






3Q 2021 RESULTS

11th November 2021

www.mermaid-group.com

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AGENDA

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



3Q 2021 HIGHLIGHTS



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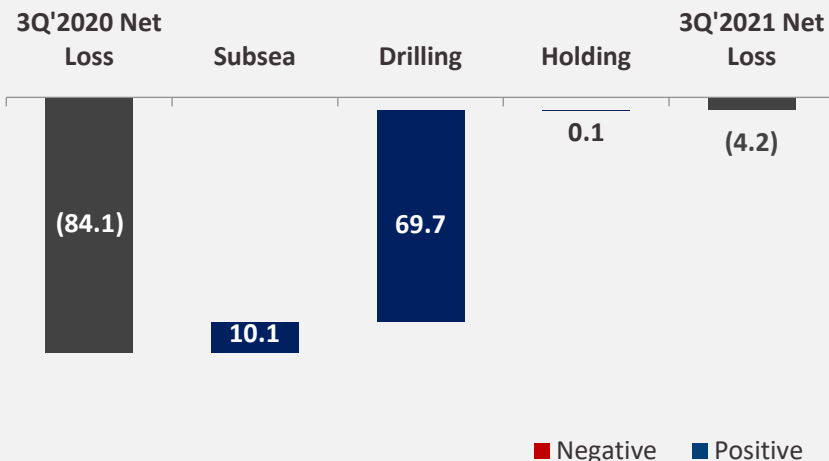
- Revenue from subsea sector increased 19.7% YoY and 7.6% QoQ consequently from the utilization of main active vessels and recognized income of awarded cable lay projects which has returned after several years and substantially growing its forward book.
- EBITDA has continuously recovered. During the quarter, there was an increase YoY from USD (0.9) m in 3Q'2020 to USD 0.1 m in 3Q'2021 while the YTD remained positive at USD 2.1. The result has been reflecting our revenue generating capability and adjusted relative cost base which directly increased contribution margin.
- For 3Q'2021, the net positive cash flow from operations was USD 5.7 m.
- At the end of 3Q'2021, the order book reached USD 260m. This number mainly included significant awards for cable lay business in the Middle East and Transportation, Installation and Decommissioning projects in South East Asia pursuant to company's strategy.
- Balance sheet position was low risk at 1.75x Current Ratio and 0.30x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

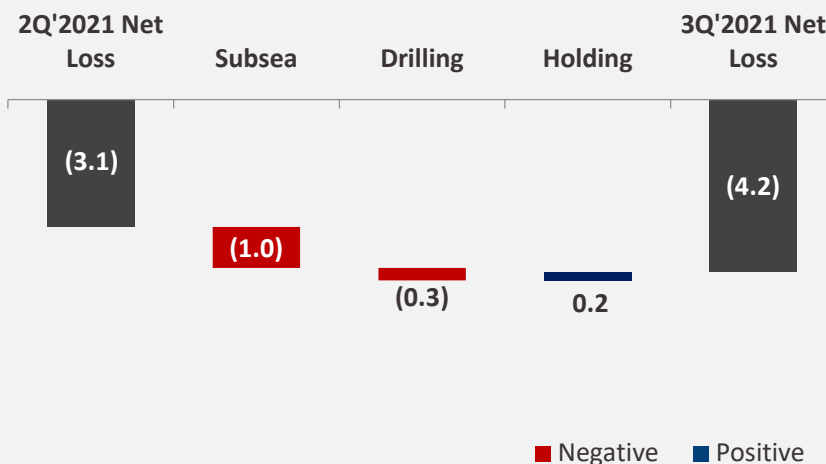


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3Q YoY Net Profit (Loss) Change



3Q QoQ Net Profit (Loss) Change



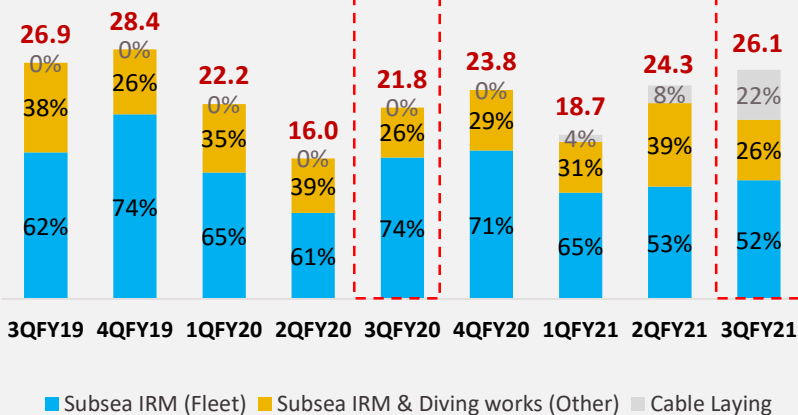
- A positive effect within subsea sector was essentially caused by recognized income and improved cost base leading to higher contribution margins
- “Mermaid Asiana” and “Mermaid Endurer” worked at almost full utilization for the company’s key clients in the Middle East while “Mermaid Sapphire” returned during the end of quarter

SUBSEA REVENUE AND UTILIZATION

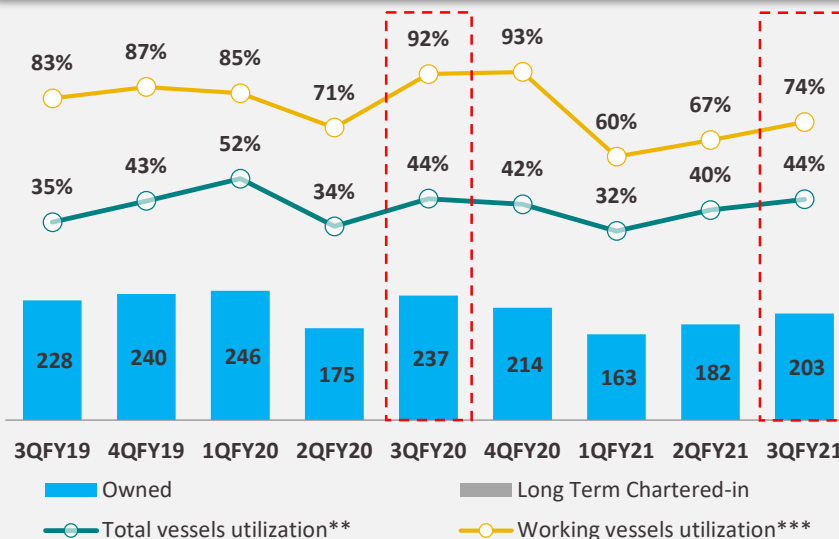


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Subsea Revenue



Vessel Working Days & Utilization*



* Total Working Days / Total Available Days

**5 owned-vessels in 3Q'21

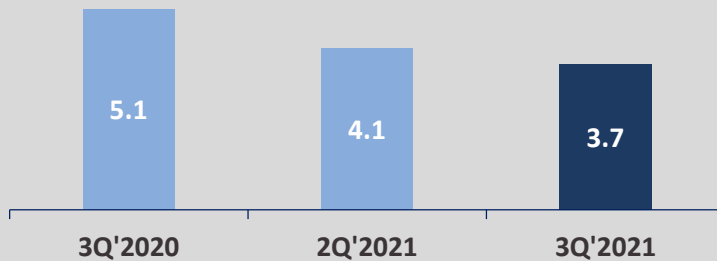
***3 active owned vessels in 3Q'21

- Total Revenue increased by USD 4.3m YoY and by USD 1.8m QoQ
- Revenue from cable laying projects increased QoQ from USD 2.1m to USD 5.7m
- Within 3Q'2021, "Mermaid Asiana" and "Mermaid Endurer" were highly utilized for projects in the Middle East
- There was no long-term chartered-in vessel during 3Q'2021

COSTS & EXPENSES

Vessel Running Cost (owned vessels)

USD MM

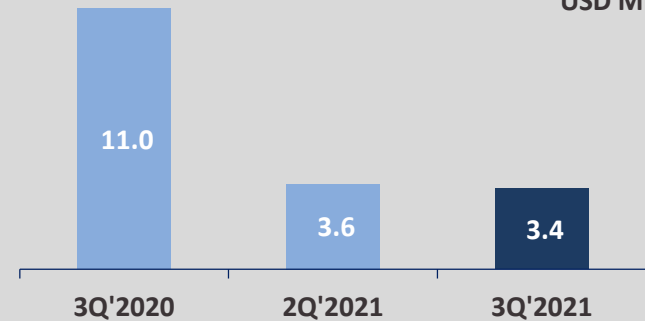


Owned Vessels

- VRC slightly decreased QoQ (-0.4m) and significantly decreased YoY (-1.4m) mainly due to previous Covid-19 restriction cost in the past.

Selling and Administrative Expenses

USD MM

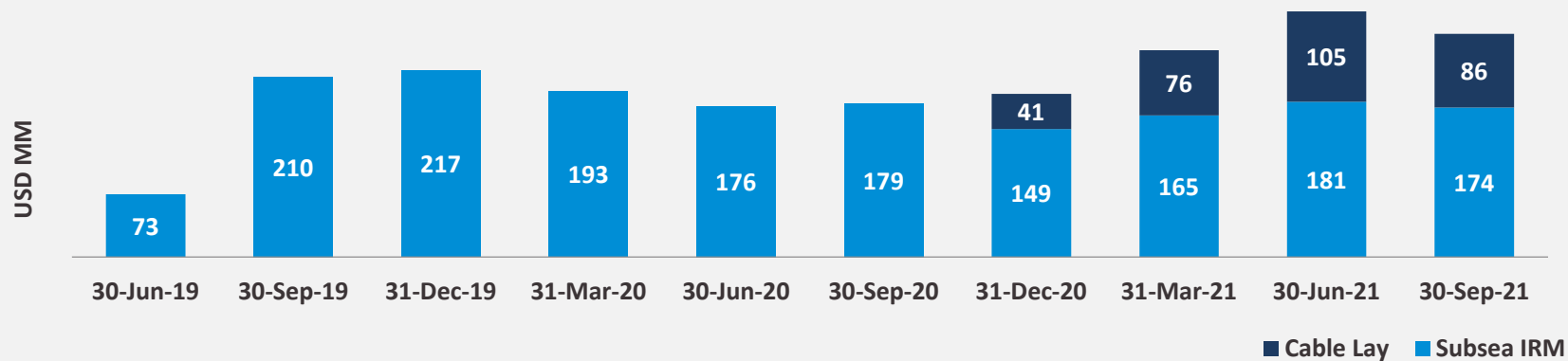


Selling, General and Administrative Expenses

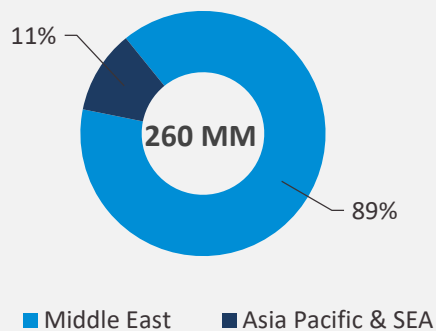
- SG&A expenses significantly decreased YoY as a result of provision for impairment recognized in 3Q'2020 for USD 7.6m

ORDER BOOK

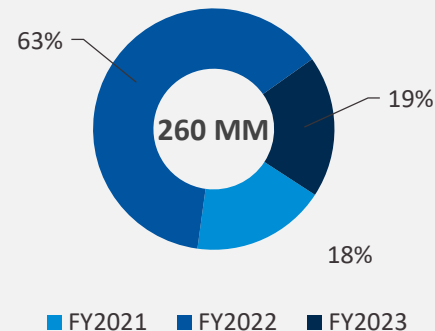
Total Order Book



Order Book by Region



Order Book by Year



FINANCIAL REVIEW

...x.com
...mypage.com
SKYPE
skype:sambgak



Business items

3Q 2021 PROFIT & LOSS



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(USD MM)	3Q'2021	3Q'2020	YoY Amount Change	3Q'2021	2Q'2021	QoQ Amount Change
Revenue						
Revenue from rendering of services	26.1	21.8	+4.3	26.1	24.3	+1.8
Other income	0.2	-	+0.2	0.2	0.2	-
Total revenue	26.3	21.8	+4.5	26.3	24.5	+1.8
Expenses						
Costs of rendering of services	26.1	22.7	+3.4	26.1	22.8	+3.3
Administrative expenses	3.8	11.0	-7.2	3.8	3.6	+0.2
Loss on disposal of investment in an associate	-	68.1	-68.1	-	-	-
Net loss on foreign exchange	-	0.1	-0.1	-	0.3	-0.3
Finance costs	0.4	0.5	-0.1	0.4	0.4	-
Total expenses	30.3	102.4	-72.1	30.3	27.1	+3.2
Share of profit (loss) of joint venture and associates	(0.2)	(1.9)	+1.7	(0.2)	(0.2)	-
Profit (loss) before income tax expense	(4.2)	(82.5)	+78.3	(4.2)	(2.8)	-1.4
Tax expense	-	1.6	-1.6	-	0.3	-0.3
Profit (loss) for the period	(4.2)	(84.1)	+79.9	(4.2)	(3.1)	-1.1
Earnings (losses) per share (US Cents)	(0.3)	(6.0)	+5.7	(0.3)	(0.2)	-0.1
Depreciation expenses and amortization expenses	3.7	3.6	+0.1	3.7	3.7	-
Non-recurring items <i>(embedded in admin expense)</i>	-	7.5	-7.5	-	-	-
EBITDA⁽¹⁾	0.1	(0.9)	+1.0	0.1	1.5	-1.4

Remark:

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

YTD 2021 PROFIT & LOSS



(USD MM)	Jan – Sep 2021	Jan – Sep 2020	YoY Amount Change
Revenue			
Revenue from rendering of services	69.1	60.0	+9.1
Other income	1.2	0.2	+1.0
Total revenue	70.3	60.2	+10.1
Expenses			
Costs of rendering of services	68.3	73.0	-4.7
Administrative expenses	10.7	18.6	-7.9
Loss on disposal of investment in an associate	-	68.1	-68.1
Net loss on foreign exchange	0.3	-	+0.3
Finance costs	1.2	1.8	-0.6
Total expenses	80.5	161.5	-81.0
Share of profit (loss) of joint venture and associates	(0.6)	(0.8)	+0.2
Profit (loss) before income tax expense	(10.8)	(102.1)	+91.3
Tax expense	0.6	1.6	-1.0
Profit (loss) for the period	(11.4)	(103.7)	+92.3
Earnings (losses) per share (US Cents)	(0.8)	(7.3)	+6.5
Depreciation expenses and amortization expenses	11.1	11.0	+0.1
Non-recurring items <i>(embedded in admin expense)</i>	-	7.5	-7.5
EBITDA⁽¹⁾	2.1	(12.9)	+15.0

Remark:

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

STATEMENT OF CASH FLOWS

Cash Flows (USD MM)	For the nine-months period ended	
	30 Sep 21	30 Sep 20
Cash Flow From Operating Activities:		
Before changes in working capital	(3.6)	(14.5)
Changes in working capital	9.9	12.9
Others	(0.6)	(0.7)
Net cash from (used in) operating activities	5.7	(2.3)
Cash Flow From Investing Activities:		
Proceed from sale of current investments	16.2	4.6
Acquisition of current investments	(8.9)	(2.0)
Increase in advance payment for purchase of vessel	(8.0)	-
Increase in long-term loan to other party	(1.1)	-
Increase in long-term investment	(3.0)	-
Proceed from sale of property, plant and equipment and intangible assets	1.2	-
Acquisition of property, plant and equipment and intangible assets	(7.8)	(9.7)
Proceed from sale of interest in associate	-	31.0
Acquisition of interest in joint ventures	(2.6)	-
Interest received	-	0.1
Net cash from (used in) investing activities	(14.0)	24.0
Cash Flow From Financing Activities:		
Proceeds from short-term borrowings	1.5	-
Repayment of short-term borrowings	(1.5)	(0.2)
Proceeds from long-term borrowings	3.0	8.0
Repayment of long-term borrowings	(10.2)	(3.0)
Payment of lease liabilities	(0.2)	(0.1)
Finance costs paid	(1.2)	(1.8)
Net cash from (used in) financing activities	(8.6)	2.9
Net increase (decrease) in cash and cash equivalents	(16.9)	24.6
Effect of exchange rates	(0.1)	-
Beginning balance as at 1 January	37.8	22.5
Cash Balance as at 30 September (excluding restricted cash*)	20.8	47.1

*Restricted Cash = USD 8.1m

*Investment Cash = USD 2.5m

STATEMENT OF FINANCIAL POSITION



Balance Sheet (USD MM)	30 Sep 2021	31 Dec 2020	Change
Cash & Cash Equivalents and Current Investment	23.3	47.5	-50.9%
Trade and Other Accounts Receivable	43.9	35.3	+24.4%
Other Current Assets	0.4	0.3	+33.3%
Total Current Assets	67.6	83.1	-18.7%
Restricted Deposit at Banks	8.1	9.2	-12.0%
Investment in Associates & Joint Venture	25.8	24.0	+7.5%
Property, Plant and Equipment	135.2	143.2	-5.6%
Other Non-Current Assets	6.6	1.0	+560.0%
Total Non- Current Assets	175.7	177.4	-1.0%
Total Assets	243.3	260.5	-6.6%
Trade and Other Accounts Payable	23.7	22.4	+5.8%
Current Portion of Long-term Borrowings	14.2	13.5	+5.2%
Other Current Liabilities	0.8	0.8	+0.0%
Total Current Liabilities	38.7	36.7	+5.4%
Long-Term Borrowings	36.0	43.9	-18.0%
Other Non-Current Liabilities	2.7	2.6	+3.8%
Total Non-Current Liabilities	38.7	46.5	-16.8%
Total Liabilities	77.4	83.2	-7.0%
Total Equity	165.9	177.3	-6.4%

(USD MM)	30 Sep 2021	31 Dec 2020	31 Dec 2019
Interest Bearing Debt			
Asset-backed Financing	50.2	57.4	55.8
Unsecured Loan	-	-	0.2
Finance lease	0.2	0.4	-
Total Debt	50.4	57.8	56.0
Cash, Deposits and Bank Balances	(31.4)	(56.7)	(46.0)
Total Debt, Net of Cash	19.0	1.1	10.0
Shareholders' Equity	165.9	177.3	287.0
Net Gearing	11.5%	0.6%	3.5%

Financial Ratio:

- Current Ratio = 1.75x
- Liabilities to Equity Ratio = 0.47x
- Net Debt to Equity Ratio = 0.30x
- Net Gearing = 11.5%

DEBT MATURITY PROFILE

Interest-Bearing Debt Maturity

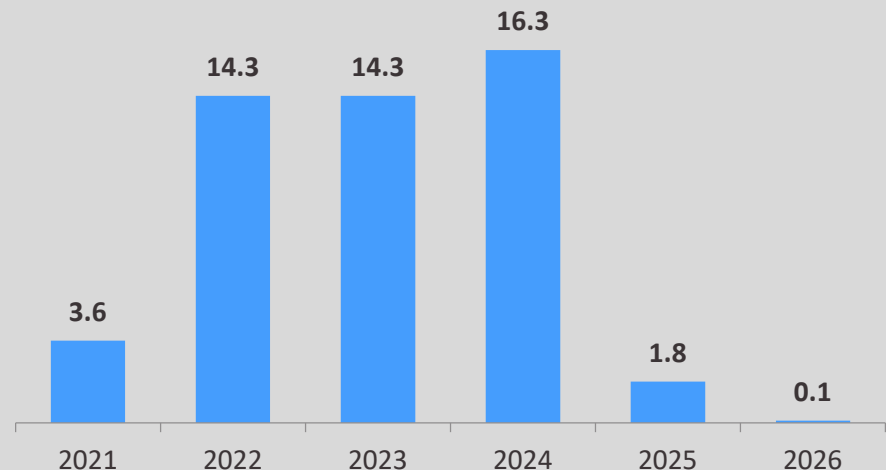
USD 50.4 M

(30 September 2021)

- As at 30th September 2021, there is **USD 50.4 million** of long-term loan
- In September 2021, Mermaid entered into a new loan facility agreement with a financial institution to support company's working capital. The loan facility is approximately USD 3.0 million.
- Next Repayment will be at the end of 4th quarter, 2021 (USD 3.4m)
- Short-term liquidity risk is low.

Yearly Repayment Scheme

(USD 50.4 million)



BUSINESS OUTLOOK

BUSINESS OUTLOOK



MERMAID

1

Despite downward revisions, our view on oil demand recovery remains largely unchanged; After posting growth of 5.1 million b/d this year, demand in 2022 will grow by 4.7 million b/d. Global oil supply to resume growth as disruptions ease, but risks are to the downside. Oil balances and prices are set to modestly ease through April/May 2022 before tightening again after mid-year. Based on the supply/demand dynamic underpinning the price, market sentiment indicates that oil prices are expected to stay well over USD 70 throughout the next year, which will have a significantly positive impact on the Subsea business.

2

Globally, COVID risks remain based on renewed outbreaks caused by mutated variants. While it appears that the most recent wave has peaked, there is a noted uptick in some countries which remains a concern. Vaccinations are expected to allow for a “managed” situation rather than a “crisis”, thus allowing for a more normalized business environment in the intermediate term.

3

Global economic growth in Q3 accelerated and is expected to continue in Q4. For the year, 2021, growth is expected to average 5.9%, with 4.9% in 2022. This recovery is expected to open various opportunities for Mermaid 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 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 500 billion on the Eastern Seaboard in various projects up to 2027. 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's newly acquired cable equipment was deployed in the successful completion of the first intervention in a series of jobs spanning over the next 24 months. The purchase of the M3 Cable Barge has vindicated itself significantly as arguably the most profound business move in the recent history of the Group. The Cable Business current forward book represents circa 33% of the Group's confirmed activities. Moreover, 2022 & 2023 continue to compound and endorse the same.

7

The decision around creating a business unit for the North Sea continues to elicit a solid response. The Group has engaged well known and experienced staff in that region and looks to build on their past success. Some small projects are already indicated as awarded. This North Sea market has huge decommissioning requirements upon which we look to capitalize. Moreover, Mermaid is well placed in this geography to enter the renewables market in the intermediate term.

BUSINESS OUTLOOK

8

The Group has taken a position in Africa with a satellite office on the Eastern Seaboard. From there we seek and have capitalized on specific long-term engagements. Focusing on blue chip players, and always in line with the Group's ambitions to secure annuity income. We have successfully been awarded and have already rolled out a considerable Survey Project (3+2 years) with a blue-chip oil major in Angola. In line with uptick, the Group has deployed a Regional Director for that space.

9

The Mermaid **Asiana** 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 to which end we have made the decision to deploy the Sapphire on our home region of Thailand.

10

The revival of business in Asia Pacific is of utmost importance for the Group. Mermaid is successfully reinstating our market share in Thailand, and continues to build around our aspirations to be involved in the decommissioning and IRM markets both in Thailand and the adjoining waters. Our shareholders are very pleased with the recent progress within the APAC region, and we will continue to focus positively in this space.

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



MERMAID

A Company Moving Forward

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www.mermaid-group.com