Kenanga Investment Bank Berhad

ICON OFFSHORE BERHAD ("ICON" OR THE "COMPANY")

PRESENTATION TO THE NON-INTERESTED SHAREHOLDERS OF ICON IN RELATION TO THE PROPOSED RELATED PARTY ACQUISITIONS

27 January 2025

AGENDA

1 OUR RECOMMENDATION

2 EVALUATION OF THE PROPOSED RELATED PARTY ACQUISITIONS

All definitions used in this presentation shall have the same meanings as the words and expressions defined in the circular in relation to the Proposed Related Party Acquisitions dated 10 January 2025, which shall also include our independent advice letter to the non-interested shareholders of ICON.

Our Recommendation

- The non-interested shareholders should carefully consider the justifications for the Proposed Related Party Acquisitions based on all relevant and pertinent factors including those set out in the independent advice letter ("**IAL**") as well as those set out in Part A of the Circular together with the accompanying appendices before voting on the ordinary resolutions pertaining to the Proposed Related Party Acquisitions.

- Premised on our overall assessment after taking into consideration, amongst others, the rationale, Purchase Consideration, Issue Price, salient terms of the SPAs, effects, prospects and risk factors of the Proposed Related Party Acquisitions, we are of the opinion that the Proposed Related Party Acquisitions is **fair**, **reasonable** and **not detrimental** to the interests of non-interested shareholders.

- Accordingly, we recommend that the non-interested shareholders to **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Related Party Acquisitions.


Evaluation of the Proposed
Related Party Acquisitions
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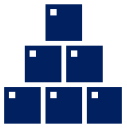
Rationale and benefits

Increase in operational capacity and customer base

Comments / Evaluation

We noted that:

- the Proposed Related Party Acquisitions will enable **fleet expansion** which will allow ICON to increase its operational capacity and service coverage as well as expand its existing customer base.
- the Company will be able to **service new geographical regions with market potential**.



Expand ICON's service offering

Comments / Evaluation

We noted that:

- enable an **expansion of the Company's service offering beyond offshore O&G sector** to include transportation and logistic services consisting transportation of commodities, which is expected to contribute positively to the future earnings and cash flows of the enlarged ICON group.

We are of the opinion that the rationale and benefits for the Proposed Related Party Acquisitions are **reasonable**.

Basis and justification for the Purchase Consideration

A summary of the Target Companies for the Proposed Related Party Acquisitions and details taken into consideration to determine the Purchase Consideration are as follows:

Details	Liannex Fleet	Yinson Power Marine	Regulus Offshore	Yinson Camellia
Valuer	M3 Marine Valuations Pte Ltd			
Market Value (USD'mil)	79.40	9.85	29.75	5.25
Implied P / Adjusted NA multiple (times)	0.9	0.8	1.3	1.1
PB multiples of comparable companies	**0.6x to 1.8x**		**0.9x to 1.7x**	
Implied EV / EBITDA multiple (times)	4.0	7.3	5.5	3.0
EV / EBITDA of Comparable companies	**1.8x to 12.8x**		**2.2x to 6.5x**	
Comparable companies	i. Maybulk Berhad ii. Hubline Berhad iii. Singapore Shipping Corporation Limited iv. PT Hasnur Internasional Shipping Tbk v. PT Batulicin Nusantara Maritim TBK vi. Ama Marine Public Company Limited vii. Lorenzo Shipping Corporation		i. Petra Energy Berhad ii. Marine & General Berhad iii. Vallianz Holdings Ltd iv. Logindo Samudramakmur Tbk Pt v. E.A Technique (M) Berhad	

The implied P / adjusted NA multiple is **within** the PB multiples range of comparable companies.

The implied EV / EBITDA multiple is **within** the EV /EBITDA range of comparable companies.

We are of the view the purchase consideration is **fair** and **reasonable** as it is within the range of PB multiple and EV / EBITDA multiple of the comparable companies. Hence, the purchase consideration to be paid by ICON is **not detrimental** to the interest of the non-interested shareholders.

Evaluation of vessel valuation report

- In determining the market values of the vessels owned by the target companies, the Specialist Vessel Valuer had considered the comparable transactions of similar type of vessels**. We have relied on the market value as determined by the Specialist Vessel Valuer after taking into consideration the followings:**

1 Type of Vessels owned by the target companies

We noted that the type of vessels owned by the Target Companies are as follows:

Target companies	LF	YPM	RO	YC
Tug Vessel	✓	✓	✗	✗
Bulk Carriers	✓	✗	✗	✗
Steel Barge	✓	✓	✗	✗
AHTS	✗	✗	✓	✓
PSV	✗	✗	✓	✗

2 Average price for each categories of vessels

We noted that the average price for each categories of vessels are as follows:

Average price for each of the categories of vessels

Vessels	Average price range (USD)	
	Low	High
Tug Vessel (per BHP)	582.52	625.00
Bulk Carriers (per tonne)	250.00	381.49
Steel Barge (per FT)	4,000.00	11,666.67
AHTS (per BHP)	1,165.05	1,398.06
PSV Vessel (per tonne)	2,868.62	3,548.39

3 Implied value for each vessel

We have computed the implied value for each vessel based on the formula below:

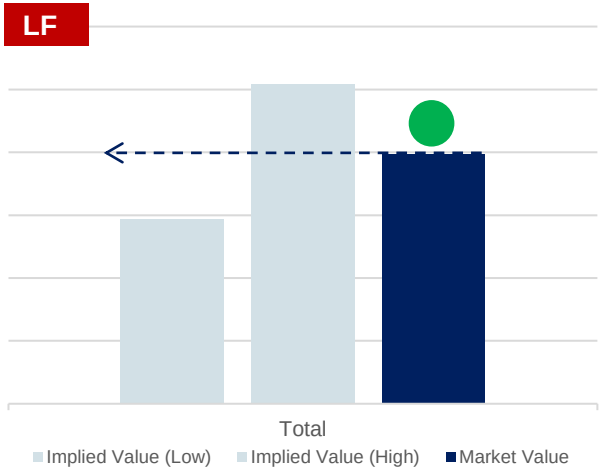
Average price per measurement ✖ **Measurement of the Vessel** = **Implied value of the Vessel**

Evaluation of vessel valuation report *(Cont'd)*

4 Illustration of the comparison

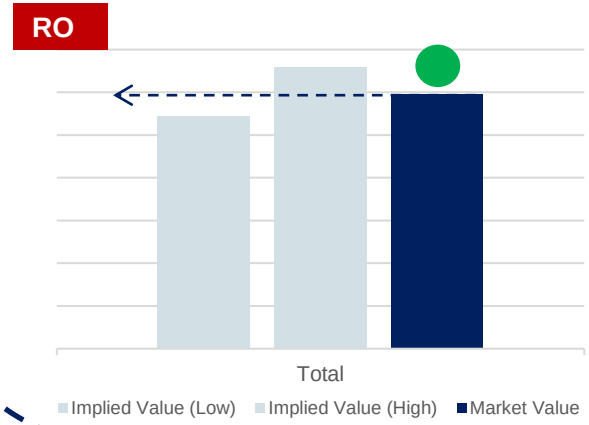
We have compared the total implied value of each categories of vessels owned by the target companies, with the market value as determined by the Specialist Vessel Valuer as illustrated in the **bar chart below**:

LF

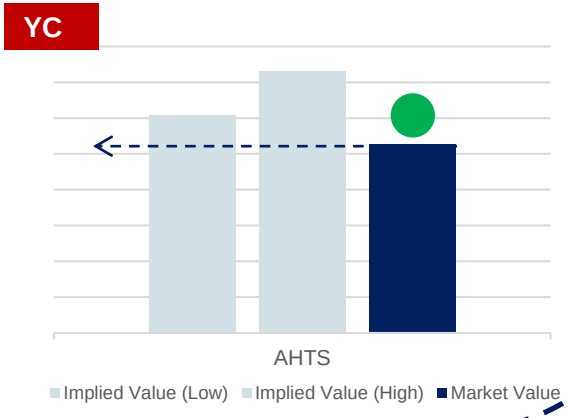


YPM

RO



YC



Lower or within the range of implied market value

Our commentaries on the valuation report of 39 vessels

Notwithstanding that there are vessels whereby the market valuation is higher than our implied valuation, based on our discussion with the Management and the Specialist Vessel Valuer, professional adjustments were made to the comparable vessels which takes into consideration multiple factors including but not limited to, the size, age and type of engine in order to arrive at the most appropriate market value of the vessels. **As such, we have relied on the market value as determined by the Specialist Vessel Valuer in performing our evaluation.**

Basis and justification of the Issue Price

❖ We noted that the Issue Price was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the followings:

1 Closing market prices & VWAP up to and including the LTD1

	Closing market price / VWAPs	Premium / (Discount) over adjusted closing market price / VWAPs	
	RM	RM	%
Closing market price as at the LTD 1	1.1600	(0.2800)	(24.14)
5-day VWAP	1.1017	(0.2217)	(20.12)
1-month VWAP	1.0543	(0.1743)	(16.53)
3-month VWAP	1.0091	(0.1291)	(12.79)
6-month VWAP	0.8567	0.0233	2.72
1-year VWAP	0.7441	0.1359	18.26

Discount

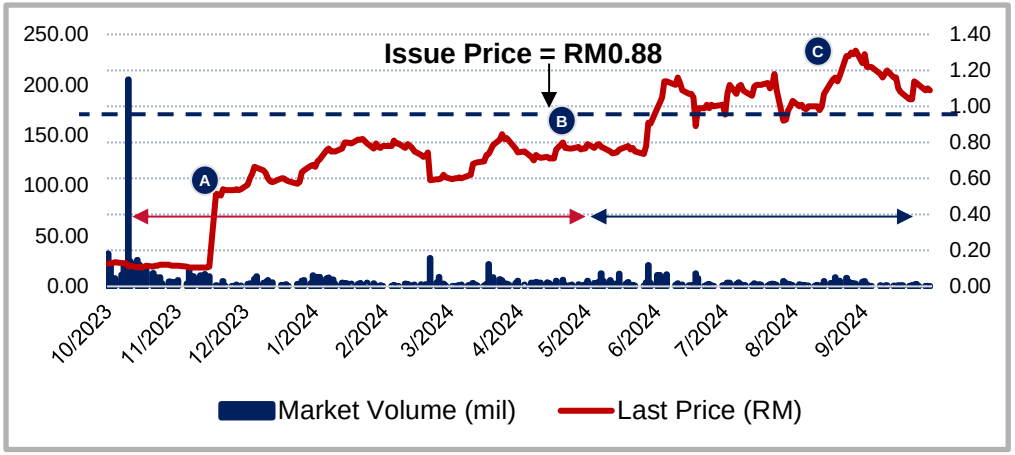
Premium

2 Comparison to consolidated NA per ICON Share

We also noted that the Issue Price represented:

- A **premium of 37.5%** to the latest audited consolidated NA per ICON Share as at 31 December 2023 (RM0.64), which also reflects a PB multiple of 1.4 times.
- A **PB multiple of 1.4 times** based on the consolidated NA per ICON Share as at 30 June 2024 (RM0.61), as compared with the PB multiple for OSV Comparable Companies which ranges from 0.9 times to 1.7 times.

3 Movement of the historical market prices over the past 12 months up to the LTD 2 (i.e. 21 Oct 2024)



A Share Consolidation on 29 November 2023

B Completion of unconditional mandatory take-over offer of Liannex Maritime on 7 May 2024

C Term Sheet Announcement on 30 August 2024

Based on the graph on the left, we noted that:

- The closing market prices of ICON Shares **after the completion of the share consolidation** on 29 November 2023 and **prior to the closing of the unconditional mandatory take-over by Liannex Maritime** on 7 May 2024 ranges from **RM0.505 to RM0.845**; and
- The closing market prices of ICON Shares **post the closing of the unconditional mandatory take-over offer by Liannex Maritime** on 7 May 2024 up to the LTD 2 ranges from **RM0.735 to RM1.310**.

We are of the view that the non-interested shareholders of ICON should take note of ICON's Share prices for the period between 29 November 2023 to 6 May 2024, as ICON's Share prices thereafter may have been influenced by the closing of the unconditional mandatory take-over offer by Liannex Maritime on 7 May 2024 as well as the Term Sheet Announcement on 29 August 2024 which may not be directly attributable to the financial performance of ICON.

Basis and justification of the Issue Price *(Cont'd)*

4 **VWAP up to and including the LTD2**

Further, we noted that the discount / premium represented by the Issue Price vis-à-vis the relevant last traded market price / VWAMP of ICON Shares are as follows:

	Closing market price / VWAPs	Premium / (Discount) over adjusted closing market price / VWAPs	
	RM	RM	%
Closing market price as at the LTD 2	1.1000	(0.2200)	(20.00)
5-day VWAP	1.1129	(0.2329)	(20.93)
1-month VWAP	1.1030	(0.2230)	(20.22)
3-month VWAP	1.1326	(0.2526)	(22.30)
6-month VWAP	0.9798	(0.0998)	(10.19)
1-year VWAP	0.6638	0.2162	32.57

Discount

Premium

Our commentaries on the VWAP up to and including the LTD 2

Notwithstanding that the Issue Price represents a discount ranging from 10.19% to 22.30% over the 5-day, 1-month, 3-month, 6-month VWAPs, the share price may have fluctuated significantly over recent months due to the market's reaction to the unconditional mandatory take-over offer by Liannex Maritime and Term Sheet Announcement which may not be reflective of ICON's financial performance.

We are of the view that it is more appropriate to compare the Issue Price to the:

- **VWAP of ICON Shares for the period between 29 November 2023 (completion of the share consolidation) and 6 May 2024 (prior to the closing of the unconditional mandatory take-over offer by Liannex Maritime on 7 May 2024) as well as before the Term Sheet Announcement** which represents a **premium of RM0.1828 (26.22%).**

Based on the above, we are of the view that the Issue Price is **fair** and **reasonable**, and it is **not detrimental** to the interests of the non-interested shareholders of ICON as the Issue Price represents the following:

- A **premium of 26.22% over the VWAP** of ICON Shares for the period **between 29 November 2023 to 6 May 2024**.
- A **premium of 2.7% and 18.3% over the 6-month VWAP and 12-month VWAP** of ICON Shares up to and including the LTD 1.
- A **premium of 37.5% to the latest audited consolidated NA per ICON Share as at 31 December 2023** (RM0.64), which also reflects a PB multiple of 1.4 times.
- a **PB multiple of 1.4 times based on the consolidated NA per ICON Share as at 30 June 2024** (RM0.61), as compared with the OSV Comparable Companies which ranges between a PB multiple of 0.9 times to 1.7 times.

Salient terms of SSPA 1

❖ We have evaluated the salient terms of the Proposed Acquisitions of Liannex Fleet and Yinson Power Marine ("**SSPA 1**") and our commentaries are as follows:

1 Basis of sale of the Sale Share

Reasonable

- We noted that the Sale Shares will be transferred to ICON free from all liens, chargers and encumbrances and with full legal and beneficial title, with all rights attaching thereto with effect from the Completion Date of SSPA 1.

2 Conditions Precedent

Reasonable

These terms ensure:

- Necessary requisite approvals obtained.
- Approvals from Bank Negara Malaysia obtained as the purchase consideration for Foreign Currency Asset (including Liannex Fleet) has exceeded the threshold of RM50 million.
- Compliance with the Public Spread Requirement upon the completion of the Proposed Acquisition of ICON Bahtera and Proposed Acquisition of ICON Waja.
- The Target Companies are acquired without any further outstanding liabilities owing to the Vendor.
- Non-defaulting party has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure to complete the transactions.

3 Purchase Consideration

Reasonable

These terms ensure:

- the Vendors are issued and allotted with the Consideration Shares in its name whereby the rightful owner is reflected as the beneficial shareholder of the Purchaser upon completion.
- the dividends, rights, allotments or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Consideration Shares will be distributed to the existing shareholders and not the Vendors.
- Compliance with the regulatory standards.

4 Completion

Reasonable

These terms ensure:

- the existing business and financial condition of the Target Companies remains the same at the point of entering the SSPA and minimize any material changes or financial deterioration before completion.
- transfer of ownership from the Vendors to the Purchaser and the Vendors receives the Consideration Shares upon completion.
- Documents required for operation of vessels are provided to the Purchaser upon completion.
- Compliance with applicable regulations.
- Transfer of relevant technical expertise to ensure the continued running of business operations in ship management activities post acquisitions.

5 Termination

Reasonable

These terms ensure:

- Non-defaulting party has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure to complete the transactions.
- In the event of termination, neither party to the transactions shall hold any documents owned by the other parties.
- Any rights or obligations of each party pursuant to a breach shall remain effective notwithstanding the termination of SSPA 1.

Salient terms of SSPA 2

❖ We have evaluated the salient terms of the Proposed Acquisitions of Regulus Offshore and Yinson Camellia ("**SSPA 2**") and our commentaries are as follows:

1 Basis of sale of the Sale Share

Reasonable

- We noted that the Sale Shares will be transferred to ICON free from all liens, chargers and encumbrances and with full legal and beneficial title, with all rights attaching thereto with effect from the Completion Date of SSPA 2.

2 Conditions Precedent

Reasonable

These terms ensure:

- Necessary requisite approvals obtained.
- Yinson Camellia ceases all use of the "Yinson" brand name, trademarks, logos, and any related intellectual property upon receipt of the written notice of termination of the Sublicense Agreement.
- Rights for both parties to extend the Cut-Off Date when the fulfilments of any of the Conditions Precedent are delayed.

3 Purchase Consideration

Reasonable

These terms ensure:

- the Vendors are issued and allotted with the Consideration Shares in its name whereby the rightful owner is reflected as the beneficial shareholder of the Purchaser upon completion.
- the dividends, rights, allotments or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Consideration Shares will be distributed to the existing shareholders and not the Vendors.
- Compliance with the regulatory standards.

4 Completion

Reasonable

These terms ensure:

- the existing business and financial condition of the Target Companies remains the same at the point of entering the SSPA and minimize any material changes or financial deterioration before completion.
- Yinson Camellia ceases all use of "Yinson" brand name, trademarks, logos, and any related intellectual property upon receipt of the written notice of termination of the Sublicense Agreement.
- Transfer of ownership of Target Companies to the Purchaser, and the Vendor receives the Consideration Shares upon completion.
- The agreed final net working capital of RM10 million is maintained on the Completion Date of SSPA 2.
- Relevant licences for operation of vessels are provided to the Purchaser upon completion.
- Target Companies of SSPA 2 are acquired without any further outstanding liabilities owing to Yinson Offshore and / or any of its affiliates.

5 Termination

Reasonable

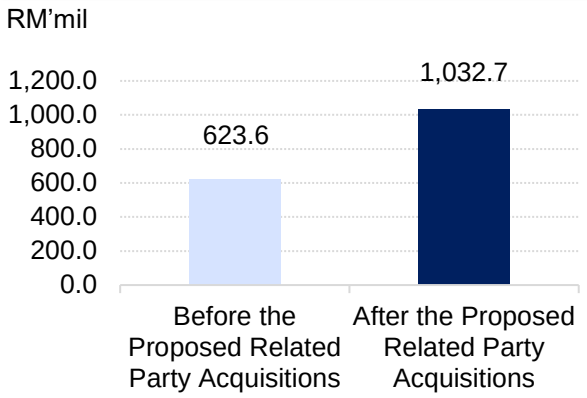
These terms ensure:

- Non-defaulting party has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure to complete the transactions.
- In the event of termination, neither party to the transactions shall hold any documents owned by the other parties.
- Any rights or obligations of each party pursuant to a breach shall remain effective notwithstanding the termination of SSPA 2.

Based on our review of the SSPAs for the Proposed Related Party Acquisitions in its entirety, particularly the salient terms as set out above, we are of the view that the overall terms of the SSPAs are **reasonable** and **not detrimental** to the non-interested shareholders.

Effects of the Proposed Related Party Acquisitions

Issued Share Capital

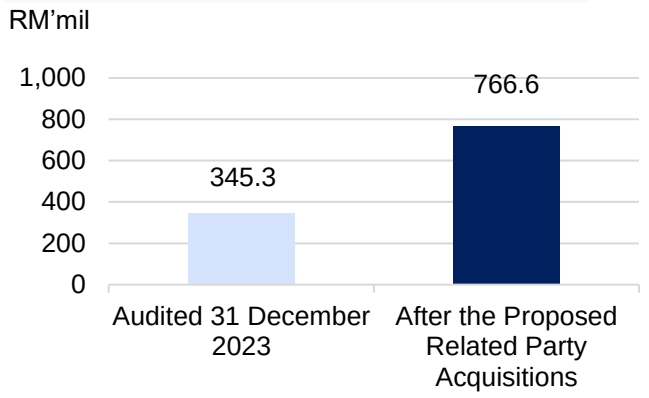


Substantial shareholders' shareholdings

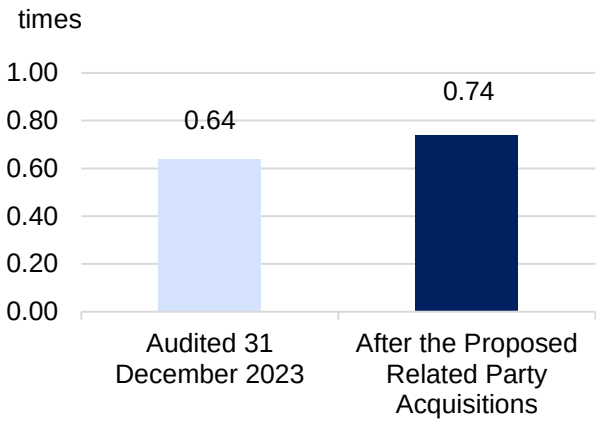
Liannex Maritime's shareholding will **decrease** from **56.55%** to **56.15%**.

Yinson Offshore will emerge as a major shareholder of ICON upon the completion of the Proposed Acquisition of Regulus Offshore and Proposed Acquisition of Yinson Camellia.

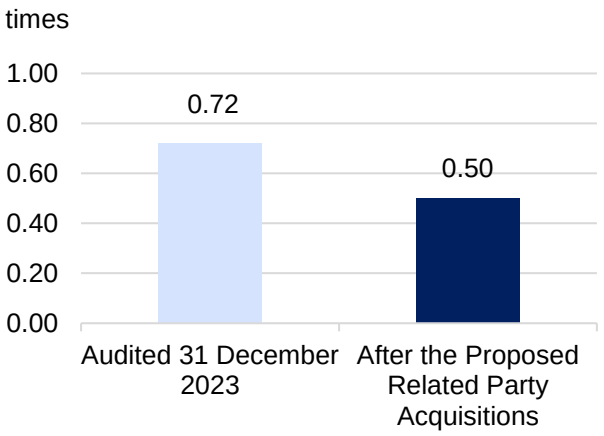
Net Assets of ICON



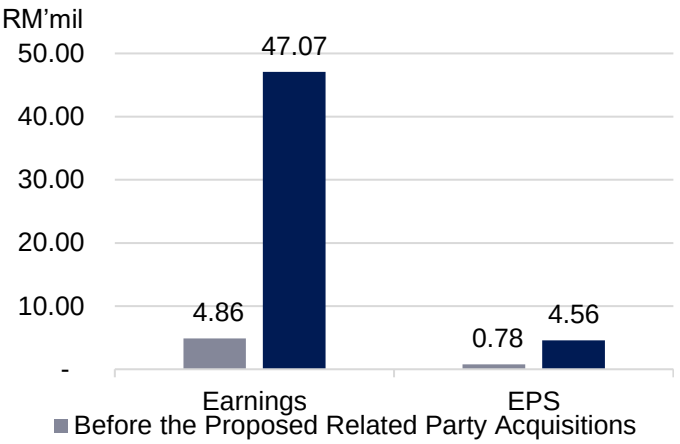
Net assets per share



Gearing Level



Earnings and EPS



Based on the above, we are of the opinion that the pro forma effects of the Proposed Related Party Acquisitions are **reasonable** and **not detrimental** to the interests of the non-interested shareholders.

Prospect and outlook / Risk factors

Prospect and outlook

We believe that moving forward, barring any unforeseen circumstances, the prospects of the Target Companies for the Proposed Related Party Acquisitions should be **generally positive** as the enlarged fleet will allow ICON Group to expand its existing customer base as well as diversify its revenue streams. This is expected to boost ICON's revenue and long-term sustainable growth, which in turn deliver greater value to the shareholders of ICON.

Risk factors

The risks associated with the Proposed Related Party Acquisitions are the typical risks in transactions of this nature. While we noted that measures will be taken by the Management to mitigate such risks associated with the Proposed Related Party Acquisitions, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and operation of ICON, its financial performance or prospects thereon.


THANK YOU
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