



2Q 2021 RESULTS

16th August 2021




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AGENDA



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-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



2Q 2021 HIGHLIGHTS



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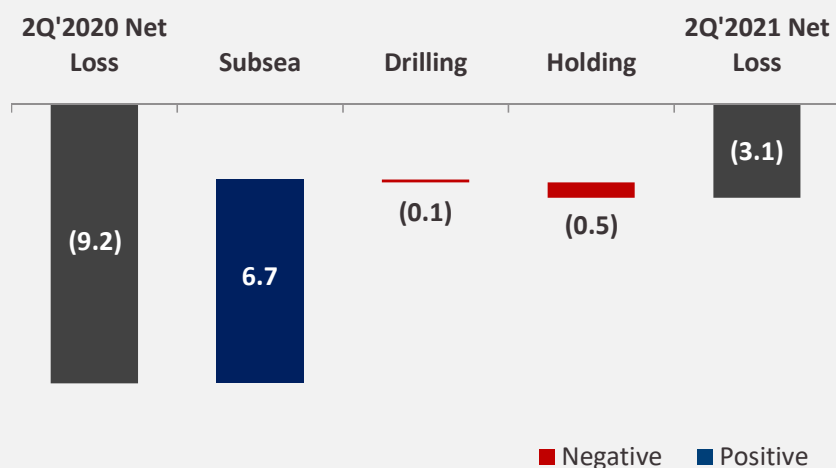
- Revenue from subsea sector increased 12.5% YoY because of full utilization of two active vessels. Moreover, the revenue from cable lay business has returned after several years and substantially growing its forward book
- EBITDA has continuously recovered in this quarter, with an increase YoY from USD (5.3) m in 2Q'2020 to USD 1.5 m in 2Q'2021, reflecting our adjusted relative cost base which directly increased contribution margin.
- For 2Q'2021, the net positive cash flow from operations was USD 5.7m.
- At the end of 2Q'2021, the order book reached USD 286m. This increase is mainly because of significant awards in the cable lay sector and projects in Gulf of Thailand.
- Balance sheet position was low risk at 2.01x Current Ratio and 0.30x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

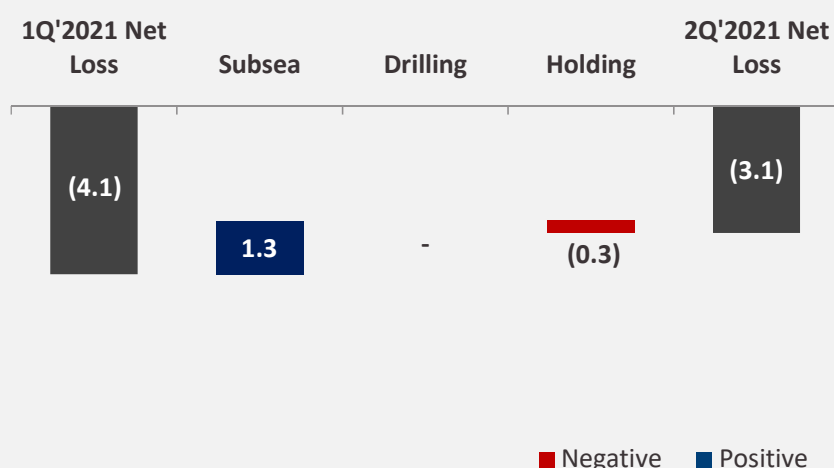


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2Q YoY Net Profit (Loss) Change



2Q QoQ Net Profit (Loss) Change



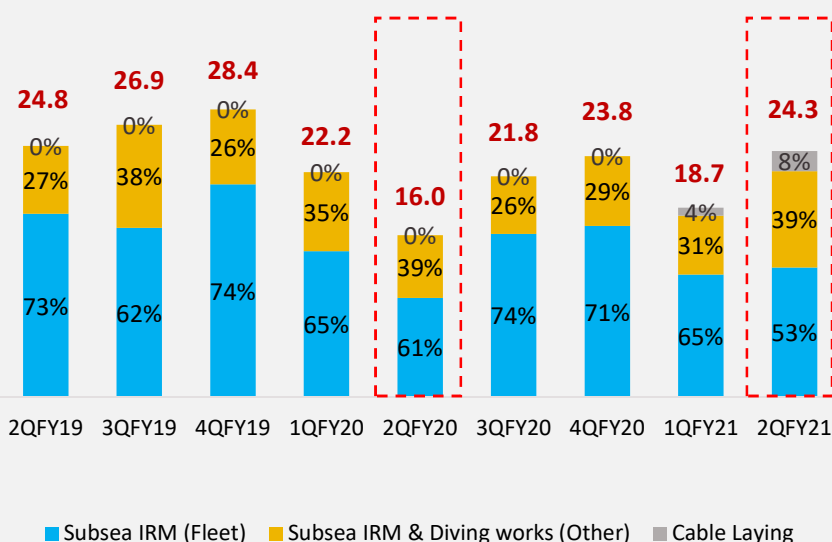
- Subsea sector's positive effect caused by improved cost base and higher contribution margins.
- Mermaid Asiana and Mermaid Endurer worked at full utilization in 2Q 2021.
- In due course, the performance of subsea sector led to drastic improvement both QoQ (+1.0) and YoY (+6.1).

SUBSEA REVENUE AND UTILIZATION

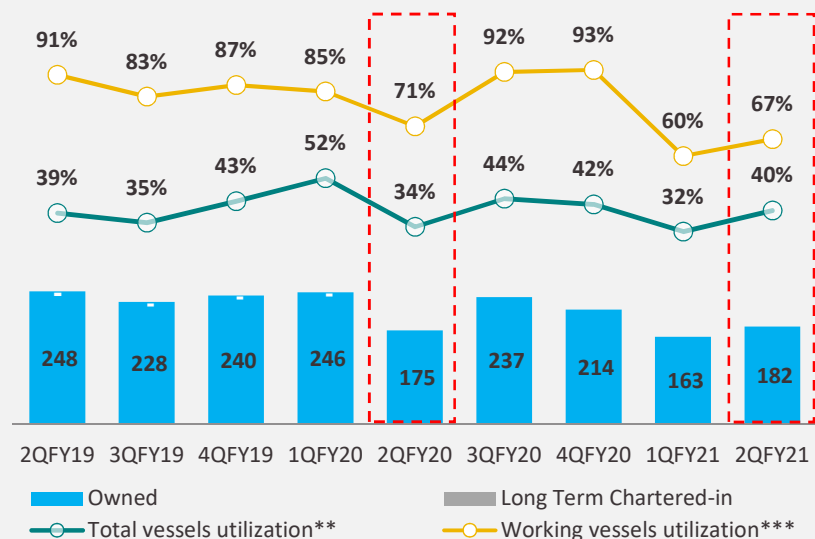


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Subsea Revenue



Vessel Working Days & Utilization*



* Total Working Days / Total Available Days

**5 owned-vessels in 2Q'21

***3 active owned vessels in 2Q'21

- Total Revenue increased by USD 8.3m YoY and by USD 5.6m QoQ
- Revenue from cable laying projects increased QoQ from USD 0.7m (pre-engineering) to USD 2.1m
- In 2Q'2021, Mermaid Asiana and Mermaid Endurer full utilized worked on projects in the Middle East
- There was no long-term chartered-in vessel during 2Q'2021

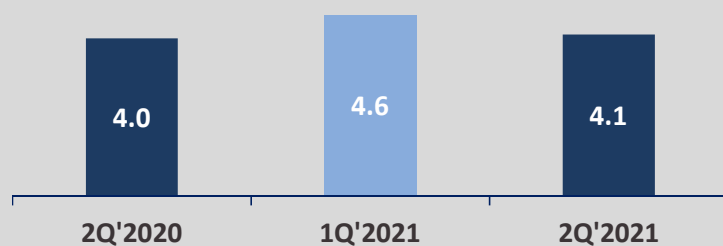
COSTS & EXPENSES



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Vessel Running Cost (owned vessels)

USD MM

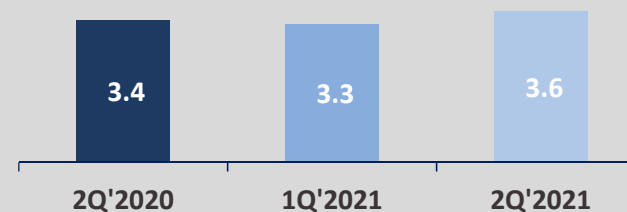


Owned Vessels

- VRC slightly increased YoY but decreased QoQ due to Covid-19 restriction cost in the 1st quarter.

Selling and Administrative Expenses

USD MM



Selling, General and Administrative Expenses

- SG&A expenses increased QoQ and YoY as a result of withholding taxes and employee benefits including compensation.

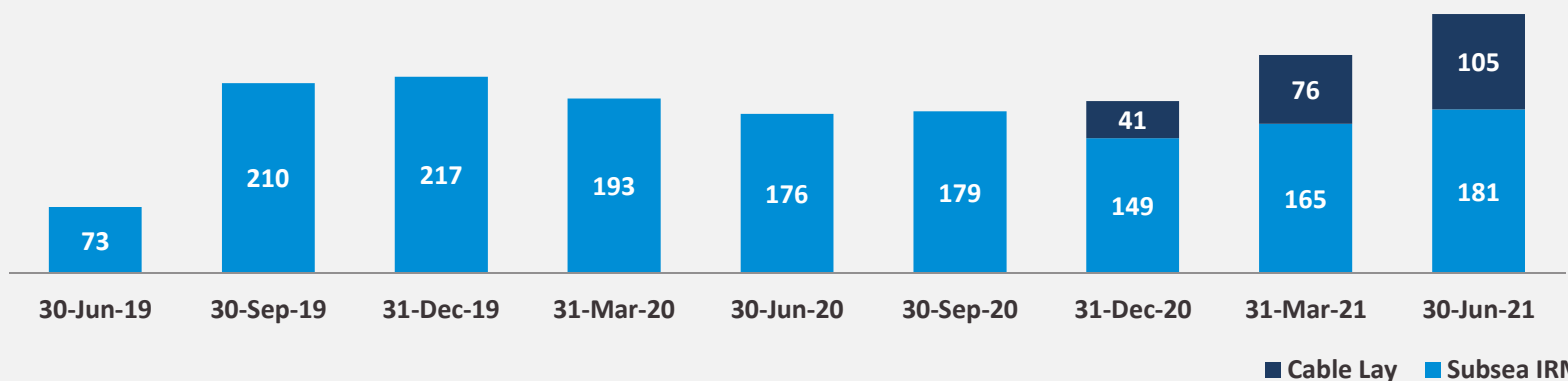
ORDER BOOK



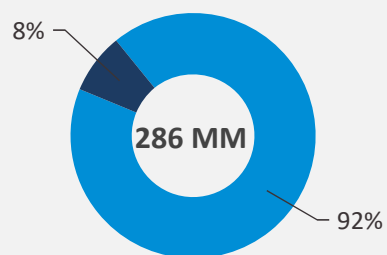
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Total Order Book

USD MM

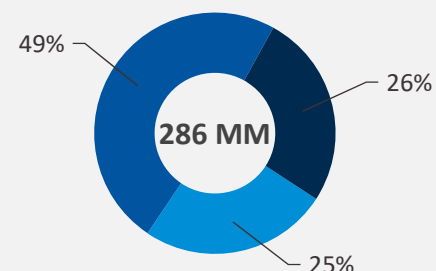


Order Book by Region



■ Middle East ■ Asia Pacific & SEA

Order Book by Year



■ FY2021 ■ FY2022 ■ FY2023

FINANCIAL REVIEW

2Q 2021 PROFIT & LOSS



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| (USD MM) | 2Q'2021 | 2Q'2020 | YoY Amount Change | 2Q'2021 | 1Q'2021 | QoQ Amount Change |
|--|--------------|--------------|-------------------------|--------------|--------------|-------------------------|
| Revenue | | | | | | |
| Revenue from rendering of services | 24.3 | 16.0 | +8.3 | 24.3 | 18.7 | +5.6 |
| Net gain on foreign exchange | - | 0.1 | -0.1 | - | - | - |
| Other income | 0.2 | 0.1 | +0.1 | 0.2 | 0.8 | -0.6 |
| Total revenue | 24.5 | 16.2 | +8.3 | 24.5 | 19.5 | +5.0 |
| Expenses | | | | | | |
| Costs of rendering of services | 22.8 | 21.5 | +1.3 | 22.8 | 19.4 | +3.4 |
| Administrative expenses | 3.6 | 3.4 | +0.2 | 3.6 | 3.3 | +0.3 |
| Net loss on foreign exchange | 0.3 | - | +0.3 | 0.3 | - | +0.3 |
| Finance costs | 0.4 | 0.6 | -0.2 | 0.4 | 0.4 | - |
| Total expenses | 27.1 | 25.5 | +1.6 | 27.1 | 23.1 | +4.0 |
| Share of profit (loss) of joint venture and associates | (0.2) | - | -0.2 | (0.2) | (0.2) | - |
| Profit (loss) before income tax expense | (2.8) | (9.3) | +6.5 | (2.8) | (3.8) | +1.0 |
| Tax expense | 0.3 | - | +0.3 | 0.3 | 0.3 | - |
| Profit (loss) for the period | (3.1) | (9.3) | +6.2 | (3.1) | (4.1) | +1.0 |
| Earnings (losses) per share (US Cents) | (0.2) | (0.7) | +0.5 | (0.2) | (0.3) | +0.1 |
| | | | | | | |
| Depreciation expenses and amortization expenses | 3.7 | 3.4 | +0.3 | 3.7 | 3.8 | -0.1 |
| Non-recurring items <i>(embedded in admin expense)</i> | - | - | - | - | - | - |
| EBITDA⁽¹⁾ | 1.5 | (5.3) | +6.8 | 1.5 | 0.6 | +0.9 |

Remark:

⁽¹⁾ Excluding share of profit (loss) of joint venture and associates and non-recurring items

YTD 2021 PROFIT & LOSS



| (USD MM) | Jan – Jun 2021 | Jan – Jun 2020 | YoY Amount Change |
|--|-------------------|-------------------|-------------------------|
| Revenue | | | |
| Revenue from rendering of services | 43.0 | 38.2 | +4.8 |
| Net gain on foreign exchange | - | 0.1 | -0.1 |
| Other income | 1.0 | 0.2 | +0.8 |
| Total revenue | 44.0 | 38.5 | +5.5 |
| Expenses | | | |
| Costs of rendering of services | 42.2 | 50.3 | -8.1 |
| Administrative expenses | 6.9 | 7.5 | -0.6 |
| Net loss on foreign exchange | 0.3 | - | +0.3 |
| Finance costs | 0.8 | 1.3 | -0.5 |
| Total expenses | 50.2 | 59.1 | -8.9 |
| Share of profit (loss) of joint venture and associates | (0.4) | 1.0 | -1.4 |
| Profit (loss) before income tax expense | (6.6) | (19.6) | 13.0 |
| Tax expense | 0.6 | - | +0.6 |
| Profit (loss) for the period | (7.2) | (19.6) | +12.4 |
| Earnings (losses) per share (US Cents) | (0.5) | (1.4) | +0.9 |
| | | | |
| Depreciation expenses and amortization expenses | 7.5 | 7.4 | +0.1 |
| Non-recurring items <i>(embedded in admin expense)</i> | - | - | - |
| EBITDA⁽¹⁾ | 2.1 | (11.9) | 14.0 |

Remark:

⁽¹⁾ Excluding share of profit (loss) of joint venture and associates and non-recurring items

STATEMENT OF CASH FLOWS



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| Cash Flows (USD MM) | For the six-months period ended | |
|--|---------------------------------|--------------|
| | 30 Jun 21 | 30 Jun 20 |
| Cash Flow From Operating Activities: | | |
| Before changes in working capital | (1.3) | (12.6) |
| Changes in working capital | 7.4 | 17.9 |
| Others | (0.4) | (0.6) |
| Net cash (from) used in operating activities | 5.7 | 4.7 |
| Cash Flow From Investing Activities: | | |
| Proceed from sale of current investments | 12.8 | 4.6 |
| Increase in advance payment for purchase of vessel | (8.0) | - |
| Acquisition of current investments | (8.9) | - |
| Increase in long-term loan to other party | (1.0) | - |
| Proceed from sale of property, plant and equipment and intangible assets | 1.1 | - |
| Acquisition of property, plant and equipment | (4.0) | (7.6) |
| Acquisition of interest in joint ventures | (2.5) | - |
| Interest received | - | 0.1 |
| Net cash used in investing activities | (10.5) | (2.9) |
| Cash Flow From Financing Activities: | | |
| Proceeds from short-term loans from financial institution | 1.5 | - |
| Repayment of short-term loans from financial institution | - | (0.2) |
| Proceeds from long-term loans from financial institution | - | 6.5 |
| Repayment of borrowings | (6.9) | (3.1) |
| Finance costs paid | (0.8) | (1.3) |
| Net cash used in financing activities | (6.2) | 1.9 |
| Net increase (decrease) in cash and cash equivalents | (11.0) | 3.7 |
| Effect of exchange rates | (0.2) | 0.1 |
| Beginning balance as at 1 January | 37.8 | 22.5 |
| Cash Balance as at 30 June (excluding restricted cash*) | 26.6 | 26.3 |

*Restricted Cash = USD 7.8m

*Investment Cash = USD 6.0m

STATEMENT OF FINANCIAL POSITION



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| Balance Sheet (USD MM) | 30 Jun 2021 | 31 Dec 2020 | Change |
|--|----------------|----------------|---------------|
| Cash & Cash Equivalents and Current Investment | 32.6 | 47.5 | -31.4% |
| Trade and Other Accounts Receivable | 39.8 | 35.3 | +12.7% |
| Other Current Assets | 0.4 | 0.3 | +33.3% |
| Total Current Assets | 72.8 | 83.1 | -12.4% |
| Restricted Deposit at Banks | 7.8 | 9.2 | -15.2% |
| Investment in Associates & Joint Venture | 26.0 | 24.0 | +8.3% |
| Property, Plant and Equipment | 137.7 | 143.2 | -3.8% |
| Other Non-Current Assets | 1.9 | 1.0 | +90.0% |
| Total Non- Current Assets | 173.4 | 177.4 | -2.3% |
| Total Assets | 246.2 | 260.5 | -5.5% |
| Short-term borrowing from financial institutions | 1.5 | - | +100.0% |
| Trade and Other Accounts Payable | 20.4 | 22.4 | -8.9% |
| Current Portion of Long-term Borrowings | 13.5 | 13.5 | 0.0% |
| Other Current Liabilities | 0.8 | 0.8 | 0.0% |
| Total Current Liabilities | 36.2 | 36.7 | -1.4% |
| Long-Term Borrowings | 37.1 | 43.9 | -15.5% |
| Other Non-Current Liabilities | 2.8 | 2.6 | +7.7% |
| Total Non-Current Liabilities | 39.9 | 46.5 | -14.2% |
| Total Liabilities | 76.1 | 83.2 | -8.5% |
| Total Equity | 170.1 | 177.3 | -4.1% |

| (USD MM) | 30 Jun 2021 | 31 Dec 2020 | 31 Dec 2019 |
|----------------------------------|----------------|----------------|----------------|
| Interest Bearing Debt | | | |
| Asset-backed Financing | 50.6 | 57.4 | 55.8 |
| Unsecured Loan | - | - | 0.2 |
| Finance lease | 0.3 | 0.4 | - |
| Total Debt | 50.9 | 57.8 | 56.0 |
| Cash, Deposits and Bank Balances | (40.4) | (56.7) | (46.0) |
| Total Debt, Net of Cash | 10.5 | 1.1 | 10.0 |
| Shareholders' Equity | 170.1 | 177.3 | 287.0 |
| Net Gearing | 6.2% | 0.6% | 3.5% |

Financial Ratio:

- Current Ratio = 2.01x
- Liabilities to Equity Ratio = 0.45x
- Net Debt to Equity Ratio = 0.30x
- Net Gearing = 6.2%

DEBT MATURITY PROFILE

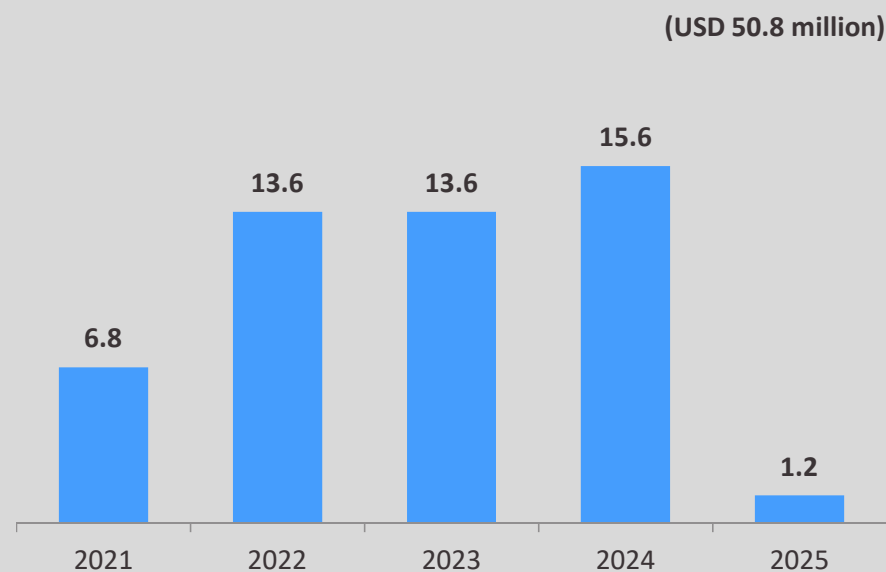


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Interest-Bearing Debt Maturity USD 50.8 M (30 June 2021)

- As at 30th June 2021, there is **USD 50.8 million** of long-term loan
- Next Repayment will be at the end of 3rd quarter, 2021 (USD 3.4m)
- Short-term liquidity risk is low.

Yearly Repayment Scheme



BUSINESS OUTLOOK

BUSINESS OUTLOOK



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1

Despite downward revisions in India and Japan, an upgraded outlook for Europe and resilience in the US, China and the Middle East are set to keep the month-on-month growth of global oil demand high through summer. Fundamentals will tighten with demand growth and OPEC restraint. Stock draws will accelerate during Q3 pushing oil prices higher due to tightening in the physical market. Based on the supply/demand dynamic underpinning the price, market sentiment indicates that oil prices are expected to stay well over USD 60 (up to mid 70s) throughout the next two years, which will have a significantly positive impact on the Subsea business.

2

Globally, COVID risks remain based on renewed outbreaks caused by mutated variants. The pace of global vaccinations is ramping up with over 3 billion doses administered as at 30/6/2021. This equates to 19.6% of the global population, increasing at a daily rate of 43.3 million doses, but likely to ramp up significantly. This is expected to allow for a “managed” situation rather than a “crisis”, thus allowing for a more normalized business environment.

3

Global economic growth in Q2 accelerated to 5.6%, and is expected rise in Q3 will be up to 7.25%. For the year, 2021, growth is expected to average 5.6%, with 4.4% in 2022. This recovery is expected to open various opportunities in Subsea and flexible lay space. We are strategically aligning the Group to benefit from these upcoming potentially massive business opportunities.

4

Pent-up demand and capacity constraints, whether in the supply chain or labor markets, are feeding concerns about rising inflation. In some countries, these pressures have already prompted Central Banks to tighten policy. The key question remains the tolerance of major Central Banks (Fed, ECB, BOJ, BOE) to tolerate an uptick of inflationary pressure. Currently, those pressures are seen as transitory, but if the labor market has limited slack because of low labor participation, then an inflationary wage-spiral may develop and prompt and more aggressive tightening. We will monitor inflationary pressures closely to position ourselves in the best possible way to counter concerns about rising inflation.

BUSINESS OUTLOOK



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5

We are experiencing a definite uptick in activity, and an associated soaking up of excess tonnage. The intermediate outlook remains positive, as construction engagements begin to mobilize after a year of relative inaction. Saudi's investment plan remains largely unshaken, they plan to invest circa USD 440 billion on the Eastern Seaboard in various projects up to 2025. Qatar has plans to invest USD 27 Billion in Oil & Gas Sector. Furthermore, in the West African market Majors have allocated budgets of additional USD 123 Billion towards Subsea Sector. Considerable politically related violence has perpetuated a transient upheaval in Northern Mozambique and it is unclear at this stage when that region will return to business as normal. In the meantime Oil prices remain steady on the back of increasing demand.

6

In line with our planning, the **Cable Division is now formally "back in business"**. The Group has successfully acquired considerable cable equipment and is positioning itself strongly in the intermediate term to offer more competitive pricing to end users whilst increasing the margins from a project perspective within the Company. Significantly, at this point the Cable Business represents circa 30% of our forward book and this is all new business. Moreover, 2021, 2022 & 2023 look good in the Middle East. The revival of business in Asia Pacific is of utmost importance for the Group, and we now have some small awards in Asia against which we can build momentum.

7

With the increased subsea activity in the North Sea, the Group has engaged well known and experienced staff in UK to represent Mermaid in the region with the aim to secure work for the Mermaid Endurer in 2022 as well as other air diving projects in the 2nd half of 2021 and beyond. This North Sea market has huge decommissioning requirements in the coming years and is also well placed to enter the renewables market in the medium to long term.

BUSINESS OUTLOOK



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8

The Group has taken a position in Africa with a satellite office on the Eastern Seaboard. From there we will seek specific long-term engagements only with blue chip players, and always in line with the Group's ambitions to secure annuity income. The intention is to then organically build our spot market activity around these interventions in the same way Mermaid has grown through the decades. We have successfully been awarded a considerable Survey Project (3+2 years) with a blue-chip oil major in Angola. In line with uptick, the Group will shortly deploy a Regional Director for that space.

9

The Mermaid **Asiana**, **Sapphire** and **Endurer** continue to operate in the Middle East, and will remain in the region for the foreseeable future. We expect very high utilization throughout 2021-2023 and are actively engaging the market in both Asia and Africa for more tonnage. Vessel mobility remains key in terms of achieving organic growth.

10

Our special relationship with Mubarak Marine has grown and we will continue to deploy in reciprocity with each other in order to avert a head-to-head situation. This continues to serve the Shareholders well, and has already paid dividends. Mermaid has acquired 50% ownership of the Millennium 3, a decision which affords us critical access to a crucial asset in a very specific space and should mean increased intermediate-term forward book for the Group.

11

There are still some non-performing assets within the Group, which have not yielded required returns for some years. We continue to actively work towards the disposal of the same.



Q & A

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A Company Moving Forward

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