






1Q 2021 RESULTS

13 May 2021

www.mermaid-group.com

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. Mermaid Group accepts no liability whatsoever with respect to the use of this document or its contents.

AGENDA

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



1Q 2021 HIGHLIGHTS



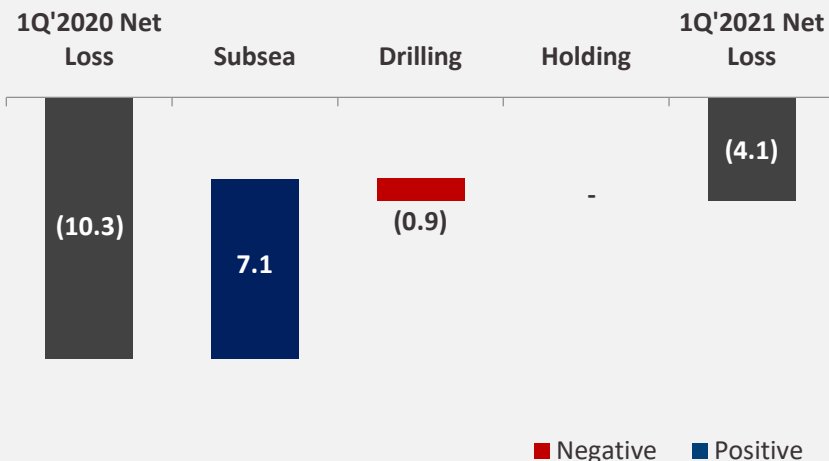
- Revenue from subsea sector decreased 15.68% YoY due to lower utilization of active vessels which was a direct result of impact from Covid-19 related restrictions. However, the company's revenue from cable lay business has returned after several years and the forward book has grown substantially.
- EBITDA recovered this quarter, with an increase YoY from USD (6.5) m in 1Q'2020 to USD 0.6 m in 1Q'2021, reflecting our adjusted relative cost base which resultantly directly increased contribution margins.
- For 1Q'2021, the net positive cash flow from operations was USD 6.6m.
- At the end of 1Q'2021, the order book stands at USD 241m up from USD 193m at 1Q'2020. This increase is mainly due to significant awards in the cable space.
- Balance sheet position was at low risk 2.20x Current Ratio and 0.31x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

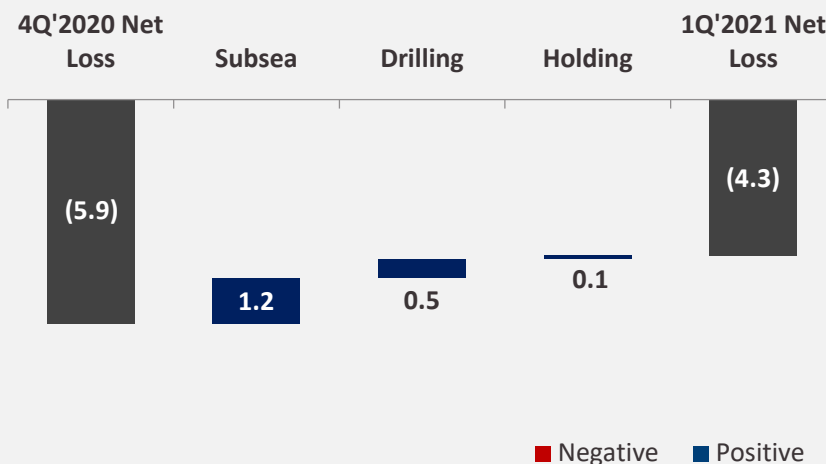


MERMAID

1Q YoY Net Profit (Loss) Change



1Q QoQ Net Profit (Loss) Change



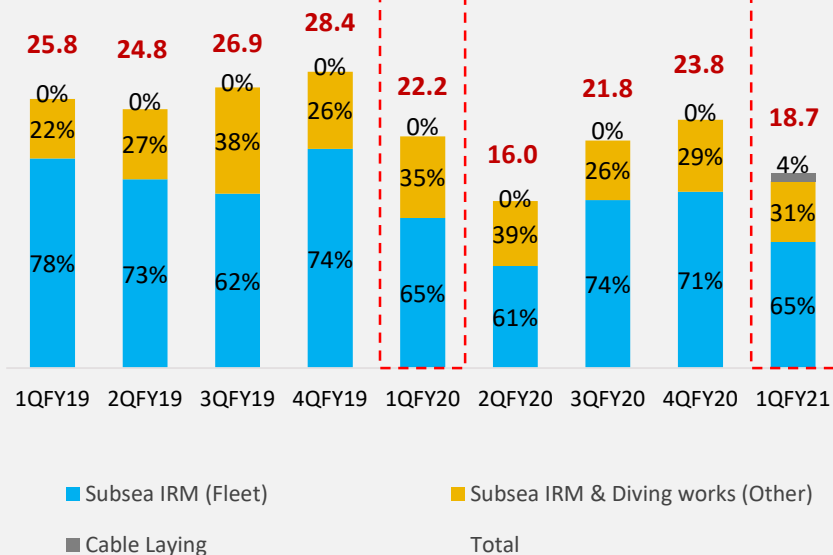
- Despite lower utilization rates, net loss decreased dramatically YoY and slighter QoQ as a result of subsea sector's improved cost base and higher contribution margins. Nevertheless, the numbers still got impacted by additional costs of routine schedule maintenance activities and COVID-19 related restrictions.
- Ultimately the performance and the forward book of the Company is drastically improved, both QoQ and YoY.

SUBSEA REVENUE AND UTILIZATION

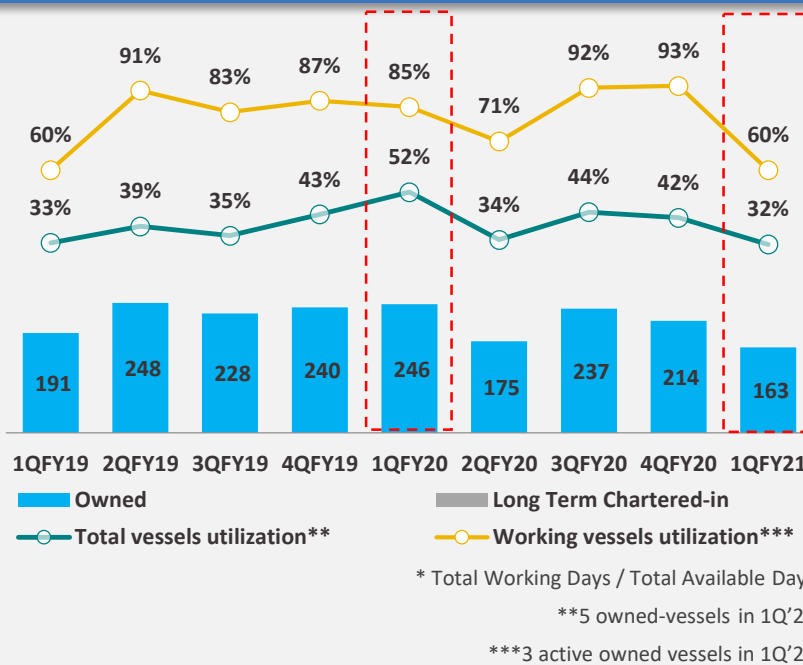


MERMAID

Subsea Revenue



Vessel Working Days & Utilization*

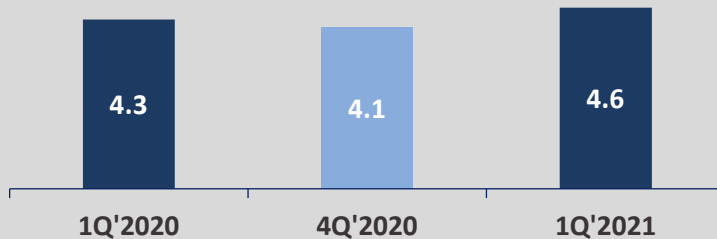


- Revenue from subsea sector decreased by USD 3.5m YoY and by USD 5.1m QoQ
- Revenue from cable laying projects was USD 0.7m (pre-engineering)
- In 1Q'2021, all three active owned vessels working on projects in the Middle East
- Mermaid Siam was disposed of at the end of Feb 2021, gain from disposal is stood in at USD 0.4m
- There was no long-term chartered-in vessel during 1Q'2021

COSTS & EXPENSES

Vessel Running Cost (owned vessels)

USD MM

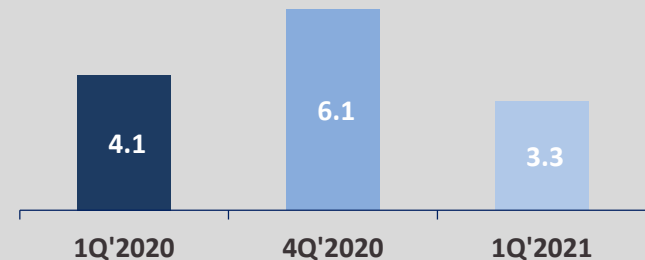


Owned Vessels

- VRC increased both QoQ and YoY mainly due to additional cost relating to COVID-19 related restrictions

Selling and Administrative Expenses

USD MM

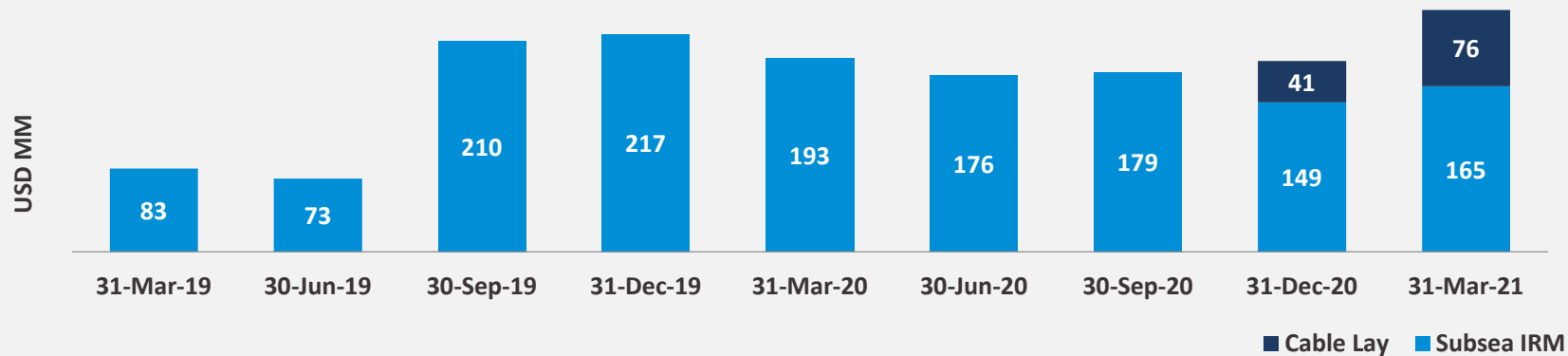


Selling, General and Administrative Expenses

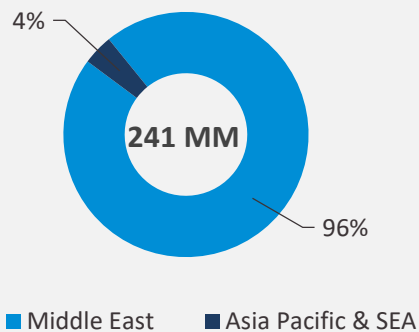
- SG&A expenses decreased YoY as a result of reduction in withholding taxes and employee benefits.
- QoQ decreased amount was mainly due to impairment loss recognized during 4Q'2020 amounting to USD 2.7m.

ORDER BOOK

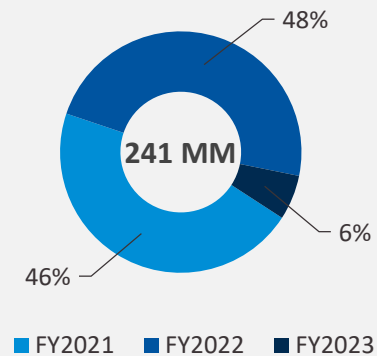
Total Order Book



Order Book by Region



Order Book by Year



FINANCIAL REVIEW

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



Business items

1Q 2021 PROFIT & LOSS



| (USD MM) | 1Q'2021 | 1Q'2020 | YoY Amount Change | 1Q'2021 | 4Q'2020 | QoQ Amount Change |
|--|--------------|---------------|-------------------------|--------------|--------------|-------------------------|
| Revenue | | | | | | |
| Revenue from rendering of services | 18.7 | 22.2 | -3.5 | 18.7 | 23.8 | -5.1 |
| Interest income | - | - | - | - | 0.1 | -0.1 |
| Other income | 0.8 | 0.1 | +0.7 | 0.8 | 0.1 | +0.7 |
| Total revenue | 19.5 | 22.3 | -2.8 | 19.5 | 24.0 | -4.5 |
| Expenses | | | | | | |
| Costs of rendering of services | 19.4 | 28.7 | -9.3 | 19.4 | 22.4 | -3.0 |
| Administrative expenses | 3.3 | 4.1 | -0.8 | 3.3 | 6.1 | -2.8 |
| Finance costs | 0.4 | 0.7 | -0.3 | 0.4 | 0.5 | -0.1 |
| Total expenses | 23.1 | 33.5 | -10.4 | 23.1 | 29.0 | -5.9 |
| Share of profit (loss) of joint venture and associates | (0.2) | 0.9 | -1.1 | (0.2) | (0.1) | -0.1 |
| Profit (loss) before income tax expense | (3.8) | (10.3) | -6.5 | (3.8) | (5.1) | +1.3 |
| Tax expense | 0.3 | - | +0.3 | 0.3 | 0.8 | -0.5 |
| Profit (loss) for the period | (4.1) | (10.3) | -6.2 | (4.1) | (5.9) | +1.8 |
| Earnings (losses) per share (US Cents) | (0.3) | (0.7) | +0.4 | (0.3) | (0.4) | +0.1 |
| | | | | | | |
| Depreciation expenses and amortization expenses | 3.8 | 4.0 | -0.2 | 3.8 | 3.6 | +0.2 |
| Non-recurring items <i>(embedded in admin expense)</i> | - | - | - | - | 2.1 | -2.1 |
| EBITDA⁽¹⁾ | 0.6 | (6.5) | +7.1 | 0.6 | 1.2 | -0.6 |

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 three-months period ended | |
|--|-----------------------------------|--------------|
| | 31 Mar 21 | 31 Mar 20 |
| Cash Flow From Operating Activities: | | |
| Before changes in working capital | (2.1) | (9.9) |
| Changes in working capital | 9.0 | 10.4 |
| Others | (0.3) | (0.2) |
| Net cash from operating activities | 6.6 | 0.3 |
| Cash Flow From Investing Activities: | | |
| Proceed from sale of current investments | - | 3.0 |
| Proceed from sale of property, plant and equipment and intangible assets | 1.2 | - |
| Acquisition of property, plant and equipment | (2.2) | (3.3) |
| Net cash used in investing activities | (1.0) | (0.3) |
| Cash Flow From Financing Activities: | | |
| Repayment of short-term loans from financial institution | - | (0.2) |
| Proceeds from long-term loans from financial institution | - | 1.3 |
| Repayment of borrowings | (3.5) | (3.0) |
| Finance costs paid | (0.4) | (0.7) |
| Net cash used in financing activities | (3.9) | (2.6) |
| Net increase (decrease) in cash and cash equivalents | 1.7 | (2.6) |
| Effect of exchange rates | - | (0.1) |
| Beginning balance as at 1 January | 37.8 | 22.5 |
| Cash Balance as at 31 March (excluding restricted cash*) | 39.5 | 19.8 |

*Restricted Cash = USD 9.0m

*Investment Cash = USD 9.8m

STATEMENT OF FINANCIAL POSITION



| Balance Sheet (USD MM) | 31 Mar 2021 | 31 Dec 2020 | Change |
|--|----------------|----------------|--------------|
| Cash & Cash Equivalents and Current Investment | 49.4 | 47.5 | 4.0% |
| Trade and Other Accounts Receivable | 25.1 | 35.3 | -28.9% |
| Other Current Assets | 0.5 | 0.3 | +66.7% |
| Total Current Assets | 75.0 | 83.1 | -9.7% |
| Restricted Deposit at Banks | 9.0 | 9.2 | -2.2% |
| Investment in Associates & Joint Venture | 26.2 | 24.0 | +9.2% |
| Property, Plant and Equipment | 139.4 | 143.2 | -2.7% |
| Other Non-Current Assets | 0.9 | 1.0 | -10.0% |
| Total Non- Current Assets | 175.5 | 177.4 | -1.1% |
| Total Assets | 250.5 | 260.5 | -3.8% |
| Trade and Other Accounts Payable | 20.0 | 22.4 | -10.7% |
| Current Portion of Long-term Borrowings | 13.5 | 13.5 | 0.0% |
| Other Current Liabilities | 0.6 | 0.8 | -25.0% |
| Total Current Liabilities | 34.1 | 36.7 | -7.1% |
| Long-Term Borrowings | 40.5 | 43.9 | -7.7% |
| Other Non-Current Liabilities | 2.7 | 2.6 | +3.8% |
| Total Non-Current Liabilities | 43.2 | 46.5 | -7.1% |
| Total Liabilities | 77.3 | 83.2 | -7.1% |
| Total Equity | 173.2 | 177.3 | -2.3% |

| (USD MM) | 31 Mar 2021 | 31 Dec 2020 | 31 Dec 2019 |
|----------------------------------|----------------|----------------|----------------|
| Interest Bearing Debt | | | |
| Asset-backed Financing | 54.0 | 57.4 | 55.8 |
| Unsecured Loan | - | - | 0.2 |
| Finance lease | 0.4 | 0.4 | - |
| Total Debt | 54.4 | 57.8 | 56.0 |
| Cash, Deposits and Bank Balances | (58.4) | (56.7) | (46.0) |
| Total Debt, Net of Cash | (4.0) | 1.1 | 10.0 |
| Shareholders' Equity | 173.2 | 177.3 | 287.0 |
| Net Gearing | -2.3% | 0.6% | 3.5% |

Financial Ratio:

- Current Ratio = 2.20x
- Liabilities to Equity Ratio = 0.45x
- Net Debt to Equity Ratio = 0.31x
- Net Gearing = -2.3% (negative)

DEBT MATURITY PROFILE

Interest-Bearing Debt Maturity

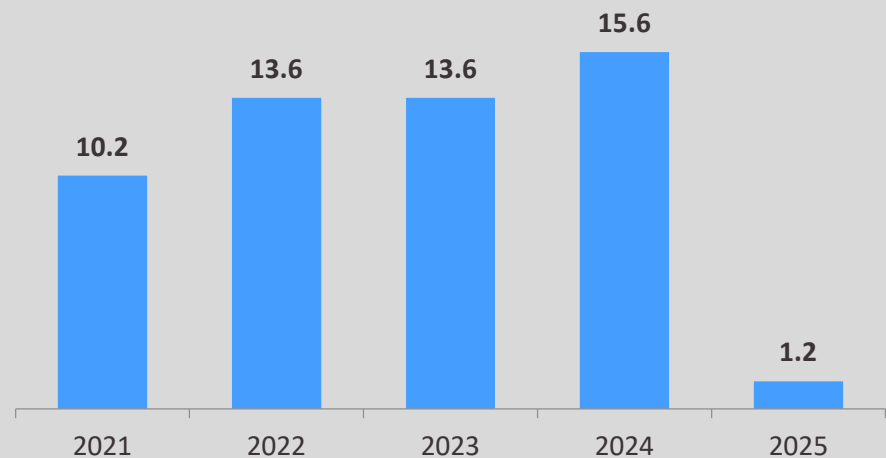
USD 54.2 M

(31 March 2021)

- As at 31st March 2021, there is **USD 54.2 million** of long-term loan
- Next Repayment will be at the end of 2nd quarter, 2021 (USD 3.4m)
- Short-term liquidity risk is low.

Yearly Repayment Scheme

(USD 54.2 million)



BUSINESS OUTLOOK

BUSINESS OUTLOOK



MERMAID

1

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.

2

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 it selves strongly in the intermediate term to offer more competitive pricing to end users whilst increasing the margins from projects 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. Additionally, the revival of business in Asia Pacific is of utmost importance for the Group. Furthermore, we now have some small awards in Asia against which we can build momentum.

3

Our special relation 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 paid dividends in the last quarter.

BUSINESS OUTLOOK



4

The Group has taken a position in Africa with a satellite office on the Eastern Seaboard, from which 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.

5

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 to achieve higher utilization throughout 2021-2023 and are actively engaging the market in both Asia and Africa for our tonnage. Vessel mobility remains key in terms of achieving organic growth.

6

In order to be geographically closer to the proponent, MSS has established a **Dubai office, which has become a Hub** for controlling the Cable Projects, Group Engineering & Engagements for East and West Africa. Currently Subsea 7, Sapura, Saipem & McDermott are all incorporated with regional Head Offices operating out of Dubai.

7

In line with our declaration in that regard, Mermaid Siam was profitably disposed of in Quarter 1. However, there are still some nonperforming 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

✉ ir@mermaid-group.com

www.mermaid-group.com