

ICON RECORDS REVENUE OF RM79.6 MILLION AND EARNINGS OF RM9.8 MILLION FOR 2QFY2022

Profit After Tax triples from 1QFY2022, driven by drilling rig utilisation of 96% and OSV operations in Brunei

KUALA LUMPUR, MALAYSIA - 25 AUGUST 2022

ICON OFFSHORE BERHAD (“ICON” or the “Company”), the leading offshore support vessel (“OSV”) provider and offshore drilling rig contractor in Malaysia and Southeast Asia, today announced its second quarter (“2QFY2022”) results for the financial year ending December 31, 2022.

For the quarter under review, ICON recorded total revenue of RM79.6 million and Profit After Taxation (“PAT”) of RM9.8 million compared to a revenue of RM66.9 million and PAT of RM2.9 million in the previous quarter (“1QFY2022”). The improvement in revenue and PAT was partly due to higher utilisation rates from the OSV segment which rose from 75% in 1QFY2022 to 82% in 2QFY2022.

“This commendable set of results marks ICON’s 5th consecutive quarter of profitability. We delivered a top-line of RM80 million and profits of close to RM10 million. Additionally, our operating cash flows were also strong at around RM23 million. I am positive that this momentum will continue as we execute our outstanding Order Book of RM639.6 million,” said ICON’s Managing Director, Dato’ Sri Hadian Hashim.

Currently, ICON has a combined Order Book and Tender Book of approximately RM2.1 billion.

On a segmental basis, ICON’s OSV segment continues to anchor the Group, reporting a revenue of RM50.6 million and RM5.4 million in PAT in 2QFY2022. The OSV segment achieved an active fleet utilisation rate of 82% from 20 active vessels during the quarter. Notably, ICON’s business and geographical diversification strategy into Brunei proved profitable as the long-term contracts secured in FY2021 have contributed positively to the OSV segment’s performance. In 2QFY2022, a total of 43 days was spent to carry out dry docking activities for two vessels from the OSV Malaysia segment.

ICON’s drilling segment continued its strong performance; contributing RM29.0 million in revenue and RM4.4 million in PAT driven by a 96% rig utilisation rate in 2QFY2022. The drilling segment contributed to 36% of total revenue and 45% of total PAT.

ICON’s rig completed its maiden drilling contract with Petrofac (Malaysia-PM304) Limited (“Petrofac”) in early May 2022 having commenced its contract in April 2021, for a primary period of 180 days with firm eight (8) wells and an optional contract extension of up to six (6)

wells. The rig was contracted with Petrofac for a total of 396 days. The rig then commenced operations for its current ongoing drilling contract with ConocoPhillips Sarawak Limited and ConocoPhillips Sarawak Oil Limited for three (3) plus one (1) wells.

As at 30 June 2022, ICON's financial position remains robust as cash and bank balances amounted to RM61.8 million whilst net gearing stood at a manageable 0.9x.

The strong rebound of the global oil and gas industry in 2021 permeates into 2022 as oil prices remains elevated. This has in-turn accelerated the oil and gas majors' activities in Southeast Asia. Coupled with recent international events that led to a shortage in global oil supply, oil prices have hovered around USD100 per barrel since March 2022 and this is expected to continue.

"Looking forward, I am optimistic that our diverse portfolio of assets will benefit from the improved O&G outlook in FY2022 on the back of strong oil prices and increased industry activities in Malaysia and Brunei. This situation is expected to continue as the lack of new assets coming into the market will set the backdrop for higher charter rates," said Dato' Sri Hadian Hashim.

"With sustainable OSV and Drilling business segments and a solid order book backed by long-term contracts for our vessels, we are ready and eager to pursue strategic opportunities in mergers and acquisitions to propel ICON into the next growth phase, especially in the asset-light and service-oriented businesses," continued Dato' Sri Hadian Hashim.

ICON is also cognisant of the prevailing issues in climate change and global warming, which will have a profound impact on its businesses and the global socio-economic growth.

"As part of our commitment towards an effective long-term climate transition strategy, we have signed up as a member of Climate Governance Malaysia and are determined to minimize our carbon footprints by closely monitoring our CO2 emissions and fuel consumption through the fuel-tracking monitoring system installed on our vessels," Dato' Sri Hadian Hashim emphasised.

ICON will continue to drive its sustainability agenda in growing shareholder value. In FY2022, the Company will focus on weighing the impact of several environmental, social and governance (ESG) topics, primarily climate-change-related matters, supply chain integrity, fair labour standards and Health, Safety, Security and Environment (HSSE) excellence in its business models and strategies.

ICON remains confident in solidifying its position as a preferred integrated service operator to meet the increasingly diverse needs of oil and gas majors by leveraging its technological innovation, low-cost base and solid HSSE track record.

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