

Earnings Release

H1 2018

Message from the Chairman



Dear Shareholders,

The past couple of years have been imperative for Maridive, where we have taken many steps to adapt to the challenging environment of the Oil & Gas industry. Maridive has been successful in optimizing its cost structure to maintain profitability, even as many of our competitors were suffering. On behalf of our management team, we would like to thank all of our stakeholders, and our dedicated employees for ensuring our safe passage through these challenging times; and to our customers for believing in us and our services.

The offshore O&G industry has been gradually showing signs of improvement, with several of our clients undertaking new concessions and resuming E&P spending. The industry seems to have bottomed out with only upside expected in the future. While there are signs of improvement, the service vessel industry is yet to fully recover and utilization remains low. However, due to our unique geographical footprint, established customer relations, and a young fleet, we have been able to compete on all fronts, maintaining high utilization. Furthermore, our strategy and focus allowed us to win several new contracts throughout the period, as well as expanding our operations in new regions.

During the downturn, management was able to restructure its costs and its day-to-day operations to ensure positive liquidity, and efficient use of capital which ultimately boosted our bottom line without compromising the quality of our service. We were able to successfully realize synergies between subsidiaries while enhancing maintenance and spare parts procurement at the Group level, we have also implemented the latest technologies in our engineering department thereby optimizing operational costs. Furthermore, we have been able to significantly cut costs through streamlining operations management, consolidating locations, and adjusting compensation. As a result of these measures, Maridive is able to hedge against any future downturn in daily rates whilst also improving profitability going forward.

Finally, we would like to thank all of our shareholders for standing alongside management, and maintaining your confidence in Maridive. Rest assured that this earnings release will mark a shift in the thoroughness of our communication with our esteemed stakeholders.

Sincerely,

Dr. Tarek Nadim
Chairman of the Board
Maridive and Oil Services

Key Developments



Key Financial Highlights

- The Group reported revenues of USD 113mn in the 1st half of 2018, a 12% increase Y-o-Y, driven by a recovery in the industry as oil prices start to stabilize at a new norm.
- EBITDA and Net profits before minority stood at USD 52mn (+20% Y-o-Y) and USD 17mn (+55% Y-o-Y) respectively, mainly attributed to a significant enhancement in margins, as net profit margins reached 15% versus 10% in full year 2017, due to the successful implementation of cost cutting measures.

Marine Division

- Reinforcing the Group's strategy of geographic diversification, the Group's Offshore Support Vessels (OSV) segment was awarded a number of new contracts in KSA, Tunisia and Egypt among others. Additionally the Group's OSV segment received, and participated in, inquiries for vessels during the 1st half of 2018 almost equivalent to the total number of inquiries received in full year 2017.
- Acquired two new PSV vessels, M/V MD Zohr I and M/V MD Zohr II, that are currently contracted in Egypt's Zohr Field mega project.
- Acquired one crew boat, M/V Tunisia I, the first Crew Boat in the fleet, which was successfully contracted to ENI in Tunisia.
- Re-launch of representative offices in Tunisia, Nigeria and Venezuela to expand geographical presence, benefit from local business development, and enhance cost structure.

Construction Division

- Successfully entered water treatment market space with the award of two water desalination plant contracts.
- Focus on evolving from a services provider to an EPC player offering turnkey solutions.
- Successfully expanded existing client base through catering to the industrial sector. During the first half of 2018, the construction division successfully built an offshore terminal on Build, Operate, Lease, and Transfer (BOLT) model.
- For the first time since inception, MOP is pursuing projects in Lebanon, Iraq, Sudan, Libya in addition to existing markets in UAE, KSA, India and South America.

Group Strategy

Key Pillars



Cost Efficiency

Reduction in all consumable prices and SG&As allowed for operational efficiencies and streamlining of Maridive's cost structure



Management Restructuring

Maridive has recruited a **younger and more qualified senior management team** over the years, ultimately reducing the average age from 60 years to 45



Debt Restructuring

Debt restructuring led to an **increase in overall debt capacity** while maintaining **positive cash flows**



Young Fleet

Maridive's **young fleet** meets the rigorous specification requirements imposed by oil companies due to an over supply in the market



Stable Demand Base

Maridive is a **fully-integrated service provider** with steady recurring income in the Marine & Construction businesses



Short Term Extendable Contracts

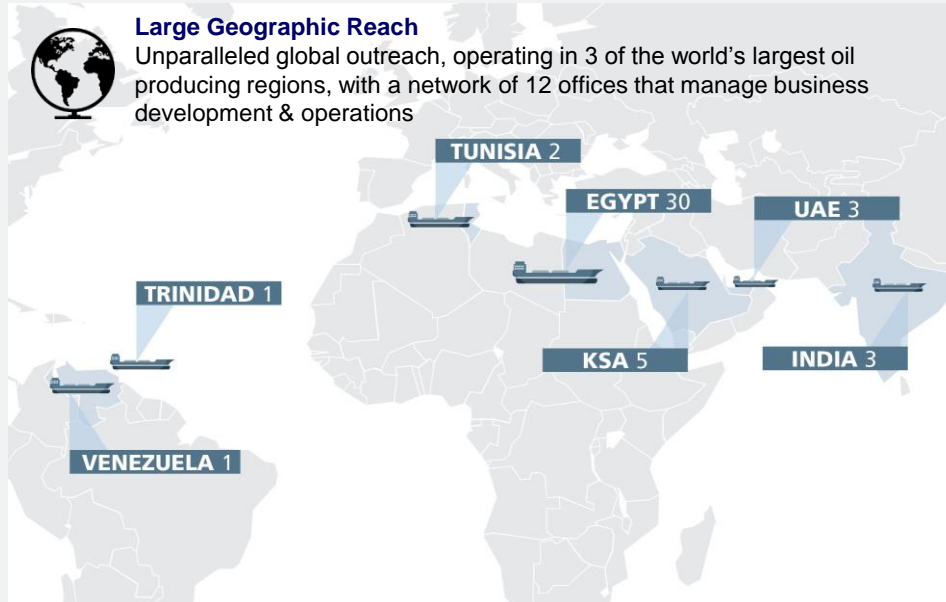
Given the low daily rate environment, Maridive has avoided long term contracts on the back of an anticipated market recovery with a solid backlog

Geographical Exposure | # of Vessels



Large Geographic Reach

Unparalleled global outreach, operating in 3 of the world's largest oil producing regions, with a network of 12 offices that manage business development & operations

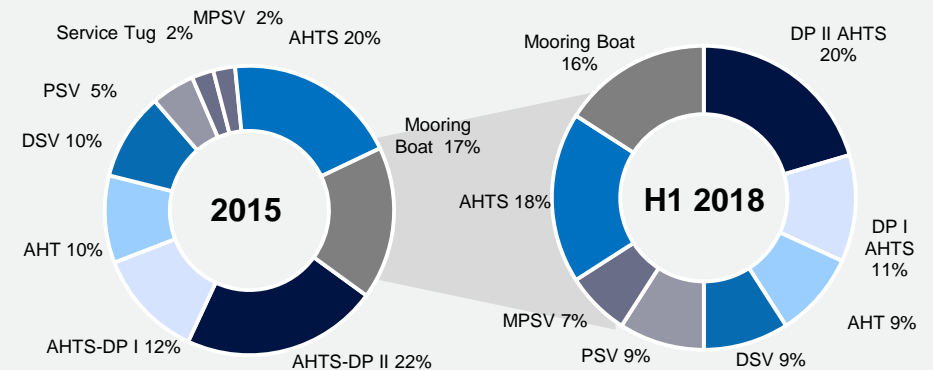


Diversified Product Offering



High Asset Specification

Maridive has a multipurpose fleet that is capable of providing a wide range of integrated services, giving Maridive a significant edge over its peers



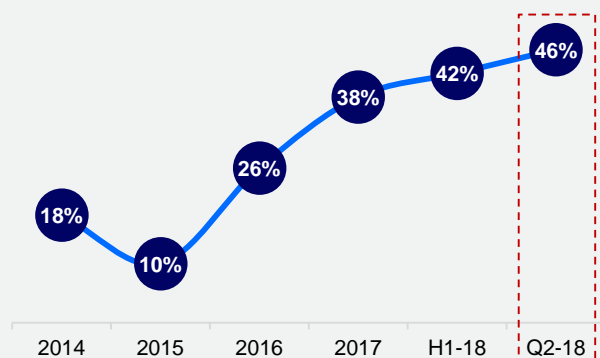
Financial Performance



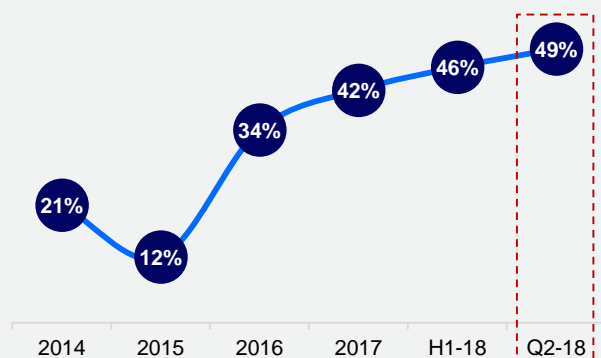
Key Highlights

H1 2018	H1 2017	Y-o-Y Chg.	Q2 2018	Q2 2017	Y-o-Y Chg.
USD 113mn Revenue	USD 101mn Revenue	▲ 12%	USD 58mn Revenue	USD 54mn Revenue	▲ 8%
USD 52mn EBITDA	USD 43mn EBITDA	▲ 20%	USD 28mn EBITDA	USD 21mn EBITDA	▲ 34%
USD 17mn Net Profit before minority	USD 11mn Net Profit before minority	▲ 55%	USD 10mn Net Profit before minority	USD 5mn Net Profit before minority	▲ 89%

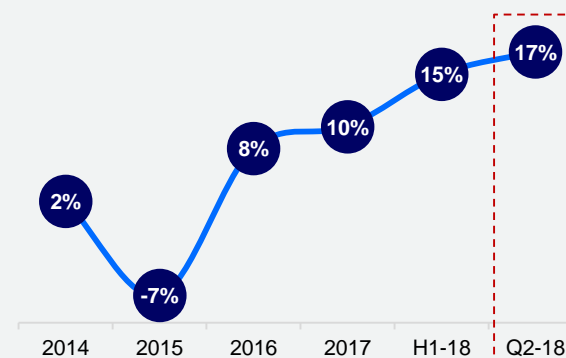
Gross Profit Margin | %



EBITDA Margin | %



Net Profit Margin | %

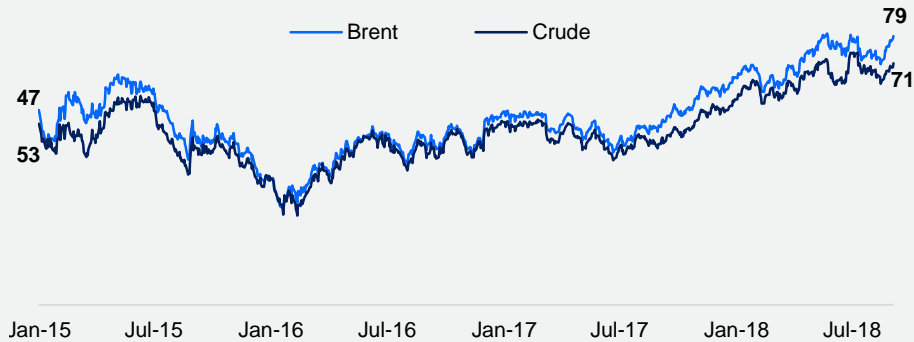


Industry Outlook



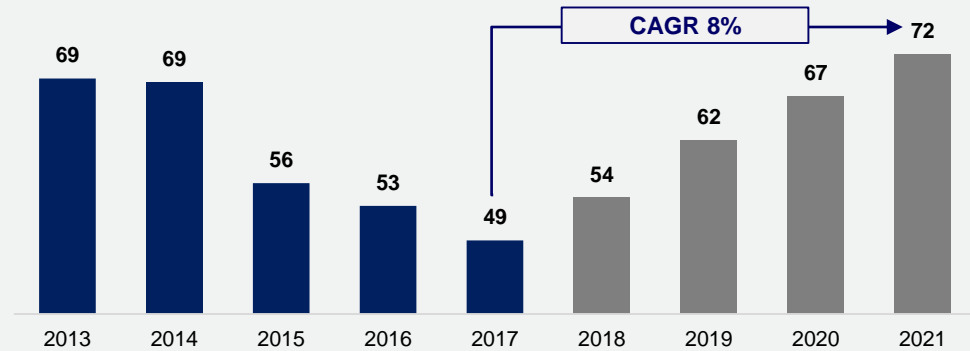
Crude & Brent Oil Prices | USD/bbl

Significant recovery in oil prices, more than doubling since 2016, indication a YTD average price USD 66/bbl and USD 72/bbl for Crude and Brent respectively.

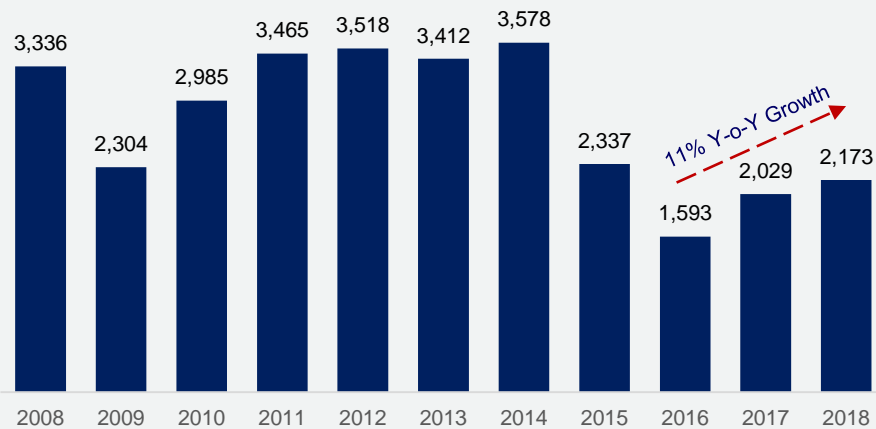


Global Offshore Capex | USD bn

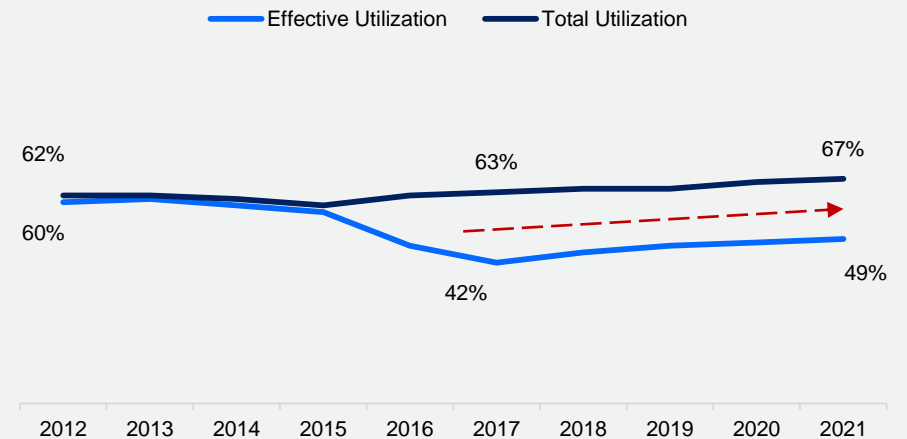
Growth in spending is driven by a forecasted 13% per annum increase in drilling activity between 2016 and 2021, reflecting the production growth of OPEC Gulf members, in particular Saudi Arabia and Iraq



Worldwide Rig Count | # of Rigs



Total OSV Utilization (%)



Stock Performance



Key Figures

USD **0.46**

Last Price

USD **193mn**

Market Cap

USD **324k**

Average Daily Turnover

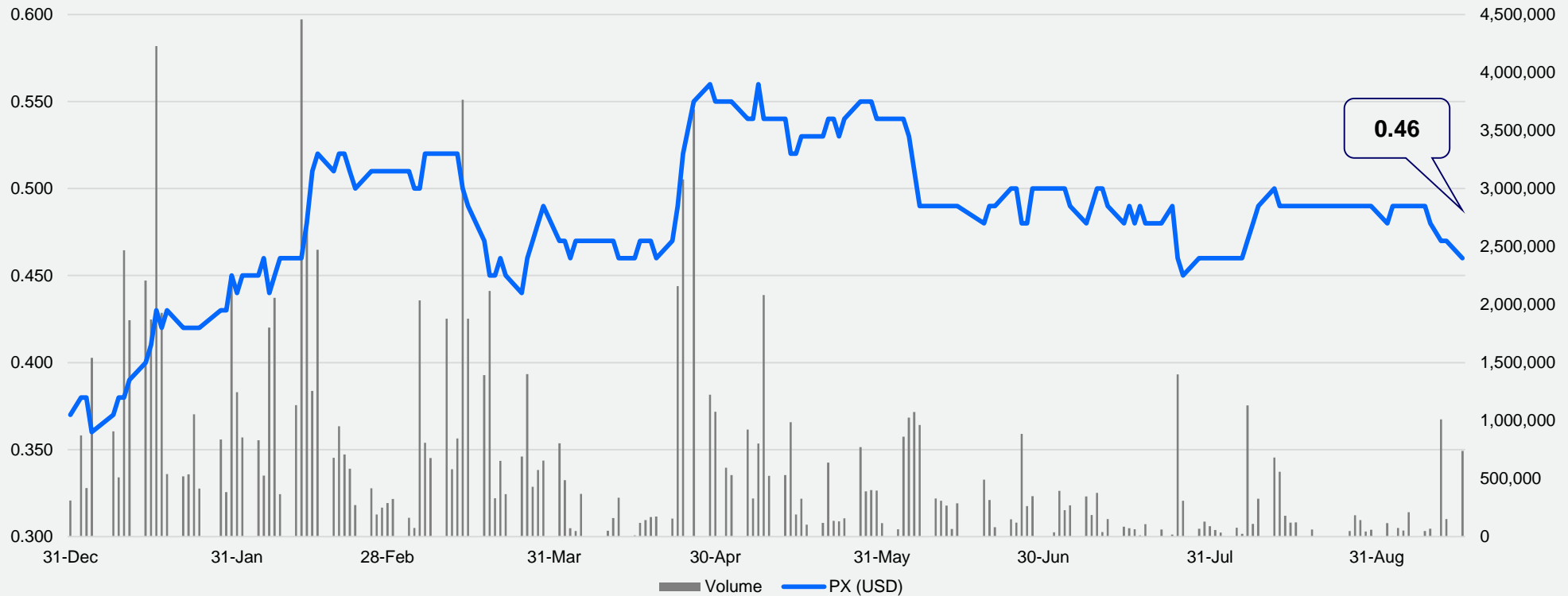
7.78x

LTM P/E

0.60x

P/B

Key Figures



Income Statement



000 USD	2014	2015	2016	2017	Q1 2017	Q1 2018	Q2 2017	Q2 2018	H1 2017	H1 2018
Revenues	309,775	349,566	275,540	238,835	46,727	54,751	53,807	58,037	100,534	112,787
COGS	(253,431)	(314,658)	(203,627)	(147,924)	(28,065)	(34,048)	(35,910)	(31,312)	(63,975)	(65,360)
Gross Profit	56,344	34,908	71,913	90,911	18,662	20,703	17,897	26,724	36,559	47,427
<i>GPM %</i>	18%	10%	26%	38%	40%	38%	33%	46%	36%	42%
SG&A	(31,380)	(29,436)	(23,866)	(22,942)	(4,966)	(5,838)	(3,428)	(6,561)	(8,393)	(12,398)
Depreciation	36,804	34,674	35,579	32,804	8,185	7,947	7,278	8,018	15,463	15,965
Other Income/Expense	3,469	1,033	11,344	(1,458)	80	301	(632)	219	(552)	520
EBITDA	65,237	41,179	94,971	99,315	21,961	23,114	21,116	28,400	43,077	51,514
<i>EBITDA Margin %</i>	21%	12%	34%	42%	47%	42%	39%	49%	43%	46%
Impairment	-	(2,288)	(5,285)	(7,857)	(600)	(474)	(1,390)	(900)	(1,990)	(1,374)
Provisions	-	(1,442)	(3,190)	(839)	-	-	-	-	-	-
Change in Fair Value for Risk Contracts	1,828	1,301	779	271	118	6	92	-	210	6
Cash Flow Hedge losses	(1,802)	(1,285)	(725)	(224)	(99)	(6)	(71)	-	(169)	(6)
Interest Expense	(20,068)	(20,671)	(27,283)	(32,342)	(7,514)	(7,400)	(7,102)	(8,910)	(14,617)	(16,310)
Net Income Before Tax	8,391	(17,881)	23,687	25,520	5,680	7,293	5,368	10,572	11,048	17,865
Income Tax	(1,274)	(7,332)	(2,614)	(2,027)	(12)	(303)	(15)	(473)	(27)	(776)
Net Profit Before Non-controlling Interest	7,117	(25,213)	21,073	23,492	5,668	6,990	5,353	10,099	11,021	17,089
<i>NPM Margin %</i>	2%	-7%	8%	10%	12%	13%	10%	17%	11%	15%
Net Profit After Non-controlling Interest	5,381	(17,604)	19,082	20,483	5,057	5,938	4,571	7,963	9,629	13,901

Balance Sheet



'000 USD	2014	2015	2016	2017	H1 2017	H1 2018
Fixed Assets	522,806	495,078	687,880	677,892	674,197	685,485
PUC	60,032	134,616	89,102	102,337	94,239	93,656
Intangible Assets	1,719	1,645	136	102	117	82
Goodwill	9,841	9,841	9,841	9,841	9,841	9,841
Debt to Related Parties	835	835	835	835	835	835
Financial Leasing Companies	3,975	7,933	4,642	7,490	3,788	6,195
Total Non-Current Assets	599,207	649,949	792,436	798,496	783,015	796,094
Inventories	25,934	25,749	22,830	22,077	22,635	21,442
Trade Receivables	121,096	155,520	88,159	93,403	90,058	93,672
Due from customers	20	36,136	13,527	13,477	19,447	8,796
Due from related parties	62,360	59	121	191	148	619
Debtors & other debit balances	36,186	50,805	24,596	38,223	31,547	49,356
Financial assets at FVTPL	7	7	6	3	3	3
Cash and bank balances	54,197	29,788	22,426	35,693	29,179	34,884
Total Current Assets	299,799	298,063	171,665	203,066	193,018	208,772
Total Assets	899,006	948,012	964,101	1,001,562	976,033	1,004,866
Capital	163,840	163,840	163,840	163,840	163,840	163,840
Reserves	100,950	101,722	102,111	102,702	102,135	103,004
Consolidation reserve	(2,557)	(2,557)	(2,557)	(2,557)	(2,557)	(2,557)
Retained Earnings	82	4,868	5,026	23,551	24,108	43,143
Net Profit for the year	5,381	(17,604)	19,082	20,483	9,629	13,901
Total shareholders' equity	267,696	250,269	287,502	308,019	297,155	321,332
Non-controlling interest	45,761	38,568	48,365	52,349	50,132	56,330
Total Shareholders' equity & Non-Controlling Interest	313,458	288,838	335,867	360,369	347,287	377,662
Borrowings	305,169	261,882	361,291	376,849	346,447	357,310
Derivative financial instruments - liability	2,357	1,056	277	6	67	-
Finance Leasing Companies	-	10,425	7,751	11,020	6,414	8,879
Total Non-current liabilities	307,526	273,363	369,318	387,875	352,927	366,189
Provisions	6,853	7,934	10,056	8,215	9,804	8,024
Trade Payables	49,778	81,550	75,667	70,924	73,512	57,555
Banks overdraft	78,889	88,479	44,279	44,571	43,059	39,642
Borrowings	106,913	144,403	85,853	55,460	91,579	71,661
Other Creditors	32,223	54,183	36,053	55,627	46,365	63,453
Due to related Parties	3,366	9,263	7,007	18,520	11,500	20,680
Total Current Liabilities	278,022	385,811	258,916	253,318	275,818	261,014
Total Liabilities and Shareholders' equity	899,006	948,012	964,101	1,001,562	976,033	1,004,866

Disclaimer



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