






2Q 2019 RESULT PRESENTATION

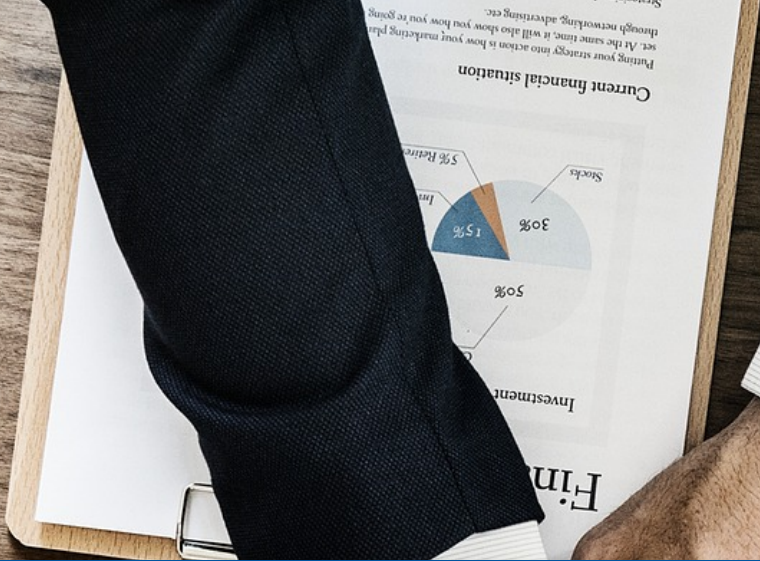
15 August 2019

www.mermaid-group.com

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-quality products, or slow-cost, high-value products? It's impossible to be both. You should understand on thinking what your customers need you to be. Your brand is the main foundation of your logo. All the promotional materials should be communicate with your logo to communicate with your brand. Having a good brand strategy allow you to have a large advantage in giving a competitive edge in your market competition. Your brand tells your customers what they can have or expect from the products and services you offer. The branding strategy you build from the branding consistency as it



2Q 2019 HIGHLIGHTS



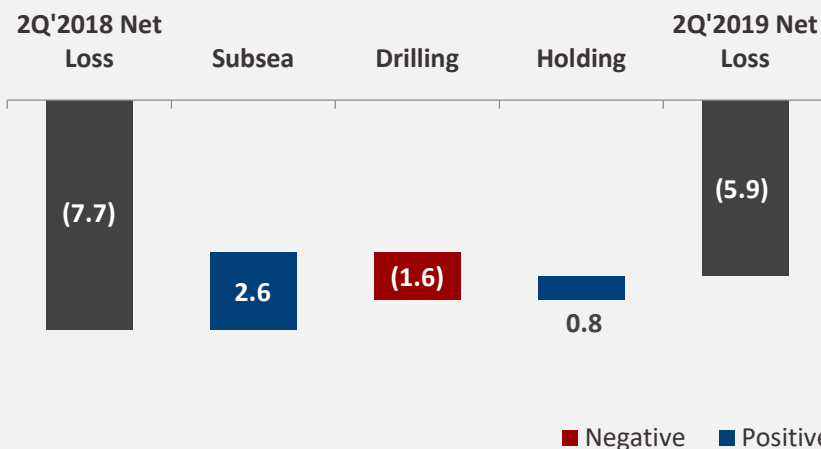
- Revenue increased 15.3% YoY due to higher utilization rate but slightly decreased when compared QoQ
- EBITDA was improved YoY
- Net used cash flow from operation was USD 8.6m for the first half of FY2019 mainly from AR to be collected
- Order book (excl. AOD) stood at USD 73.3m at the end of June 2019
- Balance sheet position was typically low risk at 4.2% gearing ratio
- Short-term chartered-in subsea vessel for light construction and inspection work in Gulf of Thailand in 3Q 2019

MOVEMENT IN KEY BUSINESS SEGMENT

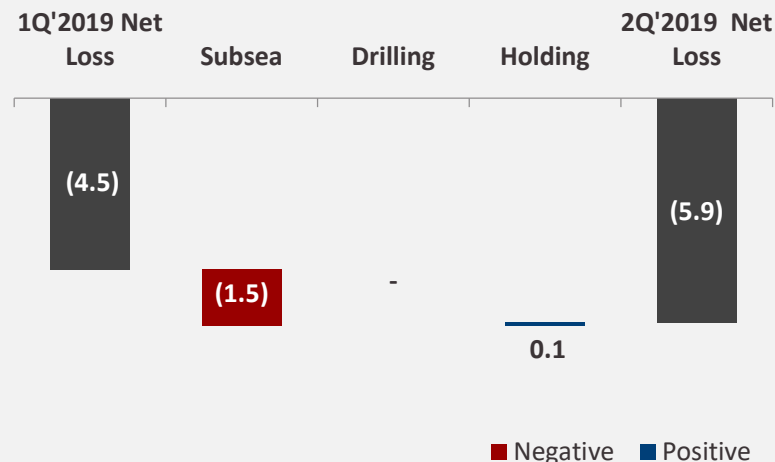


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2Q YoY Net Profit (Loss) Change

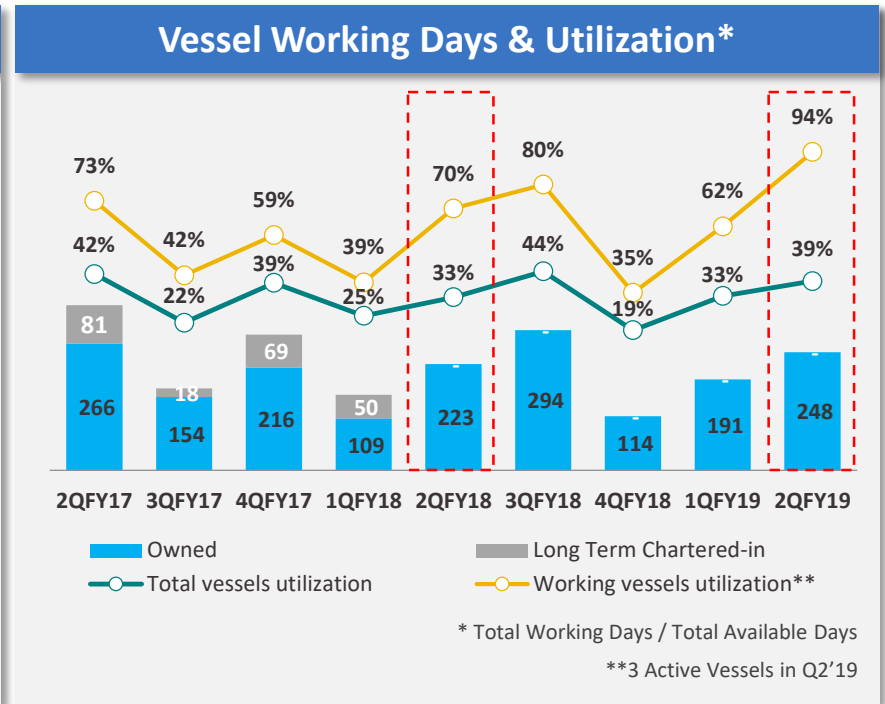
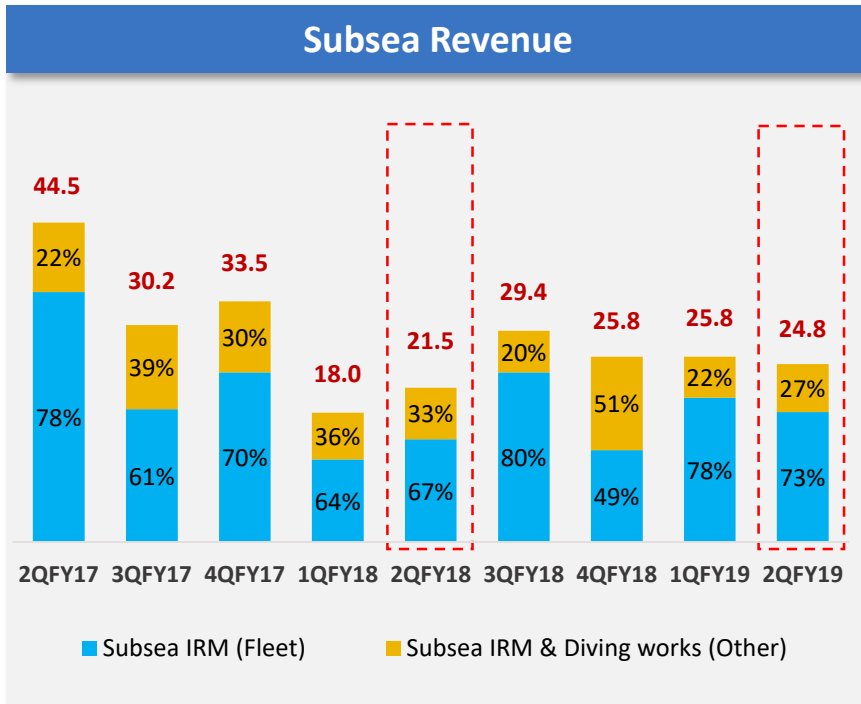


2Q QoQ Net Profit (Loss) Change



- Bottom line was improved for YoY as the fleet utilization increasing
- Net loss increased when compared QoQ as the consequence of lower revenue in 2Q'2019
- Drilling division profit decreased YoY as the result of lower share of profit from investment in AOD due to the adjusted FY2019 AOD-I Bareboat Chartered rate
- Movement in Holding section was the FX change for both of YoY and QoQ

SUBSEA REVENUE AND UTILIZATION



2Q'2019 vessel utilization increased from 33% to 39% both YoY and QoQ

- The increase in total utilization both YoY and QoQ was a result of main vessels that back to work after dry-docking during FY2018
- In 2Q'2019, Mermaid Commander was cold-stacked to reduce the VRC while the remaining 3 main vessels worked with high utilization at 94%
- No chartered-in vessel in this quarter

VESSEL RUNNING COST



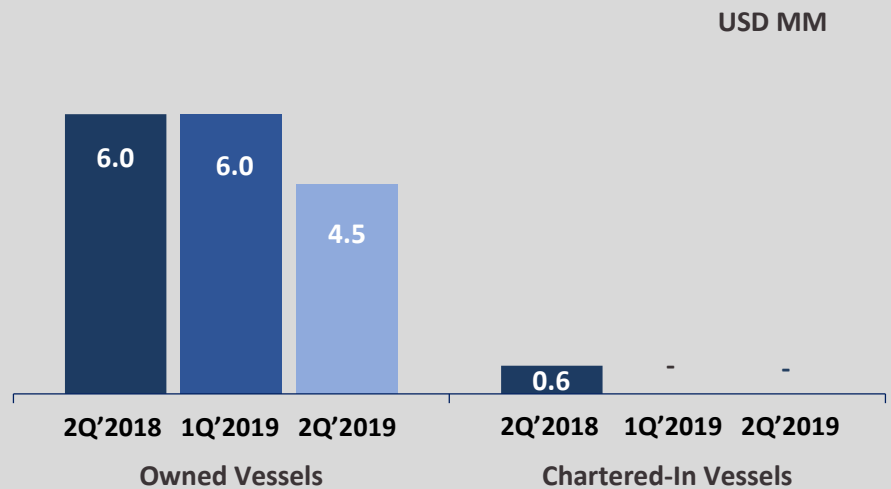
Owned vessels VRC decreased QoQ and YoY

Owned Vessels

- Vessel running costs decreased both QoQ and YoY since one of the owned vessels “Mermaid Commander” has been cold-stacked in 2Q’2019.

Chartered-In Vessels

- No chartered-in vessel in 2Q’2019.

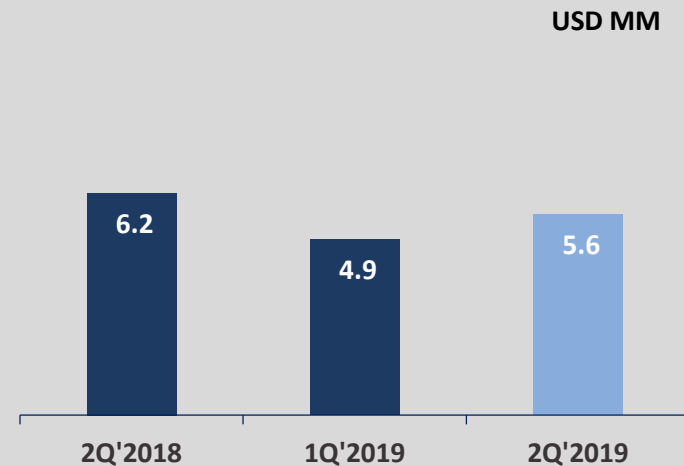


SELLING, GENERAL & ADMINISTRATIVE EXPENSES



SG&A Expenses decreased YoY

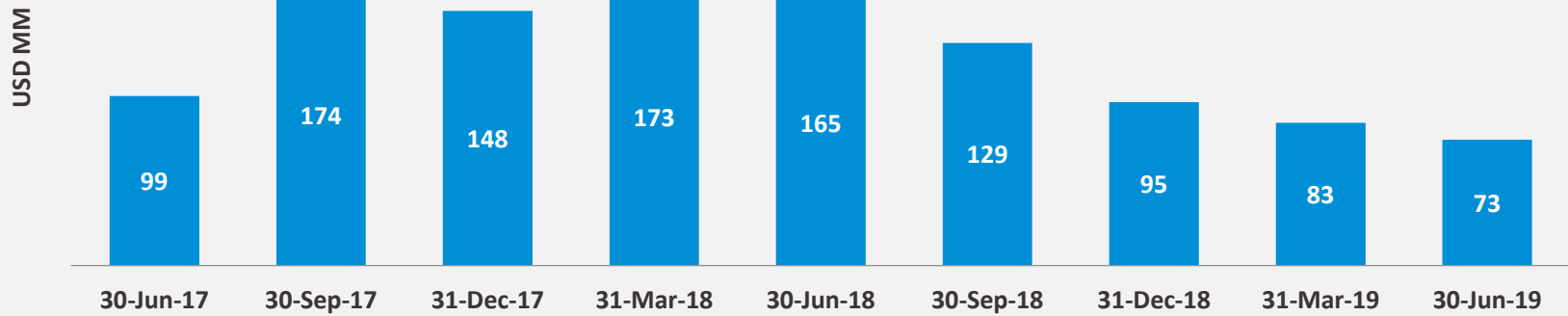
- Decrease in SG&A compared to the same quarter of last year was mainly due to consultant fee, insurance expense and loss on supplies and spare parts devaluation that recorded during 2Q'2018.
- However, SG&A increased QoQ compared to the previous quarter. It was mainly from unrealized loss from revaluation of current investment that recorded in 2Q'2019.



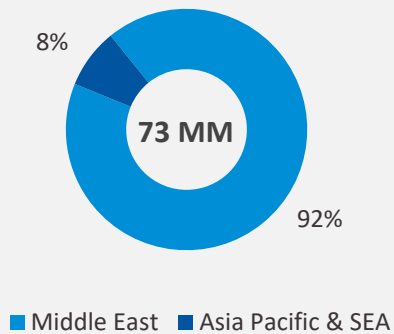
ORDER BOOK



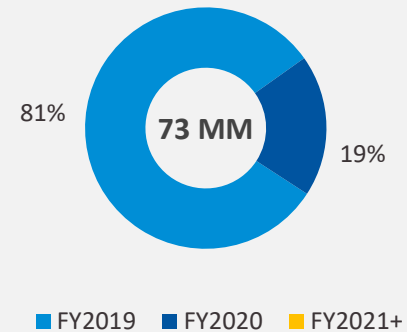
Total Order Book (excluding AOD)



Order Book by Region



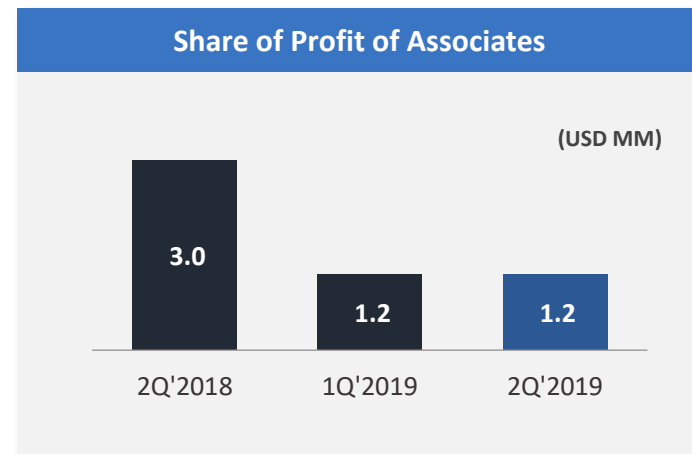
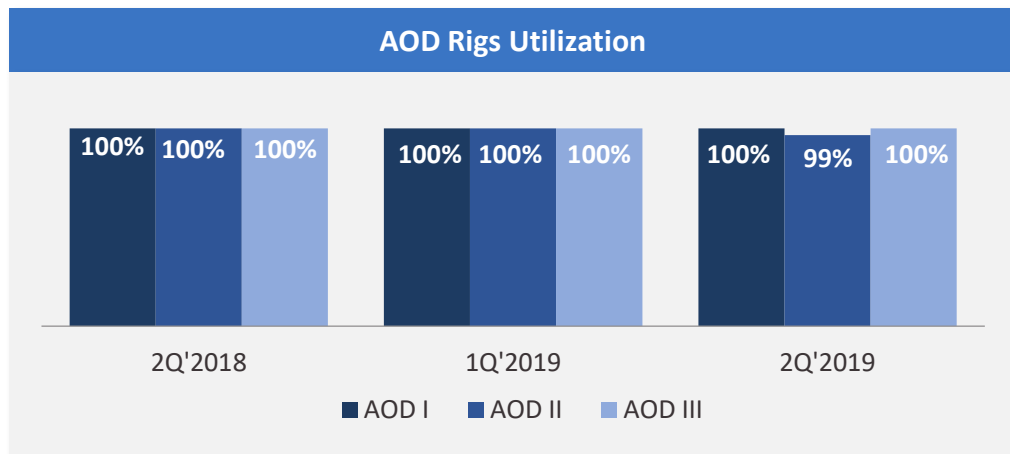
Order Book by Year



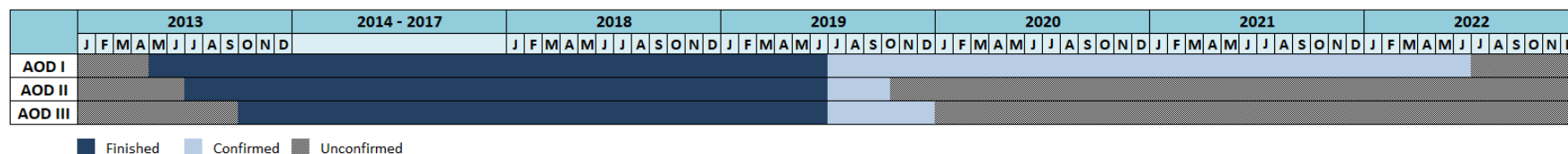
STRONG PERFORMANCE FOR 3 AOD'S RIGS



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- Continuing excellent performance in 2Q'2019, 99% average utilization for 3 rigs
- Share of profits remained the same with 1Q'2019 but decreased YoY as a result of adjusted FY2019 AOD-I Bareboat Chartered rate
- The outstanding balance of Senior Secured Credit Facility as at 30 June 2019 remained at US\$ 210 million
- AOD I secured a contract extension for another three years through June 2022
- AOD II has extended a contract for three months with the same day rate



FINANCIAL REVIEW



2Q 2019 PROFIT & LOSS



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<i>(USD MM)</i>	2Q 2019	2Q 2018	YoY Amount Change	1Q 2019	QoQ Amount Change
Revenue from Rendering of Services	24.8	21.5	3.3	25.8	(1.0)
EBITDA	(1.0)	(5.0)	4.0	0.2	(1.2)
EBIT	(5.8)	(9.6)	3.8	(4.6)	(1.2)
Share of Profit of Associates & Joint Venture	1.2	3.0	(1.8)	1.2	-
Profit (Loss) From Operations	(4.6)	(6.6)	2.0	(3.4)	(1.2)
Finance Costs	(0.9)	(1.0)	0.1	(1.0)	0.1
Profit (Loss) Before Income Tax Expense	(5.5)	(7.6)	2.1	(4.4)	(1.1)
Tax Expense	(0.4)	(0.1)	(0.3)	(0.1)	(0.3)
Profit (Loss) for the Period	(5.9)	(7.7)	1.8	(4.5)	(1.4)
Earnings (Losses) Per Share (US cents)	(0.4)	(0.5)	0.1	(0.3)	(0.1)

STATEMENT OF CASH FLOWS



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Cash Flows (USD MM)	6-Month Period ended 30 June	
	2019	2018
Cash Flow From Operating Activities:		
Before Changes in Working Capital	(0.1)	(8.1)
Changes in Working Capital	(8.3)	12.4
Others	(0.2)	(0.2)
<i>Net Cash From (Used in) Operating Activities</i>	(8.6)	4.1
Cash Flow From Investing Activities:		
Proceed from Sale of Current Investments	3.3	-
Acquisition of Current Investments	(3.0)	(17.3)
Acquisition of Investment in Associate	-	(4.6)
Proceeds from Sale of Property, Plant and Equipment	-	4.1
Acquisition of Property, Plant and Equipment and Intangible Assets	(1.4)	(5.5)
Interest Received	0.4	0.2
<i>Net Cash Used in Investing Activities</i>	(0.7)	(23.1)
Cash Flow From Financing Activities:		
Repayment of Borrowings	(6.0)	(6.0)
Finance Costs Paid	(1.8)	(1.9)
<i>Net Cash Used in Financing Activities</i>	(7.8)	(7.9)
Net Decrease in Cash and Cash Equivalents	(17.1)	(26.9)
Effect of Exchange Rates	0.3	(0.5)
Beginning Balance as at 1 January	36.5	68.7
Cash Balance as at 30 June (excluding restricted cash)	19.7	41.3

STATEMENT OF FINANCIAL POSITION



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Balance Sheet (USD MM)	30 Jun 2019	31 Dec 2018	Change
Cash & Cash Equivalents and Deposits	37.0	54.5	-32.1%
Trade Accounts Receivable	48.1	35.9	34.0%
Other Current Assets	12.7	8.5	49.4%
Total Current Assets	97.8	98.9	-1.1%
Restricted deposit at banks	12.0	14.6	-17.9%
Investment in Associates & Joint Venture	124.0	121.5	2.1%
Property, Plant and Equipment	160.9	169.4	-5.0%
Other Non-Current Assets	5.2	5.2	-
Total Non- Current Assets	302.1	310.7	-2.8%
Total Assets	399.9	409.6	-2.4%
Trade Accounts Payable	7.0	5.2	34.6%
Current Portion of Long-term Borrowings	12.0	15.9	-24.5%
Other Payable	24.0	19.2	25.0%
Total Current Liabilities	43.0	40.3	6.7%
Long-Term Borrowings	49.8	51.8	-3.9%
Other Non-Current Liabilities	2.6	2.6	-
Total Non-Current Liabilities	52.4	54.4	-3.7%
Total Liabilities	95.4	94.7	0.7%
Total Equity	304.5	314.9	-3.3%

(USD MM)	30 Jun 2019	31 Dec 2018	31 Dec 2017
Interest Bearing Debt			
Asset-backed Financing	61.8	67.7	79.6
Unsecured Loan	-	-	-
Finance lease	0.1	0.1	0.2
Total Debt	61.9	67.8	79.8
Cash, Deposits and Bank Balances	(49.0)	(69.1)	(81.5)
Total Debt, Net of Cash	12.9	(1.3)	(1.7)
Shareholders' Equity	304.5	314.9	342.2
Net Gearing	4.2%	N/A	N/A

Financial Ratio:

- Current Ratio = 2.27x
- Liabilities to Equity Ratio = 0.31x
- Net Debt to Equity Ratio = 0.20x
- Net Gearing = 4.2%

DEBT MATURITY PROFILE

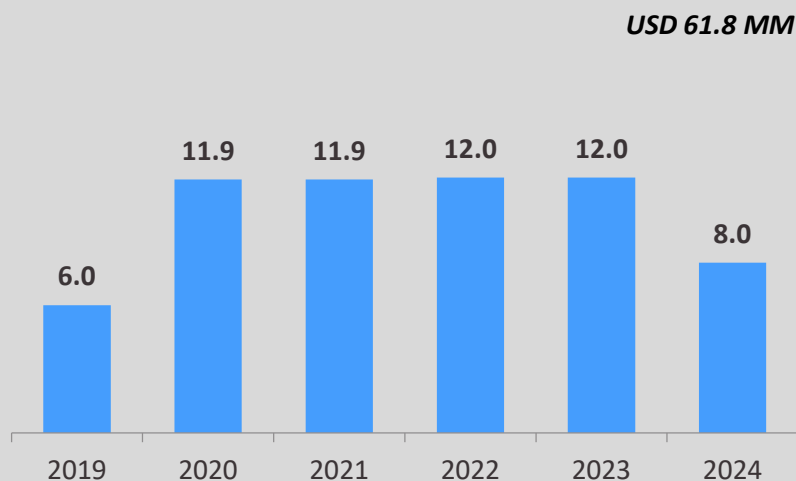


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Interest-Bearing Debt Maturity
USD 61.8 MM
(30 June 2019)

Yearly Repayment Scheme

- As at 30 June 2019, there is USD **61.8 million** of long-term loan and no short-term loan.
- The long-term loan has been re-financed in June 2019 with new repayment terms within 5 years.
- Short-term liquidity risk is still low.





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BUSINESS OUTLOOK

1 The Middle East, which is home to more than half the world's oil reserves, remains the most turbulent region. Iran continues to be a growing issue in the Middle East due to the U.S. attempting to choke the Iranian economy. The trade war between the U.S. and China continues to threaten the overall health of the global economy and oil prices.

2 The outlook for offshore service contractors including subsea service providers continues to be positive as new projects are aiming to be sanctioned in 2019 this is driven partially by Saudi Aramco's recently announced \$18 billion worth of project commitments associated with the Marjan and Berri expansion projects.

3 IOC's and service companies continue to deliver significant cost reductions in the offshore industry. These cost savings are driving a new wave of global offshore project sanctioning during 2019. Rystad Energy forecasted in its July 2019 Project Sanctioning Report that this year could see the offshore industry sanctioning \$123 billion worth of projects.

4 The Mermaid Asiana, Sapphire and Endurer continue to operate in the Middle East and will remain in the region for the foreseeable future as we still expect to achieve higher utilization rates throughout 2019.

BUSINESS OUTLOOK



5 MSS is currently positioning itself to secure lucrative cable and subsea engineering installation projects both in the APAC and Middle East Regions. Additionally, MSS continues to focus on the Gulf of Thailand decommissioning projects with alignments with heavy lift service providers.

6 Mermaid Commander remains cold stacked and marketed for sale. The other non-performing assets i.e. Challenger, Siam and Barakuda remain cold stacked and are marketed for sale.

7 MSS is reviewing options to secure a DP2 shallow water barge to enhance its subsea engineering capability in SURF, Cable installations operations to increase its business activities.

8 All three jack-up drilling rigs 'AOD I', 'AOD II' and 'AOD III' remain on contract in the Middle East thus reducing downside risk as market recovers.

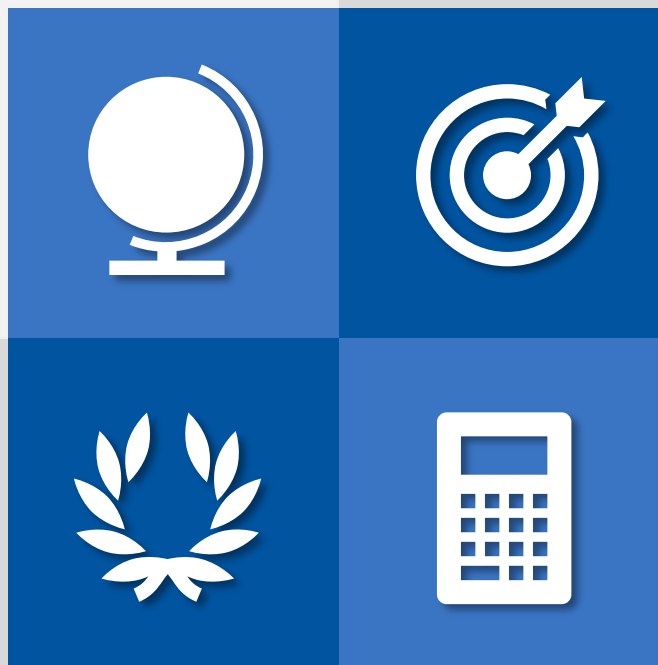
MERMAID'S POSITIONING



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Wider Geographical Coverage

- Shallow water – more defensive and less affected by lower oil price. Several conventional projects will be carried-out in Mermaid's home markets continues.
- Mermaid expansion geographically into other markets such as Egypt, Africa, Mediterranean continues.



Track Record of Quality and Safety, Modern Asset Base

- Excellent operational and safety record and stable management team.
- Robust subsea fleet with chartering-in plan to serve fluctuating demand.
- AOD's three jack-up drilling rigs contract extended to 2019 in the Middle East.

Core Business Focused, with an Addition of Integrated Service Packages

- Remain focused on IRM scopes, further enhancement internally with enhancing our in-house engineering suite of services.
- Offer an integrated range of subsea services with a revamped highly specialized workforce continues.

Fiscal Discipline

- Retain low gearing and sufficient cash reserve.
- Flexibility to take advantage of any opportunistic and organic growth that may present itself in the present time.



MERMAID

A Company Moving Forward

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