2Q 2023
Results

August 10th, 2023

www.mermaid-group.com

AGENDA

- Business Report
- Financial Review
- Business Outlook

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BUSINESS REPORT

2Q 2023 HIGHLIGHTS

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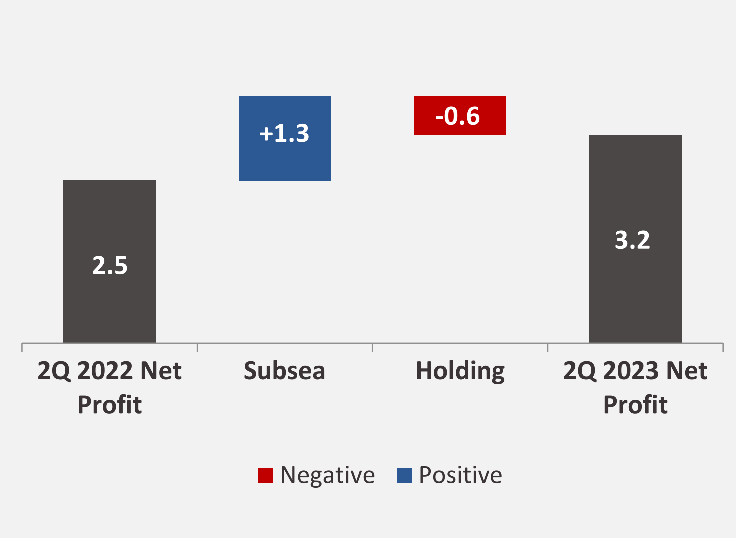
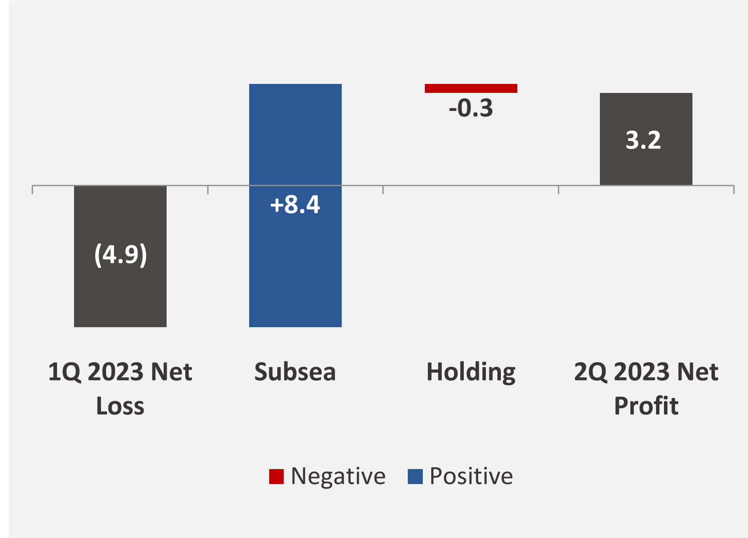
- In 2Q-2023, the revenue from rendering of services increased by 12.9% YoY and 42.2% QoQ to USD 62.0 m. as a result of an escalation in subsea IRM and diving works for non-vessel and short-term chartered-in vessels and T&I and decommissioning projects. However, revenue from cable lay sector slightly dropped YoY and QoQ due to a project that ended in a previous quarter.
- EBITDA for 2Q-2023 jumped to USD 10.5 m. compared to USD 5.4 m. of the same period last year. As a consequence of revenue growth and cost management and control, the net profit reached to USD 3.2 m in 2Q-2023.
- Net cash outflow from operations was USD (7.0) m. as a result of an increase in accounts receivable during the period.
- At the end of June 2023, the order book stood at USD 337 m. The number included multiple project awards in both short-term and long-term throughout FY2025 for the subsea IRM projects and Cable Laying projects mainly in the Middle East region. This also included the works awarded of T&I and Decommissioning projects in both South East Asia and North Sea region.
- Balance sheet position represented at 0.79x Current Ratio due to classification of lease liabilities and parent company loan based on accounting standard and low-risk level of only 0.34x D/E Ratio.

MOVEMENT IN KEY BUSINESS SEGMENT

YoY Net Profit (Loss) Change



QoQ Net Profit (Loss) Change



- There was an improvement in subsea sector compared both YoY and QoQ.
  - Company's owned active vessels have been fully 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 at the end of 1Q-2023 and continued throughout 2Q-2023
- A decrease in holding sector both YoY and QoQ came from loss on exchange rate.

REVENUE BREAKDOWN

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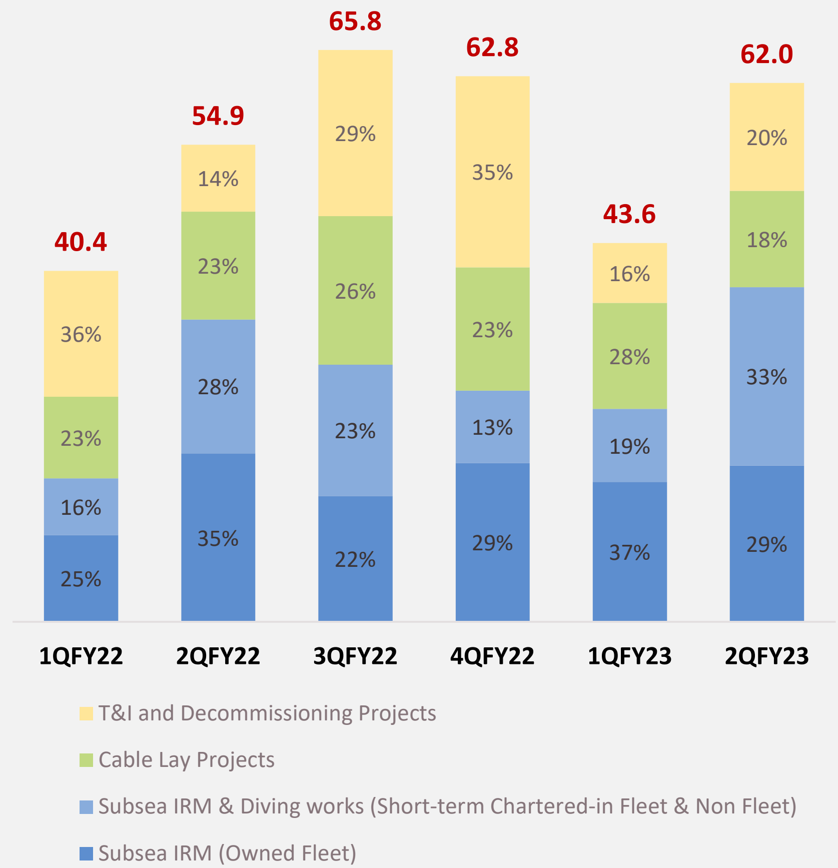
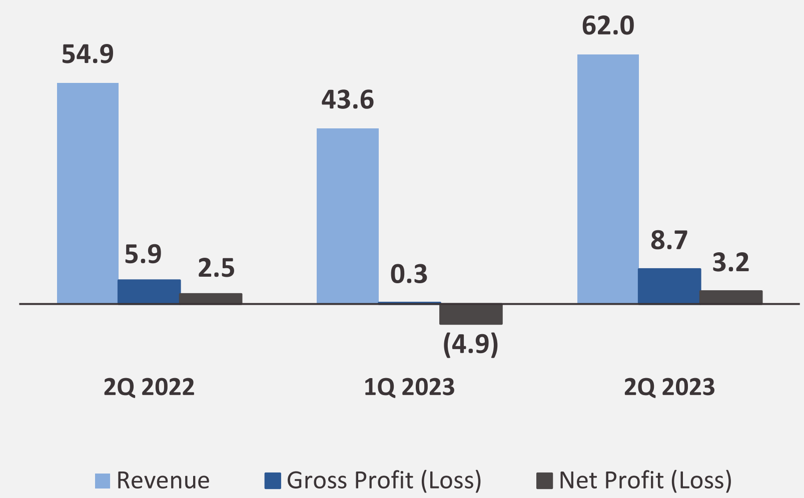
Revenue Breakdown



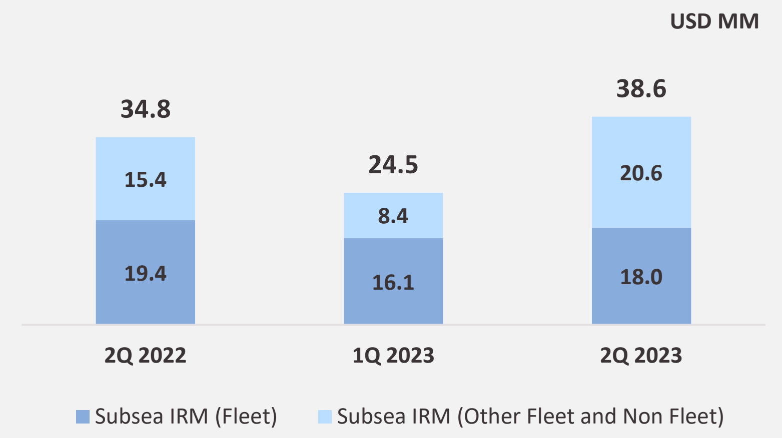
Revenue, Gross Profit and Net Profit



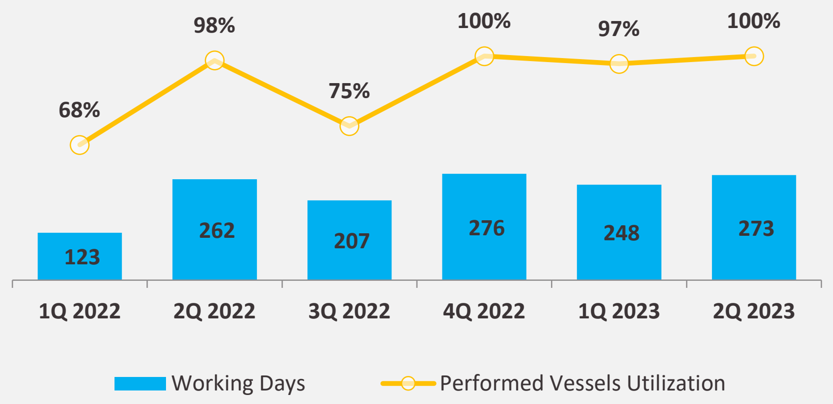
- Higher total revenue compared YoY and QoQ mainly came from subsea IRM sector and T&I and decommissioning sector despite the lower revenue from cable laying sector.
- Higher gross profit and slightly higher net profit due to high cost of rendering services and financial cost

SUBSEA IRM SECTOR

Revenue from Total Subsea IRM



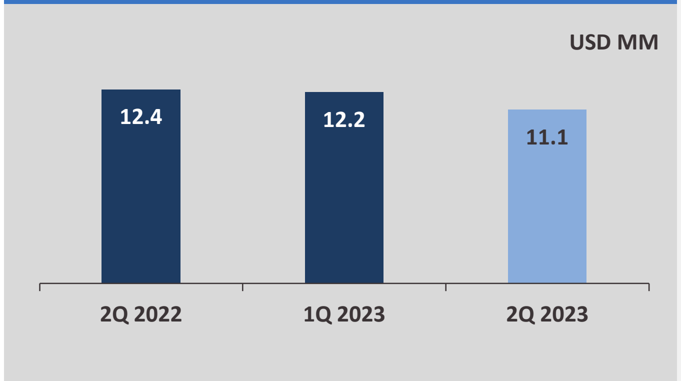
Utilization of Performing Subsea IRM Vessels



- In 2Q-2023, the revenue from fleet subsea IRM business increase QoQ from USD 16.1m to USD 18.0m because all three owned active vessels worked at full 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.
- However, the revenue from fleet subsea IRM sector decreased YoY by USD 1.4m due to lower day rate from Mermaid Sapphire as she has been bareboat charted to related party after 2Q-2022.
- The revenue from other subsea IRM (short-term chartered-in fleet and non-fleet) totally increased by USD 5.1m YoY and USD 12.1m QoQ mainly due to an increase in survey projects as well as inspection projects.
- "Mermaid Commander" remained cold-stacked during the quarter and were considered for an option to sell or reactivate while "Mermaid Challenger" is in the process of reactivation strategy.

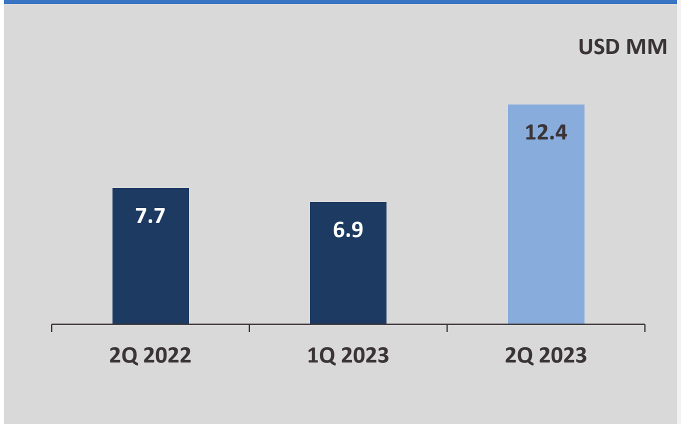
Cable Lay Sector and T&I and Decommissioning Sector

Revenue from Cable Lay Projects



- Revenue from cable lay sector decreased both YoY and QoQ to USD 12.3m as a result of lower utilization for main projects in the Middle East and one project that has ended in 1Q-2023.
- During 2Q-2023, Mermaid recognized USD 0.8m share profit from M3JV.

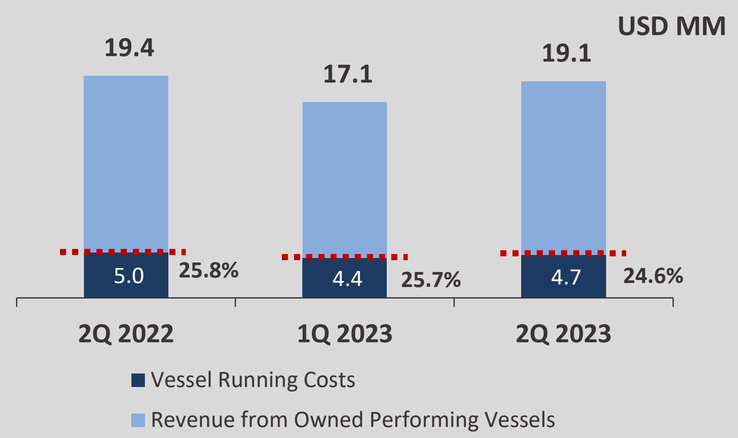
Revenue from T&I and Decommissioning Projects



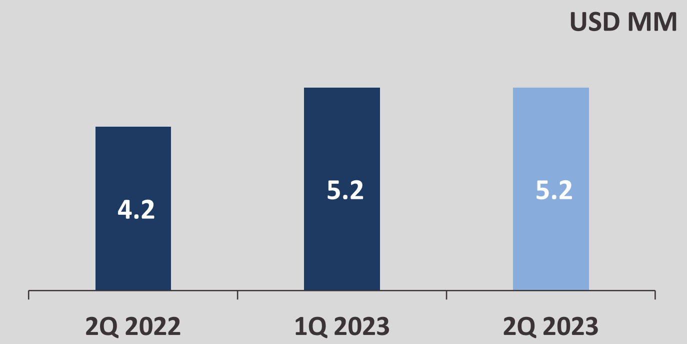
- Revenue from T&I and decommissioning business increased YoY by USD 4.7m and QoQ by USD 5.5m to USD 12.4m in 2Q-2023 because one main T&I and decommissioning project in Asia Pacific & SEA region has started at end of 1Q-2023 and worked at full utilization rate in 2Q-2023.
- Long-term chartered-in vessel "Van Gogh" had been fully utilized in SEA region in 2Q-2023 .

COSTS & EXPENSES

Vessel Running Costs (Owned Performing Vessels)



Selling and Administrative Expenses



Owned Performing Vessels*

- VRC of owned performing vessels decreased YoY from USD 5.0m to USD 4.7m and increased QoQ from USD 4.4m to USD 4.7m.
- Also, the ratio of VRC to the revenue generated from owned active vessels slightly decreased when compared both YoY and QoQ.

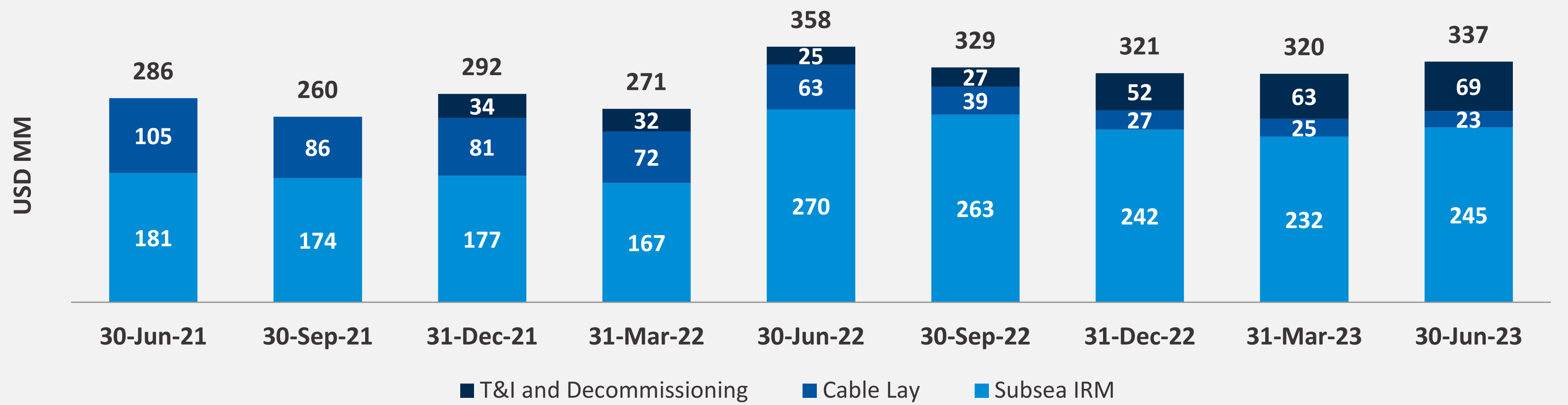
Selling, General and Administrative Expenses

- SG&A expenses increased YoY (USD 1.0m) mainly due to withholding tax, professional fee, and employee retention benefits.
- SG&A expenses remained at the same level when compared QoQ.

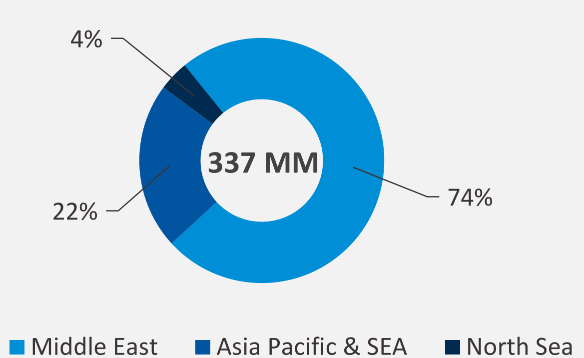
**Mermaid Asiana, Mermaid Endurer, Mermaid Sapphire and Resiliant*

Order Book

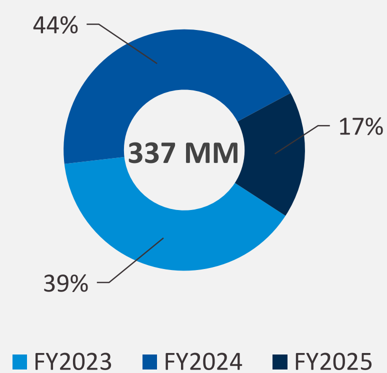
Total Order Book



Order Book by Region



Order Book by Year



Financial Review

2Q 2023 Profit & Loss

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(USD MM)	2Q 2023	2Q 2022	YoY Amount Change	2Q 2023	1Q 2023	QoQ Amount Change
Income:						
Revenue from rendering of services	62.0	54.9	+7.1	62.0	43.6	+18.4
Net gain on foreign exchange	0.3	0.2	+0.1	0.3	-	+0.3
Interest income and other income	0.4	0.3	+0.1	0.4	0.7	-0.3
Total income	**62.7**	**55.4**	**+7.3**	**62.7**	**44.3**	**+18.4**
Expenses:						
Costs of rendering of services	53.3	49.0	+4.3	53.3	43.4	+9.9
Administrative expenses	5.2	4.2	+1.0	5.2	5.2	0.0
Finance costs	1.3	0.5	+0.8	1.3	1.3	0.0
Total expenses	**59.8**	**53.7**	**+6.1**	**59.8**	**49.9**	**+9.9**
Profit (loss) from operation	**2.9**	**1.7**	**+1.2**	**2.9**	**(5.6)**	**+8.5**
Share of profit of joint ventures and associate	0.7	0.8	-0.1	0.7	0.5	+0.2
Profit (loss) before tax expense	**3.6**	**2.5**	**+1.1**	**3.6**	**(5.1)**	**+8.7**
Tax (expense) income	(0.4)	-	+0.4	(0.4)	0.2	+0.6
Profit (loss) for the period	**3.2**	**2.5**	**+0.7**	**3.2**	**(4.9)**	**+8.1**
Earnings (losses) per share (US Cents)	**0.2**	**0.2**	**0.0**	**0.2**	**(0.3)**	**+0.5**
Depreciation expenses and amortization expenses	6.3	3.2	+3.1	6.3	6.1	+0.2
EBITDA[1]	**10.5**	**5.4**	**+5.1**	**10.5**	**1.8**	**+8.7**

Remark:
[1] *Excluding share of profit (loss) of joint ventures and associate and non-recurring items*

YTD 2023 Profit & Loss

(USD MM)	1H 2023	1H 2022	YoY Amount Change
Income:			
Revenue from rendering of services	105.6	95.3	+10.3
Net gain on foreign exchange	0.3	0.1	+0.2
Interest income and other income	1.1	0.5	0.6
Total income	**107.0**	**95.9**	**+11.1**
Expenses:			
Costs of rendering of services	96.7	94.2	+2.5
Administrative expenses	10.4	8.1	+2.3
Finance costs	2.6	1.0	+1.6
Total expenses	**109.7**	**103.3**	**+6.4**
Profit (loss) from operation	**(2.7)**	**(7.4)**	**+4.7**
Share of profit (loss) of joint ventures and associate	1.2	1.9	-0.7
Profit (loss) before income tax expense	**(1.5)**	**(5.5)**	**+4.0**
Tax expense	0.2	-	+0.2
Profit (loss) for the period	**(1.7)**	**(5.5)**	**+3.8**
Earnings (losses) per share (US Cents)	**(0.1)**	**(0.4)**	**+0.3**
Depreciation expenses and amortization expenses	12.4	6.6	+5.8
EBITDA[1]	**12.3**	**0.2**	**+12.1**

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

Statement of Cash Flows

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Cash Flows (USD MM)	6-Month Period ended 30 June	
	2023	2022
Cash Flow From Operating Activities:		
Before changes in working capital	11.3	(2.4)
Changes in working capital	(17.5)	9.3
Others	(0.8)	(1.5)
Net cash from (used in) operating activities	**(7.0)**	**5.4**
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	(0.2)	-
Proceeds from sale of property, plant and equipment and intangible assets	-	2.1
Acquisition of property, plant and equipment and intangible assets	(4.2)	(7.2)
Net cash used in investing activities	**(4.4)**	**(1.1)**
Cash Flow From Financing Activities:		
Proceeds from borrowings from parent company	20.0	-
Repayment of borrowings	(7.1)	(7.1)
Payment of lease liabilities	(5.1)	(0.1)
Finance costs paid	(1.8)	(1.0)
Net cash from (used in) financing activities	**6.0**	**(8.2)**
Net increase (decrease) in cash and cash equivalents	**(5.4)**	**(3.9)**
Effect of exchange rates	-	(0.1)
Cash and cash equivalent at 1 January	7.8	8.0
Cash and cash equivalent as at 30 June (excluding restricted cash*)	**2.4**	**4.0**

*Restricted cash = $8.4m

Statement of Financial Position

Balance Sheet (USD MM)	30 Jun 2023	31 Dec 2022	Change
Cash & Cash Equivalents	2.4	7.8	-69.2%
Trade and Other Accounts Receivable	85.7	63.9	+34.1%
Other Current Assets	2.1	2.2	-4.5%
Total Current Assets	**90.2**	**73.9**	**+22.1%**
Restricted Deposit at Financial Institutions	8.4	8.4	0.0%
Investment in Associates & Joint Ventures	29.7	28.5	+4.2%
Property, Plant and Equipment and Intangible Assets	131.1	134.2	-2.3%
Right-of-Use Assets	24.8	29.3	-15.4%
Other Non-Current Assets	17.2	17.2	0.0%
Total Non- Current Assets	**211.2**	**217.6**	**-2.9%**
Total Assets	**301.4**	**291.5**	**+3.4%**
Trade and Other Accounts Payable	57.4	54.2	+5.9%
Short-term and Current Portion of Long-term Borrowing from Parent Company	23.5	9.0	+161.1%
Current Portion of Long-term Borrowings from Financial Institution	22.2	14.2	+56.3%
Other Current Liabilities	10.7	10.9	-1.8%
Total Current Liabilities	**113.8**	**88.3**	**+28.9%**
Long-Term Borrowings from Parent Company	5.5	-	+100.0%
Long-Term Borrowings from Financial Institution	3.2	18.3	-82.5%
Other Non-Current Liabilities	19.6	24.0	-18.3%
Total Non-Current Liabilities	**28.3**	**42.3**	**-33.1%**
Total Liabilities	**142.1**	**130.6**	**+8.8%**
Total Equity	**159.3**	**160.9**	**-1.0%**

(USD MM)	30 Jun 2023	31 Dec 2022
Interest Bearing Debt		
Asset-backed Financing	25.4	32.5
Unsecured Loan	29.0	9.0
Total Interest Bearing Debt*	**54.4**	**41.5**
Cash and Restricted Deposit at Banks	(10.8)	(16.2)
Total Debt, Net of Cash	**43.6**	**25.3**
Shareholders' Equity	159.3	160.9
Net Gearing*	**27.4%**	**15.7%**

*Excluding lease liabilities

Financial Ratio	30 Jun 2023	31 Dec 2022
Current Ratio	0.79x	0.84x
Net Debt to Equity Ratio	0.50x	0.44x
Net Debt to Equity Ratio (excluded lease liabilities)	0.34x	0.26x
Liabilities to Equity	0.89x	0.81x
Liabilities to Equity (excluded lease liabilities)	0.73x	0.63x

DEBT MATURITY PROFILE

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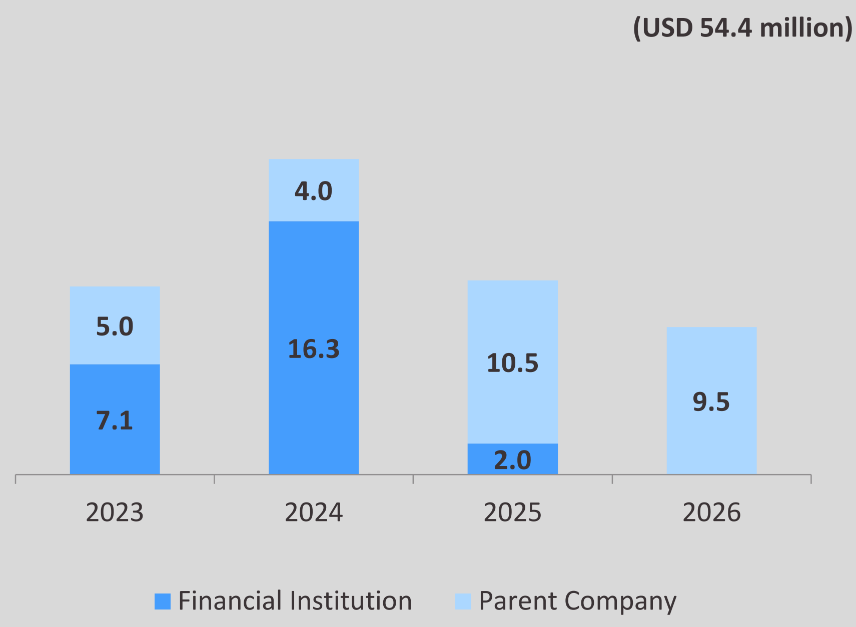
Interest-Bearing Debt Maturity
USD 54.4 M
(30 June 2023)

- As at 30th June 2023, there is **USD 54.4 million** of long-term loan (consisting of USD 25.4 million from financial institution and USD 29.0 million from parent company).
- Next repayment will be at the end of 3rd quarter, 2023.
- Short-term liquidity risk due to repayment capability is low.

Yearly Repayment Strategy



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BUSINESS OUTLOOK

BUSINESS OUTLOOK

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1

The July Short Term Energy Outlook (STEO) issued by the EIA notes the crude oil spot price forecast will average USD 84 per barrel in 2024. The higher price forecast reflects an expectation by EIA that global oil inventories will decline over the next five quarters.

2

EIA expects global liquid fuels consumption to increase by 1.8 million barrels per day (b/d) in 2023 and by 1.6 million b/d in 2024. Most of the expected liquid fuels demand growth is in non-OECD Asia, led by China and India. It is expected that global oil markets will be in relative balance over the coming year. Global oil inventories will transition from inventory builds, on average, during the first half of 2023 (1H23) to consistent inventory draws until the fourth quarter of 2024 (4Q24). This transition puts upward pressure on global oil prices over the forecast period. These factors may result in comparatively higher oil prices throughout 2023 and 2024.

3

Rising inflationary pressures have led numerous Central Banks to adopt a more cautious approach towards increasing policy rates. Several 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 appear inclined to prolong the period of elevated interest rates. We will closely monitor both inflationary pressures and the corresponding responses, in order to position ourselves effectively.

Business Outlook

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OPEC and partner countries (OPEC+) announced plans to extend production cuts for the next few months. Moreover, the perception of a milder recession and improvements in macroeconomic conditions are expected to play a role in the upward trajectory of crude oil prices.

5

The market uptick has seen our owned, jointly-owned and chartered-in fleet securing the targeted utilization figures. The intermediate outlook remains highly optimistic, with construction engagements actively mobilizing after a period of relative inaction over 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. Moreover, in the West African market, Majors have massive budget allocations, as evident from the considerable vacuum in tonnage. While Mozambique remains an integral part of our vision, it is essential to acknowledge the existing uncertainties in this geography.

6

Aligned with our strategic planning, we are intensifying our aspirations in 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.

BUSINESS OUTLOOK

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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 present rewarding 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 African Eastern Seaboard. 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, 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

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