For Immediate Release

Marco Polo Marine 1HFY2021 EBITDA More Than Triples to S$3.9 Mln

- **1HFY2021 EBITDA surges 255% YoY to S$3.9m on the back of higher revenue and margin expansion**
- **Strong ship repair operations coupled with construction of two smart fish farm projects, drove revenue 14% higher YoY to S$21m**
- **Ship chartering operations registered a steady performance as average utilisation rates remained stable YoY**
- **Positive signs have emerged recently, indicating the sector downturn may be bottoming-out**

SINGAPORE, May 14, 2021 – Marco Polo Marine Ltd. (SGX:5LY) ("Marco Polo Marine" or the "**Company**", and together with its subsidiaries, "**the Group**"), a reputable regional integrated marine logistics company, today announced its financial results for the half year ended 31 March 2021 ("**1HFY2021**").

Marco Polo Marine reported a net attributable profit of S$5.9 million for 1HFY2021, compared to a 1HFY2020 net loss of S$0.7 million. Group revenue for the period gained 13.8% to S$21.1 million, from S$18.6 million in 1HFY2020, as sales from its Ship Building & Repair division surged 34.5% year-on-year.

1HFY2021 Financial Highlights

S$ million	1HFY2021	1HFY2020	Y-o-Y % change
Revenue	21.1	18.6	13.8%
Gross Profit	5.0	3.4	46.9%
Gross Profit Margin	23.8%	18.4%	
EBITDA*	3.9	1.1	254.5%
EBITDA Margin	18.5%	5.9%	
Net Profit / (Loss)	5.9	(0.7)	NA

**Excludes foreign exchange losses (mainly unrealised in nature) and one-off gain arising from the acquisition of debt*

Gross profit surged 47% to S$5.0 million in 1HFY2021 from S$3.4 million in 1HFY2020, with gross profit margin increasing to 24% in 1HFY2021 from 18% in 1HFY2020. This was mainly due to the absence of one-off reactivation costs incurred for its fleet of offshore vessels during the current period.

Excluding foreign exchange losses and the one-off gain from the acquisition of debt, the Group's earnings before interest, tax, depreciation and amortization (EBITDA) increased to S$3.9 million in 1HFY2021, from S$1.1 million in 1HFY2020.

Other operating income increased significantly to S$7.3 million in 1HFY2021 from S$2.4 million in 1HFY2020, following a S$6.2 million gain from the acquisition of debt (as announced by the Company on 13 October 2020).

The share of losses from jointly controlled companies decreased to approximately S$20,000 in 1HFY2021 from S$1.0 million in 1HFY2020. The share of losses was attributable to a lower utilisation of the vessel held by Pelayaran Era Sdn Bhd. The Group has ceased to recognise the share of results from its joint venture, PT Pelayaran Nasional Bina Buana Raya Tbk ("PT BBR") in the current period, since the losses to be recognised have exceeded the Company's cost of investment in PT BBR.

Segmental Breakdown

S$ million	1HFY2021	1HFY2020	Y-o-Y % change
Ship Chartering Operations	9.4	9.9	-5.1%
Ship Building & Repair Operations	11.7	8.7	34.5%
Total Revenue	**21.1**	**18.6**	**13.8%**

Revenue from the Group's Ship Chartering Operations fell by 5% to S$9.4 million in 1HFY2021 from S$9.9 million in 1HFY2020, mainly due to lower charter rates for the Group's fleet of tugboats and barges. Average utilisation rates for both its fleet of tugboats and barges as well as OSVs have remained comparable to that of the same period last year.

The Group's Ship Building & Repair Operations recorded a 34% rise in revenue to S$11.7 million in 1HFY2021 from S$8.7 million in 1HFY2020, mainly due to increased ship repair jobs during the period. Its Ship Building division has also commenced new projects in relation to the construction of two Smart Fish Farms, as announced by the Company on 17 August 2020, which led to the higher revenue.

Moving Forward

The outlook for the offshore marine industry remains challenging, as the COVID-19 pandemic continues to crimp oil demand as well as oil and gas activities, resulting in a slowdown in the Group's ship chartering and shipyard operations. However, positive signs have emerged recently, indicating that the sector downturn may be bottoming-out gradually. The Group has also taken steps to capitalise on emerging opportunities in certain segments.

For the Group's ship chartering business, it will continue to step up marketing efforts to improve its performance and explore additional revenue sources by venturing beyond Southeast Asia, in particular, into the offshore windfarm renewable energy segment. The utilisation of its fleet of tugboats and barges is also expected to improve as construction activities in Singapore progressively resume. For the Group's shipyard division, it will continue to focus on securing ship repair and maintenance orders from regional ship owners.

Mr Sean Lee, Chief Executive Officer of Marco Polo Marine, commented: "***Despite the industry's challenging backdrop, we were able to register a creditable performance for 1HFY2021, returning to profit excluding unrealised forex, from a net loss in the previous period. Our efforts to diversify into the renewables sector has started to bear fruit, and the Group will continue to focus on transitioning into green energy.*** "

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About Marco Polo Marine

Listed on the Mainboard of the SGX-ST since 2007, Marco Polo Marine Ltd is a reputable regional integrated marine logistics company which principally engages in shipping and shipyard operations.

The Group's shipping business relates to the chartering of Offshore Supply Vessels ("OSVs") for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia and Taiwan, as well as the chartering of tug boats and barges to customers, especially those which are engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

Under its chartering operations, the Group has diversified its activities beyond the oil and gas industry to include the support of the construction of offshore windfarm projects. The burgeoning offshore wind energy industry in Asia is at a nascent stage where structures are in the process of being installed, which presents tremendous opportunities for the Group whose fleet is able to support the development of these projects.

The Group's shipyard business relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services, which are carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks, which have boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

For more information, please refer to our corporate website: www.marcopolomarine.com.sg

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