






2Q 2022 RESULTS

August 9th, 2022

www.mermaid-group.com

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AGENDA

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



2Q 2022 HIGHLIGHTS



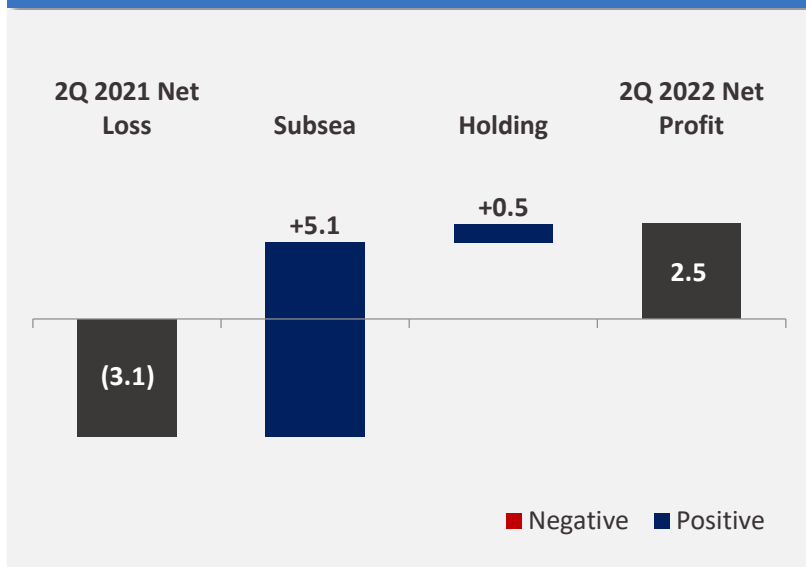
- Revenue significantly increased by 126.29% YoY and 35.89% QoQ regarding to our capability to maintain and improve our core IRM business by owned active vessels along with recognized income of the cable lay business which start to be strongly steady. Also, the growing performance of company's expansion in the field of T&I and Decommissioning begins to bring the clear turnover.
- EBITDA for 2Q 2022 was USD 5.4 m which mainly due to higher contribution margin that derived from higher revenue and effective cost management and control.
- For 2Q 2022, the net cash flow from operations was USD 5.4 m.
- At the end of June 2022, the order book reached USD 358 m, the highest level in recent years. This number included multiple project awards for the Inspection, Repair and Maintenance projects and Cable Laying projects mainly in the Middle East and other regions that the company has expanded to. Also it included the works awarded of Transportation, Installation and Decommissioning projects in South East Asia.
- Balance sheet position represents at 1.04x Current Ratio and 0.43x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

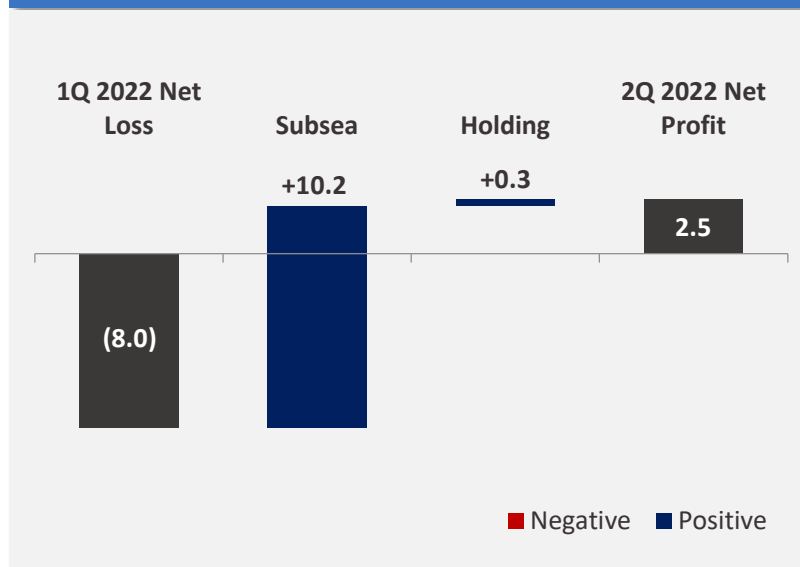


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YoY Net Profit (Loss) Change



QoQ Net Profit (Loss) Change



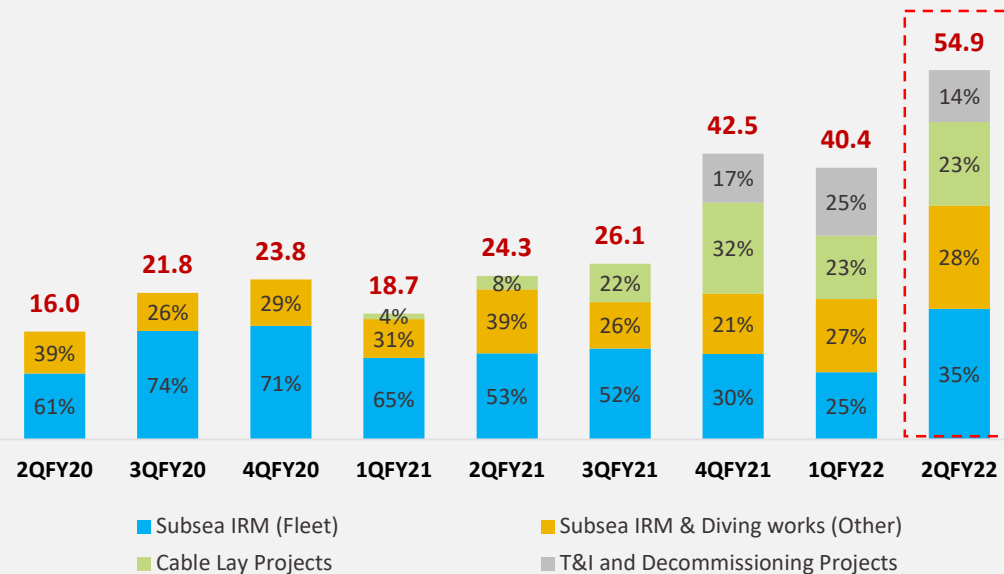
- Positive impacts on both YoY and QoQ came from the higher revenue with a better margin due to cost management and control for all business sectors
- Company's owned vessels were highly utilized
- Holding sector also expressed the positivity in effective management

REVENUE BREAKDOWN



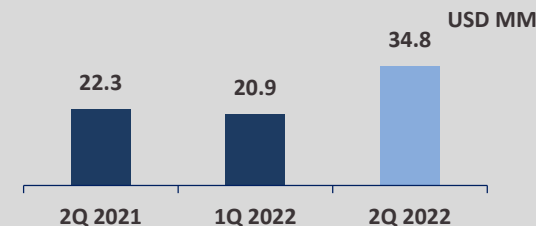
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Revenue Breakdown

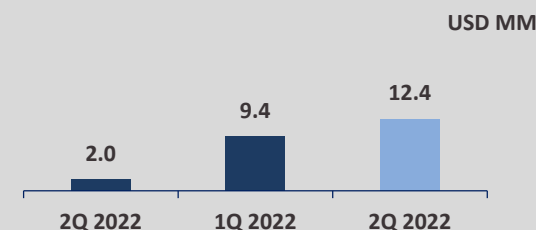


- Total revenue increased both YoY from USD 24.3.7m and QoQ from USD 40.4m to USD 54.9m as a main result of higher fleet utilization for IRM and cable lay projects even though T&I and decommissioning sector slightly dropped.
- Revenue from IRM business increased significantly by 13.9m QoQ while revenue from cable lay business also increased from USD 9.4m to USD 12.4m due to a new project that started in May 2022 and currently working on two main projects in the Middle East.
- Revenue from T&I and decommissioning business dropped QoQ by USD 2.4m as a result of 3 projects that ended in 2Q while the new coming projects will start in early of 3Q.
- Portions in business types demonstrated our risk mitigation effective strategies

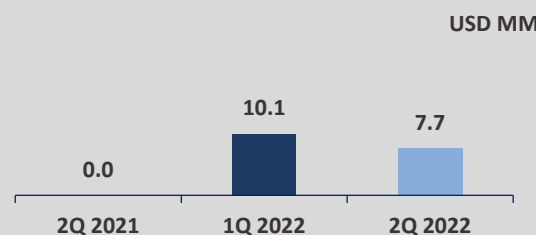
TOTAL SUBSEA IRM



Cable Lay Projects

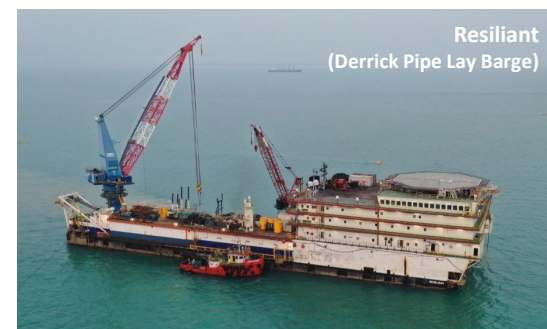
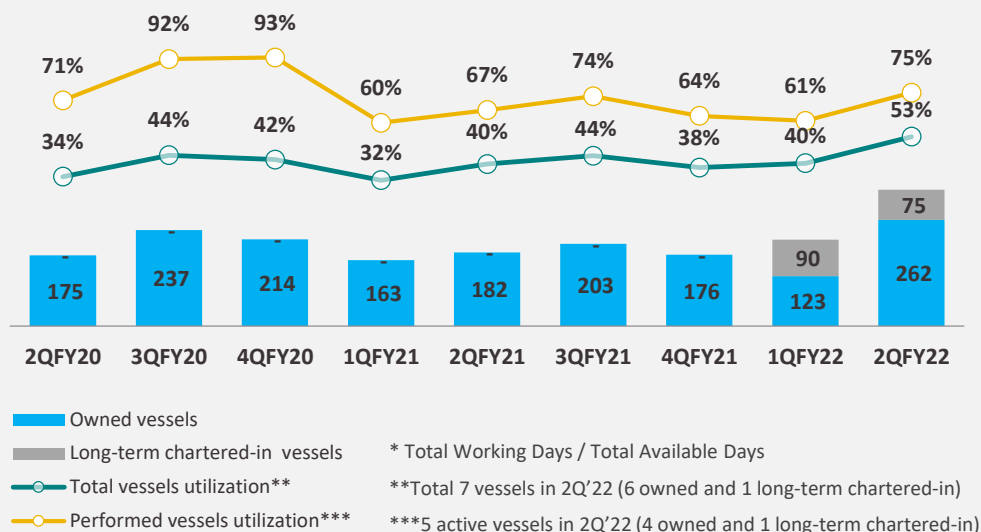


T&I and Decommissioning Projects



UTILIZATION

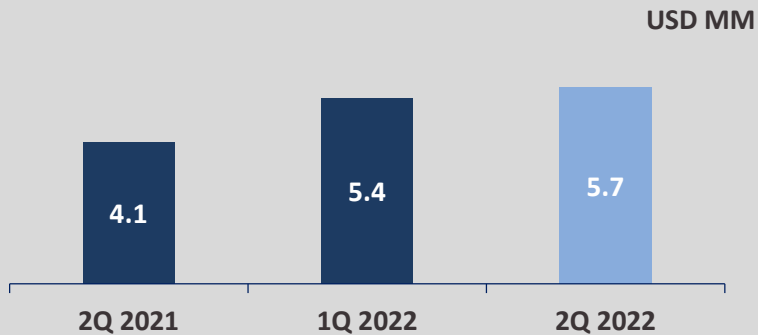
Vessel Working Days & Utilization*



- In 2Q 2022, “Mermaid Asiana” had finished her planned maintenance in April 2022 and came back to work for the main project in the Middle East. “Mermaid Endurer” that had been switched to work for the same project with Asiana during Q1 has also been working on IRM projects in the Middle East in this Quarter.
- “Mermaid Sapphire” were fully utilized for a few projects in South East Asia in 2Q 2022.
- “Resilient” currently plays a big part in the process of bidding for new projects and expected to be performed during Q4
- Millennium 3 has been chartered-in from M3JV and highly utilized for cable laying projects. Mermaid recognized USD 1.0m share profit from M3JV in 2Q 2022.

COSTS & EXPENSES

Vessel Running Cost (owned vessels)

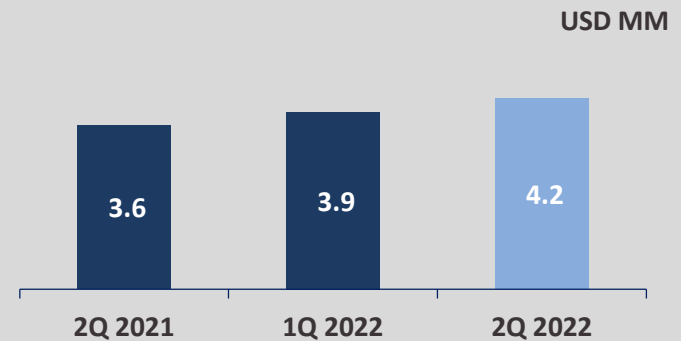


Owned Vessels

VRC increase YoY (USD 1.6m) and QoQ (USD 0.3m) due to:

- scheduled maintenance of both Mermaid Asiana and Mermaid Endurer that occurred during 1Q 2022
- new acquired vessel 'Resilient'

Selling and Administrative Expenses



Selling, General and Administrative Expenses

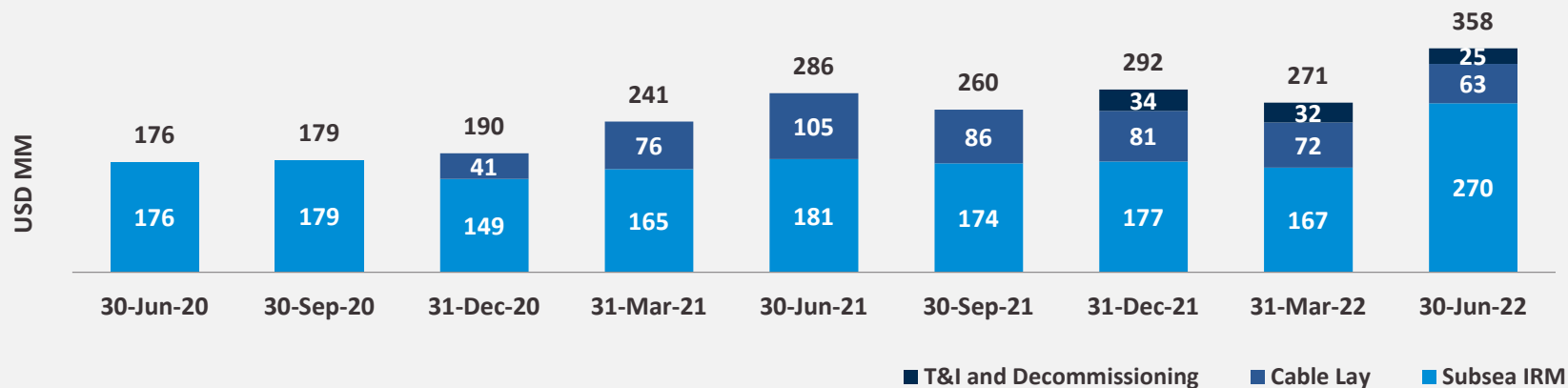
- SG&A expenses increased YoY (USD 0.6m) as a result of employee benefits and withholding tax.

ORDER BOOK

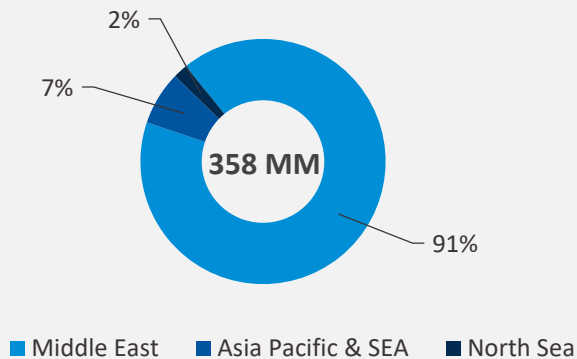


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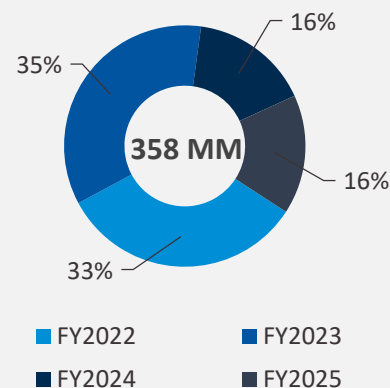
Total Order Book



Order Book by Region



Order Book by Year



FINANCIAL REVIEW

Business items

2Q 2022 PROFIT & LOSS



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(USD MM)	2Q 2022	2Q 2021	YoY Amount Change	2Q 2022	1Q 2022	QoQ Amount Change
Revenue						
Revenue from rendering of services	54.9	24.3	+30.6	54.9	40.4	+14.5
Net gain on foreign exchange	0.2	-	+0.2	0.2	-	+0.2
Other income	0.3	0.2	+0.1	0.3	0.2	+0.1
Total revenue	55.4	24.5	+30.9	55.4	40.6	+14.8
Expenses						
Costs of rendering of services	49.0	22.8	+26.2	49.0	45.2	+3.8
Administrative expenses	4.2	3.6	+0.6	4.2	3.9	+0.3
Net loss on foreign exchange	-	0.3	-0.3	-	0.1	-0.1
Finance costs	0.5	0.4	+0.1	0.5	0.5	0.0
Total expenses	53.7	27.1	+26.6	53.7	49.7	+4.0
Profit (loss) from operation	1.7	(2.6)	+4.3	1.7	(9.1)	+10.8
Share of profit (loss) of joint ventures and associate	0.8	(0.2)	+1.0	0.8	1.1	-0.3
Profit (loss) before income tax expense	2.5	(2.8)	+5.3	2.5	(8.0)	+10.5
Tax expense	0.0	0.3	-0.3	0.0	-	-
Profit (loss) for the period	2.5	(3.1)	+5.6	2.5	(8.0)	+10.5
Earnings (losses) per share (US Cents)	0.2	(0.2)	+0.4	0.2	(0.6)	+0.8
Depreciation expenses and amortization expenses	3.2	3.7	-0.5	3.2	3.3	-0.1
EBITDA⁽¹⁾	5.4	1.5	+3.9	5.4	(5.3)	+10.7

Remark:

⁽¹⁾ Excluding share of profit (loss) of joint ventures and associate

STATEMENT OF CASH FLOWS



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Cash Flows (USD MM)	For the six-months period ended 30 June	
	2022	2021
Cash Flow From Operating Activities:		
Before changes in working capital	(2.4)	(1.3)
Changes in working capital	9.3	7.4
Others	(1.5)	(0.4)
Net cash from operating activities	5.4	5.7
Cash Flow From Investing Activities:		
Proceed from sale of current investments	2.9	12.8
Acquisition of current investments	-	(8.9)
Increase in advance payment for purchase of vessel	-	(8.0)
Proceeds from long-term loan to related party	1.1	-
Increase in long-term loan to other party	-	(1.0)
Proceeds from sale of property, plant and equipment and intangible assets	2.1	1.1
Acquisition of property, plant and equipment	(7.2)	(4.0)
Acquisition of interest in joint ventures	-	(2.5)
Net cash used in investing activities	(1.1)	(10.5)
Cash Flow From Financing Activities:		
Repayment of borrowings	(7.1)	(6.8)
Proceeds from short-term loans from financial institution	-	1.5
Payment of lease liabilities	(0.1)	(0.1)
Finance costs paid	(1.0)	(0.8)
Net cash used in financing activities	(8.2)	(6.2)
Net decrease in cash and cash equivalents	(3.9)	(11.0)
Effect of exchange rates	(0.1)	(0.2)
Beginning balance as at 1 January	8.0	37.8
Cash Balance as at 30 June (excluding restricted cash*)	4.0	26.6

*Restricted cash = \$8.2m

STATEMENT OF FINANCIAL POSITION



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Balance Sheet (USD MM)	30 Jun 2022	31 Dec 2021	Change
Cash & Cash Equivalents and Current Investment	4.0	10.9	-63.3%
Trade and Other Accounts Receivable	90.8	75.7	+19.9%
Other Current Assets	1.4	0.3	+366.7%
Total Current Assets	96.2	86.9	+10.7%
Restricted Deposit at Banks	8.2	8.2	0.0%
Investment in Associates & Joint Venture	28.8	26.9	+7.1%
Property, Plant and Equipment	133.1	132.8	+0.2%
Other Non-Current Assets	23.3	3.8	+513.2%
Total Non- Current Assets	193.4	171.7	+12.6%
Total Assets	289.6	258.6	+12.0%
Trade and Other Accounts Payable	64.4	42.8	+50.5%
Current Portion of Long-term Borrowings	14.2	14.2	0.0%
Current Portion of Long-term Loan from Parent Company	5.0	3.0	+66.7%
Other Current Liabilities	9.1	1.0	+810.0%
Total Current Liabilities	92.7	61.0	+52.0%
Long-Term Borrowings	25.4	32.5	-21.8%
Long-Term Loan from Parent Company	-	2.0	-100.0%
Other Non-Current Liabilities	16.4	2.5	+556.0%
Total Non-Current Liabilities	41.8	37.0	+13.0%
Total Liabilities	134.5	98.0	+37.2%
Total Equity	155.1	160.6	-3.4%

(USD MM)	30 Jun 2022	31 Dec 2021	31 Dec 2020
Interest Bearing Debt			
Asset-backed Financing	39.6	46.7	57.4
Unsecured Loan	5.0	5.0	-
Total Interest Bearing Debt*	44.6	51.7	57.4
Cash, Deposits and Bank Balances	(12.2)	(19.1)	(56.7)
Total Debt, Net of Cash	32.4	32.6	0.7
Shareholders' Equity	155.1	160.6	177.3
Net Gearing	20.9%	20.3%	0.4%

*Excluding lease liabilities

Financial Ratio:

- Current Ratio = 1.04x
- Liabilities to Equity Ratio = 0.87x
- Net Debt to Equity Ratio = 0.43x
- Net Gearing = 20.9%

DEBT MATURITY PROFILE

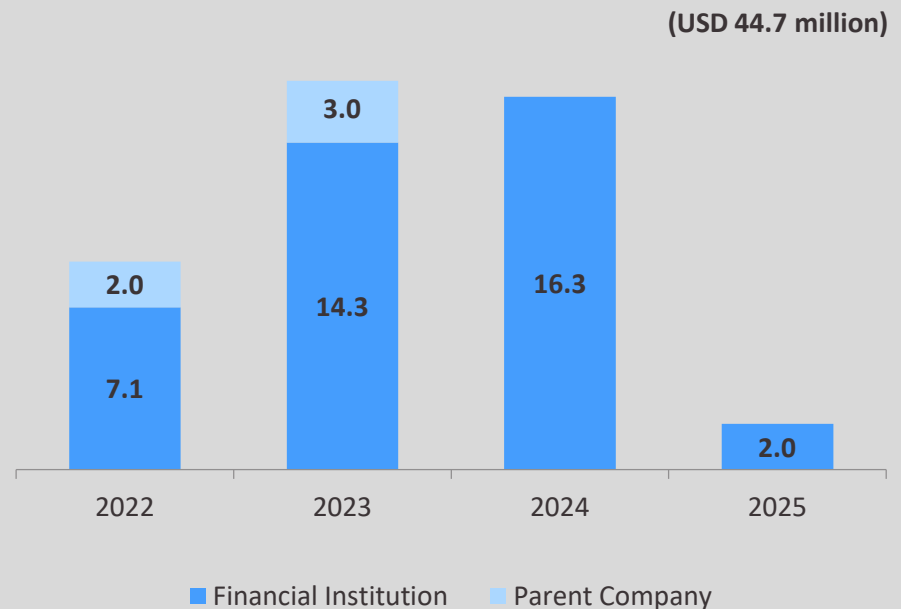
Interest-Bearing Debt Maturity

USD 44.7 M

(30 June 2022)

- As at 30th June 2022, there is **USD 44.7 million** of long-term loan (consisting of USD 39.7 million from financial institution and USD 5.0 million from parent company).
- Next repayment will be at the end of 3rd quarter, 2022.
- Short-term liquidity risk is low.

Yearly Repayment Scheme



BUSINESS OUTLOOK

BUSINESS OUTLOOK



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1

The July Short Term Energy Outlook (STEO) issued by the EIA notes heightened uncertainty resulting from a variety of factors, including Russia's full-scale invasion of Ukraine. The possibility of economic activity being less robust than assumed in their forecast could result in lower-than-forecast energy consumption. Factors driving uncertainty about energy supply include how sanctions affect Russia's oil production, the production decisions of OPEC+, and the rate at which U.S. oil and natural gas production rises. The spot price of Brent crude oil averaged \$71/b in 2021, and the EIA forecast the Brent price will average \$104/b in 2022 and \$94/b in 2023.

2

Global oil inventories in the EIA forecast rise by 0.8 million barrels per day (b/d) in 2022 and remain unchanged in 2023. Inventory builds in 2022 reflect rising production of liquid fuels in the United States and OPEC, paired with slowing liquid fuels consumption growth. The EIA expects global consumption of liquid fuels to grow by 2.2 million b/d in 2022 and by 2.0 million b/d in 2023. The EIA further forecasts that OPEC crude oil production will rise by 2.4 million b/d to average 28.7 million b/d in 2022 and will further increase to 29.3 million b/d in 2023. Crude oil production from OPEC members averaged 26.3 million b/d in 2021.

3

Inflationary pressures have prompted many Central Banks to take a more hawkish stance on raising policy rates with some of the major Central Banks (Fed, BOE) having moved swiftly to address the situation and increased rates, with more rate increases seemingly the order of the day. We will monitor inflationary pressure and responses closely in order to position ourselves appropriately.

BUSINESS OUTLOOK



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4

The impact of coronavirus has waned and become supplanted by Russia's invasion of Ukraine with concomitant declines to consumer and business confidence. China's lockdowns of major cities as part of their "zero tolerance" policy to combat the coronavirus has weakened oil demand noticeably, and impacted consumer activities. The likelihood of sharply higher interest rates, led by the US Federal Reserve, and the uncertain pathway for the Chinese economy are the two further key variables impacting the outlook.

5

The market uptick has seen our owned, jointly-owned and chartered-in fleet securing the targeted utilisation figures. Two of the recently chartered -in vessels, namely the Van Gogh and Paladin are being actively utilized. The intermediate outlook remains positive, as construction engagements actively mobilize after the relative inaction of the past two years. 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 127 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 usual. In the meantime Oil prices remain steady on the back of increasing demand.

6

In line with our planning, ambitions around P&A for the intermediate term are heightened. In this regard Group-wide synergies have been afforded extra impetus as the North Sea Segment has now had Governmental intervention to force closures. Likewise, the Chevron field in Thailand, and multiple marginal fields in Africa are now also coming in to focus for abandonment in the short term. Mermaid will continue to invest in people, plant and equipment in order to position ourselves to be part of these endeavors.

BUSINESS OUTLOOK

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 awarded and the momentum is moving with the team. This North Sea market has huge decommissioning and diving requirements, upon which we are capitalizing. Moreover, Mermaid is well placed in this geography to enter the renewables market in the intermediate term.

8

Africa continues to yield rewarding opportunities, and Mermaid now have multiple awards in that space. In addition to awards in Angola, Mermaid has also won/executed some saturation interventions off the African Eastern Seaboard.

9

In the meantime, the **Asiana** continues to operate in the Middle East, whilst the Van Gogh focuses in APAC. The Sapphire is deployed at home (Thailand). We expect very high utilization throughout 2022-2024. Vessel mobility remains key in terms of achieving organic growth.

10

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.



MERMAID

A Company Moving Forward

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