

ASX Announcement

23 June 2022

MMA Offshore to acquire Subcon

- **MMA Offshore Limited (“MMA”) to acquire Subcon International Pty Ltd (“Subcon”)**
- **Subcon provides innovative stabilisation, coastal erosion and engineered reef solutions to the oil and gas, offshore wind, coastal infrastructure and tourism sectors**
- **Total consideration of \$8.4 million comprising \$4.2m cash and \$4.2m in MMA ordinary shares**
- **The acquisition is aligned with MMA’s purpose and strategy bringing a range of new environmental marine solutions within MMA’s capability**
- **Transaction is expected to contribute positively to earnings with access to further growth opportunities under MMA ownership**
- **Completion which is subject to a number of conditions precedent is expected to occur in July 2022**

Transaction Overview

MMA Offshore Limited announces that it has entered into an agreement to acquire Subcon through the acquisition of 100% of Subcon International Pty Ltd which in turn owns all of the subsidiaries within the Subcon group.

The purchase consideration, totalling A\$8.4 million, will comprise \$4.2 million in cash, to be paid from existing cash reserves (“Cash Consideration”), with the balance of the consideration to be issued in MMA ordinary shares at the 60-day volume weighted average share price on completion (“Scrip Consideration”).

Established in 2011 and headquartered in Perth, Subcon provides innovative stabilisation, coastal erosion and engineered reef solutions to the oil and gas, offshore wind, coastal infrastructure and tourism sectors both in Australia and internationally.

MMA Offshore Limited

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Subcon has averaged revenue of approximately \$12 million over the past four years at an average EBITDA margin of 14%. Subcon delivered its highest ever EBITDA of approximately \$4 million in FY2020, prior to the impacts of COVID-19.

Strategic Rationale for the acquisition

The acquisition supports MMA's growth objectives and is expected to generate a number of key strategic benefits:

- **Enhanced capability to service our existing markets** of oil and gas and offshore wind through the combination of MMA and Subcon's service offering;
- **Access to new markets with significant potential for growth** through a range of innovative solutions including oil and gas decommissioning through Subcon's rigs to reef offering, attenuating reef systems to combat coastal erosion, scour protection technology and recreational reef developments;
- **Significant growth potential under MMA ownership** with increased access to capital and complementary skills and assets to accelerate growth;
- **Market consolidation** through the combination of MMA's existing subsea stabilisation business with Subcon;
- **Enhancement of MMA's sustainability strategy** bringing a range of adjacent environmental marine services such as engineered reefs, wind farm ecology and coastal erosion solutions within MMA's capability;
- **Enhanced engineering capability** with a committed and highly capable in-house team to be retained with the business;
- **Cost synergies** estimated at \$0.5m per annum annualised;
- **Cultural and values alignment** with a strong focus on safety, quality, sustainability and innovation;
- **Profitable, low capital intensive business** which will be immediately EPS accretive.

MMA's Managing Director, Mr. David Ross, said:

"The acquisition of Subcon is an exciting development for MMA and is strongly aligned with our strategy to extend and diversify our service offering in a sustainable manner.

The acquisition enhances our service offering to our existing oil & gas and offshore wind markets by combining our capability, whilst Subcon also bring a number of new solutions to expand our reach into coastal erosion management and the tourism sectors.

I am confident that the Subcon business can thrive under MMA's ownership and look forward to jointly developing and growing the business with the Subcon team."

Integration

Integration of the business will commence immediately upon completion with the Subcon business to become part of MMA's Subsea Services division.

The current Subcon team will continue with the business including Subcon's founder, Matthew Allen and Chief Executive Officer, Cameron Stirling who will both be instrumental in continuing to lead and grow the business under MMA's ownership.

Transaction Details and Completion

Completion of the transaction is subject to a number of customary conditions precedent and is expected to occur in July 2022.

Until completion, Subcon will be subject to customary conduct of business restrictions and deal protection mechanisms.

The Scrip Consideration will be subject to a 2-year escrow period.

Subcon's personnel will be retained with certain key personnel subject to non-compete and non-solicit obligations.

The Consideration Shares will be issued under the Company's Listing Rule 7.1 Capacity.

This announcement has been authorised by the MMA Offshore Limited Board of Directors.

Kind regards,
MMA OFFSHORE LIMITED



TIM MUIRHEAD
Company Secretary



MMA
OFFSHORE

ACQUISITION OF SUBCON

23 JUNE 2022

TRANSACTION OVERVIEW



THE ACQUISITION IS STRONGLY ALIGNED WITH MMA'S STRATEGY TO EXTEND AND DIVERSIFY OUR SERVICE OFFERING IN A SUSTAINABLE MANNER

Transaction Highlights

- MMA to acquire Subcon International Pty Ltd ("Subcon")
- Total consideration of \$8.4 million comprising \$4.2m cash and \$4.2m in MMA ordinary shares

Subcon Overview

- Established in 2011, Subcon provides innovative stabilisation, coastal erosion and engineered reef solutions to the oil and gas, offshore wind, coastal infrastructure and tourism sectors in Australia and internationally

Strategic Rationale

- Acquisition strongly aligned with MMA's purpose and strategy bringing a range of new environmental marine solutions within MMA's capability as well as enhancing our service offering to existing markets

Transaction Impact

- Transaction is expected to be immediately EPS accretive with access to further growth opportunities under MMA ownership

TRANSACTION BENEFITS



Enhanced capability to service our existing markets of oil and gas and offshore wind through the combination of MMA and Subcon's service offering



Access to new markets with significant potential for growth through a range of innovative solutions



Significant growth potential under MMA ownership with increased access to capital and complementary skills and assets to accelerate growth



Enhancement of MMA's sustainability strategy bringing a range of adjacent environmental marine services



Market consolidation through the combination of MMA's existing subsea stabilisation business with Subcon



Enhanced engineering capability with a committed and highly capable in-house team to be retained with the business



Cost synergies estimated at \$0.5m per annum annualised









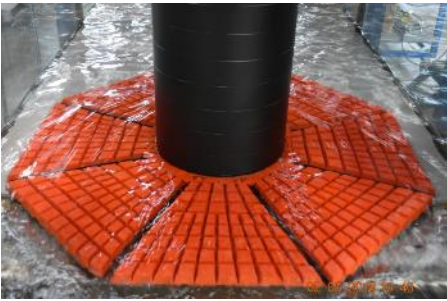
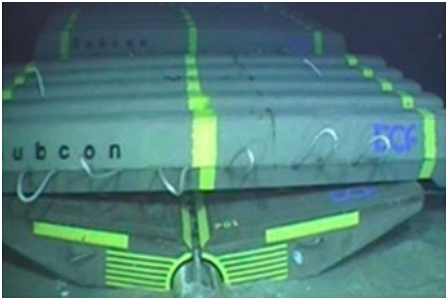




Cultural and values alignment with a strong focus on safety, quality, sustainability and innovation



Profitable, low capital intensive business which will be immediately EPS accretive

SUBCON OVERVIEW

GLOBAL PROVIDER OF INNOVATIVE STABILISATION, COASTAL EROSION AND ENGINEERED REEF SOLUTIONS TO THE OIL & GAS, OFFSHORE WIND, COASTAL INFRASTRUCTURE AND TOURISM SECTORS

	Tourism and Recreation	Coasts and Ports	Offshore Wind	Oil and Gas
Environment				
Stabilisation				
Structures				

STRATEGIC ALIGNMENT

SUBCON ALIGNS WITH MMA'S STRATEGY AND PURPOSE, CULTURE AND VALUES



We believe marine resources should be developed sustainably



Market leader in “blue” technologies



Maximise Core Business

Synergies with our subsea service offering and potential utilisation of assets



We are a pioneering marine services business



Strong and proven innovation and technology culture



Grow New Markets

Access to the tourism sector, support decommissioning opportunities and added value for offshore wind projects



We solve the most demanding marine challenges



Diverse, cross-industry service offering



Extend Service Offering

New products and services which complement and “bolt-on” to existing subsea capabilities



We want to transform the way marine services are delivered



Young, capable and motivated management team



TRANSACTION DETAILS

TRANSACTION EXPECTED TO COMPLETE IN JUNE / JULY 2022

Transaction Structure	<ul style="list-style-type: none">• Acquisition of 100% of Subcon International Pty Ltd which in turn owns all of the subsidiaries within the Subcon group
Consideration	<ul style="list-style-type: none">• Purchase consideration totalling A\$8.4 million• Comprises \$4.2 million in cash, to be paid from existing cash reserves (“Cash Consideration”)• Balance to be issued in MMA ordinary shares at the 60-day VWAP on completion (“Scrip Consideration”)
Conditions	<ul style="list-style-type: none">• Customary conditions precedent to completion including material adverse change, conduct of business restrictions and deal protection mechanisms
Other Key Terms	<ul style="list-style-type: none">• Certain key personnel to be retained and subject to customary non-compete and non-solicit obligations• The Scrip consideration will be subject to a 2-year escrow period• Customary warranties and indemnities
Completion Timeline	<ul style="list-style-type: none">• Completion expected to occur in July 2022
Integration	<ul style="list-style-type: none">• Business to be integrated into MMA’s subsea services division• Key personnel including Matthew Allen (Founder) and Cameron Stirling (CEO) to continue to lead and grow the business under MMA’s ownership



MMA
OFFSHORE



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