Half Year Results

For the 6-month period ending 31 March 2024

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Presentation Team & Agenda

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CHIEF FINANCIAL OFFICER

Agenda

Results Overview
- CEO Perspectives
- KPIs

Financial Review

Market Review

Strategic & Operational Review

Summary & Outlook

CEO Perspectives

- Satisfactory results with trading in-line with the Board's expectations
- Trading profit of £1.8m is highest in four-year period, driven by 33% gross profit margin
- Order intake of £23.7m (as at 31 March 2024) at a blended 31% gross margin
- The return to trading profitability of our Offshore Energy division is an important milestone
- The disposal of Subsea Innovation Limited strengthens our platform for consistent growth
- Market conditions incrementally positive in near-term; mid to long term the market projections are for strong growth
- We are pursuing M&A opportunities to strengthen and broaden the portfolio, leveraging SCF's strategic investment

Key Performance Indicators

	6m to Mar-24 £m	6m to Mar-23 £m	12m to Sep-23 £m
Revenue	£16.2	£15.9	£35.6
Gross Margin	33%	28%	23%
Adjusted EBITDA[1]	1.8	0.6	0.6
Net Cash	(3.6)	(3.2)	(2.9)
Order Book[2]	**£24.1**	**£23.7**	**£19.9**
Order Intake[3]	£23.7	£24.5	£44.2

*Order Book and order Intake include Subsea Innovation Limited for current year and comparative periods. Revenue, Gross Margin and Adjusted EBITDA exclude Subsea Innovation Limited for HY24 as held as a discontinued operation. Comparative figures exclude Subsea Innovation Limited figures.

Footnotes are set out on slide 23

Financial Review

HY24 Results – Summary Income Statement

Continuing strong performance from the Marine Civils division, supported by a return to trading profitability for the Offshore Energy division

	6m to Mar-24 £m	6m to Mar-23 £m	12m to Sep-23 £m
Revenue	**16.2**	15.9	35.6
Gross Profit	**5.4**	4.4	8.3
Adjusted EBITDA[1]	**1.8**	0.6	0.6
(LBT)	**(0.4)**	(1.2)	(8.5)
EPS	**(0.55p)**	(2.87p)	(10.70p)
Adjusted EPS[4]	**(0.06p)**	(1.74p)	(4.50p)

All figures exclude Subsea Innovation Limited as treated as discontinued operations.

Footnotes are set out on slide 23

Revenue

- Revenue broadly in line with the prior year

Gross Profit

- 33% in HY24 compared to 28% in HY23
  - Marine Civils (Pipeshield) – increased from 34% in HY23 to 39% in HY24
  - Offshore Energy (mostly wind) – increased from 22% in HY23 to 30% in HY24

Adjusted EBITDA

- Improvements in EBITDA as a result of the improved gross profit margin and the return to profitability of the offshore energy business unit
- Tight control of operating costs despite wage inflation

Loss Before Tax

- Improvement largely due to improvements in Gross Profit margins

HY24 Results – Summary Balance Sheet

Balance sheet excludes the £18m convertible loan note from SCF Partners, available to drive strategic growth

Balance Sheet **£m**	**As at Mar-24**	As at Mar-23	As at Sep-23
Fixed Assets	**6.7**	6.3	6.5
Intangible assets	**18.9**	23.9	18.9
Inventory	**3.2**	5.4	2.0
Trade & other receivables	**15.1**	16.5	17.2
Assets held for sale	**5.0**	3.2	5.0
Cash	**2.7**	3.8	3.5
Current liabilities	**(13.5)**	(18.4)	(15.6)
Liabilities held for sale	**(2.8)**	(2.1)	(1.8)
Non-current liabilities	**(1.4)**	(1.4)	(1.1)
Equity	**(33.9)**	(37.2)	(34.6)

Assets and Liabilities held for sale relate to Subsea Innovation Limited disposal.

- Intangible assets - Goodwill impairment charge in FY23 of £4.6m relating to offshore energy division
- Inventory – reduction in WIP relating to timing of Marine Civils projects
- Trade Receivables
  - overdue billed ME and China debt persists with payment plans in place
  - wider collections well managed
- Cash position of £2.7m, supported by banking facilities £6.3m.
  - Net debt of (£3.6m)
- Current liabilities – reduction in deferred income due to project timing

HY24 Results - Summary Cash Flow

Cash from operations improved in the period, with a stable working capital position. Capex expected to be up to £2m for FY24

Cash flows from operating activities	**6 months HY24 £m**	6 months HY23 £m	12 months FY23 £m
Loss before taxation	**(0.7)**	(1.8)	(9.9)
Adjustments for:			
Depreciation / Amortisation	**1.0**	1.1	1.8
Net finance costs	**0.3**	0.1	0.6
Share based payments charge			0.5
Other	**-**	(0.1)	4.7
Changes in working capital:			
(Increase) in inventories	**(1.1)**	(0.9)	2.5
Decrease / (Increase) in trade and other receivables	**0.2**	(5.5)	(6.0)
(Decrease)/Increase in trade and other payables	**(0.3)**	3.3	(0.3)
Increase / (Decrease in Provisions)	**(0.2)**	-	0.5
Net cash (outflow) / inflow from operating activities	**(1.0)**	(3.8)	(5.7)

Cash flows from investing and financing activities	**6 months HY24 £m**	6 months HY23 £m	12 months FY23 £m
Purchase of PPE / Intangible assets	**(0.5)**	(0.6)	(1.3)
Other investing activities	**(0.1)**	0.1	
Bank borrowing & repayments	**(0.3)**	(0.0)	(0.4)
Repayment of lease obligations	**(0.3)**	(0.2)	(0.4)
Share Issue			5.3
Interest paid	**(0.3)**	(0.1)	(0.5)
Net cash inflow / (outflow) from investing and financing activities	**(1.5)**	(0.8)	2.7
Net (Decrease) / Increase in cash and cash equivalents	**(2.5)**	(4.6)	(3.0)
Cash and cash equivalents as beginning of year	**5.2**	8.5	8.5
Effect of foreign exchange rate changes	**(0.1)**	(0.2)	(0.3)
Cash and cash equivalents	**2.7**	3.7	5.2

An evolving offshore energy market

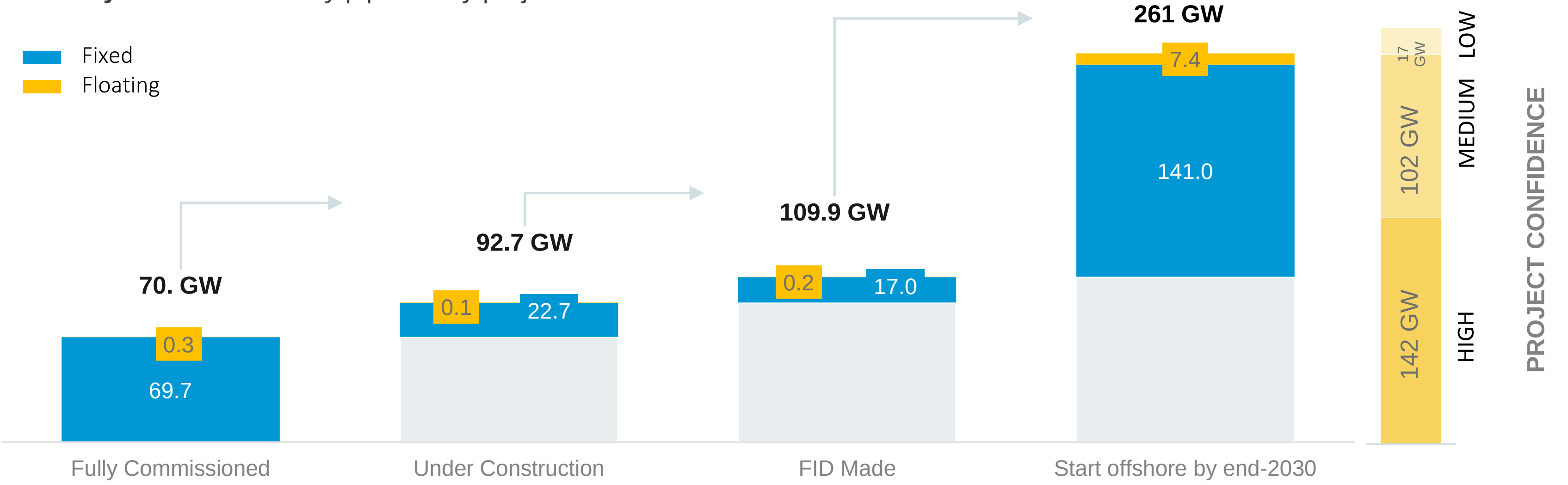
Offshore Wind Market Trends

Industry forecasts supports positive outlook for Tekmar

- **70 GW is fully commissioned**
- **40GW in construction or FID**
- **13.6% CAGR to 2030**
- **High probability projects represent 102% increase by 2030**

Visibility of over
300 projects

Journey to 2030 - Country pipeline by project status and confidence. *



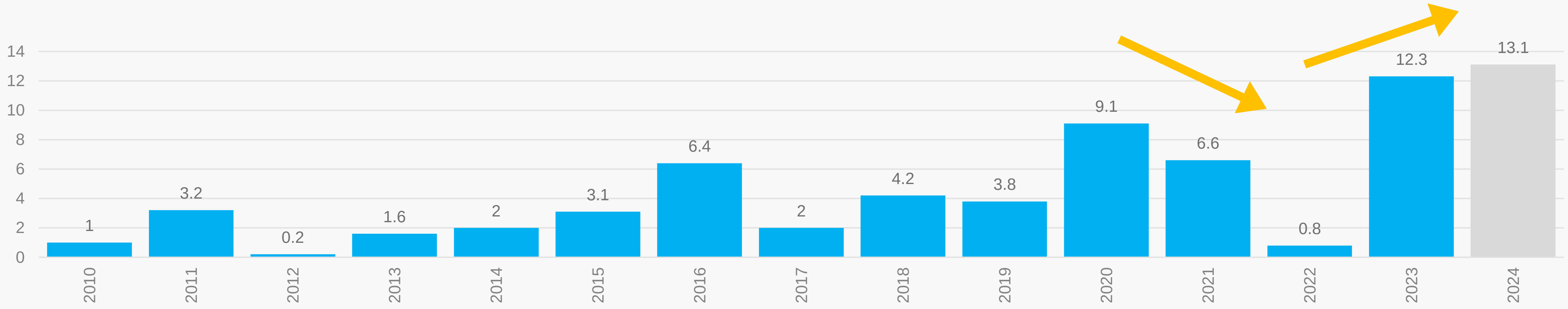
2030 = 2.7x increase

Data from 4C Offshore Q1 24

Offshore Wind Market Trends

We are experiencing continuing market improvement in 2024, FID* at 12.3GW and 13.1GW respectively for 2023 and 2024

12.3GW Record year for FID* supporting volume growth in offshore wind projects for Tekmar Group



The positive macro view needs to be tempered in the near-term as the timing and phasing of projects remains unpredictable

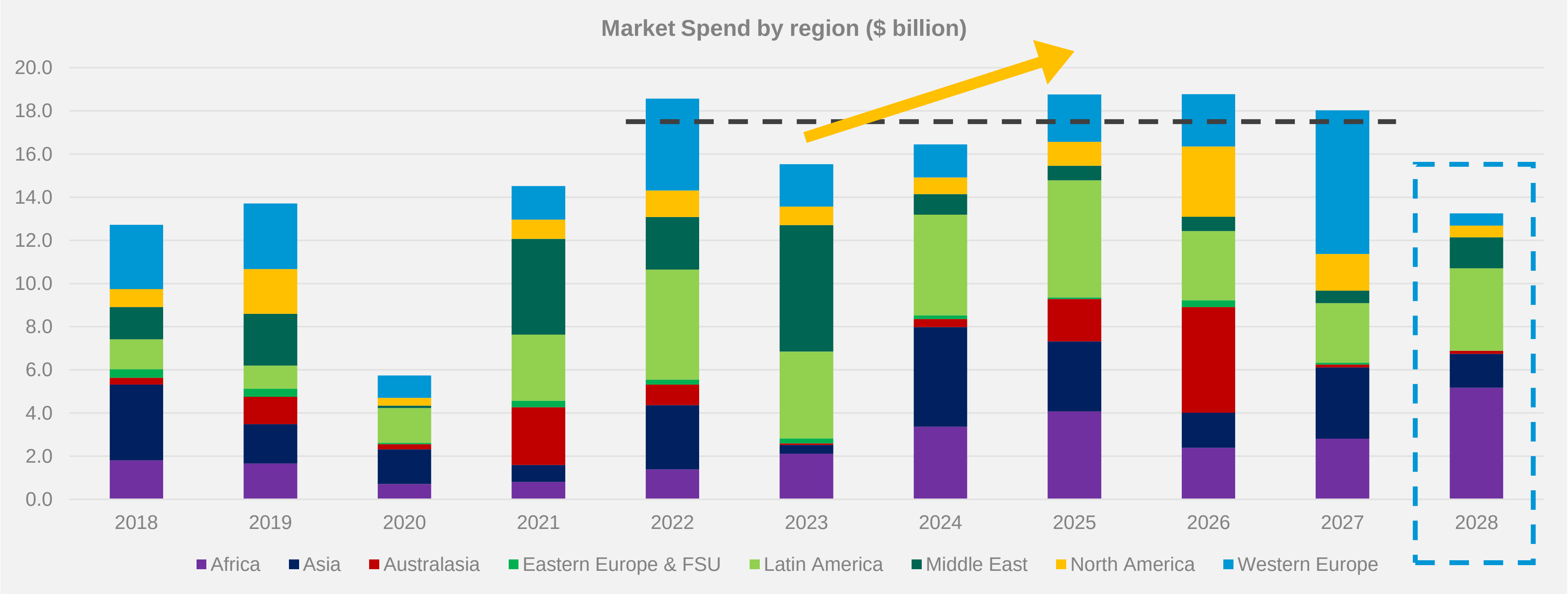
*Final Investment Decision (“FID”)
Data is Excluding China

Data from 4C Offshore Q1 24

Global Energy Transition Market Outlook

Market conditions expected to remain supportive of an upturn in global spend with Tekmar well positioned to take advantage of this forecast growth

We see a sustained upcycle in the offshore EPC forecast through 2023 - 2028, with EPC spending expected to total $91bn. This is a 21% increase compared to the preceding five-year period.



2021 – 2027+ consistency of higher CAPEX spend in this cycle

2023 – 2025 marked increase in spend

2028 and onwards market visibility still low and will likely increase.

Data from Westwood Subsea Logix

Governments' declared ambitions beyond 2030

Beyond 2030, Governments' declared ambitions to increase installed capacity from 70GW to 758GW, an 11x increase

- Europe looks to increase capacity by 105% from 124GW (2030) to 255GW
- APAC looks to increase capacity by 540% from 32.5GW (2030) to 208GW
- Americas looks to increase capacity by 326% from 27GW (2030) to 115GW

AMERICAS
Net-zero by 2050
5 GW leased by 2030 (Nova Scotia)
19 GW renewables by 2050
30 GW by 2030 110 GW by 2050
Net-zero by 2050

115 GW

ESTABLISHED EUROPE
5.8 GW by 2029
22.4 GW by 2040
18 GW by 2035 40 GW by 2050
30 GW by 2030 40 GW by 2035 70 GW by 2045
21 GW by 2030 70 GW by 2050
Up to 50 GW by 2030 (inc. 5 GW floating)

255 GW

EMERGING EUROPE
100% RE by 2030
Carbon neutral by 2035
1.9 GW by 2030 17.3 GW by 2050
7 GW by 2030 20 GW by 2040 37+ GW by 2050*
2.1 GW by 2030 (floating)
100% RE by 2050
30 GW leased by 2040
5.9 GW by 2030 17.9 GW by 2040
2 GW by 2030*
1-3 GW by 2030 2.4 GW in Canary Islands by 2040
120 TWh (~30 GW) by 2040

124 GW

APAC
Victoria: 2 GW by 2032, 4 GW 2035, 9 GW by 2040
Provincial targets: 54.85 GW by 2025
37 GW leased by 2030
30-45 GW by 2040
100% RE by 2030
17 GW wind (on/offshore) by 2040
26.7 GW by 2036
5.6 GW by 2025 20.6 GW by 2035
6 GW by 2030 70 GW by 2050

263 GW

>758 GW

of explicit offshore wind ambition

11 x current operational

Data from 4C Offshore Q1 24

Strategic & Operational Review

A review of near-term priorities

Path to sustained profitability

For FY24, we expect a further year of profit improvement and to benefit from our balanced portfolio. Further ahead, we expect to benefit from the positive multi-year market growth outlook across our energy markets

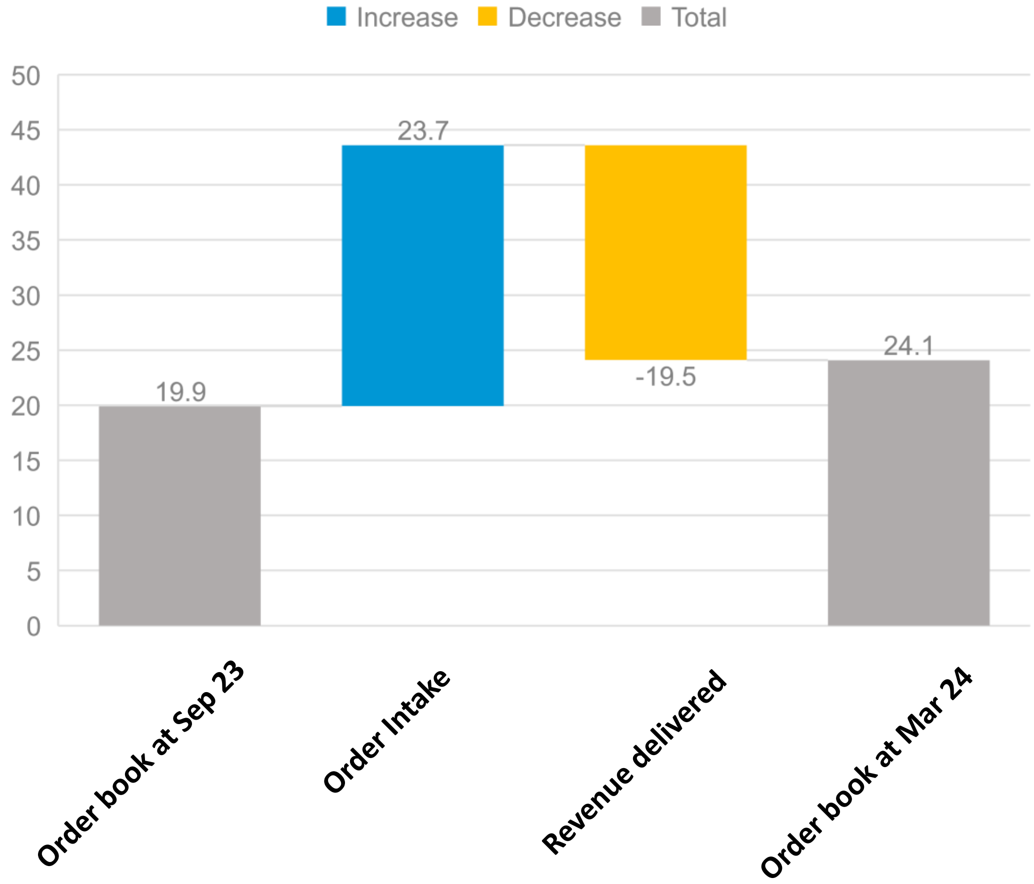
	6m Mar-24	6m Sep-23	6m Mar-23	6m Sep-22	6m Mar-22	6m Sep-21	6m Mar-21	6m Sep-20	6m Mar-20
Revenue	16.2	19.7	15.9	17.2	13.0	17.9	13.9	15.2	23.8
Gross Margin	33%	20%	28%	24%	22%	16%	26%	31%	28%
Adjusted EBITDA[1]	1.8	0.0	0.6	(0.3)	(1.8)	(1.8)	(1.1)	0.8	2.7

The 6-month periods ending Mar-24, Sep-23 and Mar-23 have been amended to exclude the results of Subsea Innovation Limited as this is reported as a discontinued operation

- **Marine Civils** delivered Adjusted EBITDA of £1.5m on revenue of £9.8m in HY24
- **Offshore Energy** Adjusted EBITDA of £1.4m on revenue of £6.4m in HY24
- Expectation that both divisions will continue to deliver positive EBITDA in FY24

Building a better-quality pipeline and order book

Current order intake of £24m achieved at a blended gross margin of 31%



Balanced contract awards across Energy Transition and Offshore Wind projects

- Higher quality projects being secured
- Improving risk/reward balance
- More selective tendering
- Improving supply chain pricing to acceptable margin levels
- Encouraged by the strength of the enquiry book, indicating a recovering market

Risks remain impacting the phasing of major projects, however we are encouraged by the opportunities for material order intake in the remainder of the current financial year.

Order book and order intake figures include Subsea Innovation Limited. Revenue delivered excludes revenue from Subsea Innovation Limited as treated as discontinued operations.

Measured Investment

Disciplined approach to capex and investing for growth. We anticipate capex for FY24 of up to £2m, with approximately half covered by investment in near-term growth opportunities

1

Teklink

Product & Analysis Evolution supported by regionalised engineering consultancy strategy

2

Grouting

Grow footprint in energy transition and extend into offshore wind and marine civils markets

3

Subsea and Marine Civils

Further enhance subsea and port scour prevention solutions with existing and new products

Strengthening the business – disposal of Subsea Innovation Ltd

The disposal highlights our disciplined approach to capital allocation and efficient portfolio management

Strategic rationale

- Predominantly oil and gas customers with relatively low pipeline visibility
- EBITDA loss of £1.4m for FY23
- Divesting the business streamlines our focus on prime growth opportunities

£1.9m

Aggregate cash consideration of £1.9m
- Initial cash payment of £27,000
- A cash payment of £1.4m relating to a trade debtor payable post-Completion
- A further cash payment of £549,000 payable 12 months post-Completion

£2.8m

Value of the property* retained by Tekmar Group on completion
- 12 month rent-free period agreed with the Purchaser
- Retaining the freehold provides flexibility for potential future financing initiatives

Ongoing Tekmar Portfolio

- Cash proceeds available to support the Group's near-term growth priorities and for general working capital purposes
- The effect of the disposal on the ongoing Group is expected to be broadly EBITDA neutral for FY24

* as at the latest audited financial statements to 30 September 2023

Strengthening the business – M&A

Our ambition is to build a leading global offshore wind services business over time with the potential to create significant value for public market investors

Build value through scale and quality of earnings

Alert to energy transition opportunities

Strengthen the technology and services we offer our customers through complementary product/market synergies

Leverage our relationship with SCF and the £18m capital available through the CLN

SCF

33 years of investing

370 Growth Investments

- **78** Platform companies
- **18** Offshore energy services platform companies
- **18** Public companies built

Summary and Outlook

Summary & Outlook

Satisfactory results in-line with the Board's expectations

Order intake is robust with a blended gross margin of 31%

Improving market environment although risk of project delays continues

We expect FY24 to deliver a clear improvement in trading profit over the prior year

Continue to pursue M&A opportunities with a focus on scale, quality of earnings and strengthening our services offerings

Glossary & Footnotes

Glossary

- FID is Final Investment Decision
- TekLink is cable protection systems provided from Tekmar to clients all over the world

Footnotes used through the presentation:

(1) Adjusted EBITDA is a key metric used by the Directors. Earnings before interest, tax, depreciation and amortisation are adjusted for material items of a one-off nature and significant items which allow comparable business performance. Details of the adjustments can be found in the adjusted EBITDA section below. Adjusted EBITDA might not be comparable to other companies.

(2) Order Book is defined as signed and committed contracts with clients.

(3) Order Intake is the value of contracts awarded in the Period, regardless of revenue timing.

(4) Adjusted EPS is a key metric used by the Directors and measures earnings after adjusting for material items of a one-off nature and significant items which allow comparable business performance. Earnings for EPS calculation are adjusted for share based payments (£nil HY24, £nil HY23), amortisation on acquired intangibles (£64k HY24, £104k HY23).