD 4.1 million, up from USD 3.5 million (or USD 1.2 million if adjusting for GEM) the prior year quarter. Net interest bearing debt was USD 12.6 million, down from 12.9 million (or down from USD 17.6 million in Q3/22 when adjusting for GEM and reclassification of the equipment financing facility) the prior year quarter. At end Q2, the Company's equity was USD 32.0 million with an equity ratio of 58%.

Environmental, social and corporate governance (ESG)

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

Outlook

The company sees leads in the OBN source segment and some interesting 2D prospects. Activity level is paired with longer contract durations assumed to be a result of the general energy situation and 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. We believe some laid-up vessels may be re-activated for new projects.

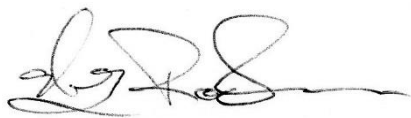
2D remains a cost-efficient exploration method, with national energy security in select regions as the main driver. Current 2D tendering activity attests to this.

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.

FINANCIAL REVIEW

The Board of Directors and Chief Executive Officer

SeaBird Exploration Plc,
9 November 2023



Ståle Rodahl, Executive Chairman



Hans Christian Anderson, Director



Øivind Dahl-Stamnes, Director



Odd Sondre Svalastog Helsing, Director



Sverre Strandenes, Director



Finn Atle Hamre, Chief Executive Officer

Consolidated interim statement of income

All figures in USD '000 (except EPS)	Quarters*		9 months ending*		Full year*	
	Q3 2023	Q3 2022	30.09.2023	30.09.2022	2022	2021
Contract revenues	6,537	2,756	26,109	11,220	20,164	20,705
Total revenues	6,537	2,756	26,109	11,220	20,164	20,705
Cost of sales	-3,902	-3,671	-13,173	-13,738	-19,036	-21,013
Selling, general and administrative expenses	-714	-1,065	-2,493	-3,614	-3,889	-5,563
Net bad debt charges	-	-	-	-	-	-30
Other income (expenses), net	98	1,371	518	4,457	1,485	1,716
Total operating expenses	-4,518	-3,366	-15,148	-12,895	-21,440	-24,890
EBITDA**	2,018	-609	10,961	-1,676	-1,275	-4,185
Gains (losses) on sale of property, plant and equipment	-	155	-	155	260	-807
Depreciation	-1,501	-1,355	-4,394	-4,249	-6,960	-5,644
Amortization	-	-32	-54	-97	-139	-129
Impairment	-	-	0	-1,452	-1,502	-1,014
Operating profit (loss) / EBIT	517	-1,842	6,513	-7,319	-9,617	-11,779
Finance Income	0	-	0	-	10	0
Finance expense	-589	-478	-2,026	-1,262	-1,854	-655
Share of net income of associates	599	-	-16	-	224	-
Other financial items, net	-74	-214	5,025	-386	-475	719
Profit/(loss) before income tax	454	-2,534	9,497	-8,967	-11,712	-11,715
Income tax	-	-	-	-67	107	290
Profit/(loss) from continuing operations	454	-2,534	9,497	-9,034	-11,605	-11,425
Profit/(loss) from discontinued operation	-	-	-	-	-1,256	-
Profit/(loss) for the period	454	-2,534	9,497	-9,034	-12,861	-11,425
Profit/(loss) attributable to						
Shareholders of the parent	454	-2,459	9,497	-8,645	-12,245	-10,839
Non-controlling interests	-	-75	-	-389	-617	-586
Earnings per share						
Basic	0.01	-0.04	0.12	-0.18	-0.21	-0.35

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

** Operating profit before depreciation, impairment, and gains (losses) on property, plant and equipment

Consolidated interim statement of financial position				
All figures in USD '000	Quarters*		31 December*	
	Q3 2023	Q3 2022	2022	2021
ASSETS				
Non-current assets				
Property, plant and equipment	39,621	44,815	42,982	46,050
Multi-client Investments	-	82	54	179
Long term investments	208	-	224	-
Research & development	-	-	-	-
Total non-current assets	39,829	44,896	43,260	46,228
Current assets				
Inventories	1,172	2,028	643	1,186
Trade receivables	6,374	9,011	12,427	4,873
Other current assets	3,331	8,223	6,119	4,019
Restricted cash	37	75	57	70
Cash and cash equivalents	4,143	3,549	851	2,312
Total current assets	15,057	22,886	20,098	12,460
Non-current assets classified as held for distribution	-	-	2,333	-
Assets classified as held for sale	-	510	175	11,189
Total assets	54,886	68,292	65,866	69,878
* Quarterly figures are unaudited. Full year figures are audited				

Consolidated interim statement of financial position

All figures in USD '000	Quarters*		31 December*	
	Q3 2023	Q3 2022	2022	2021
EQUITY				
<i>Capital and reserves attributable to equity holders of the Company</i>				
Paid in Capital	36,944	57,582	36,944	45,491
Revaluation reserve	12	-	12	-0
Currency Translation reserve	-407	-406	-407	-406
Share options granted	307	197	595	191
Retained earnings	-4,937	-26,142	-8,403	-17,861
Non-controlling interests	-	1,240	1,075	930
Total Equity	31,918	32,471	29,815	28,345
<i>EQ ratio</i>	58%	48%	45%	41%
LIABILITIES				
Non-current liabilities				
Borrowings	13,909	-	-	7,559
Total non-current liabilities	13,909	-	-	7,559
Current liabilities				
Trade payables	1,698	10,745	9,051	14,569
Contract liabilities	0	57	1,467	368
Other payables	2,716	7,371	7,773	10,048
Provisions	819	331	331	331
Loans and borrowings	2,840	16,428	16,287	7,767
Current tax liabilities	985	890	1,000	890
Total current liabilities	9,058	35,821	35,908	33,973
Liabilities directly associated with assets classified as held for distribution	-	-	143	-
Total liabilities	22,968	35,821	36,051	41,532
Total equity and liabilities	54,886	68,292	65,866	69,878
* Quarterly figures are unaudited. Full year figures are audited				

Consolidated interim statement of cash flow

All figures in USD '000	Quarters*		9 months ending*		Full year*	
	Q3 2023	Q3 2022	30.09.2023	30.09.2022	2022	2021
Cash flows from operating activities						
Profit / (loss) before income tax	454	-2,534	9,497	-8,967	-11,712	-11,715
<i>Adjustments for:</i>						
Depreciation, amortization and impairment	1,501	1,387	4,448	5,798	8,601	6,787
Movement in provision	-	-	489	0	-	-65
Gain/(loss) from disposal of PPE	-	-155	-	-155	-260	807
Unrealized exchange (gain) /loss	106	-17	218	146	181	-160
Interest expense on financial liabilities	589	655	2,026	1,031	1,588	619
Other items	-551	419	-6,417	722	153	-149
Paid income tax	-	-	-	-	-	8
(Increase)/decrease in inventories	31	-1,283	-528	-842	543	-556
(Increase)/decrease in trade and other receivables	5,090	-8,062	8,861	-8,347	-9,641	3,391
Increase/(decrease) in trade and other payables	-3,815	1,520	-11,543	-6,795	-5,912	7,303
Net cash from operating activities	3,405	-8,070	7,049	-17,408	-16,459	6,270
Cash flows from investing activities						
Capital expenditures	-486	-1,084	-1,033	-3,098	-3,895	-20,961
Proceeds from disposal of PPE	-	7,667	175	9,104	9,586	304
Multi-client investment	-	-	-	-	-	-
Investments in financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	879
Net cash used in investing activities	-486	6,582	-858	6,006	5,691	-19,778
Cash flows from financing activities						
Proceeds from issuance of ordinary shares	-	8,772	-	13,169	13,169	7,332
Transaction costs on issuance of ordinary shares	-	-307	-	-518	-518	-228
Receipts from borrowings	14,200	1,600	14,200	8,839	10,139	6,903
Repayment of borrowings	-14,632	-6,428	-15,687	-7,820	-9,861	-
Interest paid	-545	-655	-1,413	-1,031	-1,467	-619
Other	-	-	-	-	-	-3,800
Net cash from financing activities	-977	2,983	-2,899	12,639	11,462	9,589
Net (decrease)/increase in cash and cash equivalents	1,942	1,495	3,292	1,237	694	-3,919
Cash and cash equivalents at beginning of the period	2,201	2,054	851	2,312	157	6,231
Cash and cash equivalents at end of the period	4,143	3,549	4,143	3,549	851	2,312
Net increase in cash and cash equivalents from discontinued operation						
	-	-	-	-	-25	-
Cash and cash equivalents at beginning of the period from discontinued operation	-	-	-	-	2,155	-
Cash and cash equivalents at end of the period in discontinued operations	-	-	-	-	2,130	-
* Quarterly and year to date figures are unaudited. Full year figures are audited						

Selected notes and disclosures

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

Basis of presentation

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

The condensed interim consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

The consolidated financial statements for the year ended 31 December 2022 and quarterly reports are available at www.sbexp.com. The financial statements as of Q3 2023, as approved by the board of directors 9 November 2023, are unaudited.

Significant accounting principles

The accounting policies used for preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for 2022 unless otherwise stated.

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

Leases

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

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

There are currently no long-term lease agreements for vessels that are affected by IFRS 16 "Leases". In 2022 the Company has made use of the exemption of not to recognize assets and liabilities for leases with a lease term of 12 months or less. The lease payments are included in the P&L-statement on a straight-line basis over the lease term.

Risk factors

The information in this report may constitute forward-looking statements. These statements are based on various assumptions made by the Company, many of which are beyond its control and all of which are subject to risks and uncertainties. Risk factors include but are not limited to the demand for seismic services, the high level of competition in the source and 2D markets, changes in governmental regulations, adverse weather conditions, and currency and commodity price fluctuations. For further description of relevant risk factors, we refer to the annual report 2022. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward looking statements.

Segment Information

The Company completed the distribution of its holdings in Green Minerals AS to its shareholders on 25 January 2023. As such, the Company have no longer two business segments. For the quarter ended 31 December 2022, Green Minerals has been recognised as asset held for distribution on both the balance sheet, the profit and loss statement, and the cash flow statement.

Property, plant and equipment

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

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

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

Property, plant and equipment				
USD '000	Seismic vessels and equipment (owned)	Dry-dock costs and equipment (leased vessels)	Office equipment	Total
Net book amount 01 January 2023	36,868	6,060	53	42,982
Additions	1,033	-	-	1,033
Depreciation	-3,361	-980	-53	-4,394
Impairments	-	-	-	-
Reclassified	-	-	-	-
Net book amount 30 September 2023	34,540	5,080	0	39,621
Acquisition cost	50,187	9,009	159	59,355
Acc. Depreciation / amortization	-15,647	-3,928	-159	-19,734
Net book amount 30 September 2023	34,540	5,080	-	39,621

Selected notes and disclosures

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 client surveys in South East Asia. The multi-client library has a book value of nil as per 30 September 2023.

Multi-client library	
USD '000	
Net book amount 01 January 2023	54
Amortization	-54
Other	-
Net book amount 30 September 2023	-

Net interest-bearing debt

The Company has one USD 14.2 million loan facility and one USD 1.4 million guarantee facility from Sparebank 1 SMN. The aggregated outstanding amount as per 30 September 2023 is USD 14.2 million. The loans have final maturity in June/July 2026. The loan is recognized in the books at par value. Instalments of USD 0.7 million are due quarterly. Certain cash sweep mechanism applies.

The company also have one loan facility of USD 2.5 million that relates to equipment provided in the conversion of the "Fulmar Explorer". This has previously been recognised as an "other payable" but has been reclassified as the loan agreement in 2023.

Net interest-bearing debt			
USD '000	Q3 2023	Q3 2022	2022
Debt to credit institutions	13,909	-	-
Long term tax liabilities	-	-	-
Total non-current interest-bearing debt	13,909	-	-
Debt to credit institutions	2,840	16,428	16,287
Other current interest-bearing debt	-	-	-
Total current interest-bearing debt	2,840	16,428	16,287
Total interest-bearing debt	16,749	16,428	16,287
Cash and cash equivalent	4,143	3,549	851
Total net interest-bearing debt	12,606	12,879	15,435

Financial covenants

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

- The Company's book equity ratio shall be above 45%.
- The Company's working capital shall be positive; defined as short-term assets less short-term debt excluding short-term portion of long-term debt.

- The Company's available shall be at least USD 1 million on a consolidated basis.

Shareholders

Largest shareholders per 30 September 2023.

Largest Shareholders		
Name	Number of shares	Ownership
Mh Capital As	10,159,676	12.6%
Anderson Invest As	6,098,626	7.6%
Alden As	5,577,219	6.9%
Grunnfjellet As	5,075,301	6.3%
Storfjell As	3,255,775	4.0%
Whiterock Capital As	2,500,000	3.1%
Myrseth	2,436,999	3.0%
North Sea Group As	1,760,000	2.2%
Europa Link As	1,701,683	2.1%
Pescara Invest As	1,700,000	2.1%
Grønland	1,537,832	1.9%
Sigstad	1,530,000	1.9%
Nordnet Livsforsikring As	1,282,199	1.6%
The Bank Of New York Mellon Sa/Nv	1,278,913	1.6%
Hubris Industrier As	1,208,333	1.5%
Kfs As	1,100,000	1.4%
F Storm As	953,122	1.2%
Håland	703,243	0.9%
Blueberry Capital As	660,587	0.8%
Ps Investments As	655,344	0.8%
Other	29,301,419	36.4%
Total	80,476,271	100.0%

Share capital and share options

The total number of ordinary shares on 30 September 2023 was 80,476,271 with a nominal value of EUR 0.17 per share.

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

Share options	
	Number of options
Granted	3,140,000
Forfeited	-
Total as of 30 September 2023	3,140,000
Vested	820,000
Non-vested	2,320,000
Total as of 30 September 2023	3,140,000

Related party transactions

No related party transactions

Selected notes and disclosures

Going concern

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

Alternative performance measurements

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

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

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