






3Q 2023 RESULTS

November 14th, 2023

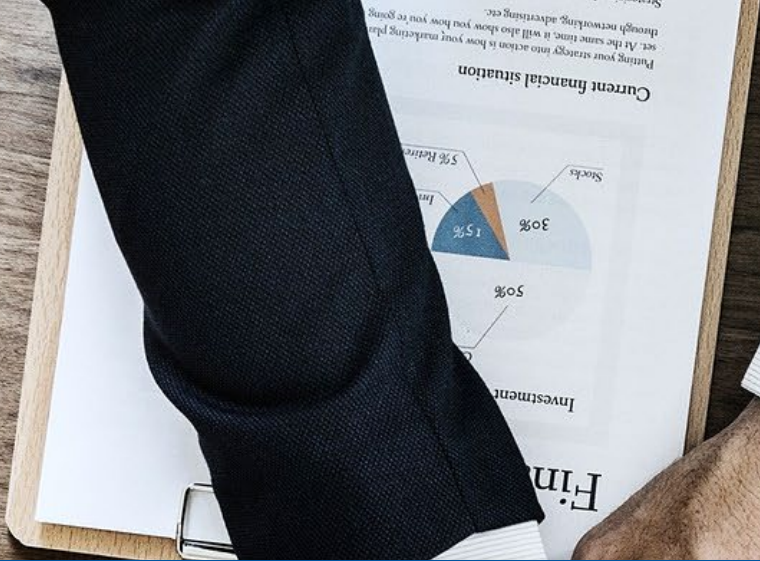
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AGENDA

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



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of the n Union

Are you innovative or are you the experienced typical or do you offer a high-cost, high-value product, or slow-cost, high-value products? It's impossible to be both what your customers need you to be. Your brand is the main foundation of your success. All should be connected with your logo to communicate with your brand. Having a good brand strategy allows you to have a large advantage in your market competition. Increase in your market by offering your brand tells your customers what they can have or expect from the products and services you offer. Branding strategy as it is from the branding consistent the



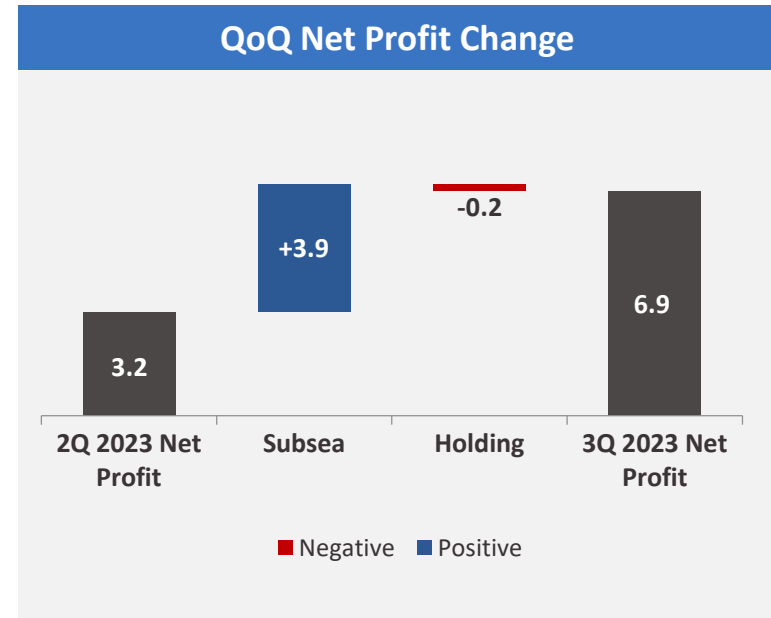
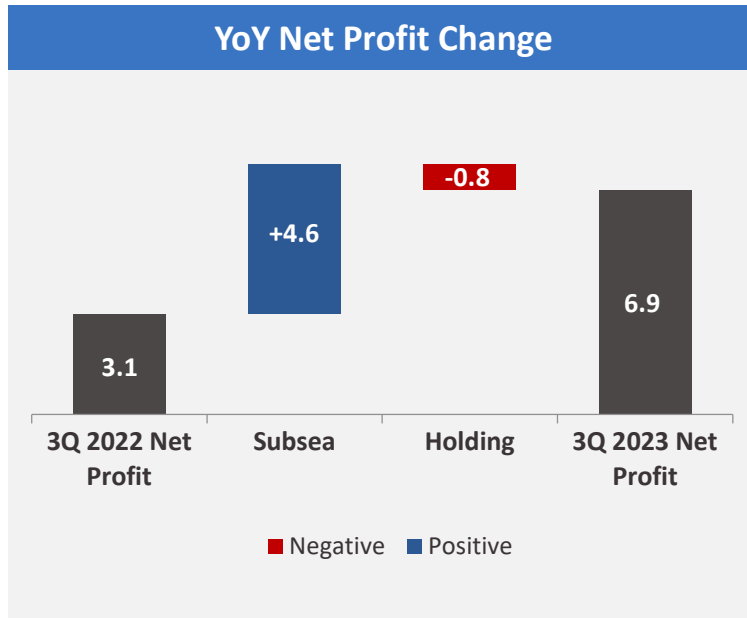
3Q 2023 HIGHLIGHTS



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- In 3Q-2023, the revenue from rendering of services reached USD 85.2m, representing an increase of 29.5% YoY and 37.4% QoQ. as a result of an increment of subsea IRM and diving works well as T&I and decommissioning projects that have started in this quarter.
- Mermaid Group achieved EBITDA of USD 14.4 m. for the period, an increase of USD 3.4m YoY and USD 3.9m QoQ is a consequence of the growth in revenue from rendering of services in various regions and the continuous cost management and control. Mermaid Group delivered a record net profit of USD 6.9 m.
- Net cash flow from operations was USD 8.1 m. as a result of higher profits generated for the period.
- At the end of September 2023, the order book exceeded USD 697 m. Mermaid Group has secured multiple project awards in South East Asia, the Middle East, North Sea and Western Sub Sahara region for both short-term and long-term throughout FY2026. The order book number included Cable Laying, Subsea Pipeline Tie-ins, Inspection, Repair and Maintenance and T&I and Decommissioning services.
- Balance sheet position represented at 1.01x Current Ratio and low-risk level of only 0.34x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT



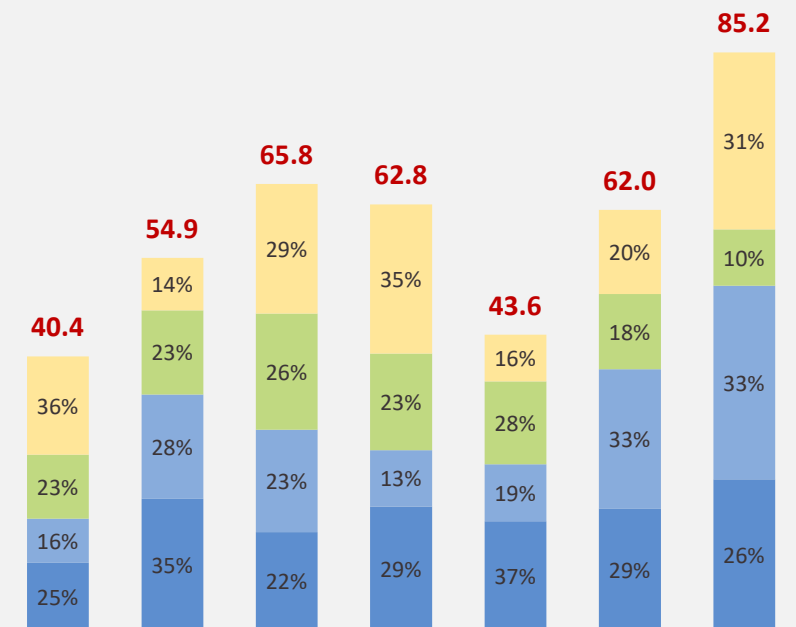
- There was a considerable growth of profits in subsea sector compared both YoY and QoQ.
 - Company's owned active vessels have been highly utilized during the period.
 - More subsea IRM projects for short-term chartered-in vessels and diving works for non-vessel.
 - New T&I projects have started since end of 1Q-2023 and 'Resiliant' has been highly utilized throughout the period.
- A decrease in holding sector both YoY and QoQ came from a fluctuation of exchange rates.

REVENUE BREAKDOWN



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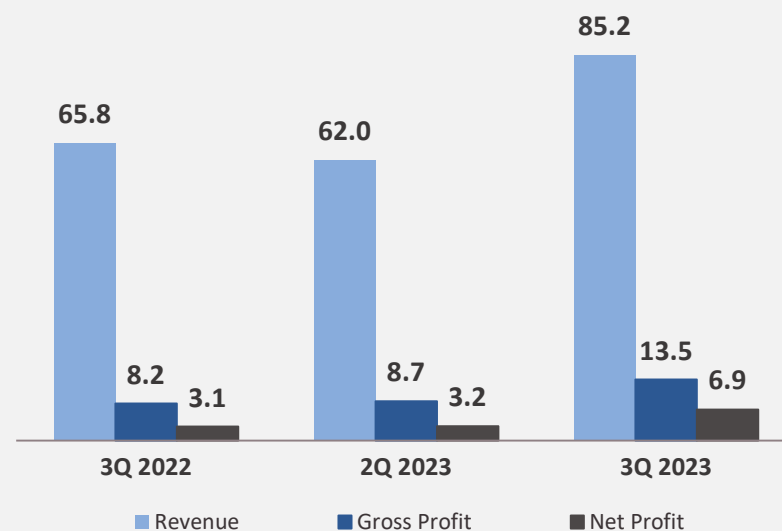
Revenue Breakdown



1Q 2022 2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023 3Q 2023

- T&I and Decommissioning Projects
- Cable Lay Projects
- Subsea IRM & Diving works (Short-term Chartered-in Fleet & Non Fleet)
- Subsea IRM (Owned Fleet)

Revenue, Gross Profit and Net Profit

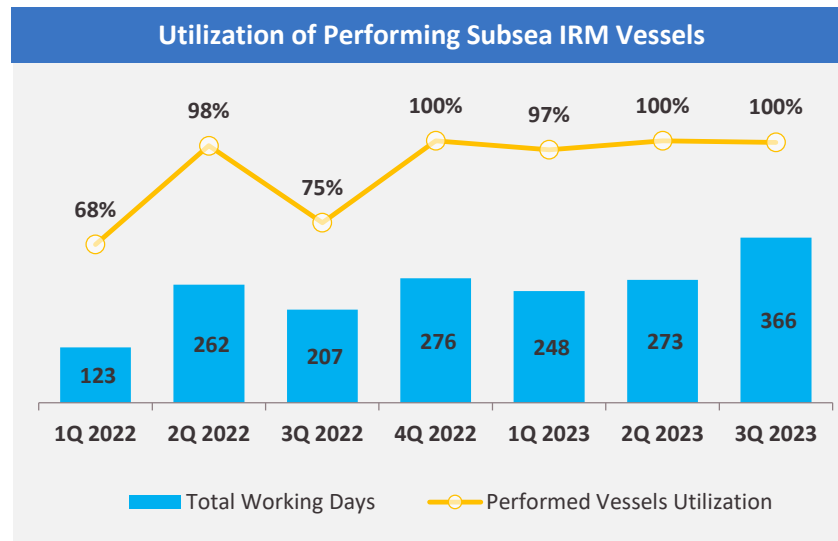
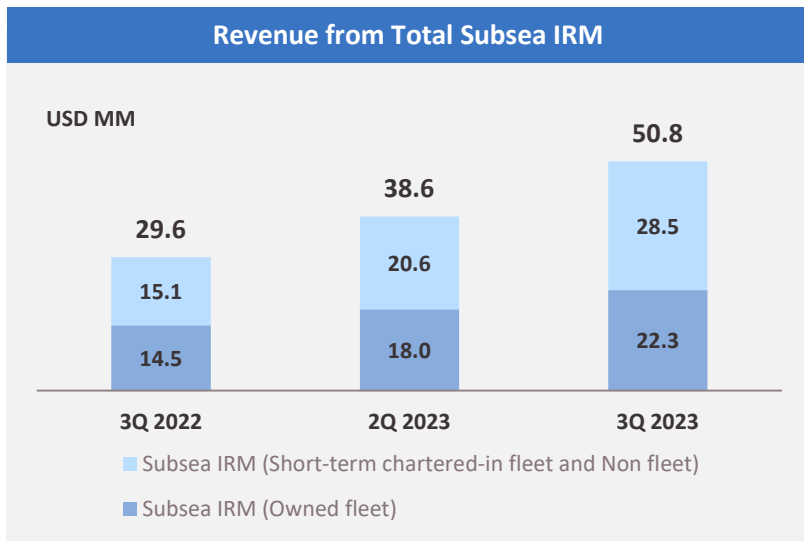


- Higher total revenue compared YoY and QoQ mainly came from more projects for subsea IRM sector and T&I and decommissioning sector despite the lower revenue from cable laying sector.
- An increase of gross profit and net profit came from cost management and control that resulted in improved contribution margin (15.8%) and net profit margin (8.1%) in 3Q 2023.

SUBSEA IRM SECTOR

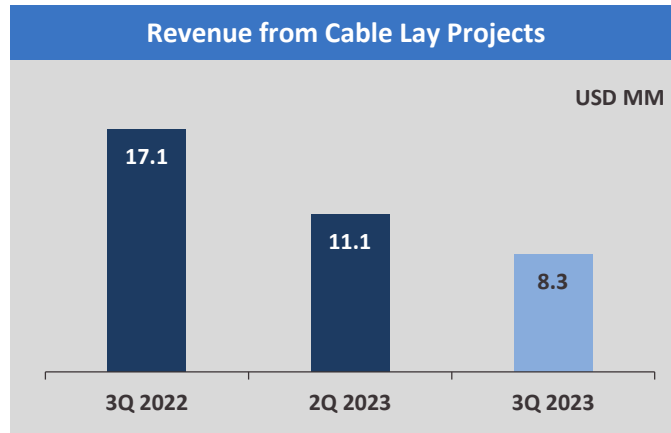


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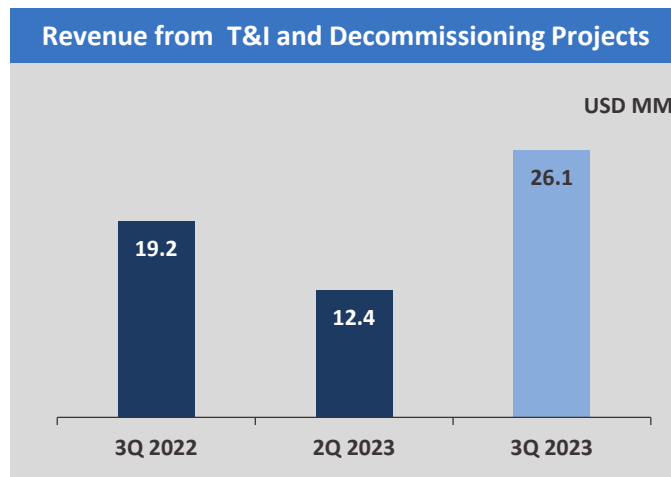


- In 3Q-2023, the revenue from fleet subsea IRM business increase QoQ from USD 18.0m and YoY from USD 14.5m to USD 22.3m because four owned active vessels worked at high utilization:
 - “Mermaid Sapphire” has been chartered to related party and worked in South East Asia.
 - “Mermaid Asiana” and “Mermaid Endurer” worked for major customers in the Middle East.
 - “Mermaid Challenger” has been reactivated and bareboat chartered to work for a project in South East Asia.
- The revenue from other subsea IRM markedly grew QoQ from USD 20.6m and YoY from USD 15.1m to USD 28.5m. This was mainly due to more inspection projects that using short-term chartered-in fleet as well as more survey projects
- “Mermaid Commander” remained cold-stacked during the quarter and were considered for an option to sell or reactivate.

CABLE LAY SECTOR AND T&I AND DECOMMISSIONING SECTOR



- Revenue from cable lay sector decreased both YoY and QoQ to USD 8.3m as a result of lower utilization for main projects in the Middle East and several projects that have ended in 2Q and 3Q-2023.
- During 3Q-2023, Mermaid recognized USD 0.5m share profit from M3JV.



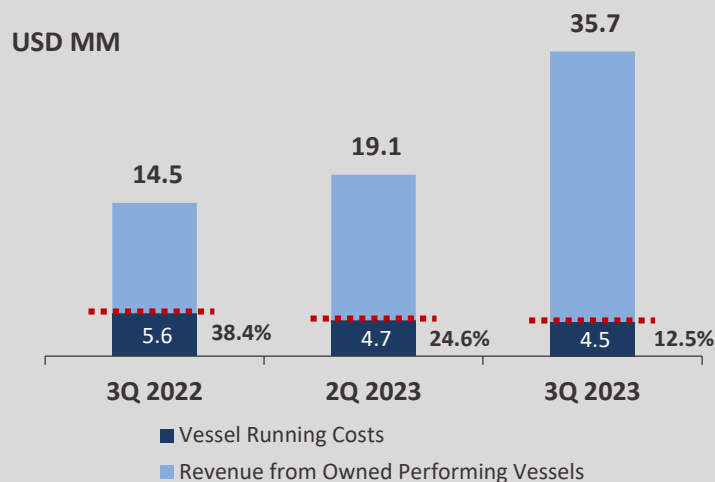
- Revenue from T&I and decommissioning business dramatically increased YoY from USD 19.2m and QoQ from USD 12.4m to USD 26.1m in 3Q-2023 because:
 - Owned vessel “Resiliant” has just been highly utilized offshore for a large project in Gulf of Thailand.
 - Long-term chartered-in vessel “Van Gogh” had been working at full utilization rate for major projects in South East Asian region as well.

COSTS & EXPENSES



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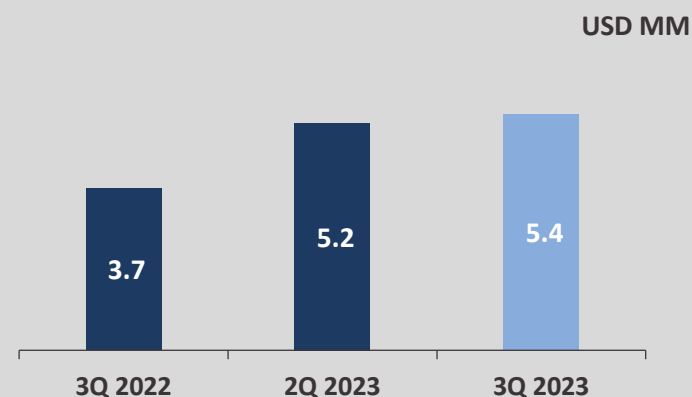
Vessel Running Costs (Owned Performing Vessels)



Owned Performing Vessels*

- VRC of owned performing vessels decreased YoY from USD 5.6m and QoQ from USD 4.7m to USD 4.5m.
- Also, the ratio of VRC to the revenue generated from owned active vessels rapidly declined when compared both YoY and QoQ since “Resiliant” has started working for T&I and decommissioning projects in South East Asia and generated revenue for the group during the period.

Selling and Administrative Expenses



Selling, General and Administrative Expenses

- SG&A expenses increased YoY from USD 3.7m to USD 5.4m mainly due to a reversal of impairment loss that made in 3Q-2022 and employee benefits expenses that increased in order to support projects expansion.
- SG&A expenses slightly increased QoQ by USD 0.2m due to employee benefits expenses.

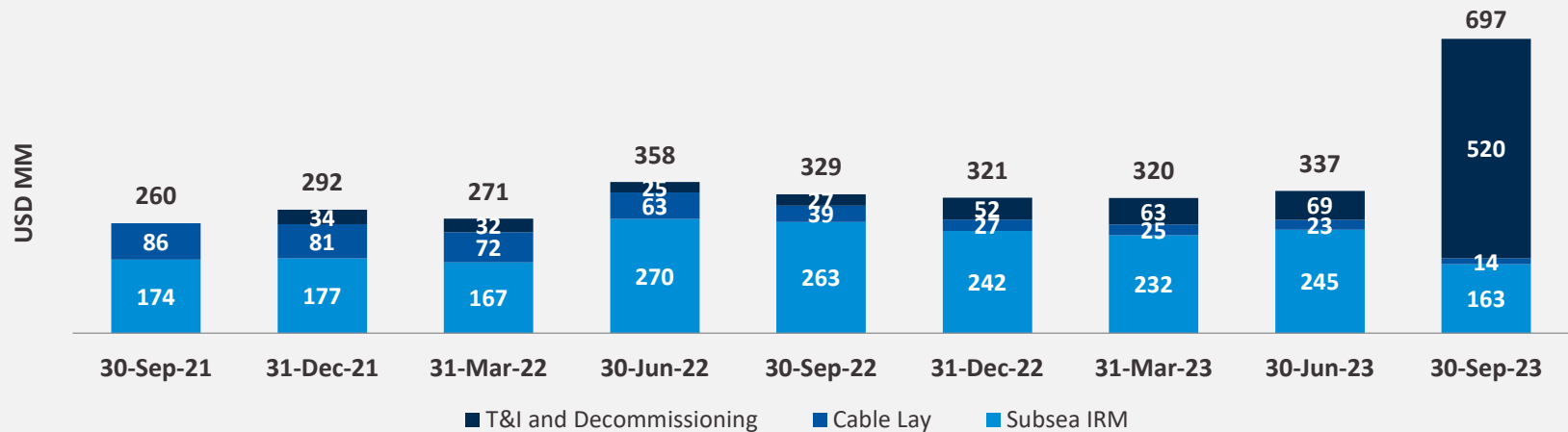
*Mermaid Asiana, Mermaid Endurer, Mermaid Sapphire, Mermaid Challenger and Resiliant

ORDER BOOK

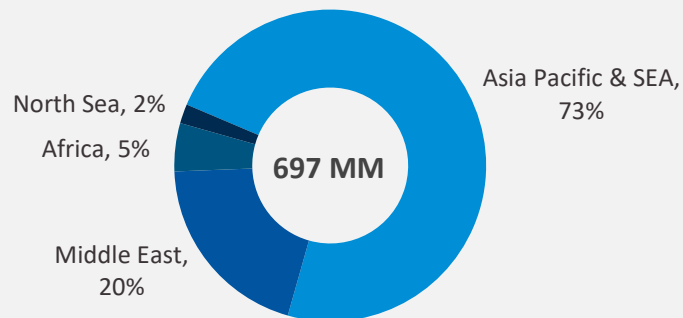


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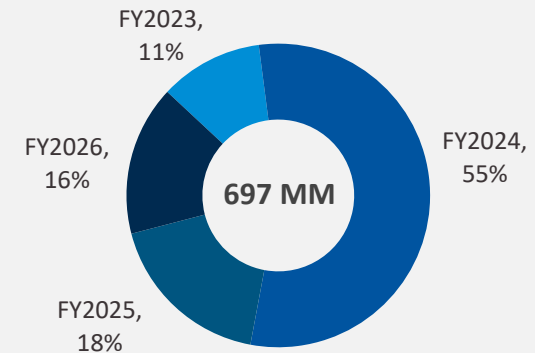
Total Order Book



Order Book by Region



Order Book by Year



FINANCIAL REVIEW



3Q 2023 PROFIT & LOSS



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(USD MM)	3Q 2023	3Q 2022	YoY Amount Change	3Q 2023	2Q 2023	QoQ Amount Change
Income:						
Revenue from rendering of services	85.2	65.8	+19.4	85.2	62.0	+23.2
Net gain on foreign exchange	-	-	0.0	-	0.3	-0.3
Interest income and other income	0.4	0.4	0.0	0.4	0.4	0.0
Total income	85.6	66.2	+19.4	85.6	62.7	+22.9
Expenses:						
Costs of rendering of services	71.7	57.6	+14.1	71.7	53.3	+18.4
Administrative expenses	5.4	3.7	+1.7	5.4	5.2	+0.2
Net loss on foreign exchange	0.3	-	+0.3	0.3	-	+0.3
Finance costs	1.4	1.2	+0.2	1.4	1.3	+0.1
Total expenses	78.8	62.5	+16.3	78.8	59.8	+19.0
Profit from operation	6.8	3.7	+3.1	6.8	2.9	+3.9
Share of profit of joint ventures and associate	0.7	0.5	+0.2	0.7	0.7	0.0
Profit before tax expense	7.5	4.2	+3.3	7.5	3.6	+3.9
Tax expense	(0.6)	(1.1)	-0.5	(0.6)	(0.4)	+0.2
Profit for the period	6.9	3.1	+3.8	6.9	3.2	+3.7
Earnings per share (US Cents)	0.5	0.2	+0.3	0.5	0.2	+0.3
Depreciation expenses and amortization expenses	6.2	6.1	+0.1	6.2	6.3	-0.1
EBITDA⁽¹⁾	14.4	11.0	+3.4	14.4	10.5	+3.9

Remark:

⁽¹⁾ Excluding share of profit (loss) of joint ventures and associate and non-recurring items

YTD 2023 PROFIT & LOSS



(USD MM)	Jan – Sep 2023	Jan – Sep 2022	YoY Amount Change
Income:			
Revenue from rendering of services	190.8	161.1	+29.7
Net gain on foreign exchange	-	0.1	-0.1
Interest income and other income	1.5	0.9	+0.6
Total income	192.3	162.1	+30.2
Expenses:			
Costs of rendering of services	168.3	151.9	+16.4
Administrative expenses	15.8	11.8	+4.0
Finance costs	4.1	2.1	+2.0
Total expenses	188.2	165.8	+22.4
Profit (loss) from operation	4.1	(3.7)	+7.8
Share of profit of joint ventures and associate	1.9	2.4	-0.5
Profit (loss) before income tax expense	6.0	(1.3)	+7.3
Tax expense	(0.7)	(1.1)	-0.4
Profit (loss) for the period	5.3	(2.4)	+7.7
Earnings (losses) per share (US Cents)	0.4	(0.2)	+0.6
Depreciation expenses and amortization expenses	18.6	12.7	+5.9
EBITDA⁽¹⁾	26.8	11.1	+15.7

Remark:

⁽¹⁾ Excluding share of profit (loss) of joint ventures and associate and non-recurring items

STATEMENT OF CASH FLOWS



Cash Flows (USD MM)	9-Months Period ended 30 September	
	2023	2022
Cash Flow From Operating Activities:		
Before changes in working capital	24.6	5.4
Changes in working capital	(15.4)	21.4
Others	(1.1)	(1.9)
<i>Net cash from operating activities</i>	8.1	24.9
Cash Flow From Investing Activities:		
Proceed from sale of current investments	-	2.9
Proceeds from long-term loan to related party	-	1.1
Increase in long-term loan to related party	(1.3)	-
Proceeds from sale of property, plant and equipment and intangible assets	-	2.1
Acquisition of property, plant and equipment and intangible assets	(6.1)	(10.9)
Interest received	0.1	-
<i>Net cash used in investing activities</i>	(7.3)	(4.8)
Cash Flow From Financing Activities:		
Proceeds from borrowings from parent company	25.0	-
Repayment of borrowings	(10.7)	(10.7)
Payment of lease liabilities	(7.7)	(2.9)
Finance costs paid	(2.8)	(1.5)
<i>Net cash from (used in) financing activities</i>	3.8	(15.1)
Net increase in cash and cash equivalents	4.6	5.0
Effect of exchange rates	-	(0.6)
Cash and cash equivalent at 1 January	7.8	8.0
Cash and cash equivalent as at 30 September (excluding restricted cash*)	12.4	12.4

*Restricted cash = \$8.4m

STATEMENT OF FINANCIAL POSITION



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Balance Sheet (USD MM)	30 Sep 2023	31 Dec 2022	Change
Cash & Cash Equivalents	12.4	7.8	+59.0%
Trade and Other Accounts Receivable	103.8	63.9	+62.4%
Other Current Assets	3.2	2.2	+45.5%
Total Current Assets	119.4	73.9	+61.6%
Restricted Deposit at Financial Institutions	8.4	8.4	0.0%
Investment in Associates & Joint Ventures	30.4	28.5	+6.7%
Property, Plant and Equipment and Intangible Assets	128.5	134.2	-4.2%
Right-of-Use Assets	22.9	29.3	-21.8%
Other Non-Current Assets	17.0	17.2	-1.2%
Total Non- Current Assets	207.2	217.6	-4.8%
Total Assets	326.6	291.5	+12.0%
Trade and Other Accounts Payable	76.3	54.2	+40.8%
Short-term and Current Portion of Long-term Borrowing from Parent Company	11.5	9.0	+27.8%
Current Portion of Long-term Borrowings from Financial Institution	19.2	14.2	+35.2%
Other Current Liabilities	10.7	10.9	-1.8%
Total Current Liabilities	117.7	88.3	+33.3%
Long-Term Borrowings from Parent Company	22.5	-	+100.0%
Long-Term Borrowings from Financial Institution	2.6	18.3	-85.8%
Other Non-Current Liabilities	17.6	24.0	-26.7%
Total Non-Current Liabilities	42.7	42.3	-0.9%
Total Liabilities	160.4	130.6	+22.8%
Total Equity	166.2	160.9	+3.3%

(USD MM)	30 Sep 2023	31 Dec 2022
Interest Bearing Debt		
Asset-backed Financing	21.8	32.5
Unsecured Loan	34.0	9.0
Total Interest Bearing Debt*	55.8	41.5
Cash and Restricted Deposit at Banks	(20.8)	(16.2)
Total Debt, Net of Cash	35.0	25.3
Shareholders' Equity	166.2	160.9
Net Gearing*	21.1%	15.7%

*Excluding lease liabilities

Financial Ratio	30 Sep 2023	31 Dec 2022
Current Ratio	1.01x	0.84x
Net Debt to Equity Ratio	0.48x	0.44x
Net Debt to Equity Ratio (excluded lease liabilities)	0.34x	0.26x
Liabilities to Equity	0.97x	0.81x
Liabilities to Equity (excluded lease liabilities)	0.82x	0.63x

DEBT MATURITY PROFILE



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Interest-Bearing Debt Maturity

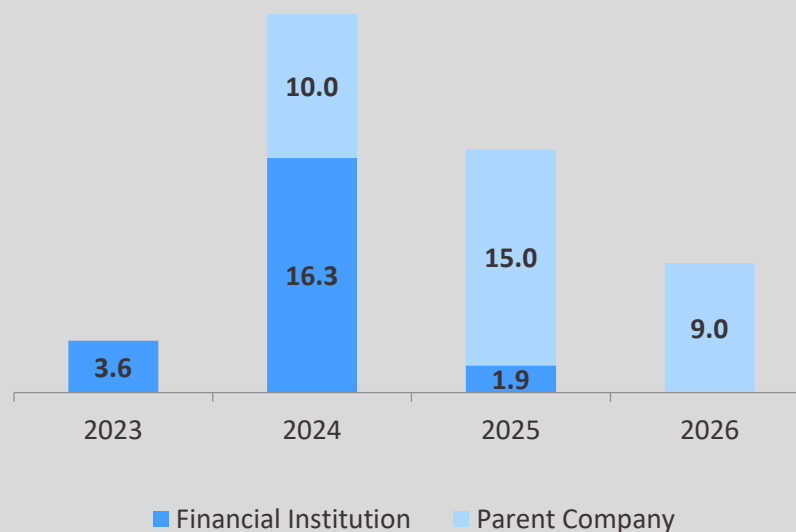
USD 55.8 M

(30 September 2023)

- As at 30th September 2023, there are **USD 55.8 million** of long-term loans (consisting of USD 21.8 million from financial institution and USD 34.0 million from parent company).
- Next repayment will be at the end of 4th quarter, 2023.
- Short-term liquidity risk due to repayment capability is low.

Yearly Repayment Strategy

(USD 55.8 million)





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BUSINESS OUTLOOK



1

The October Short Term Energy Outlook (STEO) issued by the EIA notes the crude oil spot price forecast is expected to average USD 95 per barrel in 2024. The higher price forecast is attributed to new OPEX+ production cut expectations.

2

The EIA expects that global oil inventories will decrease by 0.2 million b/d in the second half of 2023 due to a voluntary production cut by Saudi Arabia and reduced production targets among OPEC+ countries, which will help keep global oil production below global oil consumption. As a result, there will be upward pressure on crude oil prices, leading to a significant increase in the Brent spot price.

3

Major central banks, (notably the FED), have swiftly responded to this situation by implementing measures such as rate hikes and Quantitative Tightening. Despite a noticeable decrease, concerns about inflationary pressures persist in the services sector. Consequently, central banks seem inclined to extend the period of elevated interest rates. We will closely monitor both inflationary pressures and the corresponding responses in order to position ourselves effectively.

4

There are concerns regarding macroeconomic conditions, and there is an increased risk of geopolitical tensions. However, on balance, expectations for a soft-landing and improvements in macroeconomic conditions can contribute to the upward trajectory of the Subsea sector.

5

The market uptick has resulted in our owned, jointly-owned, and chartered-in fleet achieving the targeted utilization figures. The intermediate outlook remains highly optimistic, with construction engagements actively mobilizing. The substantial investment plans of Middle Eastern Countries (Saudi, Qatar, UAE etc.) our biggest markets, remain strong, with significant increases expected in the intermediate term. Additionally, in the West African market, Majors have allocated significant budgets, as evident from the considerable gap in available tonnage. While Mozambique remains an integral part of our vision, it is essential to acknowledge the existing uncertainties in this region.

6

In alignment with our strategic planning, we are intensifying our focus on the realm of P&A activities for the intermediate term. In this context, the pursuit of synergies across the entire Group has received added emphasis due to government-mandated closures in the North Sea Segment. Similarly, attention is now shifting towards the abandonment of the Chevron field in Thailand and several marginal fields in Africa in the near future. Mermaid will continue to invest in people, plant and equipment in order to position ourselves to be part of these endeavors.

7

The decision to create a business unit for the North Sea continues to elicit a strong response. The Group has engaged well known and experienced staff in that region and looks to build on their past successes. Some medium sized projects have been already awarded, and the team is gaining momentum. The North Sea market presents significant opportunities in decommissioning and diving, which we are capitalizing on. Furthermore, Mermaid is well-positioned in this region to enter the renewables market in the intermediate term.

8

Africa continues to offer promising opportunities, and Mermaid has now secured multiple awards in this region. In addition to the awards in Angola, Mermaid has also successfully executed highly profitable saturation interventions off the Eastern Seaboard of Africa. Currently, the company is actively exploring several other potential opportunities within the African market. Mermaid has received valuable feedback from its customers, further bolstering our confidence in anticipating additional awards in the African market in the near future.

9

In the meantime, **Asiana, Endurer, & Millenium 3** continue to operate in the Middle East, whilst the Van Gogh focuses on the APAC region, with the potential of being deployed to the Middle East around the year-end. The Sapphire is deployed at home (Thailand). We anticipate very high utilization throughout 2023-2025. Vessel mobility remains a crucial factor in terms of achieving organic growth.

10

Mermaid is successfully regaining our market share in Thailand and is committed to building our presence in the decommissioning and IRM markets in both Thailand and the surrounding waters. Returns in this region are currently lower than anticipated, but the momentum is trending upward.



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A Company Moving Forward

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