






1Q 2023 RESULTS

May 15th, 2023

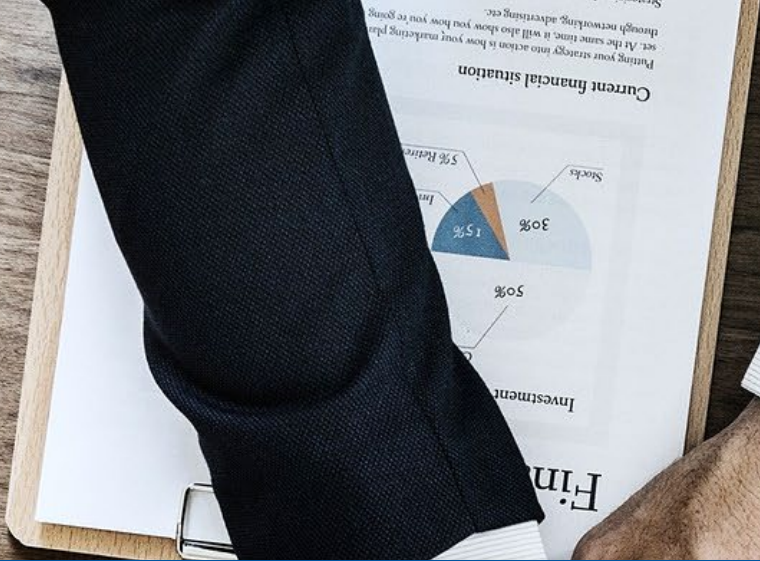
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AGENDA

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



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Are you innovative or are you the experienced typical or do you offer a high-cost, high-quality 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 the promotional materials should be communicated with your logo to communicate with your brand. Having a good brand strategy allows you to have a large advantage in gaining a competitive edge in your market. Increase in your brand tells your customers what they can have or expect from the products and services you offer. Your branding strategy as it relates to branding consistency should



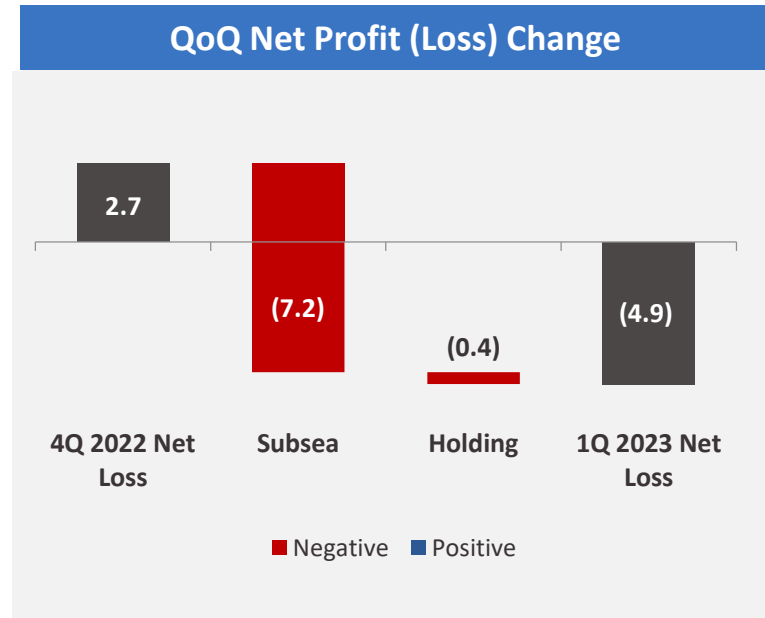
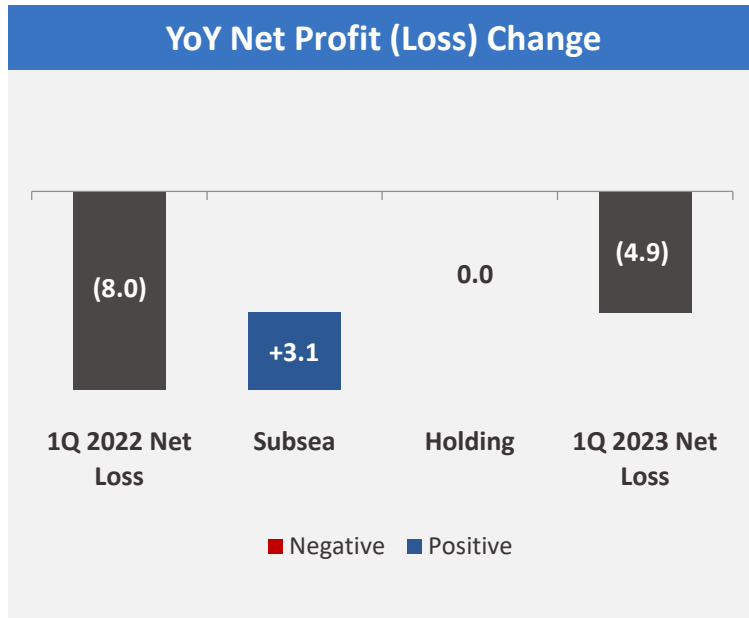
1Q 2023 HIGHLIGHTS



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- In 1Q-2023, the revenue from rendering of services increased YoY by 7.93% to USD 43.6 m. as a result of a rise in subsea IRM and diving works for both vessel(s) and non-vessel and cable laying projects. However, total revenue dropped QoQ by 30.6% mainly due to lower revenue from T&I and decommissioning sector and subsea IRM sector by means of seasonal schedule, planned maintenance and dry docking period of several vessels.
- EBITDA for the first quarter of 2023 was USD 1.8 m. which improved YoY by USD 7.0 m. from USD (5.2) m. last year. The upturn came from revenue growth and cost management and control.
- Net cash outflow from operations was USD (2.8) m. as a result of an increase in accounts receivable during the period.
- At the end of March 2023, the order book stood at USD 320 m. The number included multiple project awards in both short-term and long-term throughout FY2025 for the IRM projects and Cable Laying projects mainly in the Middle East region. Also it included the works awarded of T&I and Decommissioning projects in both South East Asia and North Sea region.
- Balance sheet position represented at 0.69x Current Ratio due to classification of lease liabilities and parent company loan based on accounting standard and low-risk level of only 0.29x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

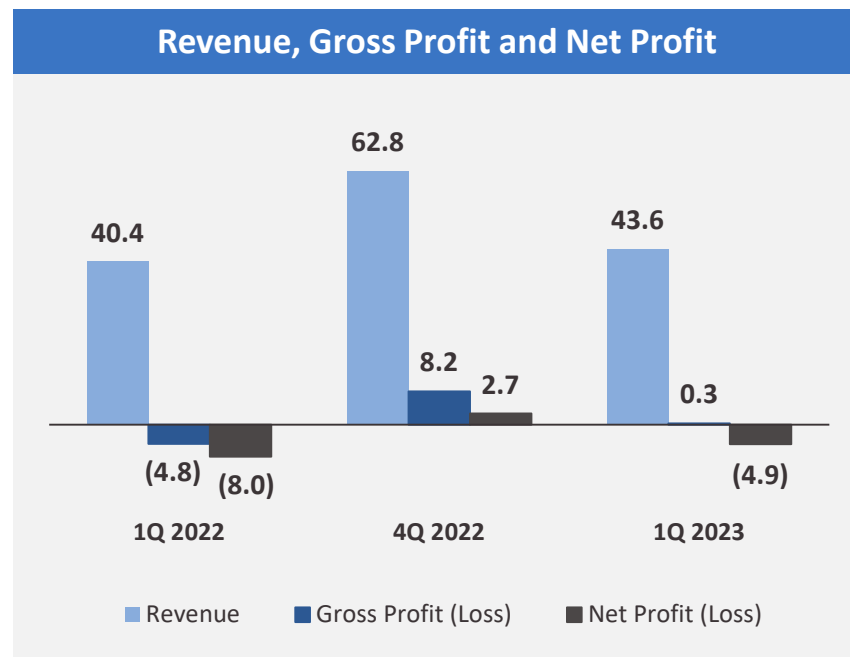
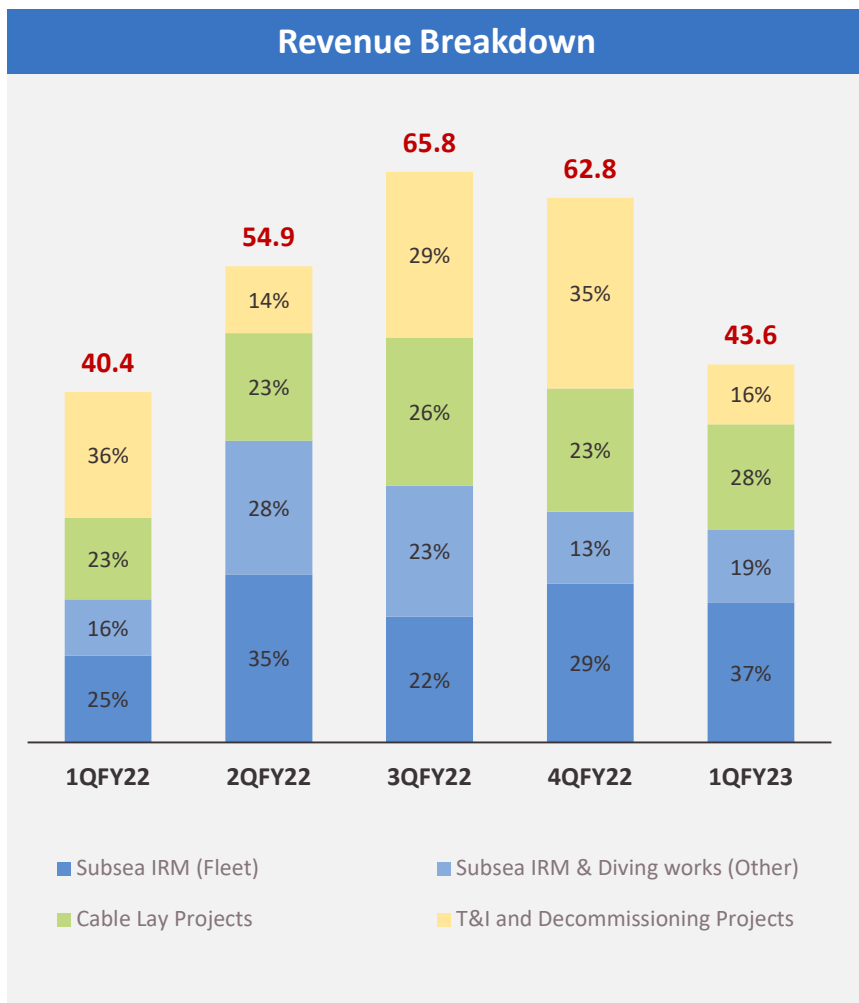


- The company faced a net loss situation due to seasonal working schedule of the business sectors and planned maintenance of vessels. However, there was an improvement compared YoY.
- Company's owned active vessels has been highly utilized

REVENUE BREAKDOWN



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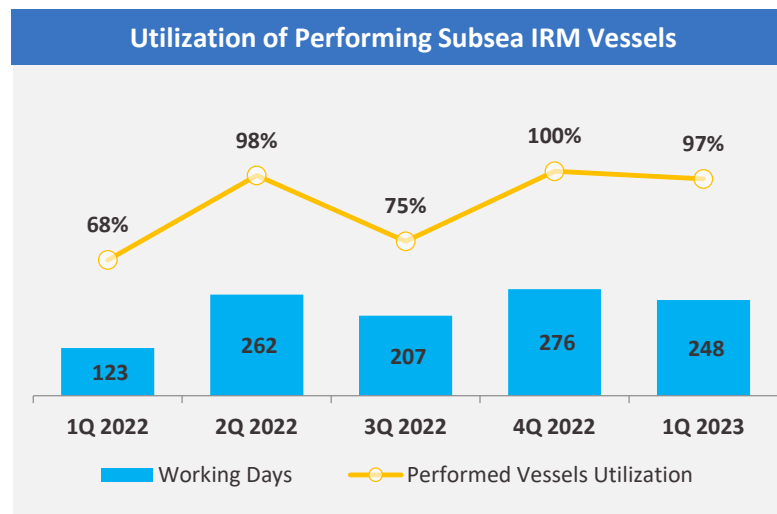
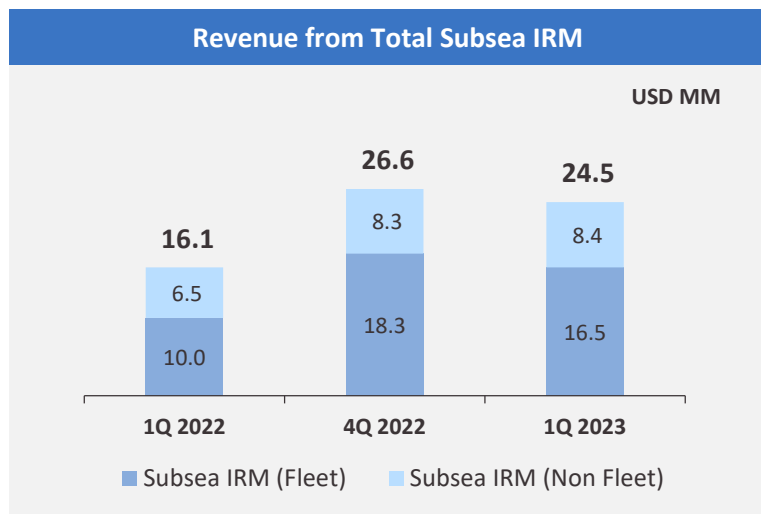


- Higher revenue compared YoY mainly from IRM and cable lay sectors. However, the amount lower than the last quarter due to seasonal working schedule which led to lower net profit even though there was a positive in gross profit.

SUBSEA IRM SECTOR

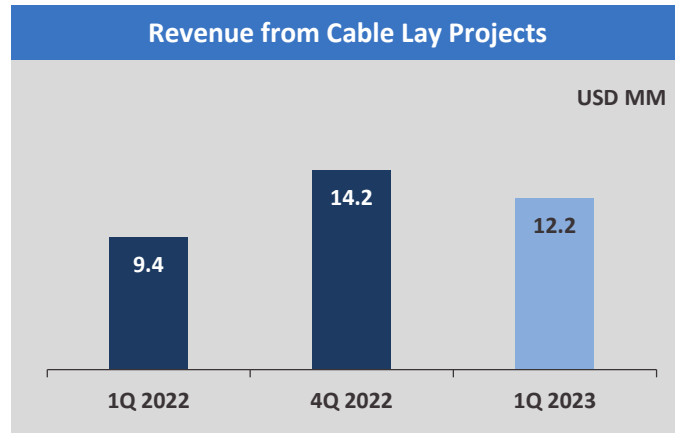


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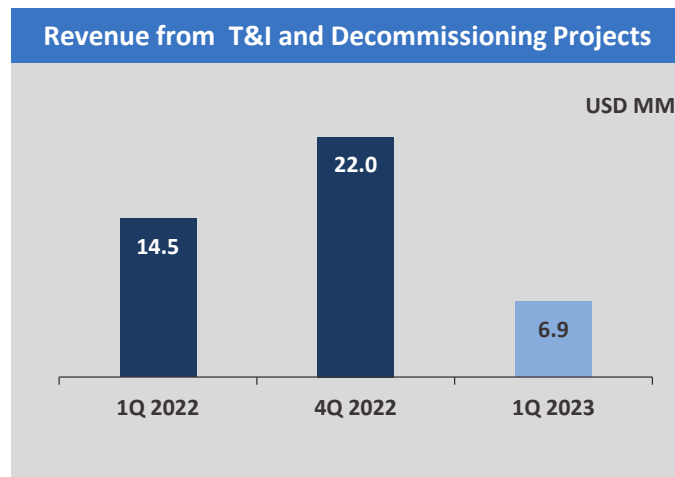


- In 1Q 2023, total revenue from IRM business (fleet) increase YoY by USD 8.4m because of:
 - “Mermaid Sapphire” that chartered to other related party and worked in South East Asia at highly utilization rate in 2023.
 - “Mermaid Asiana” and “Mermaid Endurer” that worked for major customers in the Middle East at high utilization.
- However, the revenue from fleet IRM sector decreased QoQ by USD 2.1m due to:
 - both “Mermaid Asiana” and “Mermaid Endurer” had planned maintenance for 7 days and 8 days respectively in 1Q 2023.
 - An impact of seasonal working schedule
- The revenue from non-fleet subsea IRM totally increased both YoY by USD 1.9m and QoQ by USD 0.1m due to survey projects as well as inspection projects.
- “Mermaid Commander” and “Mermaid Challenger” 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 increased YoY from USD 9.4m to USD 12.3m as a result of more projects in the Middle East. However, the revenue decreased QoQ by 2.0m as a result of lower utilization for two main projects in the Middle East and one project that ended in 4Q 2022.
- During 1Q 2023, Mermaid recognized USD 0.6m share profit from M3JV.



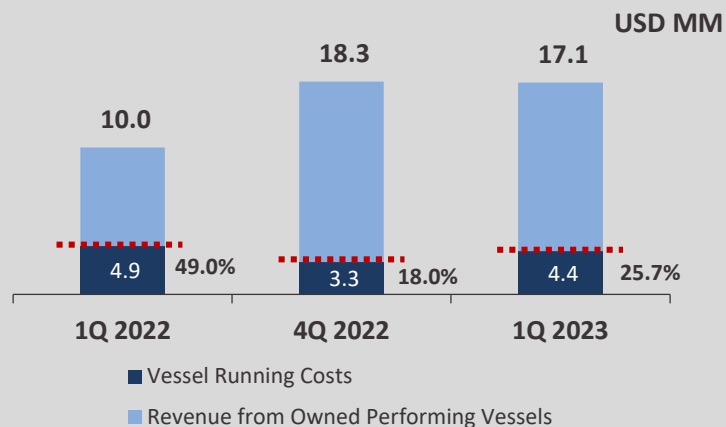
- Revenue from T&I and decommissioning business decreased YoY by USD 7.6m and QoQ by USD 15.1m to USD 6.9m in 1Q 2023 because of several T&I and decommissioning projects in both Asia Pacific & SEA region and North Sea region had ended in 4Q 2022 and the long-term chartered vessel “Van Gogh” had been dry docking during Jan 2023.
- Our own vessel “Resiliant” has started her first project during 1Q 2023 with an expectation of more works to be received.

COSTS & EXPENSES



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Vessel Running Costs (Owned Performing Vessels)

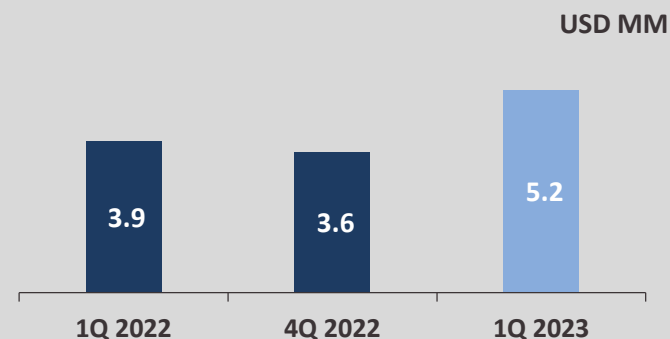


Owned Performing Vessels*

- VRC of owned performing vessels decrease YoY from USD 4.9m to USD 4.4m due to Mermaid Sapphire that was bareboat chartered to other related party.
- However, VRC of owned performing vessels increase QoQ by USD 1.1 m. due to Resiliant that started her first project in 2023 and Mermaid Endurer that had an accounting adjustment in VRC during 4Q 2022.

*Mermaid Asiana, Mermaid Endurer, Mermaid Sapphire and Resiliant

Selling and Administrative Expenses



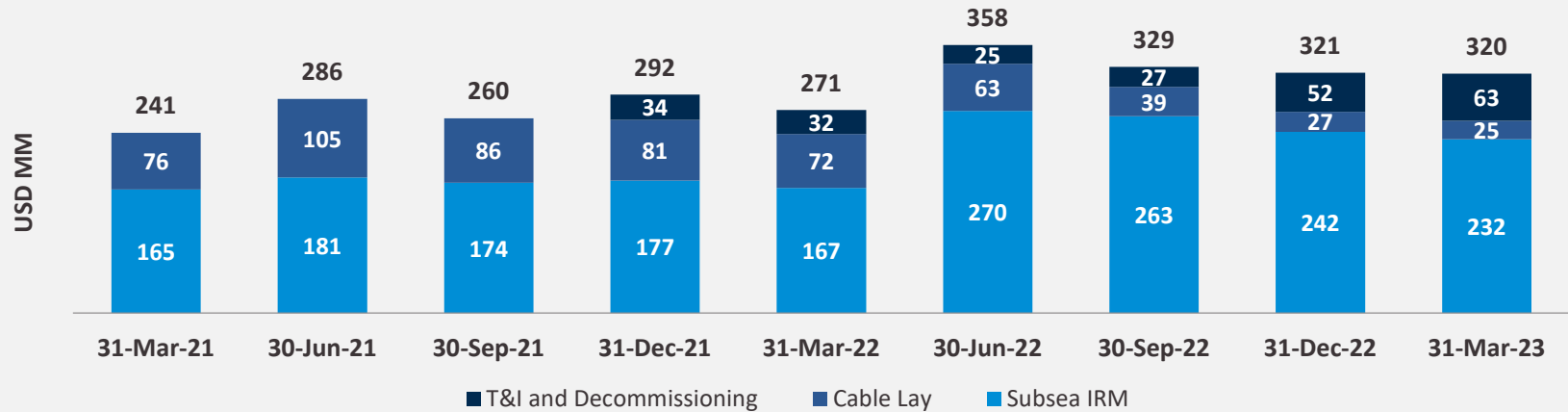
Selling, General and Administrative Expenses

- SG&A expenses increased YoY (USD 1.3m) mainly due to depreciation of right-of-use assets (*according to TFRS16: Finance Lease*), consulting fee, bank guarantee fee and employee benefits.
- SG&A expenses increased QoQ (USD 1.6m) mainly due to audit fee, consulting fee, bank guarantee fee and employee benefits.

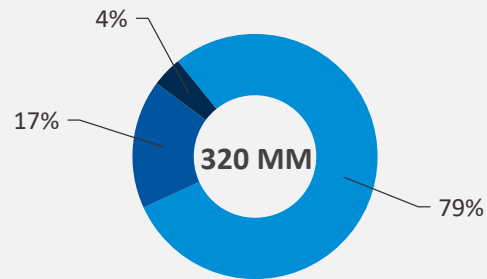
ORDER BOOK



Total Order Book

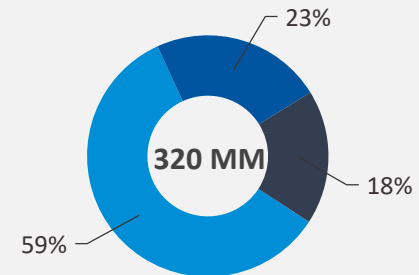


Order Book by Region



■ Middle East ■ Asia Pacific & SEA ■ North Sea

Order Book by Year



■ FY2023 ■ FY2024 ■ FY2025

FINANCIAL REVIEW



1Q 2023 PROFIT & LOSS



(USD MM)	1Q 2023	1Q 2022	YoY Amount Change
Income			
Revenue from rendering of services	43.6	40.4	+3.2
Interest income and other income	0.7	0.2	+0.5
Total income	44.3	40.6	+3.7
Expenses			
Costs of rendering of services	43.3	45.2	-1.9
Administrative expenses	5.2	3.9	+1.3
Net loss on foreign exchange	0.1	0.1	0.0
Finance costs	1.3	0.5	+0.8
Total expenses	49.9	49.7	+0.2
Profit (loss) from operation	(5.6)	(9.1)	+3.5
Share of profit (loss) of joint ventures and associate	0.4	1.1	-0.7
Profit (loss) before income tax expense	(5.2)	(8.0)	+2.8
Tax income	0.3	-	+0.3
Profit (loss) for the period	(4.9)	(8.0)	+3.1
Earnings (losses) per share (US Cents)	(0.3)	(0.6)	+0.3
Depreciation expenses and amortization expenses	6.1	3.4	+2.7
EBITDA⁽¹⁾	1.8	(5.2)	+7.0

Remark:

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

STATEMENT OF CASH FLOWS



Cash Flows (USD MM)	Period ended 31 March	
	2023	2022
Cash Flow From Operating Activities:		
Before changes in working capital	3.0	(5.0)
Changes in working capital	(5.1)	13.1
Others	(0.7)	(1.2)
Net cash from (used in) operating activities	(2.8)	6.9
Cash Flow From Investing Activities:		
Proceed from sale of current investments	-	2.9
Proceeds from sale of property, plant and equipment and intangible assets	-	2.1
Proceeds from long-term loan to related party	-	1.1
Acquisition of property, plant and equipment and intangible assets	(2.2)	(7.0)
Net cash used in investing activities	(2.2)	(0.9)
Cash Flow From Financing Activities:		
Proceeds from borrowings from parent company	7.5	-
Repayment of borrowings	(3.6)	(3.6)
Payment of lease liabilities	(2.5)	-
Finance costs paid	(0.8)	(0.5)
Net cash from (used in) financing activities	0.6	(4.1)
Net increase (decrease) in cash and cash equivalents	(4.4)	1.9
Effect of exchange rates	-	-
Cash and cash equivalent at 1 January	7.8	8.0
Cash and cash equivalent as at 31 March (excluding restricted cash*)	3.4	9.9

*Restricted cash = \$8.4m

STATEMENT OF FINANCIAL POSITION



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Balance Sheet (USD MM)	31 Mar 2023	31 Dec 2022	Change
Cash & Cash Equivalents	3.4	7.8	-56.4%
Trade and Other Accounts Receivable	69.2	63.9	+8.3%
Other Current Assets	1.9	2.2	-13.6%
Total Current Assets	74.5	73.9	+0.8%
Restricted Deposit at Financial Institutions	8.4	8.4	0.0%
Investment in Associates & Joint Ventures	29.0	28.5	+1.8%
Property, Plant and Equipment and Intangible Assets	133.4	134.2	-0.6%
Right-of-Use Assets	27.1	29.3	-7.5%
Other Non-Current Assets	17.2	17.2	0.0%
Total Non- Current Assets	215.1	217.6	-1.1%
Total Assets	289.6	291.5	-0.7%
Trade and Other Accounts Payable	55.9	54.2	+3.1%
Short-term and Current Portion of Long-term Borrowing from Parent Company	16.5	9.0	+83.3%
Current Portion of Long-term Borrowings from Financial Institution	25.2	14.2	+77.5%
Other Current Liabilities	10.3	10.9	-5.5%
Total Current Liabilities	107.9	88.3	+22.2%
Long-Term Borrowings from Financial Institution	3.7	18.3	-79.8%
Other Non-Current Liabilities	22.0	24.0	-8.3%
Total Non-Current Liabilities	25.7	42.3	-39.2%
Total Liabilities	133.6	130.6	+2.3%
Total Equity	156.0	160.9	-3.0%

(USD MM)	31 Mar 2023	31 Dec 2022
Interest Bearing Debt		
Asset-backed Financing	28.9	32.5
Unsecured Loan	16.5	9.0
Total Interest Bearing Debt*	45.4	41.5
Cash and Restricted Deposit at Banks	(11.8)	(16.2)
Total Debt, Net of Cash	33.6	25.3
Shareholders' Equity	156.0	160.9
Net Gearing*	21.5%	15.7%

*Excluding lease liabilities

Financial Ratio	31 Mar 2023	31 Dec 2022
Current Ratio	0.69x	0.84x
Net Debt to Equity Ratio	0.47x	0.44x
Net Debt to Equity Ratio (excluded lease liabilities)	0.29x	0.26x
Liabilities to Equity	0.86x	0.81x
Liabilities to Equity (excluded lease liabilities)	0.68x	0.63x

DEBT MATURITY PROFILE



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Interest-Bearing Debt Maturity

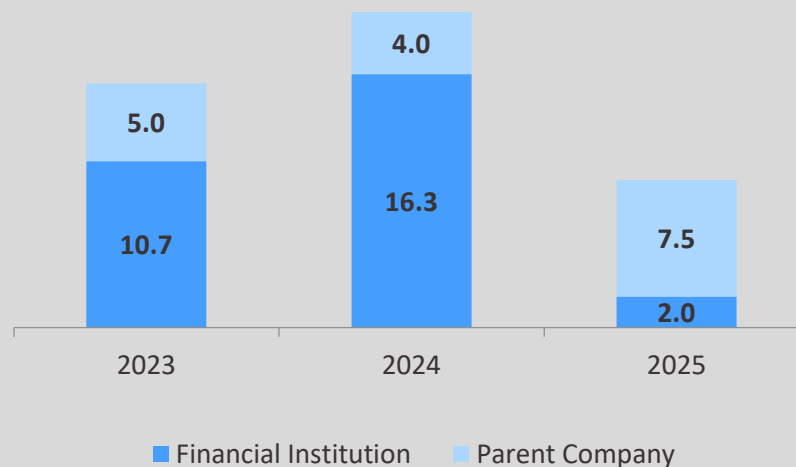
USD 45.5 M

(31 March 2023)

- As at 31st March 2023, there is **USD 45.5 million** of long-term loan (consisting of USD 29.0 million from financial institution and USD 16.5 million from parent company).
- Next repayment will be at the end of 2nd quarter, 2023.
- Short-term liquidity risk due to repayment capability is low.

Yearly Repayment Strategy

(USD 45.5 million)





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BUSINESS OUTLOOK



BUSINESS OUTLOOK



1

The April Short Term Energy Outlook (STEO) issued by the EIA notes the crude oil spot price forecast will average USD 85 per barrel in 2023, up USD 2/b from last month's forecast. The higher price forecast reflects a prediction for less global production in 2023 and a relatively unchanged outlook for global oil consumption. Despite higher price forecast, recent issues in the banking sector raise the potential that economic and oil demand growth can be lower than forecasted, which has the potential to result in lower oil prices.

2

EIA expects global liquid fuels consumption to increase by 1.4 million barrels per day (b/d) in 2023 and by 1.8 million b/d in 2024, driven primarily by growth in China and other non-OECD countries. It is expected that global oil markets will be in relative balance over the coming year. Global oil inventories, which increased by 0.4 million b/d in 2022 and by 1.1 million b/d in 1Q23, will be mostly unchanged during the second half of 2023 (2H23). These factors may result in comparatively stable oil prices throughout 2023 and 2024.

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 (especially FED) having moved swiftly to address the situation, resulting in increased rates, and Quantitate Tightening. If inflationary pressures in the services sector remain persistent, elongated hiked rates may be the response from central banks. We will monitor inflationary pressure and responses closely in order to position ourselves appropriately.

4

OPEC and partner countries (OPEC+) announced plans to cut crude oil production by 1.2 million barrels per day (b/d) through the end of 2023. Furthermore, perceptions of a less severe recession and some improving macroeconomic conditions are also likely to contribute to rising crude oil prices over the past few months.

5

The market uptick has seen our owned, jointly-owned and chartered-in fleet securing the targeted utilization figures. The intermediate outlook remains very positive, as construction engagements actively mobilize after the relative inaction of the past few years. The massive investment plans of Middle Eastern Countries (Saudi, Qatar, UAE etc.) our biggest markets remains firm, with significant increases expected in the intermediate-term. Furthermore, in the West African market Majors have massive budget allocations, the proof of which is now evidenced by the considerable vacuum in tonnage. Whilst Mozambique remains a firm part of our vision, there is still considerable uncertainty in this geography.

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 medium sized 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 has multiple awards in that space. In addition to awards in Angola, Mermaid has also executed some saturation interventions off the African Eastern Seaboard. Several other potential opportunities are being explored. Mermaid has received very valuable feedback from customers, we expect more awards in African market soon.

9

In the meantime, the **Asiana** & the **Endurer** continue to operate in the Middle East, whilst the Van Gogh focuses in APAC, with potential of being deployed to the Middle East around the year-end. The Sapphire is deployed at home (Thailand). We expect very high utilization throughout 2023-2025. 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. Returns in this region are currently lower than envisaged, however, the momentum has an upwards trajectory.



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A Company Moving Forward

ir@mermaid-group.com

www.mermaid-group.com