

ASX Announcement

10 November 2023

The Manager
ASX Market Announcements
Australian Securities Exchange

MMA OFFSHORE LIMITED – 2023 ANNUAL GENERAL MEETING CHAIRMAN’S ADDRESS AND MANAGING DIRECTOR’S PRESENTATION

Please find **attached** a copy of the Chairman’s Address and Managing Director’s Presentation to be presented to shareholders at today’s 2023 Annual General Meeting.

A live webcast of the Annual General Meeting can be viewed by registering here https://us02web.zoom.us/webinar/register/WN_PWjBdNRrRCuSTNzOfQuzTw.

The results of the 2023 Annual General Meeting will be released as soon as possible after the meeting.

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Authorised for release to the ASX by MMA’s Board of Directors.

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MMA Offshore Limited

2023 Annual General Meeting

Chairman's Address

FY2023 was an excellent year for MMA with a return to positive market conditions resulting in a significant improvement in our earnings.

Our EBITDA for the year (EBITDA being earnings before interest, tax, depreciation and amortisation) was \$69.3 million, up 115% on the prior year and our operating cash flow was \$50.5 million up 233%.

FY2023 was also a significant year in terms of repairing our Balance Sheet with the Company finishing the financial year in a net cash position and subsequently refinancing our debt into a revolver facility which is significantly more flexible and cost effective than the previous amortising facility. The Company has available capacity under the new facility of A\$120 million providing ample liquidity for the business going forward.

The improving market conditions have also had a positive impact on vessel values globally. Based on an independent valuation of the fleet at 30 June 2023, we wrote back \$80.3 million in prior year vessel impairments increasing the book value of our fleet to approximately A\$430 million at June 2023.

We continued to deliver on our growth strategy which is focused on extracting the

maximum value from current market conditions, whilst progressing our diversification into new growth sectors such as offshore wind and government & defence to position the Company for the future.

Pleasingly, we are seeing positive momentum in all of our key markets at present with activity in oil & gas, offshore wind and government & defence driving strong demand for our vessels and services which has translated to higher utilisation and margins across the business.

A key part of our strategy has been to further develop our integrated services offering by combining our vessels and subsea services to capture a greater proportion of the value chain and further embed us with our clients. We delivered several integrated projects during the 2023 financial year including a \$30 million pipeline construction support scope in Qatar, our largest integrated project to date, as well as several projects in the offshore wind sector. We will continue to drive our integrated services strategy which significantly improves the overall returns on our assets deployed.

With that in mind, we recently acquired an additional multi-purpose support vessel, the “Offshore Solution” which is suitable for operations globally and can undertake a wide range of offshore services including survey, remote operations and diving across multiple sectors including offshore wind, government & defence and oil & gas. The vessel was acquired for A\$14 million which has been funded from cash reserves and is expected to deliver positive returns for the business.

Our diversification strategy is progressing well, and we generated 30% of our revenue from new markets during the year including 24% from offshore wind (up from 9% the previous year) and 4% from government and defence.

Offshore wind continues to be a major focus for the Company, delivering on both our growth and sustainability objectives. We supported several offshore wind developments in Taiwan during the year and also completed our first project in South Korea. Forecast activity for this sector continues to be very positive with over 4,000 turbines to be installed and over US\$100 billion expected to be spent on offshore wind farm developments in Asia and Australia by 2031. As a vessel and subsea services intensive activity, we expect offshore wind to drive significant demand for our services over the coming years.

Pleasingly, we have had a number of recent successes in the government & defence sector which is a key platform in our overall growth and diversification strategy. We were recently re-appointed to Australian Navy's hydrographic survey panel for a further 5 years after a very successful initial three-year period on the panel where we delivered several hydrographic survey campaigns around Australia whilst fostering strong partnerships with project stakeholders and Traditional Owner groups. We are currently undertaking a survey in the Kimberley Marine Park in Australia's North West with the data collected to be used to update Australian Hydrographic Office navigational charts.

We also recently announced a \$30 million contract to provide familiarisation and

practical learning services to Australian Navy personnel on a range of robotic, remote and autonomous maritime systems.

In August 2023, we were engaged by the CSIRO, Australia's national science agency to provide technical, operational and crew management for the RV Investigator research vessel. The contract is for a period of four years with options to extend for up to a further 6 years and is anticipated to generate approximately \$80 million in revenue across the firm period. We are extremely pleased to have been selected by the CSIRO to manage this unique vessel which undertakes biological, oceanographic, geological and atmospheric research as well as training, education and outreach activities on behalf of the Australian Government.

We also see great potential for our environmental services business with multiple applications for our artificial reefs to be used to combat coastal erosion, enhance marine habitats and to sustainably decommission oil and gas infrastructure through our rigs to reef solution. We are also pursuing opportunities to collaborate with offshore wind developers to incorporate our reefs into wind farm design to enhance marine ecology. During FY2023 we installed two new reefs in Tasmania and we recently secured a contract for habitat enhancement reefs in Wellington Harbour, New Zealand. From a coastal erosion perspective, MMA's attenuating reef technology has been installed at CY O'Connor Beach in Fremantle as part of a coastal management trial project, the first of its kind in Australia. A grant has been awarded by the Federal Government to the City of Cockburn to double the length of the reef, with the next

stage expected to occur in 2024, which is an exciting opportunity for MMA.

As a business, we remain committed to sustainability and transforming our business along with the energy transition. We continue to make progress on our ESG strategy with multiple initiatives being progressed within both the environmental and social areas. Whilst there is currently no commercially available alternative fuel for our vessel fleet, we are currently working on several operational efficiency initiatives to reduce fuel usage across the fleet. We are also generating almost a quarter of our revenue from offshore wind in support of the global energy transition, from a standing start four years ago. Our environmental solutions are contributing to the health of our oceans and we are proud to be at the forefront of innovation in that area.

The health and wellbeing of our people is always front of mind and we are acutely aware of the risks associated with operating in the offshore marine industry. Pleasingly we maintained our world class safety performance during the year and were honoured to receive the 2022 Safety Award from the International Marine Contractor Association for our Target 365 Leadership Engagement Program, one of our key initiatives in fostering a positive safety culture across our business.

Having come through the challenges of the pandemic, repaired our balance sheet and diversified our earnings base, we are well placed to capitalise on the current momentum in our key markets.

With our strengthening cash flow position, capital management remains a key focus

of the Board as the Company balances growth requirements with returns to shareholders. We are currently well positioned, with growth in our key markets, a strong operating platform and balance sheet capacity. All of this enables MMA to actively explore strategic growth opportunities as they present. The Board is also committed to delivering a return to shareholders. Subject to a range of factors including growth capital requirements and business performance, the Board is targeting paying a discretionary fully franked dividend to shareholders in respect of the FY24 financial year.

I would like to sincerely thank you for your support of the Company and look forward to the year ahead and to delivering ongoing positive returns for our shareholders.



MMA
OFFSHORE

2023 ANNUAL GENERAL MEETING

10 NOVEMBER 2023



TRANSFORMING
the way marine services are delivered

Photo: MMA Crystal supporting offshore wind developments in Taiwan

IMPORTANT NOTICES & DISCLAIMER



This document contains general information about the activities of MMA Offshore Limited (**MMA**) current at the date of this presentation. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be considered in conjunction with MMA's other periodic and continuous disclosure announcements to the Australian Securities Exchange available at www.asx.com.au.

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Future performance: This document contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMA, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither MMA nor any of its directors, officers, employees, advisors, agents or associates assumes any obligation to update such information.

Risks: An investment in MMA securities is subject to investment and other known and unknown risks, some of which are beyond the control of MMA and MMA's directors, officers, employees, advisors, agents or associates. MMA does not guarantee any particular rate of return or the performance of MMA nor does it guarantee the repayment of capital from MMA or any particular tax treatment.



SMARTER TOGETHER



DO WHAT'S RIGHT,
NOT WHAT'S EASY



THINK BIGGER



FAIL FAST AND LEARN



CREATE TOMORROW

OPERATIONAL UPDATE

DAVID ROSS, MANAGING DIRECTOR

FY23 – SUMMARY

STRONG FINANCIAL RESULT WITH EBITDA UP 115% ON PRIOR YEAR

FINANCIAL RESULT



\$69.3m

EBITDA

▲ 115%



\$50.5m

OPERATING CASHFLOW

▲ 233%



\$127.7m

REPORTED NPAT

▲ 278%

Including \$80.3M Impairment Reversal and
\$25.1M Profit on Sale of Assets

STRATEGY

CORE BUSINESS

- EBITDA ROA up **5.7%** on prior year
- Fleet Utilisation **80%** up 7%
- Rate and utilisation continuing to improve

DIVERSIFICATION

- **30%** of FY23 revenue from outside of Oil & Gas
- Offshore Wind **24%**; Defence & Other **6%**
- **62%** of revenue from outside Australia

INTEGRATED SERVICES

- Integrated services – generate higher ROA
- 10 integrated scopes during FY23 ~**\$100m** revenue
- **\$30m** signature Qatar Project completed successfully

OUTLOOK

OPERATING CONDITIONS

- Inflation and labour constraints remain manageable
- Industrial relations – Australian vessels EBA negotiations ongoing

FY24 OUTLOOK

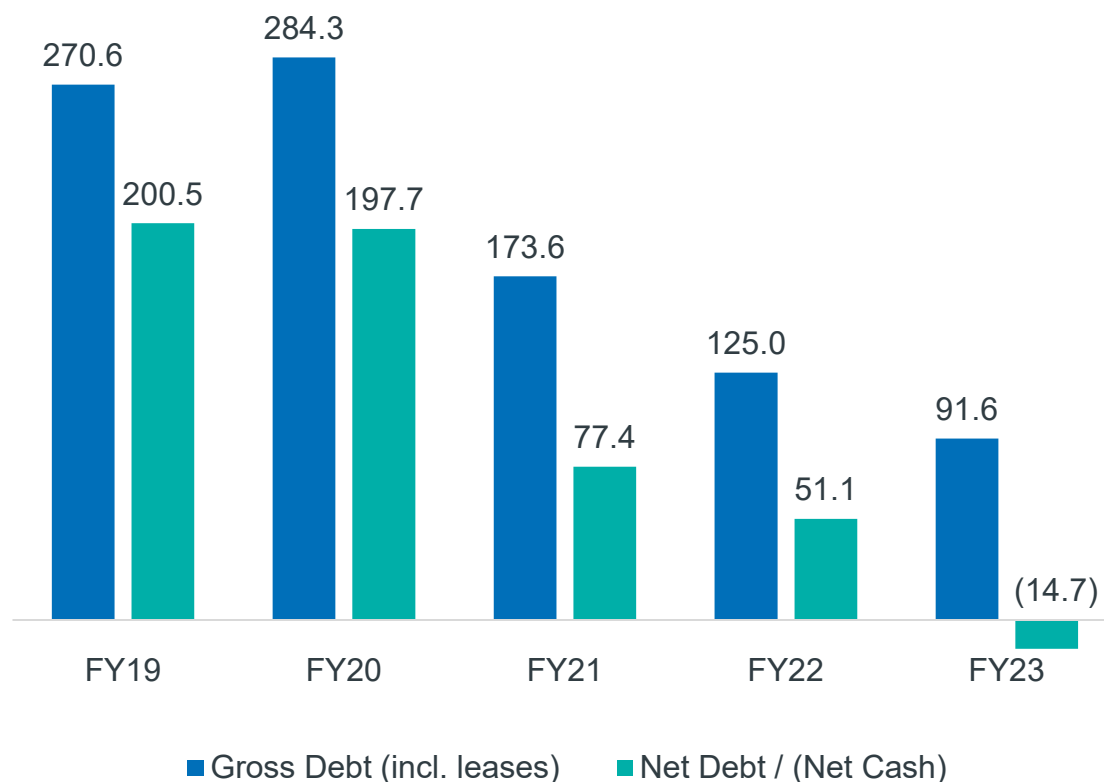
- New debt facility will provide more flexible capital structure
- Continuing strengthening market outlook through FY24 and beyond with strong momentum across key markets
- Earnings continuing to improve in FY24

BALANCE SHEET & LIQUIDITY

BALANCE SHEET REPAIR COMPLETED AND NEW REVOLVING DEBT FACILITY IN PLACE

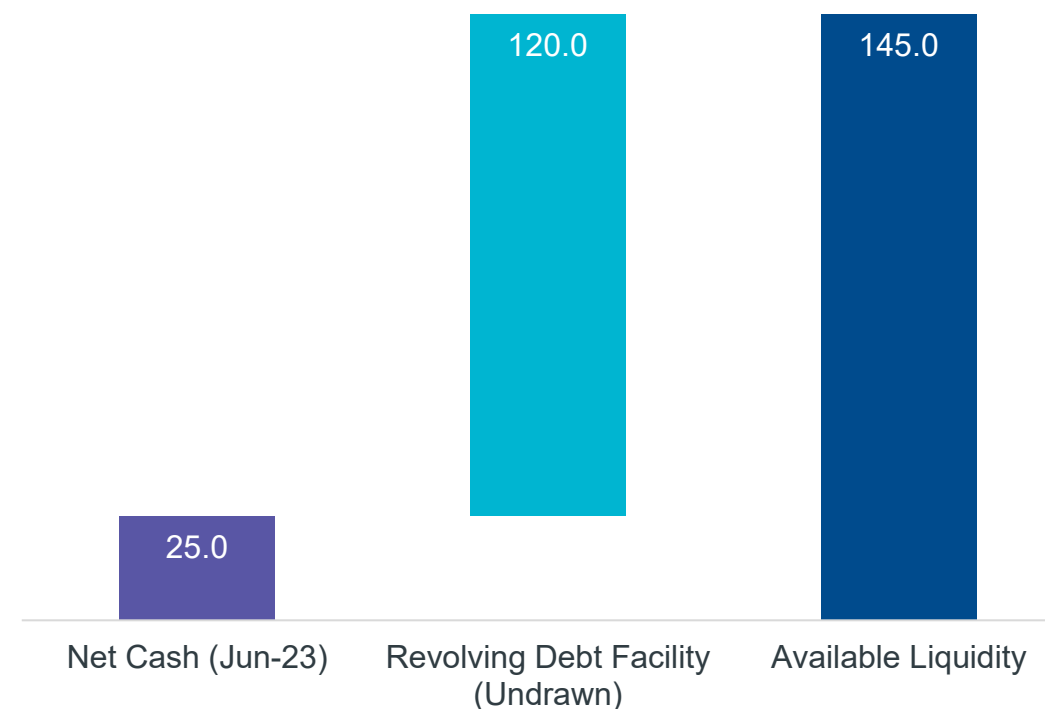
GROSS AND NET DEBT

Pre-Debt refinance (Aug 2023)



DEBT CAPACITY & LIQUIDITY

Post-Debt refinance (Aug 2023)



* Proforma based on Net Cash (June-23) excluding lease liabilities

MAJOR MARKETS



OVER US\$290B OF PROPOSED CAPEX TO BE DEPLOYED IN OUR KEY MARKETS BY 2031

APAC OFFSHORE WIND PROJECTS (2024 – 2031)

Country	Proposed Projects	Projects Approved	Total Wind Farm Capacity (MW)	Total No. of Turbines	Est. Capex (US\$B)
Australia	3	0	3,250	267	7.5
Japan	18	4	7,030	695	18.3
Philippines	7	0	2,769	269	6.2
South Korea	29	17	13,954	1,473	40.9
Taiwan	14	10	10,773	1,024	30.8
Vietnam ¹	11	1	6,696	653	14.2
				4,381	117.9

Source: Rystad, Oct 2023

“
Asia ex. Mainland China's expenditure forecast to grow by 39% annually from 2022 to 2028

– Rystad, Sep 2023

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¹ excluding inter-tidal

OIL & GAS GREENFIELD SANCTIONING

Continent	Est. Sanctioning value 2024-2028 (US\$B)
Australia / NZ	35
Asia excl. China	45
Middle East	91
East Africa	9
	180

Source: Rystad, Oct 2023

Source: Rystad, Oct 2023

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The oil & gas industry is witnessing a significant surge in greenfield commitments this year

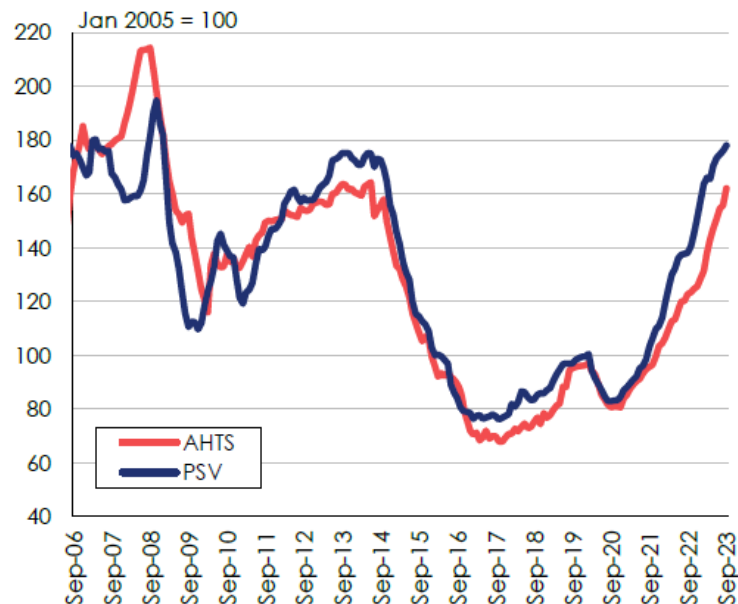
– Rystad, Sep 2023

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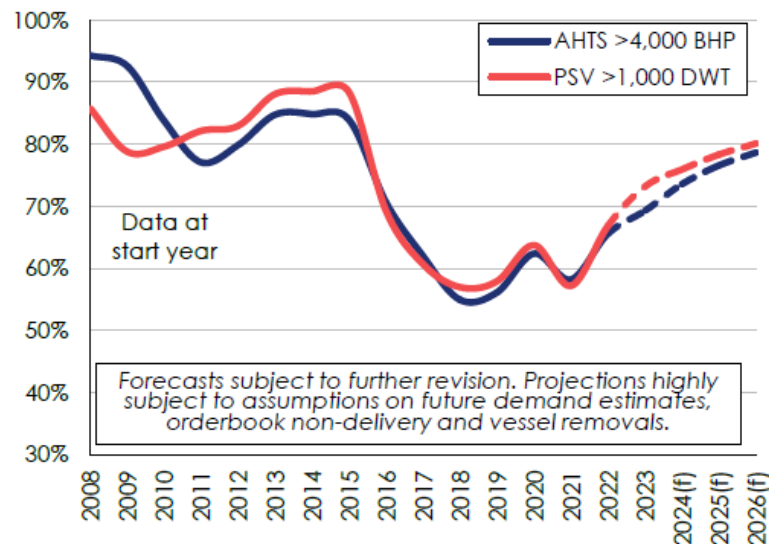
OSV MARKET

VESSEL UTILISATION AND RATES CONTINUE TO IMPROVE WITH LIMITED NEWBUILD ACTIVITY

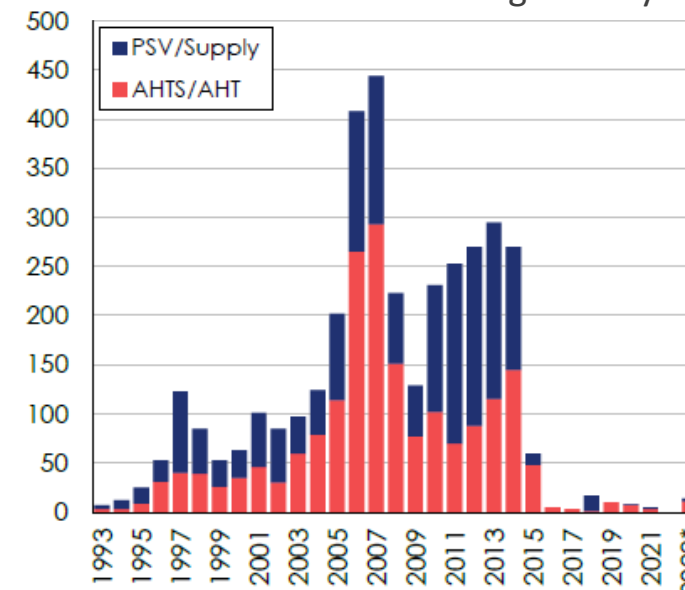
Clarksons OSV Rate Index



OSV Global Utilisation



OSV Newbuild Contracting Activity



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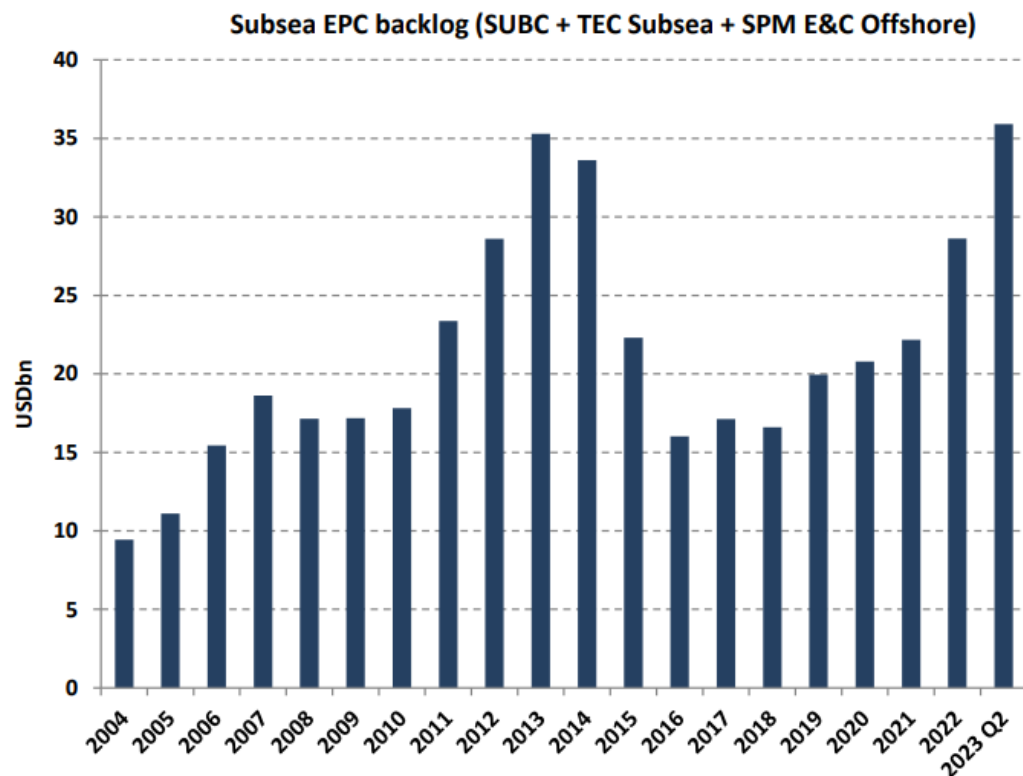
The outlook for the OSV sector appears very positive, with the supporting energy price environment, continued demand gains and constraints in vessel supply all expected to see the sector tighten further moving forward.

– Clarksons, Oct 2023

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SUBSEA MARKETS

EPC BACKLOG IN EXCESS OF 2013 PEAK



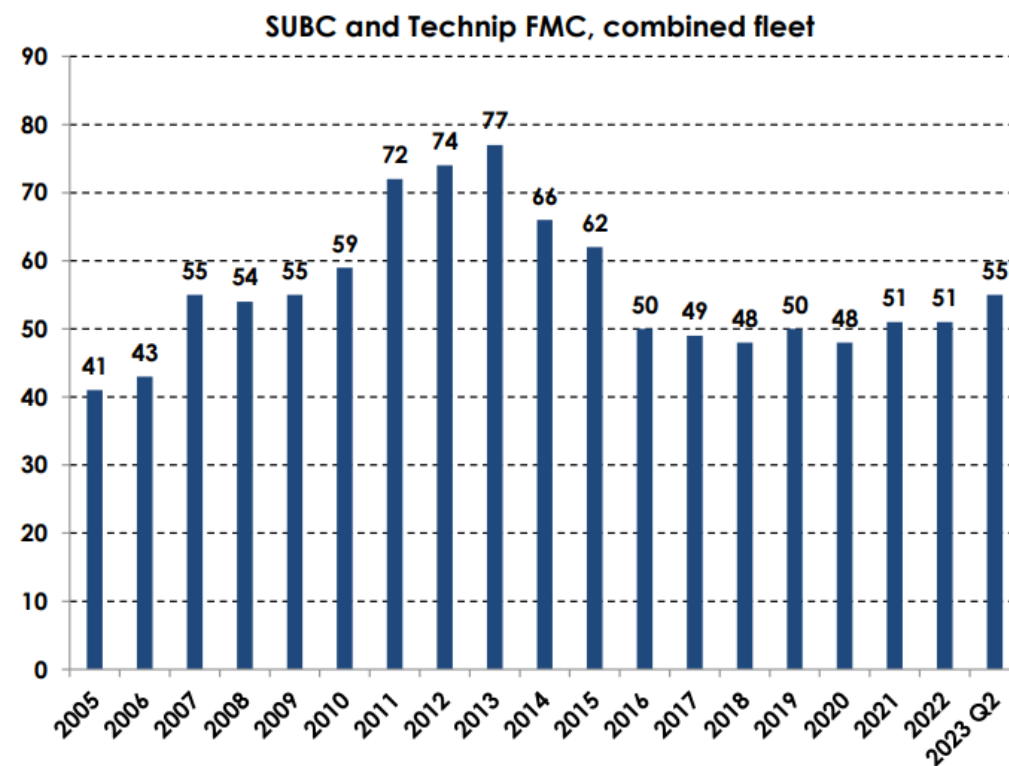
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Tendering activity remains very high with all the players expecting continuing strong order intake. As such, we are likely to see continued backlog growth through the remainder of 2023 and into 2024

– Clarksons, Aug 2023

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Source: Clarksons, Aug 2023



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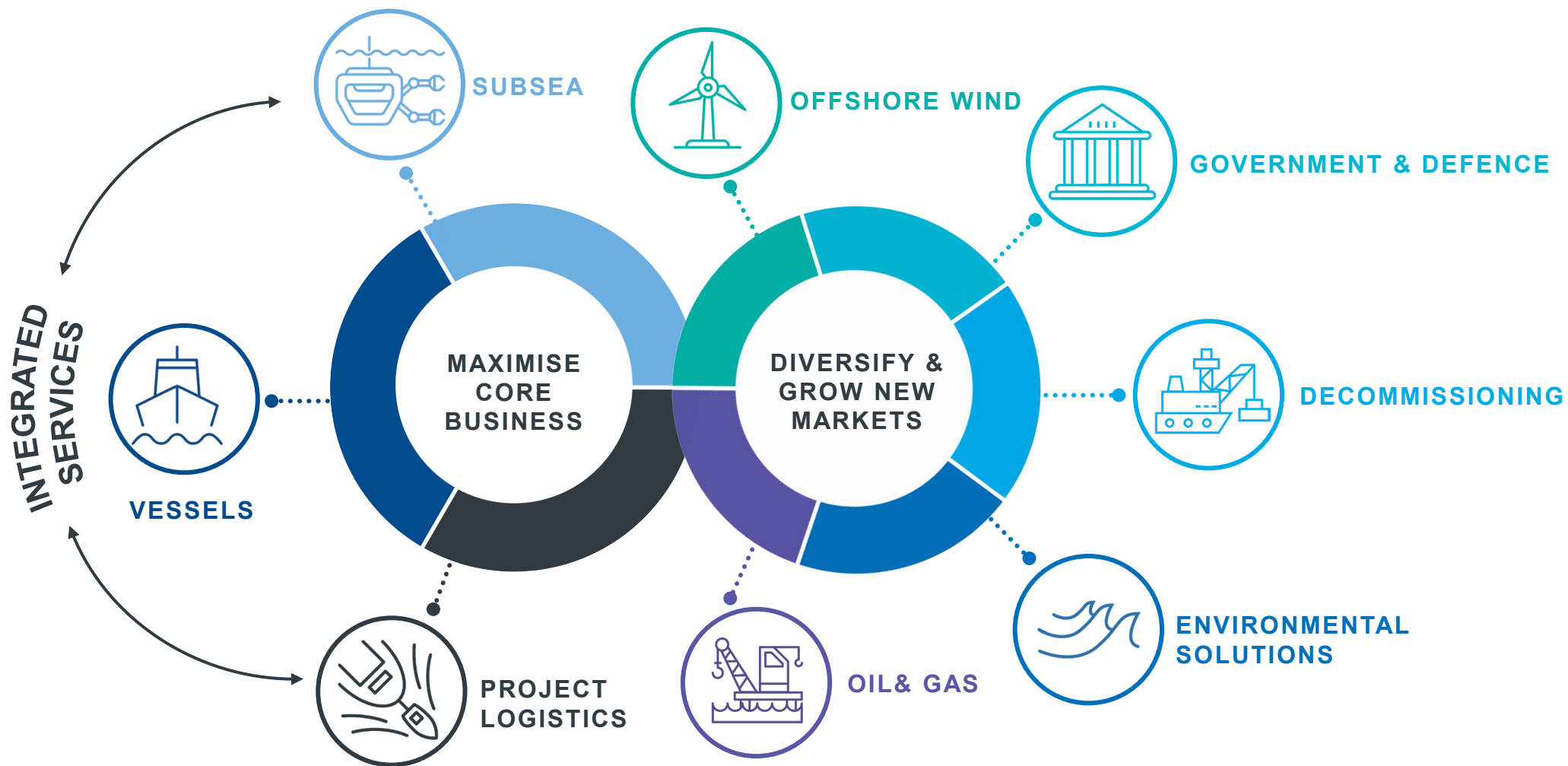
Major Subsea contractors will need more vessels

– Clarksons, Aug 2023

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GROWTH STRATEGY

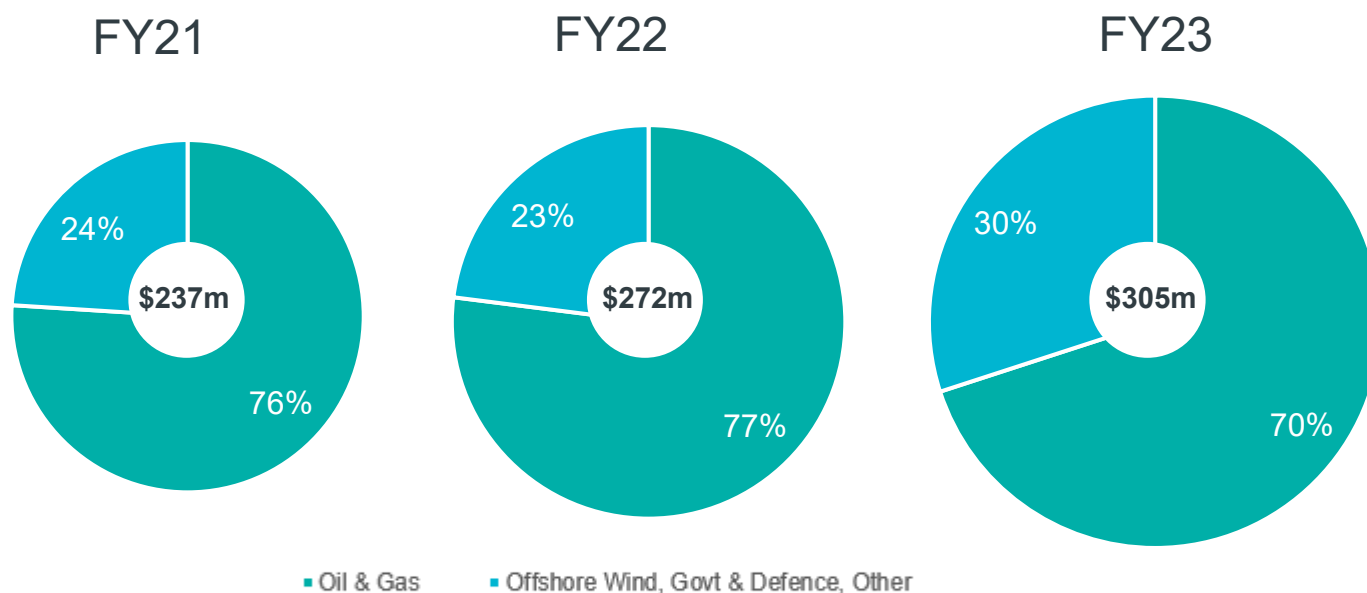
TRANSFORMING THE WAY MARINE SERVICES ARE DELIVERED



DIVERSIFICATION

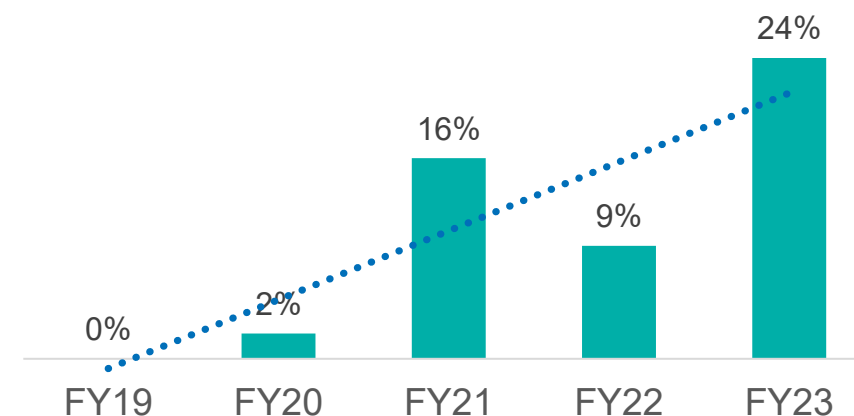
CONTINUING TO BUILD DIVERSIFIED REVENUE BASE WITH 24% OF FY23 REVENUE FROM OFFSHORE WIND

BUILDING A DIVERSIFIED REVENUE BASE



OFFSHORE WIND REVENUE GROWTH

% of Revenue from Offshore Wind



Strategy focused on increasing % of revenue from Offshore Wind, Government & Defence and other marine services

• Excludes fuel sales

CONTINUING TO PROGRESS OUR ESG STRATEGY

KEY HIGHLIGHTS

Emissions Reduction

- Progressing digitalisation and operational efficiency initiatives to monitor and reduce fuel burn on vessels
- Ship manager on FFI Green Pioneer – ammonia fuel trial vessel

Supporting the Energy Transition

- 24% of FY23 revenue from Offshore Wind from 0% in FY19

Supporting Healthy Oceans

- 2 new artificial reefs installed in Tasmania
- Research collaboration with UWA on wave attenuating reef design for coastal erosion management

Community Engagement

- “Seeds for Snapper” seagrass regeneration project at C.Y. O’Connor reef

Indigenous Engagement

- “Mapping Together on Wadandi Sea Country” collaboration and short film with Undalup Association, UWA and HIPP



Sustainability
Report 2023

BUSINESS UPDATE

STRONG MOMENTUM IN ALL SECTORS AND SEVERAL NEW CONTRACTS SIGNED



CORE BUSINESS PERFORMING WELL

- Strong demand across our vessels, subsea and project logistics divisions
- Secured two back-to-back contracts for the MMA Inscription (220 days + options)
- Acquired multi-purpose vessel “Offshore Solution” to enhance integrated service capability
- Rates and contract terms continuing to improve



BUILDING GOVERNMENT & DEFENCE REVENUE

- Award of \$30M Defence Contract to provide familiarisation services to the Australian Navy on robotic, remote and autonomous maritime systems
- \$80M RV Investigator vessel management contract commenced Nov-23 for 4 + years
- Extended on Department of Defence hydrographic survey panel (HIPP) for a further 5 years



OFFSHORE WIND ACTIVITY CONTINUES TO BE STRONG

- 2 of our large MPSV vessels MMA Pinnacle and MMA Prestige will operate in Taiwan for much of H1
- MMA Crystal receiving ongoing work under Taiwanese flag and completed first integrated trenching scope



DECOMMISSIONING / ENVIRONMENTAL

- 3 vessels + barge recently successfully completed Nganhurra Riser Turret Mooring removal scope for Woodside Enfield decommissioning
- Reefs - Secured \$5.7M habitat enhancement contract in New Zealand

PRIORITIES & OUTLOOK

EXECUTE OUR GROWTH STRATEGY AND CAPITALISE ON POSITIVE MARKET CONDITIONS



KEY PRIORITIES

- Maximise returns through increased utilisation and rates in rising market
- Supplement fleet with chartered vessels and ROA enhancing acquisitions
- Continue to grow subsea business and integrate our service offering
- Leverage environmental and stabilisation business into new growth areas
- Aggressively target the offshore wind market in Asia Pacific region
- Grow Government & Defence revenue

OUTLOOK

- Market outlook continuing to strengthen through FY24 and beyond with strong momentum across our key service areas
- Progress growth opportunities
- Targeting a fully franked dividend to shareholders in respect of FY24 subject to growth capital requirements and business performance
- Anticipate earnings to continue to improve in FY24



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TRANSFORMING
the way marine services are delivered

Photo: MMA Crystal supporting offshore wind developments in Taiwan