

27 May 2024

The Manager  
ASX Market Announcements  
ASX Limited

## SCHEME BOOKLET REGISTERED BY ASIC

MMA Offshore Limited ("**MMA**" or the "**Company**") refers to its announcement dated 24 May 2024 regarding the proposed acquisition of 100% of the fully paid ordinary shares in MMA ("**MMA Shares**") via scheme of arrangement ("**Scheme**") by Cyan MMA Holdings Pty Limited and orders made by the Federal Court of Australia that MMA convene a meeting of MMA shareholders ("**Shareholders**") to consider and vote on the proposed Scheme ("**Scheme Meeting**") and approving the distribution of an explanatory statement providing information about the Scheme and the Notice of Scheme Meeting ("**Scheme Booklet**").

### Registration of Scheme Booklet, including the Independent Expert's Report

MMA confirms that the Scheme Booklet has now been registered by the Australian Securities and Investments Commission. A copy of the Scheme Booklet, including the Notice of Scheme Meeting, is attached to this ASX announcement.

The Scheme Booklet includes the independent expert's report prepared by BDO Corporate Finance (WA) Pty Ltd ("**Independent Expert**").

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal. The Independent Expert has assessed the value of an MMA Share (on a controlling interest basis) to be in the range of A\$2.03 to A\$2.83, with a preferred value of A\$2.41. The Scheme consideration of A\$2.60 cash per MMA Share is within the Independent Expert's value range and is above its preferred value. The Independent Expert's conclusions should be read in context with the full Independent Expert's Report.

The Scheme Booklet provides Shareholders with important information about the Scheme. Shareholders are advised to carefully read the Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote on the Scheme.

### Accessing the Scheme Booklet

Shareholders who have previously elected to receive communications electronically will receive an email to their nominated email address over the coming days, that will contain instructions about how to view or download a copy of the Scheme Booklet. Shareholders who have not made such an election will receive a letter (sent by post to their registered address) containing details of where they can view and download the Scheme Booklet. Shareholders who have previously elected to receive communications in hard copy will receive a printed copy of the Scheme Booklet over the coming days.

Shareholders may also request a printed copy of the Scheme Booklet or ask any other questions regarding the Scheme or Scheme Booklet by calling the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday (excluding public holidays) between 9:00am and 5:00pm (AEST).

## Scheme Meeting

The Scheme Meeting to vote on the Scheme is scheduled to be held on Monday, 1 July 2024 commencing at 9:00am (AWST) at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia. Shareholders (or their appointed proxies, attorneys or corporate representatives) will be able to attend the Scheme Meeting in person.

If you are registered as a Shareholder at 9:00am (AWST) on Saturday, 29 June 2024 you will be entitled to vote on the resolution to approve the Scheme to be proposed at the Scheme Meeting.

If you are unable to, or do not wish to, attend the Scheme Meeting, you can vote by direct voting online at the Share Registry website or by appointing a proxy (including by lodging your Proxy Form) or attorney to attend and vote on your behalf, as per the instructions in the Scheme Booklet. Alternatively, you may also vote by corporate representative, in the case of a corporate Shareholder.

The indicative timetable for the entire Scheme process is detailed in the Scheme Booklet.

## MMA Board recommendation

The Directors of MMA continue to unanimously recommend that Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.<sup>1</sup>

Subject to the same qualifications, each MMA Director intends to vote, or cause to be voted, all MMA Shares he or she holds or controls in favour of the Scheme at the Scheme Meeting.

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For further information please contact:

### Investor enquiries

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Authorised for release to the ASX by the Board of MMA Offshore Limited (ACN 083 185 693).

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<sup>1</sup> For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote please refer to the Scheme Booklet, including the letter from the Chairman of MMA and Sections 1.5, 1.6, 9.1 and 9.2 of the Scheme Booklet.

**For a scheme of arrangement between MMA Offshore Limited (ACN 083 185 693) and its shareholders in relation to the proposed acquisition by Cyan MMA Holdings Pty Limited (ACN 675 840 196), a wholly owned subsidiary of Cyan Renewables Pte. Ltd.**

Your MMA Directors unanimously recommend that you

## **VOTE IN FAVOUR**

of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal.

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This is an important document and requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this document, you should consult your broker or financial, legal, taxation or other professional adviser immediately.

If, after reading this Scheme Booklet, you have any questions in relation to this Scheme Booklet or the Scheme, please contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday (excluding public holidays) between 9:00am and 5:00pm (AEST).

This Scheme Booklet has been sent to you because you are shown in the MMA Share Register as holding MMA Shares. If you have recently sold all your MMA Shares, please disregard this Scheme Booklet.

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# LETTER FROM THE CHAIRMAN OF MMA OFFSHORE LIMITED

27 May 2024

Dear Shareholder

On behalf of the MMA Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration regarding the proposed acquisition of MMA Offshore Limited (**MMA**) by Cyan MMA Holdings Pty Limited (**Cyan**) by way of a scheme of arrangement (**Scheme**). Cyan is a wholly-owned subsidiary of Cyan Renewables Pte. Ltd. (**Cyan Renewables**), which is a portfolio company of Seraya Fund, a fund managed by Singapore-based next-generation infrastructure fund manager, Seraya Partners.

This Scheme Booklet sets out details of the proposed Scheme and important matters relevant to your vote, including the reasons why the MMA Board unanimously recommends that Shareholders **vote in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.<sup>1</sup> The Scheme Booklet also sets out some of the reasons why you may wish to vote against the Scheme.

## Background to the Scheme

On 25 March 2024, MMA announced that it had entered into a binding Scheme Implementation Deed with Cyan under which it is proposed that Cyan will acquire 100% of the fully paid ordinary shares in MMA by way of the Scheme. The Scheme is subject to Shareholder and Court approval, FIRB approval and certain other conditions which must be either satisfied or waived. Further detail regarding the conditions in the Scheme Implementation Deed is included in Section 4.5.

MMA's entry into the Scheme Implementation Deed with Cyan followed the submission of five prior non-binding, indicative and confidential proposals from Cyan Renewables on 17 October 2023 (at an offer price of \$1.66 per MMA Share), 2 November 2023 (at an offer price of \$1.79 per MMA Share), 22 November 2023 (at an offer price of \$1.98 per MMA Share), 20 February 2024 (at an offer price of \$2.20 per MMA Share) and 5 March 2024 (at an offer price of \$2.40 per MMA Share).

## Scheme Consideration

If the Scheme is approved and becomes Effective, each Shareholder will be entitled at Implementation to receive from Cyan A\$2.60 cash for each MMA Share which they held at the Record Date (**Scheme Consideration**).

The aggregate Scheme Consideration for all MMA Shares on a fully-diluted basis comprises approximately **A\$1.03 billion**.<sup>2</sup>

The Scheme Consideration of A\$2.60 per MMA Share represents:

- an 11% premium to the closing ASX market price of A\$2.35 per MMA Share on 22 March 2024 (being the last trading day before the Scheme was announced to ASX);
- a 20% premium to the 30-day VWAP of A\$2.16 per MMA Share on 22 March 2024;
- a 31% premium to the 90-day VWAP of A\$1.98 per MMA Share on 22 March 2024;
- a 50% premium to the 180-day VWAP of A\$1.73 per MMA Share on 22 March 2024; and
- a 91% premium to Company's net tangible assets (**NTA**) at 31 December 2023.

You will need to hold your MMA Shares on the Record Date to receive the Scheme Consideration (if the Scheme becomes Effective).

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<sup>1</sup> You should note that, as at the Last Practicable Date, Mr David Ross (MMA's Managing Director and CEO) holds or controls 2,258,477 MMA Shares and 7,647,967 MMA Performance Rights.

For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote, please refer to the remainder of this letter and elsewhere in this Scheme Booklet, including Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

<sup>2</sup> Based on a fully diluted capital structure of 394,594,206 (379,021,627 MMA Shares plus 15,572,579 MMA Performance Rights as at the Last Practicable Date) multiplied by A\$2.60 per MMA Share. The MMA Board has determined that all MMA Performance Rights which are currently unvested (being 11,594,391 MMA Unvested Performance Rights) will vest upon the Scheme becoming Effective, and will consequently be exercisable into MMA Shares which may then participate in the Scheme.

## Independent Expert's Report

The MMA Board has appointed BDO as the Independent Expert to assess the merits of the Scheme. The Independent Expert has:

- concluded that the Scheme is fair and reasonable and in the best interest of Shareholders, in the absence of a superior proposal; and
- assessed the value of an MMA Share (on a controlling interest basis) to be in the range of A\$2.03 and A\$2.83 per MMA Share, with a preferred value of A\$2.41.

The Scheme Consideration of \$A2.60 per MMA Share is within the Independent Expert's value range and is above that preferred value.

A complete copy of the Independent Expert's Report is included as Annexure A to this Scheme Booklet. You are encouraged to read the Independent Expert's Report in its entirety.

## Recommendation of the MMA Board

**The MMA Directors unanimously recommend that Shareholders vote in favour of the Scheme**, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders. Subject to the same qualifications, each MMA Director intends to vote all MMA Shares held or controlled by them in favour of the Scheme.

In relation to the unanimous recommendation of the Directors, Shareholders should have regard to the interests of certain MMA Directors in the outcome of the Scheme vote (including the Scheme Consideration to which they will be entitled), as described below and in Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors other than Ms Sally Langer has a Relevant Interest in MMA Shares.

Mr David Ross, MMA's Managing Director and CEO, also holds 7,647,967 MMA Performance Rights, as described in Section 9.1. Of these:

- 3,978,188 MMA Performance Rights have already vested and are able to be exercised into the same number of MMA Shares;
- 1,857,040 MMA Unvested Performance Rights are scheduled to vest on 1 July 2024 in accordance with the satisfaction of their existing vesting hurdles (the vesting of which will occur in the ordinary course and are not related to the Scheme), and will then be exercisable into the same number of MMA Shares; and
- the MMA Board (excluding Mr Ross) has resolved that the remaining 1,812,739 MMA Unvested Performance Rights held by Mr Ross (as well as all other MMA Unvested Performance Rights held by MMA personnel or their nominees) will vest automatically and be exercisable into the same number of MMA Shares if and when the Scheme becomes Effective.<sup>3</sup>

MMA Shares issued on the exercise of MMA Performance Rights by the Record Date will be acquired by Cyan pursuant to the Scheme for the Scheme Consideration. If all of the MMA Performance Rights held by Mr Ross are exercised into MMA Shares by the Record Date and the MMA Shares already held or controlled by Mr Ross continue to be held by him as at the Record Date, Mr Ross will be entitled to receive a total of A\$25,756,754.40 in Scheme Consideration.

Your MMA Directors are unanimous in their decision to recommend the Scheme for the following reasons:

- the Scheme Consideration represents a premium to MMA Share prices leading up to the announcement of the Scheme and a material premium to longer-dated VWAPs and NTA;
- the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal;
- the current period of cyclical strength in MMA's core operating markets is unlikely to continue indefinitely and the Scheme represents an opportune time for Shareholders to crystallise the value of their investment in MMA;
- recent vessel utilisation is at unprecedented levels and is unlikely to be sustainable under MMA's current short-term contracting strategy;
- the Scheme realises immediate value for Shareholders and removes the need to deploy further capital to grow or refresh the current asset base in coming years;

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<sup>3</sup> The 1,812,739 MMA Unvested Performance Rights held by Mr David Ross are otherwise subject to the vesting conditions set out in Section 5.8(b) in respect of "FY2023 Senior Management LTI Performance Rights" or "FY2024 Senior Management LTI Performance Rights" (as applicable).

- the Scheme provides a compelling opportunity for Shareholders to realise certain cash value for their investment in MMA;
- Implementation of the Scheme would remove Shareholders' exposure to ongoing and future risks associated with MMA's business;
- MMA's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal; and
- no Superior Proposal has emerged as at the Last Practicable Date.

In forming their unanimous decision to recommend the Scheme, the MMA Directors also considered there are potential reasons why you may consider voting against the Scheme, including:

- some Shareholders may prefer to continue to participate in the future financial performance of MMA;
- some Shareholders may prefer to maintain their current investment and risk profile;
- some Shareholders may prefer to maintain a direct investment in MMA because they believe that there are limited alternative ways of gaining comparable investment exposure;
- the tax consequences of the Scheme may not be suitable to some Shareholders' financial circumstances or position; and
- some Shareholders may believe that there is potential for a Superior Proposal to emerge.

The MMA Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

For further details on the recommendation given by the MMA Board, please refer to Section 1 of this Scheme Booklet.

You may disagree that the Scheme is in your best interests and instead prefer to retain your MMA Shares. Some of the reasons you may wish to vote against the Scheme are detailed in Section 1.3.

### How to Vote

For the Scheme to proceed, (in addition to requiring the satisfaction or waiver of the other conditions of the Scheme detailed in Section 4.5) the Scheme must be approved by the Requisite Majorities of Shareholders at the Scheme Meeting which is scheduled for 9:00am on 1 July 2024 at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia and by the Court. For further information on how to attend the Scheme Meeting and vote on the Scheme, please see Section 3 and the Notice of Scheme Meeting at Annexure D of this Scheme Booklet.

Your vote is important and I encourage you to vote by attending the Scheme Meeting or alternatively vote by direct vote online at <https://investor.automic.com.au/#/loginsah> or by completing and returning the proxy form accompanying this Scheme Booklet or online at <https://investor.automic.com.au/#/loginsah>.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme so that it is approved.

### Further Information

You should carefully read this Scheme Booklet in its entirety before making any decisions in relation to the Scheme.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday (excluding public holidays) between 9:00am and 5:00pm (AEST). If you are in any doubt as to what you should do, I encourage you to consult your broker or financial, legal, taxation or other professional advisor, without delay.

On behalf of the MMA Board, I would like to take this opportunity to thank you for your ongoing support of MMA. I look forward to your participation at the Scheme Meeting.

Yours sincerely



**Ian Macliver**  
Chairman  
MMA Offshore Limited

# IMPORTANT NOTICES

## Date of this Scheme Booklet

This Scheme Booklet is dated 27 May 2024.

## Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report contained in Annexure A) and the Proxy Form accompanying this Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in Section 10. The Independent Expert's Report contains its own defined terms which are sometimes different from those detailed in the Glossary in Section 10.

## References to Scheme Booklet, Sections and Annexures

References to Sections and Annexures are to the named Sections and Annexures in this Scheme Booklet.

## Purpose of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to (among other things) explain the terms of the Scheme and the manner in which it will be implemented (if approved). This Scheme Booklet provides all information required to be given to Shareholders or that is otherwise material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any MMA Director which has not previously been disclosed to Shareholders.

## General

This Scheme Booklet is important and requires your attention. You should read this Scheme Booklet carefully in its entirety before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

This Scheme Booklet does not constitute or contain an offer to Shareholders, or a solicitation of an offer from Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act.

## No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any Shareholder or any other person. It is important that you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as detailed in Section 7.4, and the views of the Independent Expert, detailed in the Independent Expert's Report in Annexure A.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to MMA Shares or any other securities. If you are in doubt as to what you should do, you should consult your financial, legal, taxation or other professional adviser.

Shareholders should consult their taxation adviser as to the applicable tax consequences of the Scheme. A general summary of the Australian taxation considerations is detailed in Section 8.

## Responsibility statement

The MMA Information has been prepared by MMA and is the responsibility of MMA. To the maximum extent permitted by law, neither Cyan nor any of its Related Bodies Corporate, directors, officers or advisors of any of those entities is responsible for the accuracy or completeness of the information contained in this Scheme Booklet other than the Cyan Information and disclaim any liability in this regard.

The Cyan Information has been prepared by Cyan and is the responsibility of Cyan. To the maximum extent permitted by law, neither MMA nor any of its Subsidiaries, directors, officers or advisors of any of those entities is responsible for the accuracy or completeness of any Cyan Information contained in the Scheme Booklet and disclaim any liability in this regard.

BDO has prepared, and is responsible for, the Independent Expert's Report contained in Annexure A of this Scheme Booklet (and the Independent Technical Expert has prepared, and is responsible for, the Independent Technical Expert's Report which forms part of the Independent Expert's Report). To the maximum extent permitted by law, none of MMA, Cyan, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

PwC has prepared, and is responsible for, the information contained in Section 8. To the maximum extent permitted by law, none of MMA, Cyan, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the information in Section 8 and disclaim any liability in this regard.

## Role of ASIC

A copy of this Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

## Role of ASX

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

## Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (ii) has prepared, or is responsible for the content of, the explanatory statement.

## Notice regarding Second Court Hearing and Shareholders' Rights to Oppose the Scheme

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Shareholder may appear at the Second Court Hearing, which is expected to be held at 2.15pm (AWST) on 3 July 2024 (being the Second Court Date) at the Federal Court of Australia (sitting in Western Australia) at Peter Durack Commonwealth Law Courts Building, 1 Victoria Avenue, Perth WA 6000, Australia.

Any Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on MMA a notice of appearance in the prescribed form together with any affidavit that the Shareholder proposes to rely on. The notice of appearance and affidavit must be served on MMA at least one Business Day before the Second Court Date.

## Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any



failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

#### Forward looking statements

Certain statements in this Scheme Booklet relate to the future, including forward looking statements and information ("forward looking statements"). Forward looking statements and statements of intent in relation to future events in this Scheme Booklet should not be taken to be forecasts or predictions that those events will occur. These statements may generally be identified by the use of forward-looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "if", "could", "may", "should", "likely" or "potential", or similar words.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which MMA or Cyan will operate in the future. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, operational risks, the level of activity in the offshore energy industry, fleet maintenance and replacement requirements, access to capital, level of indebtedness, commodity prices, cyber security, foreign exchange rate changes, geopolitical events, impacts from climate change, loss of key personnel and/or key clients, loss of opportunities for organic and inorganic growth and economic risks. Refer to Section 7 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward-looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of MMA is no assurance of its future financial performance. None of MMA, Cyan and their respective officers, directors, employees or advisers, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements and information in this Scheme Booklet will actually occur.

The forward-looking statements in this Scheme Booklet reflect views and expectations held only at the Last Practicable Date. MMA believes that all forward looking statements included in the MMA Information have been made on a reasonable basis and Cyan believes that all forward looking statements included in the Cyan Information have been made on a reasonable basis. However, none of MMA, Cyan and their respective officers, directors, employees or advisers, gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward-looking statements in this Scheme Booklet will actually occur. Shareholders should, therefore, treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, MMA, Cyan and their respective officers, directors, employees or advisers, disclaim any obligation to revise or update, after the Last Practicable Date, any forward-looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

All financial and operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

#### Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables are based on information available as at the Last Practicable Date.

#### Timetable and Dates

All times and dates referred to in this Scheme Booklet are references to Australian Western Standard Time (AWST), unless otherwise stated. All times and dates relating to the Implementation of the Scheme referred to in this Scheme Booklet may change.

#### Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures contained in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

#### No website is part of this Scheme Booklet

MMA and Cyan Renewables each maintain websites at [www.mmaoffshore.com](http://www.mmaoffshore.com) and [www.cyanrenewables.com](http://www.cyanrenewables.com) respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

#### Currency

References in this Scheme Booklet to "\$", "A\$", "AUD", and "Australian dollar" are to Australian currency, unless otherwise stated.

#### Privacy and personal information

MMA will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of Shareholders together with contact details of individuals appointed by Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist MMA to conduct the Scheme Meeting and implement the Scheme. If the information outlined above is not collected, MMA may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all. Personal information of the type described above may be disclosed to the Share Registry, third-party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of MMA, government agencies, and also where disclosure is otherwise required or allowed by law.

Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact MMA if they wish to exercise those rights.

Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

**Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the MMA Share Register. The MMA Share Register contains personal information about Shareholders.**

#### Notice of Scheme Meeting

The Notice of Scheme Meeting is contained in Annexure D.

## IMPORTANT DATES AND TIMES FOR THE SCHEME

| Event   | Time and date                           |
|---|---|
| First Court Date  | 10:15 am (AWST) on Friday, 24 May 2024  |
| Latest time and date for direct voting, lodgement of completed Proxy Forms or powers of attorney for the Scheme Meeting | 9:00am (AWST) on Saturday, 29 June 2024 |
| Time and date for determining eligibility of Shareholders to vote at the Scheme Meeting                                 | 9:00am (AWST) on Saturday, 29 June 2024 |
| Scheme Meeting  | 9:00am (AWST) on Monday, 1 July 2024    |

| If the Scheme is approved by Shareholders   |  |
|---|--|
| Court hearing to approve the Scheme (Second Court Date)   | 2:15 pm (AWST) on Wednesday, 3 July 2024 |
| <b>Effective Date</b><br>Court order lodged with ASIC and announcement to ASX<br>Last day of trading of MMA Shares on ASX | Thursday, 4 July 2024                    |
| <b>Record Date</b><br>For determining entitlements to the Scheme Consideration  | 5:00 pm (AWST) on Thursday, 11 July 2024 |
| <b>Implementation Date</b><br>Payment of the Scheme Consideration to Scheme Participants                                  | Thursday, 18 July 2024                   |

All stated dates and times in the above timetable are references to the date and time in Perth, Western Australia and all such dates and times are indicative only and subject to change. The actual timetable will depend on many factors outside the control of MMA, including the Court approval process and the satisfaction or waiver (where applicable) of the conditions of the Scheme. For example, the date of the Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition (including the FIRB Condition Precedent) is delayed, pursuant to the terms of the Scheme Implementation Deed. Certain times and dates are conditional on the approval of the Scheme by Shareholders and the Court. Any changes to the above timetable will be announced by MMA to ASX.

# 1. KEY CONSIDERATIONS FOR SHAREHOLDERS

The Scheme has a number of advantages and disadvantages that may affect Shareholders in different ways depending on their individual circumstances. Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 1.2 provides the reasons why the MMA Directors unanimously recommend Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.<sup>4</sup> Section 1.2 should be read in conjunction with Section 1.3, which sets out reasons why Shareholders may wish to vote against the Scheme Resolution. The purpose of Sections 1.4 to 1.7 is to identify (non-exhaustively) significant issues for you to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, you should read this Scheme Booklet in its entirety, including the Independent Expert's Report, the factors relevant to your decision discussed in this Section 1 and the risk factors outlined in Section 7.

While the MMA Directors acknowledge the reasons to vote against the Scheme Resolution, they believe the advantages of the Scheme significantly outweigh the disadvantages.

## 1.1 Summary of reasons why you might vote for or against the Scheme Resolution

### (a) Reasons to vote in favour of the Scheme

- ✓ The MMA Directors unanimously recommend you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders<sup>5</sup>
- ✓ The Scheme Consideration represents a premium to MMA Share prices leading up to the announcement of the Scheme and a material premium to longer-dated VWAPs and NTA
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal
- ✓ The current period of cyclical strength in MMA's core operating markets is unlikely to continue indefinitely and the Scheme represents an opportune time for Shareholders to crystallise the value of their investment in MMA
- ✓ Recent vessel utilisation is at unprecedented levels and is unlikely to be sustainable under MMA's current short-term contracting strategy
- ✓ The Scheme realises immediate value for Shareholders and removes the need to deploy further capital to grow or refresh the current asset base in coming years
- ✓ The Scheme provides a compelling opportunity for Shareholders to realise certain cash value for their investment in MMA
- ✓ Implementation of the Scheme would remove Shareholders' exposure to ongoing and future risks associated with MMA's business
- ✓ MMA's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal
- ✓ No Superior Proposal has emerged as at the Last Practicable Date

<sup>4</sup> You should note that, as at the Last Practicable Date, Mr David Ross (MMA's Managing Director and CEO) holds or controls 2,258,477 MMA Shares and 7,647,967 MMA Performance Rights.

For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote, please refer elsewhere in this Scheme Booklet, including Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

<sup>5</sup> See footnote 4 above.



## (b) Potential reasons to vote against the Scheme

- ✗ You may disagree with the MMA Directors' unanimous recommendation
- ✗ You may disagree with the Independent Expert's conclusion and believe that the Scheme is not in your best interests
- ✗ You may prefer to continue to participate in the future financial performance of MMA
- ✗ You may prefer to maintain your current investment and risk profile
- ✗ You may prefer to maintain a direct investment in MMA because you believe that there are limited alternative ways of gaining comparable investment exposure
- ✗ The tax consequences of the Scheme may not be suitable to your financial circumstances or position
- ✗ You may believe that there is potential for a Superior Proposal to emerge

## 1.2 Reasons to vote in favour of the Scheme

### (a) **The MMA Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders<sup>6</sup>**

The MMA Directors unanimously believe the Scheme to be in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.

Subject to those same qualifications, each MMA Director intends to vote, or cause to be voted, all MMA Shares they hold or control, in favour of the Scheme Resolution at the Scheme Meeting. This represents in total 2,640,834 MMA Shares or 0.697% of the total number of issued MMA Shares if no MMA Performance Rights are exercised into MMA Shares by the time for determining eligibility to vote on the Scheme Resolution. If all 3,978,188 MMA Vested Performance Rights held by Mr David Ross (being the only MMA Director who holds or controls MMA Performance Rights)<sup>7</sup> are exercised into MMA Shares by the time for determining eligibility to vote on the Scheme Resolution, then MMA Directors may in aggregate vote, or cause to be voted, 6,619,022 MMA Shares or 1.728% of the total number of issued MMA Shares. Refer to Section 9.1 for further details of the MMA Shares held by the MMA Directors.

While the MMA Directors acknowledge that there may be reasons to vote against the Scheme, they believe that the advantages of the Scheme significantly outweigh the potential disadvantages, as detailed in Section 1.3.

<sup>6</sup> You should note that, as at the Last Practicable Date, Mr David Ross (MMA's Managing Director and CEO) holds or controls 2,258,477 MMA Shares and 7,647,967 MMA Performance Rights.

For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote, please refer elsewhere in this Scheme Booklet, including Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

<sup>7</sup> Noting that David Ross also holds a further 3,669,779 MMA Unvested Performance Rights, 1,857,040 of which are scheduled to vest on 1 July 2024 in accordance with the satisfaction of their existing vesting hurdles (regardless of whether the Scheme proceeds, but after the eligibility date for voting at the Scheme Meeting).

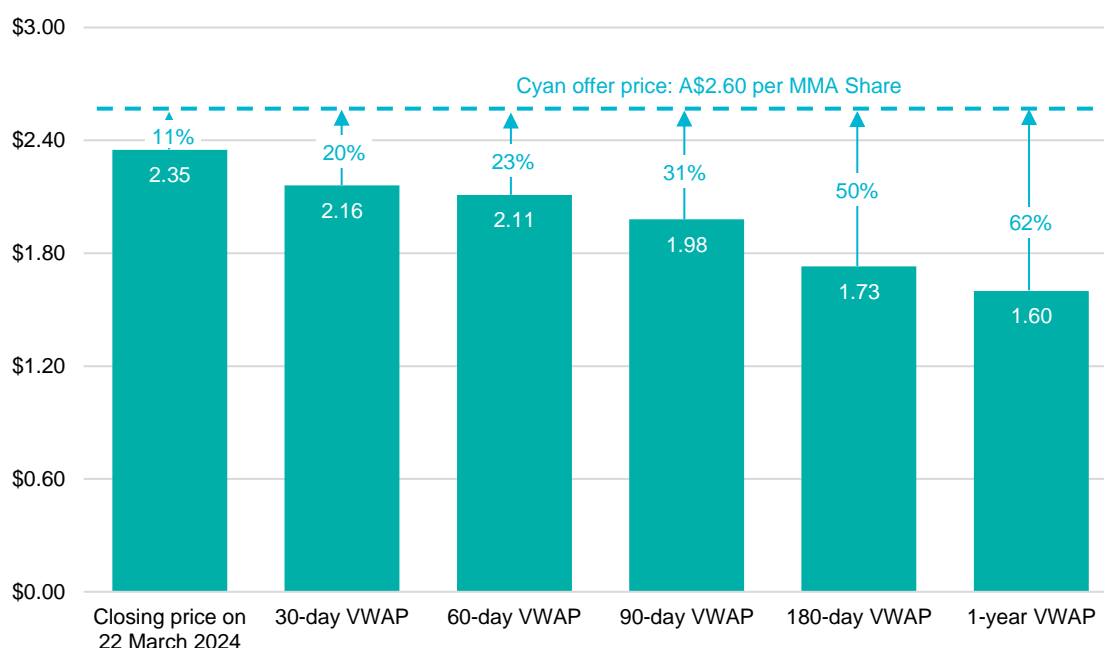
(b) **The Scheme Consideration represents a premium to MMA Share prices leading up to the announcement of the Scheme and a material premium to longer-dated VWAPs and NTA**

If the Scheme is implemented, Shareholders will receive A\$2.60 in cash for each Share they hold on the Record Date. The Scheme Consideration represents a premium to the trading prices of MMA Shares up to and including 22 March 2024, being the last day on which MMA Shares traded prior to the Scheme Announcement Date.

The Scheme Consideration of A\$2.60 per MMA Share under the Scheme represents:

- (i) an 11% premium to the closing ASX market price of A\$2.35 per MMA Share on 22 March 2024 (being the last trading day before the Scheme was announced to ASX);
- (ii) a 20% premium to the 30-day VWAP of A\$2.16 per MMA Share on 22 March 2024;
- (iii) a 31% premium to the 90-day VWAP of A\$1.98 per MMA Share on 22 March 2024;
- (iv) a 50% premium to the 180-day VWAP of A\$1.73 per MMA Share on 22 March 2024; and
- (v) a 91% premium to the Company's NTA at 31 December 2023.

**Figure 1: Scheme Consideration & Premiums v Recent MMA Share prices leading up to the Scheme Announcement Date**



Source: FactSet as at 20 May 2024.

The longer-dated 90-day and 180-day VWAPs of A\$1.98 and A\$1.73 per MMA Share respectively are reflective of the average trading price of MMA Shares throughout MMA's negotiations with Cyan, which began in October 2023.

The Scheme Consideration of A\$2.60 per MMA Share materially exceeds the average traded price of MMA Shares throughout the Cyan negotiation period and the period subsequent to MMA's updated guidance to the market in November 2023. Additionally, the offer price also represents a premium to the average traded price of MMA Shares subsequent to announcement of the company's H1 FY2024 results in February 2024.

The chart below shows the extent to which the Scheme Consideration exceeds the trading range of MMA Shares over the two-year period prior to the Scheme Announcement Date.

**Figure 2: Scheme Consideration v 24 Month MMA Share Prices**



Source: FactSet as at 20 May 2024.

The Scheme Consideration also implies a premium of 91% to the Company's NTA as at 31 December 2023. This is equivalent to a price-to-NTA multiple of 1.91x, which is significantly larger than MMA's 10-year average trading multiple of 0.5x NTA.

**(c) The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal**

The MMA Board appointed BDO as the Independent Expert to prepare an Independent Expert's Report. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of Shareholders, in the absence of a superior proposal.

The Independent Expert has valued MMA Shares (on a controlling interest basis) to be in the range of A\$2.03 to A\$2.83 per MMA Share, with a preferred value of A\$2.41. The Scheme Consideration of A\$2.60 cash per MMA Share is within this range and is above that preferred value.

The reason why the Independent Expert has reached these conclusions is detailed in the Independent Expert's Report, which is included in Annexure A of this Scheme Booklet. The MMA Directors encourage you to read the Independent Expert's Report in its entirety.

As at the Last Practicable Date, the Independent Expert has not changed or qualified its opinion in any way, and no Superior Proposal has emerged.

**(d) The current period of cyclical strength in MMA's core operating markets is unlikely to continue indefinitely and the Scheme represents an opportune time for Shareholders to crystallise the value of their investment in MMA**

MMA operates in a cyclical industry in which demand for MMA's services rises and falls depending on various factors, including prevailing economic conditions, market dynamics and business sentiment. Supply of available vessels also fluctuates and is impacted by the age of the global fleet, newbuild activity, vessel reactivations, retirements and scrapping.

MMA has recently seen strong improvement in operating conditions, resulting in minimal downtime between short-term contracts and vessel utilisation rates increasing to a forecasted approximately 90% in the current half year. MMA considers that the current

utilisation rate is unlikely to be sustainable. In the event that operating conditions return to more normalised levels, MMA's utilisation rates may fall.

This cyclical strength in MMA's core operating markets reflects an opportune time for Shareholders to crystallise the value of their investment in MMA.

(e) **Recent vessel utilisation is at unprecedented levels and is unlikely to be sustainable under MMA's current short-term contracting strategy**

MMA has recently seen strong improvement in operating conditions, resulting in minimal downtime between short-term contracts and vessel utilisation rates increasing to a forecasted 90% in the second half of the current financial year. Further, MMA's larger multipurpose vessels are anticipated to operate at approximately 95% utilisation over the second half of the current financial year, contributing significantly to the overall utilisation of the fleet. These utilisation rates are unprecedented for MMA and would generally not be achievable under the current short-term contracting strategy.

The advantage of short-term contracting is that it allows for the day rate for each of MMA's vessels to change frequently, which is beneficial in a rising market. However, short-term contracts generally result in periods of downtime due to the time it takes for new scopes of work to materialise and appropriate contracts to be subsequently negotiated. MMA is currently experiencing a period where it is substantially benefitting from rising day rates but not experiencing the downtime that is typical of short-term contracting. MMA does not expect that it can continue to benefit from a short-term contracting strategy in this manner indefinitely.

To ensure higher utilisation over time, MMA would be required to implement longer-term contracts for its vessels. These longer-term contracts would have the effect of setting a comparatively fixed day rate for applicable vessels over a longer period of time, in exchange for guaranteed utilisation. In order to attract longer-term contracts, a discount might need to be applied to the prevailing spot market price in exchange for the security offered by the longer-term contract. This means that margins on longer-term contracts could be lower than those of shorter-term contracts. Consequently, a shift to longer-term contracting would make MMA's financial performance more predictable but would restrict the potential for rate growth from its existing asset base.

(f) **The Scheme realises immediate value for Shareholders and removes the need to deploy further capital to grow or refresh the current asset base in coming years**

While MMA has strategically introduced asset-light divisions to enhance its returns over several years, in order to continue to expand and grow the business MMA will need to deploy further capital. Capital may be used for organic growth (e.g. purchasing vessels) or potential M&A activity. Regardless of the types of opportunities pursued, MMA will be required to deploy capital to increase its volume of activity and revenue, while enhancing service delivery, to remain relevant to its client base.

Additionally, as the current asset portfolio ages the requirement to begin a replacement program draws closer. MMA notes that the replacement cost of its current asset base will be significantly higher than its present carrying value due to inflationary pressure and other external factors.

In order to fund its capital requirements, MMA may use a mix of retained earnings, debt facilities and (if required) issue additional equity. Should MMA's capital requirements exceed its retained earnings, and sensible debt levels, Shareholders may be diluted in the event of an equity raise. Additionally, future capital requirements may restrict MMA's ability to deliver returns to Shareholders via dividends and other capital return mechanisms.

(g) **The Scheme provides a compelling opportunity for Shareholders to realise certain cash value for their investment in MMA**

The consideration payable by Cyan is 100% cash consideration. The 100% cash consideration provides Shareholders with certainty of value and the opportunity to realise their investment in full.

The certainty offered by the Scheme Consideration must be considered against the risks associated with continuing to hold an investment in MMA.

If the Scheme does not proceed, the amount which Shareholders will be able to realise from their investment in MMA will be uncertain.

(h) **Implementation of the Scheme would remove Shareholders' exposure to ongoing and future risks associated with MMA's business**

If the Scheme does not proceed, Shareholders will continue to be exposed to the risks associated with MMA's business.

If the Scheme does not proceed, Shareholders will also remain exposed to the capital intensive nature of MMA's business, which requires large amounts of capital to maintain and replace its fleet of vessels, which reduces the amount of capital available to invest in growth and fund potential Shareholder returns. If the Scheme proceeds, Shareholders will no longer be exposed to these capital requirements.

A summary of certain key risks associated with the MMA business and remaining a Shareholder are set out in Section 1.4. Refer to Section 7 for a detailed explanation of the risks.

(i) **MMA's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal**

If the Scheme does not proceed, then (absent some other delisting event) MMA will continue to be quoted on ASX and continue to be subject to market volatility. For example, this includes exposure to general stock market movements, the impact of general economic conditions and the demand for listed securities.

Since 22 March 2024 (being the last trading day before the Scheme was announced to ASX), MMA's Share price has increased by 12.8% to A\$2.65 per MMA Share on the Last Practicable Date. If the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by the MMA Board, then the MMA Share price may fall.

(j) **No Superior Proposal has emerged as at the Last Practicable Date**

Since the Scheme Announcement Date and up to the Last Practicable Date, no Superior Proposal has emerged and the MMA Directors are not aware of, and have not received, any proposal or any approach from any person which they expect would be reasonably likely to lead to a Superior Proposal.

If a Competing Proposal is received, the MMA Board will carefully consider the proposal to determine whether it is a Superior Proposal, subject to the terms of the Scheme Implementation Deed, as well as MMA's continuous disclosure obligations.

### **1.3 Potential reasons to vote against the Scheme Resolution**

(a) **You may disagree with the MMA Directors' unanimous recommendation**

Despite the unanimous recommendation of the MMA Directors, you may believe that the Scheme is not in the best interests of Shareholders or not in your best interests.

There is no obligation to follow the recommendation of the MMA Directors.

(b) **You may disagree with the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

In concluding that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal, the Independent Expert has had to make judgements based on future conditions and events which cannot be predicted with certainty. You may hold a different view and consequently may not agree with the Independent Expert's conclusion.

There is no obligation to agree with the opinion of the Independent Expert.

(c) **You may prefer to continue to participate in the future financial performance of MMA**

If the Scheme is implemented, you will receive the Scheme Consideration for each MMA Share that you hold on the Record Date and you will cease to be a Shareholder.

This means that you will not participate in the future performance of MMA or retain any exposure to MMA's assets or business or participate in the future financial performance and potential growth of MMA. However, there is no guarantee as to MMA's future performance nor whether any growth will occur.

You may believe that there are alternative organic and inorganic growth options available to MMA that have the potential to deliver greater value for Shareholders than the Scheme Consideration.

You may consider that, despite the risk factors relevant to MMA's future operations (including those detailed in Section 7.2), the unanimous recommendation of the MMA Directors and the conclusion of the Independent Expert, MMA may be able to return greater value for Shareholders by remaining a standalone entity or by seeking alternative corporate transaction structures in the future.

**(d) You may prefer to maintain your current investment and risk profile**

You may prefer to keep your MMA Shares to remain exposed to the specific characteristics of MMA's operations and growth profile. You may consider that MMA's financial risk profile is unique and cannot be replicated by alternative investments in equities or other asset classes.

In addition, despite the risk factors relevant to MMA as a standalone entity (including those detailed in Section 7), and the recommendations of the MMA Directors and the Independent Expert, you may believe that you will achieve a greater return on your investment by remaining as a Shareholder.

**(e) You may prefer to maintain a direct investment in MMA because you believe that there are limited alternative ways of gaining comparable investment exposure**

You may prefer to maintain your exposure to MMA's core operating industries and consider that there are few available alternatives to gain similar exposure. You may consider that any alternative methods of exposure would be less favourable for you than maintaining your existing interest in MMA.

Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with similar end-market exposure to that of MMA and they may incur transaction costs in undertaking any new investment.

**(f) The tax consequences of the Scheme may not be suitable to your financial circumstances or position**

The tax implications of the Scheme will depend on your personal situation. You may consider that the tax implications of transferring your MMA Shares to Cyan pursuant to the Scheme are not attractive to you.

Shareholders should read the tax implications of the Scheme outlined in Section 8. However, Section 8 is general in nature and should not be relied upon by Scheme Participants as taxation advice. Shareholders should seek professional taxation advice regarding the tax implications of the Scheme applicable to their own circumstances.

**(g) You may believe that there is potential for a Superior Proposal to emerge**

You may believe that there is potential for a Superior Proposal to be made in the foreseeable future. This may include a takeover offer or alternative transaction proposal which would deliver consideration to Shareholders in excess of the Scheme Consideration.

However, as at the Last Practicable Date, no Superior Proposal has emerged, and the MMA Directors are not aware of any Superior Proposal that is likely to emerge.

## **1.4 Risks associated with continuing to hold MMA Shares**

As set out further in Section 7, there are a number of risk factors, both general and specifically relating to MMA and the Scheme, which may affect the future operating and financial performance of MMA and the price and/or value of MMA Shares. Some of those risks are summarised in the following table.



These risks are non-exhaustive and additional unknown risks and uncertainties may have a material adverse impact on MMA's financial and operational performance and the price and/or value of MMA Shares.

| Risks relating to the business and operations of MMA |  |
|--|--|
| <i>Strategic</i>                                     | <ul style="list-style-type: none"> <li>• Competition</li> <li>• Dependence on the level of activity in the offshore energy industry</li> <li>• Climate change and ESG</li> </ul>   |
| <i>Financial</i>                                     | <ul style="list-style-type: none"> <li>• Fleet maintenance and replacement</li> <li>• Future impairment of the vessel fleet</li> <li>• Commodity prices</li> <li>• Risks relating to indebtedness</li> <li>• Access to capital</li> <li>• Foreign exchange</li> <li>• Contractual and counterparty risks, including the short-term nature of most of MMA's customer contracts</li> <li>• Reduction in the demand for the Company's services</li> <li>• Cyclical variation in financial performance</li> <li>• Risks arising from efforts to seek to achieve organic and inorganic growth</li> <li>• Increasing supply of vessels and services to the offshore energy markets, applying downward pressure on day rates and asset values</li> <li>• Increases in input costs</li> <li>• Insurance</li> </ul> |
| <i>Operational</i>                                   | <ul style="list-style-type: none"> <li>• Geopolitical, government and regulatory risk factors</li> <li>• Cyber security</li> <li>• Reliance on key personnel</li> <li>• Equipment damage, technical failures, or human error</li> <li>• Health and safety incidents and industrial relations issues, including strikes</li> <li>• Epidemics and pandemics</li> <li>• Kidnap and ransom</li> <li>• Fraud and theft</li> <li>• Vessels capsizing, sinking, grounding, collisions, fires and explosions, piracy, vessel seizures or arrests and acts of terrorism</li> <li>• Environmental pollution, contamination and other related accidents</li> <li>• Contractual assumptions of risk</li> <li>• Global or regional events that cause a reduction in economic output or other adverse impacts</li> </ul> |
| Risks relating to the Scheme                         |  |
| <i>Implementing the Scheme</i>                       | <ul style="list-style-type: none"> <li>• Completion of the Scheme is subject to various conditions that must be satisfied or waived (if capable of being waived) in order for the Scheme to be implemented</li> <li>• The Scheme Implementation Deed may be terminated by MMA or Cyan in certain circumstances, in which case MMA may not be able to solicit an alternative transaction</li> <li>• Tax consequences for Scheme Participants (as applicable)</li> </ul>   |
| <i>If the Scheme is not implemented</i>              | <ul style="list-style-type: none"> <li>• Shareholders will not receive the Scheme Consideration</li> <li>• The price of an MMA Share may fall below its recent trading price, in the absence of a Superior Proposal</li> <li>• Transaction costs will be incurred by MMA</li> <li>• Continued exposure to other risks outlined in Section 7</li> </ul>   |



## 1.5 Scheme Consideration to be paid to MMA Directors

Shareholders are advised that, if the Scheme is implemented, based on each MMA Director's Relevant Interest in MMA Shares as at the Last Practicable Date, each MMA Director (and/or their Associates) will receive the following Scheme Consideration:

- (a) Mr Ian Macliver – A\$260,000;
- (b) Mr David Ross – A\$5,872,040.20;
- (c) Mr Chiang Gnee Heng – A\$216,208.20;
- (d) Ms Sally Langer – nil; and
- (e) Ms Susan Murphy AO – A\$517,920.

In addition, assuming all MMA Performance Rights held by Mr David Ross are exercised into MMA Shares by the Record Date, an additional 7,647,967 MMA Shares, in aggregate, would be issued to Mr Ross (and/or his respective nominee(s)). All those MMA Shares would be entitled to participate in the Scheme and, if the Scheme becomes Effective, Mr Ross would receive a further A\$19,884,714.20 in Scheme Consideration, resulting in total Scheme Consideration of A\$25,756,754.40 being paid to Mr Ross.

## 1.6 Directors' interests in the outcome of the Scheme

Each of the MMA Directors other than Ms Sally Langer has a Relevant Interest in MMA Shares. Mr David Ross, MMA's Managing Director and CEO, also holds 7,647,967 MMA Performance Rights as described in Section 9.1. MMA Performance Rights were issued to Mr Ross in connection with his role as Managing Director and CEO.

Of these, 3,978,188 MMA Performance Rights have already vested and are exercisable for nil consideration into the same number of MMA Shares in accordance with their terms. MMA Shares issued on the exercise of MMA Performance Rights by the Record Date will be acquired by Cyan pursuant to the Scheme for the Scheme Consideration.

In addition to his holdings of MMA Shares and MMA Vested Performance Rights, Mr Ross holds a total of 3,669,779 MMA Unvested Performance Rights. Of these, 1,857,040 MMA Unvested Performance Rights held by Mr Ross are expected to vest in accordance with their pre-existing terms (i.e. due to fulfilment of the relevant vesting condition) on 1 July 2024.

The MMA Board (excluding Mr Ross) has resolved that the remaining 1,812,739 MMA Unvested Performance Rights held by Mr Ross (as well as all other MMA Unvested Performance Rights held by MMA personnel or their nominees) will vest automatically and be exercisable into the same number of MMA Shares if and when the Scheme becomes Effective.<sup>8</sup> See Section 9.2 for further details.

Accordingly, Mr Ross has an interest in the outcome of the Scheme Resolution which may differ from those of other Shareholders if the Scheme is implemented, due to his holding of certain MMA Unvested Performance Rights which will have their vesting accelerated, and become exercisable, upon the Scheme becoming Effective.

Further, it should be noted that Cyan's current intention is to retain MMA's senior management team (including Mr Ross) following Implementation. See Section 6.5(e) for further details.

Mr Ross considers that it is appropriate for him to make a recommendation on the Scheme in light of the importance of the Scheme and his role as MMA's Managing Director, notwithstanding these interests in the outcome of the Scheme.

Shareholders should have regard to these interests when considering Mr Ross' recommendation in relation to the Scheme, which appears throughout this Scheme Booklet.

All other MMA Directors, excluding Ms Sally Langer, hold or control MMA Shares, but no MMA Performance Rights. Accordingly, in this respect, their interest in the Scheme is no different to other Shareholders.

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<sup>8</sup> The 1,812,739 MMA Unvested Performance Rights held by Mr Ross are otherwise subject to the vesting conditions set out in Section 5.8(b) in respect of "FY2023 Senior Management LTI Performance Rights" or "FY2024 Senior Management LTI Performance Rights" (as applicable).

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

Each of the MMA Directors intends to vote or cause to be voted, all MMA Shares they hold or control in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.

Refer to Section 9.1 for further details regarding the securities held by MMA Directors and Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

## **1.7 Other relevant considerations**

### **(a) The Scheme may be implemented even if you do not vote, or vote against the Scheme**

Even if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Shareholders and by the Court (and assuming all other conditions of the Scheme are either satisfied or (where applicable) waived).

If this occurs and you are a Shareholder, your MMA Shares will be transferred to Cyan and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

### **(b) Costs of the Scheme**

MMA has already incurred, and will incur, significant costs in respect of the Scheme. These costs include (without limitation) negotiation with Cyan, retention of advisers, provision of information to Cyan, facilitating Cyan's access to due diligence, engagement of the Independent Expert and the preparation of this Scheme Booklet and are estimated to amount to approximately A\$3.0 million prior to the Scheme Meeting and will amount to approximately A\$13.5 million if the Scheme is implemented. Refer to Section 9.14(e) for further information.

If the Scheme is not implemented in circumstances where no Superior Proposal emerges and is completed, MMA is not anticipated to receive any material value for the significant costs it has incurred in connection with the Scheme. In certain circumstances detailed in Section 9.13(h), MMA may be entitled to receive a Reverse Break Fee of A\$10,259,449 payable by Cyan.

Under the Scheme Implementation Deed, a Break Fee of A\$10,259,449 may become payable by MMA to Cyan in certain circumstances. Failure by Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the Break Fee. Further details of the circumstances in which the Break Fee may become payable to Cyan are detailed in Section 9.13(g).

## 2. FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Scheme, but should be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

| Overview of the Scheme                              |   |
|---|---|
| <b>Why have I received this Scheme Booklet?</b>     | <p>This Scheme Booklet has been sent to you because you are a Shareholder and Shareholders are being asked to vote on the Scheme at the Scheme Meeting. This Scheme Booklet is intended to help you consider and decide how to vote on the Scheme Resolution.</p> <p>Please disregard this Scheme Booklet if you have transferred or disposed of all of your MMA Shares as you will not be entitled to vote at the Scheme Meeting.</p>  |
| <b>What is the Scheme?</b>                          | <p>The Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act between MMA and Shareholders.</p> <p>A 'scheme of arrangement' is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company.</p> <p>The Scheme requires (among other things) the approval of both the Requisite Majorities of Shareholders at the Scheme Meeting and the Court.</p> <p>If the Scheme becomes Effective, all of the MMA Shares held by Scheme Participants will be transferred to Cyan as consideration for the aggregate Scheme Consideration.</p> <p>The terms of the Scheme are detailed in full in Annexure B.</p> |
| <b>What is the Scheme Consideration?</b>            | <p>If the Scheme is implemented, you will receive A\$2.60 in cash per MMA Share held by you on the Record Date.</p>   |
| <b>What will be the effect of the Scheme?</b>       | <p>If the Scheme is approved by the Requisite Majorities of Shareholders and the Court (and assuming the other conditions to the Scheme are satisfied or (where applicable) waived):</p> <ul style="list-style-type: none"> <li>• all your MMA Shares will be transferred to Cyan;</li> <li>• in exchange, you will receive the Scheme Consideration for each MMA Share you hold as at the Record Date; and</li> <li>• MMA will become a wholly-owned subsidiary of Cyan and will be removed from the official list of ASX.</li> </ul>  |
| <b>What is the Independent Expert's conclusion?</b> | <p>The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal. The Independent Expert's Report is contained in Annexure A.</p> <p>Your MMA Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme.</p>   |
| <b>Who is Cyan Renewables?</b>                      | <p>Cyan Renewables is a Singapore-headquartered offshore wind and environmental protection vessel operator with offices in the United Kingdom, Denmark and South Korea. Cyan Renewables is a wholly owned portfolio company of Seraya Fund, a fund managed by Singapore-based next-generation infrastructure fund manager, Seraya Partners.</p> <p>Cyan Renewables was established in September 2022 to support the delivery of offshore wind farms by owning and operating a fleet of offshore wind vessels. It is the world's first pure play offshore wind farm vessel operator serving the fast-growing offshore wind farm industry in the Asia Pacific. In addition to offshore wind, Cyan</p>                           |

| Overview of the Scheme   |  |
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|  | <p>Renewables also has a growing business in the marine environmental protection sector in Europe.</p> <p>Cyan Renewables is led by a team of global shipping and renewable energy veterans based in Singapore, Denmark and the United Kingdom.</p> <p>Refer to Section 6 for further information on Cyan Renewables and Seraya Partners.</p>  |
| <b>Who is Cyan?</b>  | <p>Cyan is a newly incorporated Australian special purpose company established for the purpose of acquiring the MMA Shares and it currently holds no assets of its own. Cyan is a wholly-owned subsidiary of Cyan HoldCo, which in turn is a wholly-owned subsidiary of Cyan Renewables.</p> <p>Refer to Section 6 for further information on Cyan.</p>  |
| <b>Are there conditions that need to be satisfied before the Scheme can proceed?</b> | <p>Yes. The conditions to the Scheme are summarised in Section 4.5 and outlined in the Scheme Implementation Deed, a full copy of which was attached to the MMA announcement on ASX relating to the Scheme on 25 March 2024.</p> <p>As at the Last Practicable Date, none of the conditions are satisfied, but neither MMA nor Cyan are aware of any reason why these conditions should not be satisfied or waived (as applicable).</p>  |
| <b>What is the MMA Directors' recommendation in respect to the Scheme?</b>           | <p>The MMA Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.<sup>9</sup></p> <p>In relation to the recommendations of the MMA Directors, Shareholders should have regard to the fact that, if the Scheme is implemented, each of the MMA Directors, except Ms Sally Langer, will receive certain personal benefits as further detailed in Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.</p>  |
| <b>How do the MMA Directors intend to vote?</b>                                      | <p>Each of the MMA Directors will vote or cause to be voted, all MMA Shares they hold or control in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.</p> <p>The MMA Directors collectively control the voting rights attaching to 2,640,834 MMA Shares or 0.697% of the total number of MMA Shares on issue if no MMA Performance Rights are exercised into MMA Shares by the time for determining eligibility to vote on the Scheme Resolution. If all 3,978,188 MMA Vested Performance Rights held by Mr David Ross (being the only MMA Director who holds or controls MMA Performance Rights)<sup>10</sup> are exercised into MMA Shares by the time for determining eligibility to vote on the Scheme Resolution, then MMA Directors may in aggregate vote, or</p> |

<sup>9</sup> You should note that, as at the Last Practicable Date, Mr David Ross (MMA's Managing Director and CEO) holds or controls 2,258,477 MMA Shares and 7,647,967 MMA Performance Rights.

For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote, please refer elsewhere in this Scheme Booklet, including Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

<sup>10</sup> Noting that David Ross also holds a further 3,669,779 MMA Unvested Performance Rights.

| Overview of the Scheme   |   |
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|  | <p>cause to be voted, 6,619,022 MMA Shares or 1.728% of the total number of issued MMA Shares.</p> <p>Refer to Section 9.1 for further details of the MMA Shares held by the MMA Directors.</p>   |
| <b>What interests do the MMA Directors have in the Scheme?</b> | <p>Each of the MMA Directors other than Ms Sally Langer has a Relevant Interest in MMA Shares and Mr David Ross, MMA's Managing Director and CEO, also holds 7,647,967 MMA Performance Rights as described in Section 9.1.</p> <p>Of these, 3,978,188 MMA Performance Rights have already vested and are exercisable into the same number of MMA Shares in accordance with their terms. A further 1,857,040 MMA Performance Rights are scheduled to vest on 1 July 2024 in accordance with the satisfaction of their existing vesting hurdles (the vesting of which will occur in the ordinary course and are not related to the Scheme) and become exercisable into the same number of MMA Shares in accordance with their terms.</p> <p>The MMA Board (excluding Mr Ross) has resolved that the remaining 1,812,739 MMA Unvested Performance Rights (as well as all other MMA Unvested Performance Rights held by MMA personnel or their nominees) will vest automatically and be exercisable into the same number of Shares if and when the Scheme becomes Effective. These MMA Unvested Performance Rights held by Mr Ross are otherwise subject to the vesting conditions set out in Section 5.8(b) in respect of "FY2023 Senior Management LTI Performance Rights" or "FY2024 Senior Management LTI Performance Rights" (as applicable). See Section 9.2 for further details.</p> <p>MMA Shares issued on the exercise of MMA Performance Rights by the Record Date will be acquired by Cyan pursuant to the Scheme for the Scheme Consideration.</p> |
| <b>What are the reasons to vote in favour of the Scheme?</b>   | <p>The MMA Directors have detailed in Section 1.2 the reasons why Shareholders should vote in favour of the Scheme. In summary, these reasons include:</p> <ul style="list-style-type: none"> <li>the MMA Directors unanimously recommend you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders;<sup>11</sup></li> <li>the Scheme Consideration represents a premium to MMA Share prices leading up to the announcement of the Scheme and a material premium to longer-dated VWAPs and NTA;</li> <li>the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal;</li> <li>the current period of cyclical strength in MMA's core operating markets is unlikely to continue indefinitely and the Scheme represents an opportune time for Shareholders to crystallise the value of their investment in MMA;</li> </ul>  |

<sup>11</sup> You should note that, as at the Last Practicable Date, Mr David Ross (MMA's Managing Director and CEO) holds or controls 2,258,477 MMA Shares and 7,647,967 MMA Performance Rights.

For details regarding the interests of certain MMA Directors in the outcome of the Scheme vote, please refer elsewhere in this Scheme Booklet, including Sections 0, 1.6 and 9.1. Please also refer to Section 9.2 for details regarding the treatment of MMA Performance Rights in relation to the Scheme.

Each of the MMA Directors considers that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide their recommendation to Shareholders in relation to the Scheme, despite their personal interests in the outcome of the Scheme.

| Overview of the Scheme                                    |   |
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|   | <ul style="list-style-type: none"> <li>recent vessel utilisation is at unprecedented levels and is unlikely to be sustainable under MMA's current short-term contracting strategy;</li> <li>the Scheme realises immediate value for Shareholders and removes the need to deploy further capital to grow or refresh the current asset base in coming years;</li> <li>the Scheme provides a compelling opportunity for Shareholders to realise certain cash value for their investment in MMA;</li> <li>implementation of the Scheme would remove Shareholders' exposure to ongoing and future risks associated with MMA's business;</li> <li>MMA's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal; and</li> <li>no Superior Proposal has emerged as at the Last Practicable Date.</li> </ul> <p>The MMA Directors consider that the reasons to vote in favour of the Scheme (including those summarised in Section 1.2) outweigh the potential reasons to vote against the Scheme (including those summarised in Section 1.3).</p> |
| <b>What are the reasons to vote against the Scheme?</b>   | <p>The MMA Directors have detailed in Section 1.3 reasons why you may decide to vote against the Scheme. In summary, these reasons include:</p> <ul style="list-style-type: none"> <li>you may disagree with the MMA Directors' unanimous recommendation;</li> <li>you may disagree with the Independent Expert's conclusion and believe that the Scheme is not in your best interests;</li> <li>you may prefer to continue to participate in the future financial performance of MMA;</li> <li>you may prefer to maintain your current investment and risk profile;</li> <li>you may prefer to maintain a direct investment in MMA because you believe that there are limited alternative ways of gaining comparable investment exposure;</li> <li>the tax consequences of the Scheme may not be suitable to your financial circumstances or position; and</li> <li>you may believe that there is potential for a Superior Proposal to emerge.</li> </ul>  |
| <b>If I wish to support the Scheme, what should I do?</b> | <p>If you are registered as a Shareholder at 9:00am (AWST) on 29 June 2024, you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting.</p> <p>If you are unable to attend the Scheme Meeting, you can vote by appointing a proxy (including by lodging your Proxy Form) or attorney to attend and vote on your behalf or by direct voting online at the Share Registry website <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>.</p> <p>Please note that a Shareholder who has cast a direct vote may attend the Scheme Meeting, but their attendance will cancel the direct vote unless they indicate otherwise at the Scheme Meeting.</p>   |



| Overview of the Scheme   |   |
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|  | Alternatively, you may also vote by corporate representative, in the case of a corporate Shareholder.   |
| <b>What happens if I do not vote or vote against the Scheme?</b> | If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any MMA Shares held by you on the Record Date (currently expected to be 5:00pm (AWST) on 11 July 2024) will be transferred to Cyan and you will receive the Scheme Consideration in respect of your MMA Shares, despite not having voted or having voted against the Scheme.   |
| <b>How will the Scheme be implemented?</b>                       | If the Scheme becomes Effective, no further action is required on the part of the Scheme Participants in order to implement the Scheme. Under the Scheme, MMA is given authority to effect a valid transfer of all MMA Shares to Cyan and to enter the name of Cyan in the MMA Share Register as holder of all MMA Shares.  |
| <b>What happens if the Scheme is not approved?</b>               | <p>If the Scheme is not approved by the Requisite Majorities of Shareholders or the Court, the Scheme will not be implemented.</p> <p>Further, if any of the conditions to the Scheme are not satisfied or (where applicable) waived, including if the Scheme is not approved by the Requisite Majorities of Shareholders and by the Court, the Scheme Implementation Deed may be terminated and the Scheme will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> <li>• you will retain your MMA Shares, you will not be provided with the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in MMA Shares (refer to Section 7);</li> <li>• the MMA Board and management will continue to operate MMA's business;</li> <li>• the MMA Share price may fall to the extent that the current market reflects an assumption that the Scheme will be implemented;</li> <li>• MMA will have incurred significant costs and management time and resources for no outcome; and</li> <li>• in certain circumstances, MMA may be liable to pay the Break Fee (A\$10,259,449) to Cyan.</li> </ul> |
| <b>Is MMA liable to pay a break fee?</b>                         | <p>MMA may become liable to pay Cyan the Break Fee (A\$10,259,449) in certain circumstances, including (in summary):</p> <ul style="list-style-type: none"> <li>• <b>(MMA Director recommendation)</b> if during the Exclusivity Period Cyan terminates the Scheme Implementation Deed and any of the MMA Directors has withdrawn, adversely changed or adversely modified their recommendation of the Scheme, or recommended, supported or endorsed a Competing Proposal, except the Break Fee is not payable: <ul style="list-style-type: none"> <li>○ if the Independent Expert concludes in the Independent Expert's Report (or in a replacement, variation or supplement to it) that the Scheme is not in the best interests of Shareholders, other than where the conclusion is due wholly or primarily to the existence of a Competing Proposal; or</li> <li>○ to the extent of certain statements made by MMA, the MMA Board or one or more MMA Directors in customary circumstances;</li> </ul> </li> <li>• <b>(completion of Competing Proposal)</b> a Competing Proposal involving certain controlling acquisitions of MMA Shares,</li> </ul>  |



| Overview of the Scheme                                   |   |
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|  | <p>certain mergers or the acquisition all or a substantial part of the consolidated assets of the MMA Group, is announced during the Exclusivity Period and that Competing Proposal is completed within 12 months; or</p> <ul style="list-style-type: none"> <li>• <b>(material breach by MMA)</b> if Cyan validly terminates the Scheme Implementation Deed due to certain material and wilful breaches of the Scheme Implementation Deed by MMA which have not been remedied.</li> </ul> <p>There are also certain exceptions to the circumstances where the Break Fee is payable by MMA.</p> <p>Refer to Section 9.13(g) for further details.</p> <p>As at the Last Practicable Date, none of the circumstances under which MMA is liable to pay Cyan the Break Fee have occurred.</p>   |
| <b>Is Cyan liable to pay a reverse break fee?</b>        | <p>Cyan may become liable to pay MMA the Reverse Break Fee (A\$10,259,449) in certain circumstances, including where:</p> <ul style="list-style-type: none"> <li>• <b>(material breach by Cyan)</b> MMA terminates the Scheme Implementation Deed for a material breach by Cyan; or</li> <li>• <b>(non-payment of Scheme Consideration)</b> the Scheme becomes Effective but Cyan does not pay the total Scheme Consideration payable in consideration for all MMA Shares in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll.</li> </ul> <p>There are also certain exceptions to the circumstances where the Reverse Break Fee is payable by Cyan for a material breach of the Scheme Implementation Deed.</p> <p>Refer to Section 9.13(h) for further details.</p> <p>As at the Last Practicable Date, none of the circumstances under which Cyan is liable to pay MMA the Reverse Break Fee have occurred.</p> |
| <b>Has MMA entered into exclusivity arrangements?</b>    | <p>The Scheme Implementation Deed contains certain exclusivity arrangements which are customary for an agreement of that type, including “no shop”, “no talk”, “no due diligence” (the latter two subject to a customary fiduciary exception) and notification obligations in respect of any Competing Proposal received by MMA and a right for Cyan to match a Superior Proposal. The Scheme Implementation Deed also details certain termination rights.</p> <p>Refer to Section 9.13(c) for further details in relation to the exclusivity arrangements entered into by MMA and Section 9.13(e) for information in relation to termination rights pursuant to the Scheme Implementation Deed.</p>  |
| <b>What happens if a Competing Proposal is received?</b> | <p>Since the Scheme Announcement Date and up to the Last Practicable Date, no Competing Proposal has emerged.</p> <p>If a Competing Proposal is received, the MMA Board will carefully consider the proposal to determine whether it is a Superior Proposal, subject to the terms of the Scheme Implementation Deed, as well as MMA's continuous disclosure obligations.</p> <p>Shareholders should note that the Scheme Implementation Deed contains certain exclusivity arrangements and Break Fee provisions in favour of Cyan. Refer to Sections 9.13(c) and 9.13(g) for further details.</p>   |

| Overview of the Scheme                              |   |
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| <b>What are the tax implications of the Scheme?</b> | <p>The taxation implications of the Scheme will depend on your particular circumstances.</p> <p>Section 8 provides a description of the general Australian tax consequences of the Scheme. The information in Section 8 is general in nature and should not be relied upon by Scheme Participants as taxation advice.</p> <p>It is recommended you seek professional tax advice regarding your potential personal tax consequences in connection with the Scheme.</p> |
| <b>When will MMA be delisted from ASX?</b>          | After the Scheme has been implemented, MMA will request (on a date after the Implementation Date to be agreed with Cyan) ASX to remove MMA from the official list of ASX.   |

| Questions about your entitlements  |  |
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| <b>Who is entitled to participate in the Scheme?</b>                       | <p>Each person who is a Shareholder as at 5:00pm (AWST) on the Record Date (expected to be 11 July 2024) will be entitled to participate in the Scheme if it becomes Effective.</p> <p>Note that participation in the Scheme means being entitled to receive the Scheme Consideration in return for MMA Shares. As the Record Date occurs after the Scheme Meeting, it is possible for a Shareholder who votes at the Scheme Meeting not to participate in the Scheme and vice-versa.</p>  |
| <b>When will I receive the Scheme Consideration?</b>                       | <p>If the Scheme becomes Effective, Scheme Participants will be sent the Scheme Consideration on the Implementation Date.</p> <p>Refer to Section 4.4 for further information on how the Scheme Consideration will be provided.</p> <p>If the Scheme does not become Effective (e.g. if the Scheme is not approved by the Requisite Majorities or the Court), then the Scheme Consideration will not be provided and Shareholders will retain their MMA Shares.</p>  |
| <b>Will I receive a dividend in respect of FY2024?</b>                     | <p>No. If the Scheme is approved, it will be implemented before the MMA Board would consider whether or when a dividend for FY2024 may be declared.</p> <p>MMA is also prevented from paying a dividend to Shareholders under the terms of the Scheme Implementation Deed.</p> <p>In the event the Scheme is not implemented and the Scheme Implementation Deed is terminated, the MMA Board will consider whether MMA has capacity for a discretionary fully franked dividend to Shareholders in respect of FY2024 (subject to other capital requirements of the business).</p> |
| <b>Will I have to pay brokerage fees on the disposal of my MMA Shares?</b> | You will not have to pay brokerage on the transfer of your MMA Shares to Cyan under the Scheme. If you dispose of your MMA Shares before the Record Date, brokerage fees may be payable.   |

| Questions about the Scheme Meeting and voting |  |
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| <b>Who can vote?</b>                          | If you are registered as a Shareholder at 9:00am (AWST) on 29 June 2024 you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting. For further details in respect of how to vote at the Scheme Meeting refer to Section 3 and the Notice of Scheme Meeting in Annexure D. |

## Questions about the Scheme Meeting and voting

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| <b>When and where will the Scheme Meeting be held?</b> | <p>The Scheme Meeting to approve the Scheme is scheduled to be held on 1 July 2024 commencing at 9:00am (AWST) at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia. Shareholders (or their appointed proxies, attorneys and corporate representatives) will be able to attend the Scheme Meeting in person.</p> <p>The Notice of Scheme Meeting is detailed in Annexure D.</p>   |
| <b>What vote is required to approve the Scheme?</b>    | <p>For the Scheme to proceed, the Scheme Resolution must be approved by the Requisite Majorities of Shareholders at the Scheme Meeting, which are:</p> <ul style="list-style-type: none"> <li>• unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation, its duly appointed corporate representative; and</li> <li>• at least 75% of the total number of votes cast (where each MMA Share represents one vote) on the Scheme Resolution at the Scheme Meeting by Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation, its duly appointed corporate representative.</li> </ul>                                   |
| <b>What are my options?</b>                            | <p>You may:</p> <ul style="list-style-type: none"> <li>• vote in favour of the Scheme at the Scheme Meeting;</li> <li>• vote against the Scheme at the Scheme Meeting;</li> <li>• sell your MMA Shares off-market or on-market at any time before the close of trading on ASX on the Record Date; or</li> <li>• do nothing.</li> </ul> <p>Refer to Section 3.2(b) for further information.</p>   |
| <b>Is voting compulsory?</b>                           | <p>No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting scheduled to be held on 1 July 2024 commencing at 9:00am (AWST) you should complete and return the Proxy Form enclosed with this Scheme Booklet or direct vote online at the Share Registry website (accessible at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>).</p> <p>Please note that a Shareholder who has cast a direct vote may attend the Scheme Meeting, but their attendance will cancel the direct vote unless they indicate otherwise at the Scheme Meeting.</p> <p>For further details regarding voting and submitting your Proxy Form for the Scheme Meeting, refer to Section 3 and the Notice of Scheme Meeting in Annexure D of this Scheme Booklet.</p> |
| <b>Why should I vote?</b>                              | <p>Your vote will be important in determining whether the Scheme will proceed.</p>   |
| <b>What happens if I do not vote?</b>                  | <p>If you do not vote and the Scheme is approved by the Requisite Majorities at the Scheme Meeting and the Court and becomes Effective, your MMA Shares will be transferred to Cyan in consideration for Cyan providing to you the relevant Scheme Consideration.</p> <p>If the Scheme is not approved and does not become Effective, MMA will not be acquired by Cyan pursuant to the Scheme and you will remain a Shareholder.</p>   |

## Questions about the Scheme Meeting and voting

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| <b>Can I attend the Court and oppose the Court approval of the Scheme?</b> | If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on MMA, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on MMA at least one Business Day before the Second Court Date.   |
| <b>What if I cannot, or do not wish to, attend the Scheme Meeting?</b>     | <p>If you are unable to, or do not wish to, attend the Scheme Meeting, you can vote by direct voting online at the Share Registry website (accessible at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>), or by appointing a proxy (including by lodging your Proxy Form) or attorney to attend and vote on your behalf. For further details regarding voting and submitting your Proxy Form for the Scheme Meeting, refer to Section 3 and the Notice of Scheme Meeting in Annexure D of this Scheme Booklet.</p> <p>Alternatively, if you are a corporate Shareholder, you may also vote by corporate representative.</p> |
| <b>When will the results of the Scheme Meeting be known?</b>               | The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX ( <a href="http://www.asx.com.au">www.asx.com.au</a> ) once available.  |

## General questions

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| <b>What other information is available?</b>               | You should read the detailed information in relation to the Scheme provided in this Scheme Booklet. Further information in relation to MMA can be obtained from its website, <a href="http://www.mmaoffshore.com">www.mmaoffshore.com</a> , and ASX on its website, <a href="http://www.asx.com.au">www.asx.com.au</a> . Further information in relation to Cyan Renewables can be obtained from its website <a href="http://www.cyanrenewables.com">www.cyanrenewables.com</a> . |
| <b>Who can help answer my questions about the Scheme?</b> | If you have questions in relation to the Scheme or the Scheme Meeting, please contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday between 9:00am and 5:00pm (AEST), visit <a href="http://www.mmaoffshore.com">www.mmaoffshore.com</a> or consult your financial, legal, taxation or other professional adviser.   |

### 3. WHAT SHOULD YOU DO?

#### 3.1 Step 1: Read this Scheme Booklet

- (a) You should carefully read this Scheme Booklet in its entirety (including the Independent Expert's Report included in Annexure A) before deciding whether to vote in favour of the Scheme.
- (b) If you are in any doubt as to what you should do, please consult your broker or financial, legal, taxation or other professional adviser.
- (c) If you have any questions about the Scheme Booklet or the Scheme, please contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday between 9:00am and 5:00pm (AEST).
- (d) Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to [investor@mmaoffshore.com](mailto:investor@mmaoffshore.com) prior to 5:00pm (AWST) on 24 June 2024 to allow time to collate questions and prepare responses. Alternatively, Shareholders can ask questions when attending the Scheme Meeting in person.

#### 3.2 Step 2: Decide what to do

(a) **Your vote is important**

For the Scheme to proceed, it is necessary that sufficient MMA Shareholders vote in favour of the Scheme.

(b) **Your options**

*Vote in favour of the Scheme at the Scheme Meeting*

- (i) The MMA Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders. The reasons for the MMA Directors' unanimous recommendation are detailed in Section 1.2.
- (ii) If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 3.2(e) below and to the Notice of Scheme Meeting in Annexure D of this Scheme Booklet.

*Vote against the Scheme at the Scheme Meeting*

- (i) If, despite the MMA Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.
- (ii) You should note that if all of the conditions to the Scheme are satisfied or (where applicable) waived, the Scheme will bind all Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting.

*Sell your MMA Shares*

- (i) The Scheme does not preclude you from selling your MMA Shares off-market or on-market for cash, if you wish to do so. If you are considering selling your MMA Shares on ASX you should have regard to the prevailing trading prices of MMA Shares at that time.
- (ii) Since the Scheme Announcement Date and until the Last Practicable Date, MMA Shares have been trading on ASX at prices between A\$2.53 and A\$2.77 (inclusive, with the last price per MMA Share being A\$2.65 on 20 May 2024). However, trading since the Scheme Announcement Date is coincidental with the announcement of the Scheme and should not be taken as indicative of the price

at which MMA Shares would trade in the absence of the Scheme or if the Scheme is not implemented.

- (iii) If you sell your MMA Shares before the Record Date, you:
  - (A) will not be entitled to receive the Scheme Consideration;
  - (B) may incur a brokerage charge;
  - (C) may be subject to tax consequences; and
  - (D) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the Last Practicable Date, your MMA Directors have not received notice from any third party of an intention to make any Competing Proposal or a Superior Proposal.

*Do nothing*

- (i) If you decide to do nothing, you should note that if all of the conditions to the Scheme are satisfied or (where applicable) waived, the Scheme will bind all Shareholders, including those who do not vote at all.

(c) **Who is entitled to vote?**

If you are registered on the MMA Share Register at 9:00am on 29 June 2024, you will be entitled to vote on the Scheme.

Information on entitlements to vote, including if you are a joint holder of MMA Shares, is contained in the Notice of Scheme Meeting attached as Annexure D.

(d) **Details of the Scheme Meeting**

The Scheme Meeting to approve the Scheme is scheduled to be held in person at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia on 1 July 2024 at 9:00am (AWST).

MMA Shareholders and their proxies, attorneys or corporate representatives will be able to participate in person.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting in Annexure D.

(e) **How to vote?**

You may vote:

- (i) **by attending the Scheme Meeting in person**, scheduled for 9:00am on 1 July 2024 at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia;
- (ii) **by direct voting**, by voting online at the Share Registry website <https://investor.automic.com.au/#/loginsah> by no later than 9:00am (AWST) on 29 June 2024. Lodging your vote online is a simple, secure and efficient method of providing your instruction and will enable MMA Shareholders to exercise their voting rights without needing to attend the meeting or appoint a proxy. Please note that a Shareholder who has cast a direct vote may attend the Scheme Meeting, but their attendance will cancel the direct vote unless they indicate otherwise at the Scheme Meeting;
- (iii) **by proxy**, by completing and submitting the Proxy Form for the Scheme Meeting (which accompanies this Scheme Booklet) in accordance with the instructions set out on the form. To be valid, your Proxy Form must be received by the Share Registry by 9:00am on 29 June 2024;
- (iv) **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry by 9:00am on 29 June 2024; or

- (v) **by corporate representative**, in the case of a body corporate which is an MMA Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that MMA Shareholder and providing a duly executed "Appointment of Corporate Representative" form (in accordance with section 250D of the Corporations Act) prior to the Scheme Meeting.

Further details on how to vote are contained in the Notice of Scheme Meeting attached as Annexure D.



## **4. SUMMARY OF THE SCHEME**

### **4.1 Introduction**

This Section identifies key features of the Scheme but should be read in conjunction with the additional detailed information for Shareholders contained in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

### **4.2 Background to the Scheme**

On 24 March 2024, MMA and Cyan entered into the Scheme Implementation Deed pursuant to which they agreed to, subject to various terms and conditions, implement the Scheme between MMA and Shareholders. A full copy of the Scheme Implementation Deed was attached to the MMA announcement on ASX relating to the Scheme on 25 March 2024.

MMA's entry into the Scheme Implementation Deed with Cyan followed the submission of five prior non-binding, indicative and confidential proposals from Cyan Renewables on 17 October 2023 (at an offer price of \$1.66 per MMA Share), 2 November 2023 (at an offer price of \$1.79 per MMA Share), 22 November 2023 (at an offer price of \$1.98 per MMA Share), 20 February 2024 (at an offer price of \$2.20 per MMA Share) and 5 March 2024 (at an offer price of \$2.40 per MMA Share).

MMA appointed professional advisers to assist in coordinating its discussions with Cyan Renewables with a view to maximising MMA Shareholder value. The MMA Board, including all four independent non-executive directors, was closely involved in the negotiations, including assessing and forming a view on each of the five prior non-binding, indicative and confidential proposals, in addition to the final proposal that resulted in the MMA Board approving entry into the Scheme Implementation Deed. The MMA Board also formed a Board Response Committee with responsibility for reporting to the MMA Board on the proposals, comprising independent non-executive directors Ian Macliver and Chiang Gnee Heng, as well as David Ross (MMA's Managing Director and CEO) and other senior management personnel to support MMA's response to Cyan Renewables.

If the Scheme is approved by the Requisite Majorities of Shareholders and by the Court, and if all other conditions to the Scheme are satisfied or (where applicable) waived, all MMA Shares will be transferred to Cyan with effect from the Implementation Date and without the need for any further action by Shareholders (other than acts required to be performed by MMA, the MMA Directors or the officers or company secretary of MMA, as attorney or agent for Shareholders). If the Scheme becomes Effective, then MMA will become a wholly-owned subsidiary of Cyan from the Implementation Date. MMA is expected to be removed from the official list of ASX shortly after the Implementation Date, subject to the satisfaction of any conditions under the Listing Rules (as modified or waived).

### **4.3 Overview of the Scheme Consideration**

If the Scheme is implemented, each Scheme Participant will be entitled at Implementation to receive A\$2.60 cash for each MMA Share held by them on the Record Date.

Shareholders should refer to Section 8 for important information in relation to certain Australian taxation matters.

### **4.4 Provision of the Scheme Consideration**

The Scheme Consideration (being A\$2.60 cash per MMA Share) will be sent to Scheme Participants on the Implementation Date (currently expected to be 18 July 2024). Scheme Participants who have validly registered their bank account details with the Share Registry before the Record Date may have their Scheme Consideration sent directly to their bank account. Otherwise, Scheme Participants will have their Scheme Consideration sent by cheque to their address shown on the MMA Share Register.

For MMA Shares held in joint names, any cheque required to be sent will be made payable to the joint holders and sent to either (at the sole discretion of MMA) the Registered Address of the holder whose name appears first in the MMA Share Register on the Record Date or to the Registered Address of the joint holders on the Record Date. It is important to note that you will only receive the Scheme Consideration if the Scheme becomes Effective and you are a Scheme Participant. You will be a Scheme Participant if you hold MMA Shares at the Record Date (currently expected

to be 5:00pm (AWST) on 11 July 2024). If you are a Shareholder, you should ensure your personal contact and banking details are up to date in the records held by the Share Registry (accessible at [investor.automic.com.au/#/home](http://investor.automic.com.au/#/home)).

You should be aware that if the Scheme Meeting is postponed or adjourned or the Effective Date is otherwise delayed, the cash payments detailed above may also be delayed.

## 4.5 Conditions to the Scheme

Implementation of the Scheme is subject to the following conditions:

- (a) **(FIRB)** before 5:00pm on the Business Day immediately prior to the Second Court Date one of the following occurs:
  - (i) Cyan has received written notification by or on behalf of the Treasurer under the FATA to the effect that the Commonwealth Government has no objection (unconditionally or on conditions acceptable to Cyan acting reasonably) under its foreign investment policy to Cyan acquiring all of the Scheme Shares under the Scheme;
  - (ii) the period provided for under the FATA during which the Treasurer may make an order or interim order under Division 2 of Part 3 of the FATA prohibiting Cyan from acquiring all of the Scheme Shares has elapsed without such an order being made and the acquisition is not prohibited by section 82 of the FATA; or
  - (iii) if an interim order has been made by the Treasurer to prohibit Cyan from acquiring the Scheme Shares under the Scheme, the subsequent period for making a final order under Division 2 of Part 3 of the FATA has elapsed without any final order being made and the acquisition is not prohibited by section 82 of the FATA,**(the FIRB Condition Precedent);**
- (b) **(Shareholder Approval)** Shareholders approve the Scheme at the Scheme Meeting by the Requisite Majorities under section 411(4)(a)(ii) of the Corporations Act;
- (c) **(Court Approval of Scheme)** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **(Restraining Orders)** as at 8:00am on the Second Court Date, no judgement, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition or other order or decision has been issued, made, entered, enacted, promulgated or enforced by any court of competent jurisdiction or any Regulatory Authority, and which remains in effect, that prohibits, restricts, makes illegal or prevents Implementation from occurring;
- (e) **(Independent Expert's Report)** the Independent Expert:
  - (i) issues the Independent Expert's Report, which concludes that the Scheme is in the best interests of Shareholders, before the time when the Scheme Booklet is registered by ASIC; and
  - (ii) does not change or qualify that conclusion or withdraw that conclusion or its Independent Expert's Report by notice in writing to MMA before 8:00am on the Second Court Date;
- (f) **(No Material Adverse Event)** no Material Adverse Event occurs between the Execution Date and 8:00am on the Second Court Date; and
- (g) **(No Prescribed Occurrence)** no Prescribed Occurrence occurs between the Execution Date and 8:00am on the Second Court Date.

The Scheme will not proceed unless all of the conditions to the Scheme are satisfied or (where applicable) waived in accordance with the Scheme Implementation Deed. The conditions outlined in Sections 4.5(a) to 4.5(c) (inclusive) cannot be waived. The condition in Section 4.5(d) (Restraining Orders) can only be waived by mutual agreement of MMA and Cyan, the condition in

Section 4.5(e) (Independent Expert's Report) can only be waived by MMA and the conditions in Sections 4.5(f) and 4.5(g) can only be waived by Cyan.

As at the Last Practicable Date, none of the conditions precedent have been satisfied or waived, however none of the MMA Directors are aware of any circumstances which would cause any condition precedent not to be satisfied.

#### **4.6 Independent Expert**

MMA has commissioned BDO as the Independent Expert to prepare a report to opine on whether the Scheme is in the best interests of Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of Shareholders, in the absence of a superior proposal.

The Independent Expert's Report is contained in Annexure A.

#### **4.7 Implications if the Scheme does not become Effective**

If the Scheme is not implemented:

- (a) unless Shareholders choose to sell their MMA Shares, for example on ASX, Shareholders will continue to hold their MMA Shares and will be exposed to general investment risks as well as risks specific to MMA, including those detailed in Section 7, as well as potential future benefits in retaining exposure to MMA's business and assets;
- (b) Shareholders will not receive the Scheme Consideration;
- (c) depending on the reasons why the Scheme does not proceed, either:
  - (i) MMA may be liable to pay a Break Fee of A\$10,259,449 to Cyan under certain circumstances, which does not include failure by Shareholders to approve the Scheme at the Scheme Meeting (refer to Section 9.13(g) for further details); or
  - (ii) Cyan may be liable to pay a Reverse Break Fee of A\$10,259,449 to MMA under certain circumstances (refer to Section 9.13(h) for further details);
- (d) MMA will have already incurred significant costs in respect of the proposal to implement the Scheme. These costs are estimated to amount to approximately A\$3.0 million (refer to Section 9.14(e) for further details);
- (e) MMA will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had prior to 25 March 2024, being the date that the Scheme was announced; and
- (f) the price of an MMA Share will continue to be subject to market volatility and may fall, in the absence of a Superior Proposal.

#### **4.8 Scheme**

If the Scheme becomes Effective, all MMA Shares on issue at 5:00 pm (AWST) on the Record Date (including those MMA Shares issued by the Record Date as a result of the exercise of MMA Performance Rights) will be transferred on the Implementation Date to Cyan, and in return Cyan will provide, or procure the provision of, the Scheme Consideration to the Scheme Participants. Refer to Annexure B for a copy of the Scheme and Section 4.4 for more information regarding how Scheme Participants will be provided the Scheme Consideration.

#### **4.9 Scheme Meeting and Implementation**

If the Scheme is approved by Shareholders and the Court, and all other conditions to the Scheme are satisfied or (where applicable) waived, it is expected that the Scheme will be implemented on or around 18 July 2024. The key dates and times in relation to the Scheme are detailed at the beginning of this Scheme Booklet. These key dates are indicative only and are subject to change. The key steps in the Scheme are as follows:

(a) **Scheme Meeting and Scheme approval requirements**

The Court has ordered MMA to convene the Scheme Meeting at which Shareholders will be asked to approve the Scheme.

The Court has ordered that the Scheme Meeting be held at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia at 9:00am (AWST) on 1 July 2024. Voting eligibility for the Scheme Meeting will be determined as at 9:00am (AWST) on 29 June 2024. Further details of the Scheme Meeting, including how to vote, are contained in the Notice of Scheme Meeting in Annexure D.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter Shareholders must reach their own decision); or
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme will only become Effective and be implemented if:

- (i) it is approved by the Requisite Majorities of Shareholders at the Scheme Meeting to be held on 1 July 2024;
- (ii) it is approved by the Court at the Second Court Hearing; and
- (iii) the other conditions to the Scheme detailed in Section 4.5 are satisfied or waived.

The **Requisite Majorities** of Shareholders to approve the Scheme are:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative; and
- (ii) at least 75% of the total number of votes cast (where each MMA Share represents one vote) on the Scheme Resolution at the Scheme Meeting by Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation, its duly appointed corporate representative.

Voting is not compulsory.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Shareholders and the Court and the other conditions to the Scheme detailed in Section 4.5 are satisfied or waived. If this occurs, your MMA Shares will be transferred to Cyan and you will receive the Scheme Consideration even though you did not vote on, or you voted against, the Scheme.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to ASX once available.

Note that the Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition precedent is delayed. Any such postponement or adjournment will be announced by MMA to ASX.

Further details of the consequences of the Scheme not being implemented are detailed in Section 4.7.

(b) **Court approval of the Scheme**

MMA will apply to the Court for orders approving the Scheme in accordance with section 411(4)(b) of the Corporations Act, if:

- (i) the Scheme Resolution is approved by the Requisite Majorities of Shareholders at the Scheme Meeting; and

- (ii) all other conditions to the Scheme which are required (under the Scheme Implementation Deed) to be satisfied by the Second Court Date are satisfied or (where applicable) waived.

The date on which the Court hears MMA's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majorities of Shareholders.

ASIC has been requested to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided the Court is satisfied that the Scheme has not been proposed for the purpose of enabling any person to avoid the operation of any of the provisions of Chapter 6 of the Corporations Act (which chapter concerns takeovers).

Shareholders have the right to seek leave to appear at the Second Court Hearing to oppose the approval of the Scheme by the Court or make representations to the Court in relation to the Scheme. If you wish to oppose approval of the Scheme by the Court at the Second Court Hearing you may do so by filing with the Court, and serving on MMA, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on MMA at least one Business Day before the Second Court Date.

The Second Court Hearing is currently scheduled to occur at 2:15pm (AWST) on 3 July 2024 (being the Second Court Date) at the Federal Court of Australia, (sitting in Western Australia) at Peter Durack Commonwealth Law Courts Building, 1 Victoria Avenue, Perth WA 6000 Australia. Any change to this date will be announced through ASX and will be available on the ASX website, [www.asx.com.au](http://www.asx.com.au). Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

(c) **Effective Date**

The Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, MMA will promptly give notice of the event to ASX. MMA Shares will be suspended from trading on ASX on the close of trade on the Effective Date.

Once the Scheme becomes Effective, MMA and Cyan will become bound to implement the Scheme in accordance with its terms.

(d) **Record Date and entitlement to Scheme Consideration**

The Record Date is 5:00 pm (AWST) on the date which is five Business Days after the Effective Date (such Record Date is currently expected to be 5:00pm (AWST) on 11 July 2024) or on such other date (after the Effective Date) as MMA and Cyan may agree in writing. Only Shareholders who appear on the MMA Share Register at 5:00pm (AWST) on the Record Date will be entitled to receive the Scheme Consideration in respect of those MMA Shares they hold at that time. If the Scheme becomes Effective, any MMA Performance Rights which are not exercised into the corresponding MMA Shares by 4:00 pm (AWST) on the Record Date (which is currently scheduled for 11 July 2024), will immediately (and automatically) lapse and will not form part of the Scheme Shares.

(i) **Dealings on or prior to the Record Date**

For the purposes of determining which Shareholders are eligible to participate in the Scheme, dealings in Scheme Shares will be recognised only if:

- (A) in the case of dealings of the type to be effected using CHESS, the transferee is registered on the MMA Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (B) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings, or valid requests in respect



of other alterations, are received on or before the Record Date at the place where the MMA Share Register is kept.

For the purposes of determining entitlements under the Scheme, in summary, MMA will not accept for registration or recognise any transfer or transmission applications in respect of Scheme Shares received after the Record Date.

(ii) **Dealings after the Record Date**

For the purpose of determining entitlements to the Scheme Consideration, MMA must maintain, or procure the maintenance of, the MMA Share Register in its form as at the Record Date until the Scheme Consideration has been paid to the Scheme Participants. The MMA Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Record Date:

- (A) all statements of holding for Scheme Shares (other than statements of holding in favour of Cyan) will cease to have effect as documents relating to title in respect of such Scheme Shares; and
- (B) each entry on the MMA Share Register (other than entries on the MMA Share Register in respect of Cyan) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

(e) **Implementation Date**

The Implementation Date for the Scheme is the date which is five Business Days after the Record Date (or on such other date agreed to in writing by MMA and Cyan).

On the Implementation Date, the Scheme Participants will be paid the Scheme Consideration.

By no later than the Business Day before the Implementation Date (currently expected to be 18 July 2024), Cyan must deposit (or must procure the deposit) into the Trust Account, an amount equal to the aggregate Scheme Consideration to be provided to Scheme Participants.

In the case of MMA Shares held in joint names, the Scheme Consideration is payable to the joint holders and any cheque required to be sent to Scheme Participants under the Scheme will be made payable to the joint holders (as applicable) and sent to either (at the sole discretion of MMA) the Registered Address of the holder whose name appears first in the MMA Share Register on the Record Date or to the Registered Address of the joint holders on the Record Date.

All MMA Shares at 5:00pm (AWST) on the Record Date will be transferred on the Implementation Date to Cyan without any need for further actions by Shareholders.

(f) **Deed Poll**

Cyan has executed a Deed Poll in favour of Scheme Participants, by which it undertakes (among other things), in favour of each Scheme Participant, to provide to the Scheme Participants the Scheme Consideration for each Scheme Share, subject to the Scheme becoming Effective. Refer to Annexure C for a copy of the Deed Poll.

## **4.10 Actions by MMA and Cyan**

If Court orders approving the Scheme are obtained, the MMA Board and the Cyan Board will take or procure the taking of the steps required for the Scheme to be implemented. These will include the following:

- (a) MMA will lodge with ASIC an office copy of the Court order approving the Scheme for the purposes of section 411(10) of the Corporations Act, and the Scheme will become Effective;
- (b) with effect from the close of trading on the Effective Date, MMA Shares will be suspended from trading on ASX;



- (c) on the Implementation Date, all of the MMA Shares held by Scheme Participants at 5:00 pm (AWST) on the Record Date will be transferred to Cyan and, in exchange, each Scheme Participant will receive the relevant Scheme Consideration;
- (d) on the Implementation Date, MMA will enter the name of Cyan in the MMA Share Register as the holder of all of the MMA Shares; and
- (e) on a date after the Implementation Date to be agreed with Cyan, MMA would apply to ASX to have MMA removed from the official list of ASX and quotation of MMA Shares on ASX terminated.

#### **4.11 Tax consequences**

The transfer of your MMA Shares in accordance with the Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A general summary of relevant Australian tax implications for Scheme Participants is detailed in Section 8. The information in Section 8 is general in nature and should not be relied upon by Scheme Participants as taxation advice.

## 5. INFORMATION ABOUT MMA

### 5.1 Introduction

MMA is a global provider of marine and subsea services. MMA's fleet of modern offshore vessels and its marine, subsea and project logistics expertise, support energy and offshore renewables projects, governments and coastal infrastructure around the world. Headquartered in Perth, Western Australia, MMA has offices in Singapore, Taiwan, Malaysia and the United Kingdom and more than 1,400 global employees.

MMA is a public company, incorporated in Western Australia, and is listed on ASX (ASX: MRM). Since being listed in 1999, MMA has:

- 2007: Established an international office in Singapore;
- 2014: Expanded its international presence via the acquisition of Jaya Holdings;
- 2019: Entered the subsea market via the acquisition of Neptune Marine;
- 2020: Expanded its services into the defence sector through its appointment to the Australian Government's HydroScheme Industry Partnership Program;
- 2020: Secured the company's first offshore wind support contract;
- 2021: Established an office in Taiwan to further support the growing offshore wind industry in the region; and
- 2022: Acquired the business of Subcon International adding capability in subsea stabilisation, artificial reefs and coastal erosion protection.

Additionally, since January 2020, MMA has significantly de-levered its balance sheet, with no outstanding borrowings.

### 5.2 Business Overview

With over 30 years' experience in delivering offshore solutions to the world's energy markets, MMA's fleet enables the company to provide integrated services across its three primary businesses: vessel services, subsea services and project logistics.

#### (a) Vessel Services

MMA's fleet comprises 20 offshore vessels capable of executing a variety of offshore work scopes. MMA's fleet is operated by a global pool of over 850 highly qualified offshore personnel with extensive industry experience.

MMA's vessel services include:

- Production and offtake support;
- Supply operations (drilling, production and seismic);
- Installation and construction support;
- Anchor handling and towing;
- Accommodation support;
- Inspection, Maintenance and Repair (IMR), Remotely Operated Vessels (ROV), dive and survey support services; and
- Vessel management and technical services.

#### (b) Subsea Services

MMA's subsea services encompass a wide range of solutions designed to meet market needs, including:

- Offshore and subsea survey and positioning;
- Geophysical and light geotechnical survey;
- Decommissioning and asset removal and repurposing;
- Inspection, Maintenance and Repair (IMR);

- Remotely Operated Vessels (ROV);
- Stabilisation and scour protection;
- Offshore diving;
- Specialist subsea engineering;
- Manufacture and refurbishment of subsea structures and intervention equipment;
- Integrated artificial reefs, dive attractions and habitat enhancement; and
- Coastal erosion control.

(c) **Project Logistics**

MMA manages complex marine logistics requirements for large projects.

MMA's project logistics services include:

- Integrated logistics solutions;
- Engineered solutions and logistics studies;
- Vessel chartering;
- Tug and barge operations; and
- Greenfield and turnkey solutions.

(d) **Vessel Fleet**

An overview of MMA's offshore vessel fleet as at the Last Practicable Date is provided in the table below.

| Vessel name                                      | Flag      | Type | Year Built | Brake Horsepower (BHP) / Deadweight Tonnage (DWT) |
|--|-----------|------|------------|---|
| <b>Anchor Handling Tugs (AHT)</b>                |           |      |            |   |
| Mermaid Searcher <sup>1</sup>                    | Singapore | AHT  | 2008       | 3200 BHP  |
| Mermaid Cove                                     | Australia | AHT  | 2013       | 5620 BHP  |
| Mermaid Strait <sup>2</sup>                      | Australia | AHT  | 2012       | 7342 BHP  |
| <b>Anchor Handling Tug Supply Vessels (AHTS)</b> |           |      |            |   |
| MMA Coral  | Singapore | AHTS | 2011       | 8000 BHP  |
| MMA Crystal <sup>3</sup>                         | Taiwan    | AHTS | 2012       | 8000 BHP  |
| MMA Vision                                       | Singapore | AHTS | 2009       | 8000 BHP  |
| MMA Majestic                                     | Malaysia  | AHTS | 2014       | 12070 BHP   |
| MMA Monarch                                      | Malaysia  | AHTS | 2010       | 12070 BHP   |
| <b>Platform Supply Vessels (PSV)</b>             |           |      |            |   |
| MMA Leeuwin                                      | Singapore | PSV  | 2013       | 4000 DWT  |
| MMA Plover                                       | Australia | PSV  | 2015       | 4000 DWT  |
| MMA Brewster                                     | Australia | PSV  | 2016       | 4000 DWT  |
| MMA Inscription                                  | Singapore | PSV  | 2012       | 4849 DWT  |
| MMA Valour                                       | Malaysia  | PSV  | 2013       | 5509 DWT  |
| MMA Harmony <sup>2</sup>                         | Singapore | PSV  | 2016       | 4700 DWT  |
| <b>Multi-Purpose Support Vessels (MPSV)</b>      |           |      |            |   |
| MMA Pride  | Singapore | MPSV | 2013       | 5150 BHP  |
| MMA Privilege                                    | Singapore | MPSV | 2015       | 10460 BHP   |
| MMA Prestige                                     | Malaysia  | MPSV | 2016       | 13731 BHP   |
| MMA Pinnacle                                     | Malaysia  | MPSV | 2016       | 13731 BHP   |
| MMA Vigilant                                     | Singapore | MPSV | 2013       | 8000 BHP  |
| Offshore Solution                                | Australia | MPSV | 2016       | 3218 BHP  |

**Notes:**

1. Held for sale.
2. Bareboat charter vessels which are not owned by MMA Group. All other vessels except for the MMA Crystal are owned by the MMA Group.
3. Owned by OWF Marine Co Ltd, a wholly-owned subsidiary of MMA's Taiwanese joint venture company, MMA Global Aqua Co Ltd.

### 5.3 Key Markets

MMA's marine services businesses primarily service four key markets:

(a) **Offshore Wind**

MMA delivers vessel and subsea support to offshore wind farm developments. Services include the provision of vessels for a variety of support tasks, field preparation, survey investigations, geophysical and light geotechnical services, inspection and light construction support.

(b) **Oil & Gas**

Servicing all phases of the oil and gas lifecycle, including decommissioning of oil and gas infrastructure, MMA has over 30 years' experience in supporting oil and gas projects around the world. Leveraging its extensive experience, MMA can package its suite of vessel, subsea and project logistics solutions into a single tailored approach for its clients.

(c) **Government & Defence**

MMA is a member of the Australian Government's Department of Defence HydroScheme Industry Partnership Program (HIPP) and delivers hydrographic survey, vessel management, crewing and technical familiarisation services to defence and government organisations on an ongoing basis.

(d) **Coasts, Ports & Reefs**

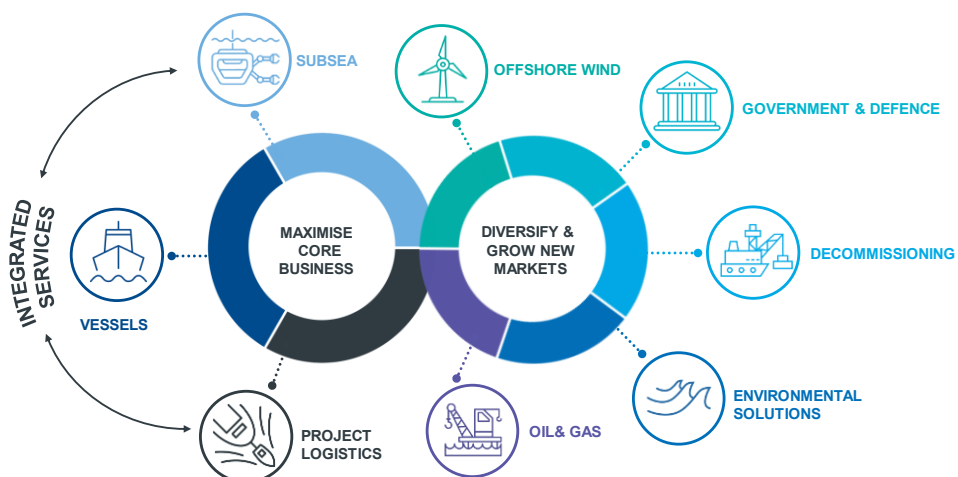
MMA's engineering approach seeks to deliver innovative and sustainable solutions to ports and coastal infrastructure. Through its suite of stabilisation, grouting, coastal erosion and engineered reef products, MMA's solutions are engineered to strengthen at-risk coastal regions, enhance marine habitats and support optimal operations for its clients.

### 5.4 MMA's Strategy

MMA's strategy is focused on extracting the maximum return from its core business whilst continuing to diversify and grow the Company's presence into newer markets such as offshore wind, government and defence, decommissioning and environmental services, creating a sustainable business for the future.

A key strategic focus is to grow the integrated services offering where MMA's vessels are mobilised with subsea equipment and personnel to deliver integrated project solutions.

Figure 3: MMA Growth Strategy



## 5.5 Environmental, Social & Governance (ESG)

ESG and sustainability are key to MMA's purpose and are integrated into the Company's overall business strategy.

MMA is focused on diversifying its revenue streams into sectors which support the energy transition such as offshore wind along with other adjacent marine markets such as government and defence and environmental services which support healthy oceans. MMA is also ideally positioned to support the decommissioning of oil and gas infrastructure.

In recent times, MMA has significantly reduced its reliance on oil and gas-related revenue streams, diversifying into offshore wind, government and defence, and decommissioning. As recently as FY2021, 75% of MMA's revenue was derived from the oil and gas industry (excluding decommissioning). This has reduced to less than 50% of revenue in the Company's latest H1 FY2024 results.

MMA's ESG strategy is focused on the following key elements:

Figure 4: MMA ESG Strategy



MMA publicly reports its progress on its ESG initiatives in its Sustainability Report which is released as part of the Company's Annual Report.

The MMA Board closely monitors the Company's ESG performance through regular Board reporting.

## 5.6 Directors and Senior Management Personnel

### (a) Directors of MMA

As at the Last Practicable Date, the MMA Board comprised the following members:

| Director  | Biography  |
|---|--|
| Ian Macliver<br><i>Independent Non-Executive Chairman</i> | <p>Ian was appointed as an independent non-executive director of the Company on 20 January 2020 and as Chairman of the Company on 28 January 2021.</p> <p>Ian is currently Chairman of Grange Capital Partners and was formerly the Chairman of Grange Consulting Group. Prior to establishing Grange, Ian held positions over nine years in a general manager or executive director position for various listed and corporate advisory companies.</p> <p>His experience covers all areas of corporate activity including capital raisings, acquisitions, divestments, takeovers, business and strategic planning and debt and equity reconstructions.</p> <p>Ian is currently a non-executive director of Sheffield Resources Limited which is listed on ASX, and an Alternate Director of Wright Prospecting Pty Ltd.</p> <p>Ian was previously Chairman of Western Areas Limited, and a non-executive director of both Otto Energy Limited and Mount Gibson Iron Limited.</p> |

| Director  | Biography  |
|---|--|
|   | <p>Ian holds a Bachelor of Commerce from the University of Western Australia and a Post Graduate Diploma from the Securities Institute of Australia. He is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.</p> <p>Ian is a member of both the Company's Audit and Risk Committee and the Company's Nomination and Remuneration Committee.</p>   |
| <p>David Ross</p> <p><i>Managing Director and Chief Executive Officer</i></p> | <p>David was appointed as CEO of the Company on 1 July 2019 and subsequently as Managing Director of the Company on 13 January 2020.</p> <p>David has spent more than 30 years working in the maritime industry having started his career as a seagoing marine engineer and qualifying as an Engineer Class 1 – Motor (Marine Chief Engineer) in 1995.</p> <p>In 1995, David moved to a shore based marine career - initially at BHP Transport in Melbourne and subsequently moving to operational and strategic roles at BHP Billiton freight group in the Netherlands.</p> <p>David has extensive knowledge of MMA's operations having been with the Company for more than 18 years. Prior to being appointed as Managing Director and Chief Executive Officer, David held the roles of General Manager Operations, Chief Operating Officer and Deputy Chief Executive Officer, including relocating to Singapore to drive the Company's international growth.</p> <p>David is currently a member of the Board of Directors of Maritime Industry Australia Limited (which represents the collective interests of maritime businesses in Australia) and is also a director of the Company's international subsidiaries in Singapore, UK, USA, Taiwan, Malaysia and PNG.</p> <p>As Managing Director of MMA, David is responsible for the financial and operational performance of all of the Company's business divisions.</p>  |
| <p>Chiang Gnee Heng</p> <p><i>Independent Non-Executive Director</i></p>      | <p>Chiang Gnee graduated as a Marine Engineer in July 1977 from the University of Newcastle Upon Tyne (UK) and spent almost 30 years working in Singapore government linked companies and in various industries including shipyards, ordnance equipment manufacturing, aircraft engine component manufacturing, amusement and lifestyle, waste and environment management businesses.</p> <p>In June 1989, Chiang Gnee attended the Sloan School of Management at MIT (USA) and graduated with a Masters in Management in July 1990. He was formerly the CEO of Sembawang Shipyard for 10 years and CEO of Sembcorp Environment Management Pte Ltd for two years until August 2007. Chiang Gnee was also formerly the Executive Director of the Singapore Maritime Institute (SMI) which focuses on the development of the Singapore maritime industry through research. Chiang Gnee was engaged in workplace health and safety management until 31 March 2018 and in vocational technical education in Singapore. He was Chairman of the Singapore Workplace Safety and Health Council and Deputy Chairman of the Institute of Technical Education (ITE) Board of Governors until 30 June 2018.</p> <p>Chiang Gnee is a Director of MMA Offshore Asia Pte Ltd (Singapore) and a majority of its subsidiaries in Singapore and Malaysia.</p> <p>Chiang Gnee is Chair of the Company's Nomination and Remuneration Committee.</p> |
| <p>Susan Murphy AO</p> <p><i>Independent Non-Executive Director</i></p>       | <p>Sue has over 40 years of experience in the resources and infrastructure industries. Holding a Bachelor of Civil Engineering from the University of Western Australia, Sue commenced as a Graduate Engineer with Clough Engineering in 1980. She went on to enjoy a 25-year career with Clough, progressing through a wide range of operational and leadership roles before being appointed to the Board of Clough Engineering Ltd in 1998.</p> <p>After leaving Clough in 2004, she joined the Water Corporation of Western Australia as the General Manager of Planning and</p>  |



| Director   | Biography   |
|--|---|
|  | <p>Infrastructure, before being appointed as Chief Executive Officer in 2008, a role she held for over a decade.</p> <p>Sue has received many accolades throughout her career including being awarded the prestigious Sir John Holland Civil Engineer of the Year Award and is an Honorary Fellow of Engineers Australia. In addition, she won the International Water Association's 2014 Women in Water award and was the 2018/19 West Australian Business Leader of the Year at the AIM WA Pinnacle Awards. In 2019, Sue was made an Officer of the Order of Australia.</p> <p>Sue is currently a non-executive director of Monadelphous Group Limited, The West Australian Treasury Corporation, and the UWA Business School and serves as Pro Chancellor of the University of Western Australia. Sue was previously a non-executive director of RemSense Technologies Limited.</p> <p>Sue is Chair of the Company's Audit and Risk Committee and a member of the Company's Nomination and Remuneration Committee.</p>   |
| <p>Sally Langer</p> <p><i>Independent Non-Executive Director</i></p> | <p>Sally has over 25 years' experience in professional services including as founder and Managing Partner of management consulting and executive recruitment firm Derwent Executive - where she set up and led the growth of the Perth office servicing a wide range of clients both locally and nationally and led the Mining and Industrial Practice.</p> <p>Prior to that, Sally was a Director at international recruitment firm Michael Page and a Chartered Accountant at accounting and consulting firm Arthur Andersen.</p> <p>During her career, Sally has been responsible for strategy development and execution with a strong focus on profitable business growth, supervising and coordinating large teams and other management functions including strategy, business development, budgeting and human resources. She has been a trusted advisor to numerous Boards on recruitment, talent management, culture and organisational structure.</p> <p>Sally holds a Bachelor of Commerce from the University of Western Australia, is a Fellow of the Institute of Chartered Accountants and is a graduate of the Australian Institute of Company Directors.</p> <p>Sally is also currently a non-executive director of Northern Star Resources Ltd, Sandfire Resources Ltd, Federation Mining, Ronald McDonald House Charities and the Gold Corporation / Perth Mint. Sally is also a member of the Hale School Board of Governors.</p> <p>Sally is a member of both the Company's Audit and Risk Committee and the Company's Nomination and Remuneration Committee.</p> |

(b) **MMA Senior Management Personnel**

As at the Last Practicable Date, the Senior Management Personnel of MMA are:

| Name           | Position  |
|----------------|---|
| David Ross     | Managing Director and Chief Executive Officer         |
| David Cavanagh | Chief Financial Officer                               |
| Tim Muirhead   | Executive General Manager Legal and Company Secretary |

## 5.7 Subsidiaries

As at the Last Practicable Date, MMA has the following Subsidiaries<sup>1</sup>:

| Name  | Country of Incorporation | Percentage owned |
|---|--------------------------|------------------|
| MMA Offshore Charters Pty Ltd                                       | Australia                | 100%             |
| MMA Offshore Vessel Operations Pty Ltd                              | Australia                | 100%             |
| MMA Subsea Services Pty Ltd   | Australia                | 100%             |
| Neptune Asset Integrity Services Pty Ltd <sup>3</sup>               | Australia                | 100%             |
| Neptune Subsea Engineering Pty Ltd <sup>3</sup>                     | Australia                | 100%             |
| MMA Marine Services Pty Ltd   | Australia                | 100%             |
| Neptune Subsea Stabilisation Pty Ltd <sup>3</sup>                   | Australia                | 100%             |
| Neptune Diving Services Pty Ltd <sup>3</sup>                        | Australia                | 100%             |
| Subcon International Pty Ltd <sup>3</sup>                           | Australia                | 100%             |
| Subcon Technologies Pty Ltd <sup>3</sup>                            | Australia                | 100%             |
| MMA Offshore Asia Pte Ltd   | Singapore                | 100%             |
| MMA Offshore Vessel Holdings Pte Ltd                                | Singapore                | 100%             |
| MMA Offshore Asia Vessel Operations Pte Ltd                         | Singapore                | 100%             |
| MMA Global Projects Pte Ltd <sup>2</sup>                            | Singapore                | 80%              |
| MMA Offshore Shipyard and Engineering Services Pte Ltd <sup>3</sup> | Singapore                | 100%             |
| MMA Subsea Services Pte Ltd   | Singapore                | 100%             |
| Subcon Technologies Pte Ltd <sup>3</sup>                            | Singapore                | 100%             |
| MMA Clean Energy Co Ltd   | Taiwan                   | 100%             |
| MMA Offshore Malaysia Sdn Bhd                                       | Malaysia                 | 100%             |
| MMA Offshore Services Malaysia Sdn Bhd                              | Malaysia                 | 30%              |
| Neptune Subsea Engineering Ltd <sup>3</sup>                         | United Kingdom           | 100%             |
| MMA Offshore Services Ltd   | United Kingdom           | 100%             |
| Neptune Subsea Inc <sup>3</sup>                                     | USA                      | 100%             |
| MMA Offshore PNG Limited  | PNG                      | 100%             |
| Subcon Netherlands B.V. <sup>3</sup>                                | Netherlands              | 100%             |
| Subcon Europe N.V. <sup>3</sup>                                     | Belgium                  | 100%             |

### Notes:

1. MMA's 49.9% owned Taiwanese joint venture company, MMA Global Aqua Co Ltd, is not considered to be a subsidiary of MMA (nor is its wholly-owned subsidiary, OWF Marine Co Ltd). MMA is in the process of altering its corporate structure in Taiwan and divesting its interest in MMA Global Aqua Co Ltd. When completed, this restructure will not result in any change in MMA's operational capability or MMA's percentage ownership (49.9%) in the MMA Crystal vessel because MMA's interest in the entity (OWF Marine Co Ltd) which owns the vessel will remain the same.
2. MMA is currently in the process of acquiring the remaining 20% of MMA Global Projects Pte Ltd that it does not currently own in consideration for an amount of US\$6,000. MMA Global Projects Pte Ltd is already consolidated for accounting purposes. Accordingly, there is no material impact on MMA's balance sheet or earnings.
3. These entities are or will become dormant and MMA intends to deregister these entities over the next 6 to 12 months.

## 5.8 Capital structure

### (a) MMA capital structure

As at the Last Practicable Date, the issued securities of MMA were as follows:

| Type of security       | Number of securities on issue |
|------------------------|-------------------------------|
| MMA Shares             | 379,021,627                   |
| MMA Performance Rights | 15,572,579                    |

As at the Last Practicable Date, MMA had a market capitalisation of approximately A\$1,004 million based on a closing price of A\$2.65 per MMA Share and the number of MMA Shares outstanding. On 22 March 2024, being the Business Day immediately prior to the Scheme Announcement Date, MMA had a market capitalisation of approximately

A\$891 million based on a closing price of A\$2.35 per MMA Share and the number of MMA Shares outstanding (unchanged since the Scheme Announcement Date).

(b) **MMA Performance Rights**

As at the Last Practicable Date, the MMA Performance Rights on issue comprise:

| Classification  | Number on issue | Vesting conditions   | Vesting date (subject to satisfaction of vesting conditions) | Grant date       | Expiry date (for vested rights) |
|---|-----------------|--|--|------------------|---------------------------------|
| 2020 Managing Director / CFO Retention Incentive Performance Rights | 3,350,000       | <p>MMA Performance Rights vested based on the following performance criteria:</p> <p>Retention hurdle (30%):</p> <ul style="list-style-type: none"> <li>Vesting occurred if the employee was still employed by a member of the MMA Group at the end of the performance period (1 November 2020 to 31 October 2023);</li> </ul> <p>Share price hurdle (70%):</p> <ul style="list-style-type: none"> <li>Vesting occurred if the MMA Share price was <math>\geq</math> A\$0.90 per MMA Share at the end of the performance period.</li> </ul>  | Vested   | 28 January 2021  | 1 November 2025                 |
| 2022 Managing Director Retention Performance Rights                 | 628,188         | MMA Performance Rights vested because the Managing Director remained employed by an MMA Group Member on 31 December 2023.  | Vested   | 1 March 2024     | 31 December 2025                |
| 2021 Managing Director LTI Performance Rights                       | 1,518,829       | <p>MMA Performance Rights will vest subject to meeting the following MMA Share price targets at the end of the performance period (1 July 2021 to 30 June 2024):</p> <ul style="list-style-type: none"> <li>0% vesting if the MMA Share price is less than A\$0.65 per MMA Share at 30 June 2024;</li> <li>50% vesting if the MMA Share price is equal to A\$0.65 per MMA Share;</li> <li>Pro-rata vesting (on a straight-line basis) if the MMA Share price is greater than A\$0.65 per MMA Share but less than A\$0.96 per MMA Share; and</li> <li>100% vesting if the MMA Share price is A\$0.96 per MMA Share or greater.</li> </ul> | 1 July 2024  | 10 November 2021 | 1 July 2026                     |
| 2021 Executive Management LTI Performance Rights                    | 2,050,414       | MMA Performance Rights will vest subject to MMA achieving the MMA Share price target (88% weighting) at the end of the performance period (1 July 2021 to 30   | 1 July 2024  | 23 December 2021 | 1 July 2026                     |

|   |           |  |             |                  |             |
|---|-----------|--|-------------|------------------|-------------|
| (excluding Managing Director)   |           | <p>June 2024) and the retention hurdle (12% weighting). MMA Share price targets:</p> <ul style="list-style-type: none"> <li>• 0% vesting if the MMA Share price is less than A\$0.65 per MMA Share at 30 June 2024;</li> <li>• 50% vesting if the MMA Share price is equal to A\$0.65 per MMA Share;</li> <li>• Pro-rata vesting (on a straight-line basis) if the MMA Share price is greater than A\$0.65 per MMA Share but less than A\$0.96 per MMA Share; and</li> <li>• 100% vesting if the MMA Share price is A\$0.96 per MMA Share or greater.</li> </ul> <p>The retention hurdle is satisfied subject to the employee remaining employed by the MMA Group at the end of the performance period.</p>  |             |                  |             |
| FY2023 Senior Management STI Performance Rights (including Managing Director) | 1,619,101 | <p>Under the FY2023 STIP, the MMA Group EBIT and safety targets were achieved and the MMA Board exercised its discretion to issue the STI in MMA Performance Rights which would convert into MMA Shares for any employee who remains employed by an MMA Group Member on 30 June 2024.</p>  | 1 July 2024 | 13 November 2023 | 1 July 2026 |
| FY2023 Senior Management LTI Performance Rights (including Managing Director) | 2,925,366 | <p>MMA Performance Rights will vest subject to MMA achieving the MMA Share price target (86% weighting) and the retention hurdle (14% weighting) at the end of the performance period (1 July 2022 to 30 June 2025). For the MMA Share price target:</p> <ul style="list-style-type: none"> <li>• 0% vesting if the MMA Share price is less than A\$0.75 per MMA Share;</li> <li>• 60% vesting if the MMA Share price is equal to A\$0.75 per MMA Share;</li> <li>• Pro-rata vesting (on a straight line basis) if the MMA Share price is greater than A\$0.75 per MMA Share but less than \$1.05 per MMA Share; and</li> <li>• 100% vesting if the MMA Share price is \$1.05 per MMA Share or above.</li> </ul> <p>The retention hurdle is based on continued employment with an MMA Group Member</p> | 1 July 2025 | 25 November 2022 | 1 July 2027 |

|   |                   |   |             |                  |             |
|---|-------------------|---|-------------|------------------|-------------|
|   |                   | at the end of the performance period.   |             |                  |             |
| FY2024 Senior Management LTI Performance Rights (including Managing Director) | 3,480,681         | <p>The number of 2024 Senior Management LTIP MMA Performance Rights which vest in favour of the Senior Management Personnel and other senior managers on 1 July 2026 will depend on MMA achieving the absolute total shareholder return target (80% weighting) and the strategic key performance indicator criteria (20% weighting).</p> <p>For the absolute total shareholder return target:</p> <ul style="list-style-type: none"> <li>• 0% vesting if MMA achieves less than 10% compound annual growth rate over the performance period (equivalent to \$1.48 per MMA Share price assuming no dividends);</li> <li>• pro-rata vesting if above 10% and less than 18% compound annual growth rate; and</li> <li>• 100% vesting at 18% compound annual growth rate or above (equivalent to \$1.82 per MMA Share price assuming no dividends).</li> </ul> <p>Strategic KPIs include the delivery of the MMA's growth and diversification strategy and achievement of key people &amp; culture, safety, business improvement and sustainability objectives.</p> | 1 July 2026 | 13 November 2023 | 1 July 2028 |
| <b>Total</b>  | <b>15,572,579</b> |   |             |                  |             |

**Note:** Details of the proposed treatment of the MMA Performance Rights under the Scheme are in Section 9.2.

(c) **MMA Employee Incentive Plan**

MMA operates (and has operated in the past) employee incentive plans involving the issue, vesting and exercise of MMA Performance Rights which, once exercised, result in the issue of MMA Shares. Currently, MMA operates an employee incentive plan under which both short-term and long-term employee incentives are issued to Senior Management Personnel and eligible employees of MMA (**MMA Employee Incentive Plan**).

Under the MMA Employee Incentive Plan:

- an MMA Unvested Performance Right vests, subject to the achievement of the vesting conditions associated with that MMA Unvested Performance Right; and
- an MMA Vested Performance Right gives its holder the right to be issued one MMA Share following the exercise of the MMA Vested Performance Right for nil cash consideration.

Vesting conditions of MMA Unvested Performance Rights are set by the MMA Board under the MMA Employee Incentive Plan and at the point in time they are issued to the relevant employees.

The terms of the MMA Employee Incentive Plan give the MMA Board discretion to cause the vesting of otherwise unvested MMA Performance Rights pursuant to a change of control event. The MMA Board (excluding Mr David Ross, who recused himself from deliberations due to his material personal interest in the matter) has resolved to cause the vesting of all outstanding MMA Unvested Performance Rights conditional upon the Scheme becoming Effective. Subject to the holders electing to do so, all MMA Performance Rights are expected to be exercised by the Record Date. This will entitle the relevant MMA Performance Rights holders to receive MMA Shares.

Should the Scheme become Effective, Cyan will be required to purchase all outstanding MMA Shares, inclusive of any MMA Shares issued as a result of the conversion of MMA Performance Rights into MMA Shares by the Record Date. Cyan's obligation to purchase these additional MMA Shares does not alter the Scheme Consideration (defined as A\$2.60 per MMA Share) payable to other holders of MMA Shares at the Record Date.

(d) **MMA Substantial Shareholders**

As at the Last Practicable Date, the following persons were substantial holders of MMA Shares based on the public disclosures made to ASX:

| Name   | Number of MMA Shares | % of MMA Ordinary Shares Outstanding <sup>1</sup> |
|--|----------------------|---|
| Thorney Opportunities Ltd and Tiga Trading Pty Ltd | 30,133,930           | 8.0%  |
| Halom Investments Pte Ltd                          | 29,248,195           | 7.7%  |
| State Street Corporation and subsidiaries          | 22,825,297           | 6.0%  |

**Note:**

1. Rounded to one decimal place.

## 5.9 Historical financial information

(a) **Basis of preparation**

The selected historical financial information in this Section 5.9 has been extracted from MMA's reviewed consolidated financial statements for the half financial year ended 31 December 2023 and audited consolidated financial statements for the financial years ended 30 June 2022 and 30 June 2023. The financial information presented in this Scheme Booklet is in an abbreviated form and does not contain all of the presentations, disclosures, statements or comparatives that are usually provided in MMA's financial statements and are required in accordance with the Corporations Act. The financial information provided in this Section 5.9 should therefore be read in conjunction with the relevant financial statements.

The information relating to the 30 June 2022 and 30 June 2023 financial years has been extracted from the audited financial report of MMA for the financial year ending 30 June 2023, as announced to ASX on 29 August 2023. The information relating to the half financial year ending 31 December 2023 has been extracted from the reviewed financial report for the half year ending 31 December 2023, as announced to ASX on 22 February 2024. Complete versions of these financial statements are available on MMA's website ([www.mmaoffshore.com](http://www.mmaoffshore.com)) and the ASX website ([www.asx.com.au](http://www.asx.com.au)).



(b) **Consolidated Statements of Profit or Loss and Other Comprehensive Income**

Detailed below is a summary of MMA's Consolidated Statements of Profit or Loss and Other Comprehensive Income for the half financial year ended 31 December 2023 and the financial years ended 30 June 2022 and 30 June 2023.

| Statement of Profit and Loss and Other Comprehensive Income                          | Dec 2023<br>A\$'000s<br>(reviewed,<br>half-year) | Jun 2023<br>A\$'000s<br>(audited,<br>full year) | Jun 2022<br>A\$'000s<br>(audited,<br>full year) |
|--|--|---|---|
| Revenue  | 204,288  | 308,265   | 283,766   |
| Finance income   | 783  | 1,886   | 82  |
| Gain on disposal of shipyard   | -  | 22,919  | -   |
| Other income   | 100  | 3,084   | 4,948   |
| Share of results of associate  | (472)  | (1,284)   | (248)   |
| Vessel expenses  | (108,754)  | (175,205)                                       | (149,940)                                       |
| Subsea expenses  | (35,589)   | (84,081)  | (65,667)  |
| Project Logistics expenses   | (10,553)   | (3,324)   | (56,954)  |
| Administration expenses  | (8,867)  | (15,359)  | (10,048)  |
| Impairment reversal  | 23,034   | 80,337  | 35,304  |
| Finance costs  | (2,164)  | (6,745)   | (6,383)   |
| Profit before tax  | 61,806   | 130,493   | 34,860  |
| Income tax expense   | 649  | (2,798)   | (1,030)   |
| Profit for the period  | 62,455   | 127,695   | 33,830  |
| <b>Other comprehensive income, net of tax</b>  |  |   |   |
| Items that may be reclassified subsequently to profit or loss:                       |  |   |   |
| Exchange differences on translation of foreign operations                            | (4,967)  | 12,288  | 21,228  |
| Loss on hedge of net investment in a foreign operation                               | (1,492)  | (1,679)   | (4,920)   |
| Foreign exchange differences reclassified to profit or loss                          | -  | (1,305)   | -   |
| Other comprehensive (loss)/income for the period, net of tax                         | (6,459)  | 9,304   | 16,308  |
| Total comprehensive income for the period  | 55,996   | 136,999   | 50,138  |
| Profit / (loss) attributable to:   |  |   |   |
| Equity holders of the parent   | 62,412   | 127,814   | 33,393  |
| Non-controlling interests  | 43   | (119)   | 437   |
|  | 62,455   | 127,695   | 33,830  |
| Total comprehensive income / (loss) attributable to:                                 |  |   |   |
| Equity holders of the parent   | 55,968   | 137,100   | 49,712  |
| Non-controlling interests  | 28   | (101)   | 426   |
|  | 55,996   | 136,999   | 50,138  |
|  | Cents per<br>Share                               | Cents per<br>Share                              | Cents per<br>Share                              |
| <b>Earnings per Share</b>  |  |   |   |
| Basic, profit for the period attributable to ordinary equity holders of the parent   | 16.69  | 34.80   | 9.29  |
| Diluted, profit for the period attributable to ordinary equity holders of the parent | 16.01  | 32.90   | 8.91  |

(c) **Consolidated Statement of Financial Position**

Below is a summary of MMA's Consolidated Statements of Financial Position as at 31 December 2023, 30 June 2022 and 30 June 2023.

| Statement of Financial Position                     | Dec 2023<br>A\$'000s<br>(reviewed,<br>half-year) | Jun 2023<br>A\$'000s<br>(audited,<br>full year) | Jun 2022<br>A\$'000s<br>(audited,<br>full year) |
|---|--|---|---|
| <b>Current Assets</b>                               |  |   |   |
| Cash and cash equivalents                           | 65,835   | 106,346   | 73,864  |
| Trade and other receivables                         | 94,281   | 84,190  | 63,536  |
| Inventories   | 2,692  | 2,170   | 1,696   |
| Prepayments   | 4,158  | 4,538   | 8,166   |
| Assets held for sale                                | 2,642  | -   | -   |
| Other assets  | 336  | -   | -   |
| Total Current Assets                                | 169,944  | 197,244   | 147,262   |
| <b>Non-Current Assets</b>                           |  |   |   |
| Property, plant and equipment                       | 445,376  | 431,442   | 370,338   |
| Right-of-use assets                                 | 16,399   | 9,722   | 9,520   |
| Investment in associate                             | -  | 480   | 1,782   |
| Loan to associate                                   | 4,980  | 5,687   | 6,515   |
| Intangible assets                                   | 6,194  | 6,302   | 560   |
| Deferred tax assets                                 | 3,362  | -   | -   |
| Other assets  | 896  | -   | -   |
| Total Non-Current Assets                            | 477,207  | 453,633   | 388,715   |
| Total Assets  | 647,151  | 650,877   | 535,977   |
| <b>Current Liabilities</b>                          |  |   |   |
| Trade and other payables                            | 56,436   | 53,408  | 43,136  |
| Contract liabilities                                | 12,793   | 5,175   | 12,256  |
| Borrowings  | -  | 5,500   | 12,500  |
| Lease liabilities                                   | 9,111  | 4,842   | 3,055   |
| Provisions  | 12,820   | 12,191  | 14,431  |
| Current tax liabilities                             | 3,853  | 2,628   | 305   |
| Total Current Liabilities                           | 95,013   | 83,744  | 85,683  |
| <b>Non-Current Liabilities</b>                      |  |   |   |
| Borrowings  | -  | 75,818  | 102,919   |
| Lease liabilities                                   | 8,147  | 5,263   | 6,455   |
| Provisions  | 103  | 63  | 31  |
| Deferred tax liabilities                            | 91   | 144   | 140   |
| Total Non-Current Liabilities                       | 8,341  | 81,288  | 109,545   |
| Total Liabilities                                   | 103,354  | 165,032   | 195,228   |
| Net Assets  | 543,797  | 485,845   | 340,749   |
| <b>Equity</b>                                       |  |   |   |
| Issued capital                                      | 746,615  | 746,615   | 742,265   |
| Reserves  | 149,395  | 154,270   | 141,484   |
| Accumulated losses                                  | (352,519)  | (415,317)                                       | (543,377)                                       |
| Equity attributable to equity holders of the parent | 543,491  | 485,568   | 340,372   |
| Non-controlling interest                            | 306  | 277   | 377   |
| Total Equity  | 543,797  | 485,845   | 340,749   |

(d) **Consolidated Statement of Cash Flows**

Detailed below is a summary of MMA's Consolidated Statement of Cash Flows for the half financial year ended 31 December 2023 and the financial years ended 30 June 2022 and 30 June 2023.

| Statement of Cash Flows  | Dec 2023<br>A\$'000s<br>(reviewed,<br>half-year) | Jun 2023<br>A\$'000s<br>(audited,<br>full year) | Jun 2022<br>A\$'000s<br>(audited,<br>full year) |
|--|--|---|---|
| <b>Cash Flows from Operating Activities</b>                                    |  |   |   |
| Receipts from customers  | 218,740  | 296,210   | 292,128   |
| Government grants received   | -  | 66  | 176   |
| Interest received  | 783  | 1,618   | 83  |
| Payments to suppliers and employees  | (151,790)  | (240,260)                                       | (260,070)                                       |
| Provisional payment under arbitration award                                    | -  | -   | (10,520)  |
| Income tax paid  | (1,172)  | (389)   | (599)   |
| Interest and other costs of finance paid                                       | (2,059)  | (6,745)   | (6,040)   |
| Net Cash Provided by / (Used in) Operating Activities                          | 64,502   | 50,500  | 15,158  |
| <b>Cash Flows from Investing Activities</b>                                    |  |   |   |
| Payments for property, plant and equipment                                     | (20,277)   | (18,396)  | (12,751)  |
| Proceeds from the sale of property, plant and equipment                        | -  | 14,618  | 2,423   |
| Proceeds from the sale of assets classified as held for sale                   | -  | -   | 36,112  |
| Instalment received in advance for disposal of shipyard                        | -  | -   | 2,173   |
| Proceeds from disposal of shipyard, net of cash disposed                       | -  | 20,252  | -   |
| Deposit paid for business combination  | -  | -   | (4,200)   |
| Cash acquired in business combination  | -  | 1,600   | -   |
| Investment in associates   | -  | -   | (2,075)   |
| Loan to associates   | -  | -   | (6,515)   |
| Dividend received from associates  | -  | -   | 45  |
| Loan repayments from associates  | 606  | 830   | -   |
| Net Cash Provided by / (Used in) Investing Activities                          | (19,671)   | 18,904  | 15,212  |
| <b>Cash Flows from Financing Activities</b>                                    |  |   |   |
| Repayment of borrowings  | (83,025)   | (35,567)  | (53,001)  |
| New facility borrowing costs   | (1,123)  | (215)   | -   |
| Repayment of lease liabilities   | (2,445)  | (4,728)   | (3,862)   |
| Net Cash Provided by / (Used in) Financing Activities                          | (86,593)   | (40,510)  | (56,863)  |
| Net increase / (decrease) in cash and cash equivalents                         | (41,762)   | 28,894  | (26,493)  |
| Cash and cash equivalents at the beginning of the period                       | 106,346  | 73,864  | 96,226  |
| Effects of exchange rate changes on balance of cash held in foreign currencies | 1,251  | 3,588   | 4,131   |
| Cash and cash equivalents at the end of the period                             | 65,835   | 106,346   | 73,864  |

(e) **Underlying and segment financials**

Underlying EBITDA and EBIT as included in the table below are non-statutory (non-IFRS) measures. The objective of this underlying financial information is to provide a more meaningful and consistent representation of financial performance by removing items that distort performance or are non-recurring in nature. These items are determined after consideration of the nature of the item, the significance of the amount and the consistency in treatment from period to period.

Detailed below is a summary of MMA's underlying EBITDA and EBIT for the half financial year ended 31 December 2023 and the financial years ended 30 June 2022 and 30 June 2023.

| Underlying and segment financials | Dec 2023<br>A\$'000s<br>(reviewed,<br>half-year) | Jun 2023<br>A\$'000s<br>(audited,<br>full year) | Jun 2022<br>A\$'000s<br>(audited,<br>full year) |
|-----------------------------------|--|---|---|
| Vessel services                   | 56,967   | 71,037  | 34,233  |
| Subsea services                   | 10,334   | 9,542   | 2,392   |
| Project Logistics                 | 3,022  | (104)   | 2,077   |
| Corporate                         | (7,032)  | (11,168)  | (6,396)   |
| <b>Underlying EBITDA</b>          | <b>63,291</b>                                    | <b>69,307</b>                                   | <b>32,307</b>                                   |
| Depreciation and amortisation     | (23,084)   | (39,419)  | (30,981)  |
| <b>Underlying EBIT</b>            | <b>40,207</b>                                    | <b>29,887</b>                                   | <b>1,326</b>                                    |

## 5.10 Material changes in MMA's financial position and financial performance

Other than as disclosed in this Scheme Booklet (such as in this Section) or as otherwise announced to ASX by MMA, to the knowledge of the MMA Directors, the financial position and financial performance of MMA has not materially changed since 31 December 2023.

In its announcement to ASX on 18 April 2024, MMA provided updated earnings guidance for the financial year ending 30 June 2024.

The vessel division is forecasting higher than expected fleet utilisation for the second half of the current financial year as a result of minimal downtime between short-term contracts combined with the recent declaration of options and contract extensions by various clients. MMA's larger multipurpose vessels are now anticipated to operate at approximately 95% utilisation with overall fleet utilisation forecast to reach approximately 90% for the second half. Whilst these levels are very pleasing, they are unprecedented and unlikely to be sustainable under MMA's current short-term contracting strategy.

The subsea division has successfully delivered a number of key standalone and integrated projects at higher than forecast margins and has secured additional work scopes which will further contribute to better than expected second half earnings.

Overall earnings continue to be positively impacted by the USD/AUD exchange rate and a high quantum of earnings derived from US dollar denominated contracts.

- Underlying EBITDA for FY2024 is expected to be in the range of A\$136-142 million.
- Underlying EBIT for FY2024 is expected to be in the range of A\$86-92 million.

The above guidance remains subject to the final outcome of project execution and overall operational performance over the remainder of FY2024.

In addition, MMA received payment of \$4.3 million from the Saudi Arabian courts. This payment related to the partial recovery of a historical bad debt from Makamin Offshore Saudi Ltd that had been fully provisioned in FY2020. This payment is considered non-recurring and has not been included in the underlying EBITDA forecast.

MMA's contract profile for FY2025 remains materially unchanged. The business is now focused on building its backlog of contracted work for FY2025 and securing longer term contract positions to improve the overall stability of earnings for the coming years.

As at the Last Practicable Date, the Company had a cash position of approximately A\$136.3 million on an unaudited basis.

## 5.11 MMA Directors' intentions for MMA's business

The Corporations Act requires a statement by the MMA Directors of their intentions regarding MMA's business to be included in this Scheme Booklet. If the Scheme is implemented, Cyan may reconstitute the MMA Board such that some or all of the MMA Directors may be replaced (see Section 6.5). Accordingly, it is not possible for the MMA Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of MMA or how MMA's existing business will be conducted;
- (b) any major changes, if any, to be made to the business of MMA; or
- (c) any future employment of the present employees of MMA, in respect of the period after Implementation of the Scheme. MMA's Directors understand that Cyan intends to retain the employees of each MMA Group Member, including the senior management team, following Implementation of the Scheme. Please refer to Section 6.5(e) for further details.

If the Scheme is implemented, Cyan will own and control all of the MMA Shares. The intentions of Cyan with respect to the matters listed above if the Scheme is implemented are detailed in Section 6.5.

If the Scheme is not implemented:

- (a) the MMA Directors intend that MMA will continue its current business plans and operations detailed in Section 5.2 above;
- (b) MMA will continue to operate on a standalone basis and remain listed on ASX; and
- (c) the MMA Directors intend to continue to drive the Company's strategic plan, which may potentially include growth via acquisition of assets and/or operating businesses.

## 5.12 Recent MMA Share price history

MMA Shares are listed on ASX under the trading symbol 'MRM'.

As of 22 March 2024, being the last trading day prior to the Scheme Announcement Date:

- the last closing MMA Share price was A\$2.35 per MMA Share;
- the 30-day VWAP of the MMA Shares was A\$2.16 per MMA Share;
- the 90-day VWAP of the MMA Shares was A\$1.98 per MMA Share;
- the 180-day VWAP of the MMA Shares was A\$1.73 per MMA Share;
- the highest recorded closing price of MMA Shares in the previous 12 months was A\$2.40 per MMA Share on 21 March 2024; and
- the lowest recorded closing price of MMA Shares in the previous 12 months was A\$1.05 per MMA Share on 25 May 2023.

As at the Last Practicable Date:

- the last recorded MMA Share price was A\$2.65 per MMA Share;
- the highest recorded closing price of MMA Shares in the previous 12 months was A\$2.75 per MMA Share on 7 May 2024; and
- the lowest recorded closing price of MMA Shares in the previous 12 months was A\$1.05 per MMA Share on 25 May 2023.

The chart below illustrates MMA's Share price performance over the 24-month period up to the Last Practicable Date.

**Figure 5: MMA 24-Month Share Price Performance**



Source: FactSet as at 20 May 2024.

The current price of MMA Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

### **5.13 Dividend Policy**

MMA does not have a formal dividend policy. The declaration and amount of dividends are at the sole discretion of the MMA Board. In making a decision concerning a dividend, the MMA Board will take into account MMA's earnings for the period, future capital requirements and other relevant factors, such as the outlook for the business.

MMA does not intend to make a return of capital or pay a dividend prior to the Implementation Date as such event would constitute a Prescribed Occurrence under the terms of the Scheme Implementation Deed.

In the event the Scheme is not implemented and the Scheme Implementation Deed is terminated, the MMA Board will consider whether MMA has capacity for a discretionary fully franked dividend to Shareholders in respect of FY2024 (subject to other capital requirements of the business).

### **5.14 Litigation**

As at the Last Practicable Date, the MMA Group is not currently subject to any material litigation proceedings.

### **5.15 Publicly available information**

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, MMA is subject to regular reporting and disclosure obligations. Broadly, these require MMA to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

MMA's most recent announcements are available on the MMA website at: [www.mmaoffshore.com](http://www.mmaoffshore.com).



ASX maintains files containing publicly available information about entities listed on its exchange. MMA's files are available for inspection at MMA's registered office during normal business hours and are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

Additionally, copies of documents lodged with ASIC in relation to MMA may be obtained from ASIC's registry services. Please note, ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Scheme Meeting during normal business hours at the registered office of MMA:

- (a) the Constitution;
- (b) MMA's annual report for the year ended 30 June 2023 and MMA's report for the half-year ended 31 December 2023; and
- (c) MMA's public announcements.

The annual report and public announcements are also available at MMA's website at [www.mmaoffshore.com](http://www.mmaoffshore.com).

MMA will provide a copy of the MMA financial report for the half-year ended 31 December 2023 free of charge to anyone who requests a copy.

A list of announcements made by MMA to ASX from the date of MMA's annual report for the year ended 30 June 2023 lodged on 29 August 2023 to the Last Practicable Date is included below.

| Date       | Description of the announcement                             |
|------------|---|
| 16/05/2024 | Change in substantial holding                               |
| 14/05/2024 | Becoming a substantial holder                               |
| 26/04/2024 | Ceasing to be a substantial shareholder from MUFG           |
| 24/04/2024 | Ceasing to be a substantial shareholder from MS             |
| 24/04/2024 | Ceasing to be a substantial shareholder                     |
| 19/04/2024 | Becoming a substantial holder from MUFG                     |
| 19/04/2024 | Becoming a substantial holder from MS                       |
| 18/04/2024 | Ceasing to be a substantial holder from MUFG                |
| 18/04/2024 | Becoming a substantial holder                               |
| 18/04/2024 | Trading Update  |
| 17/04/2024 | Ceasing to be a substantial holder from MS                  |
| 17/04/2024 | Change in substantial holding from MUFG                     |
| 17/04/2024 | Ceasing to be a substantial holder                          |
| 15/04/2024 | Becoming a substantial holder from MS                       |
| 11/04/2024 | Becoming a substantial holder from MS                       |
| 09/04/2024 | Becoming a substantial holder from MUFG                     |
| 08/04/2024 | Change in substantial holding from Tiga Trading Pty Ltd     |
| 08/04/2024 | Change in substantial holding from TOP                      |
| 08/04/2024 | Becoming a substantial holder                               |
| 25/03/2024 | MMA Offshore Enters Into Scheme Implementation Deed         |
| 12/03/2024 | Euroz Hartleys Institutional Conference 2024 – Presentation |
| 01/03/2024 | Change of Director's Interest Notice                        |
| 22/02/2024 | Notification regarding unquoted securities - MRM            |
| 22/02/2024 | 2024 Half Year Results Investor Presentation                |
| 22/02/2024 | 2024 Half Year Results Announcement                         |
| 22/02/2024 | 2024 Half Year Financial Report                             |
| 14/02/2024 | Notice of FY2024 Half Year Results Teleconference           |
| 09/02/2024 | Change of Director's Interest Notice                        |
| 09/02/2024 | Application for quotation of securities – MRM               |
| 30/01/2024 | Change in substantial holding – Tiga Trading Pty Ltd        |

| Date       | Description of the announcement                              |
|------------|--|
| 30/01/2024 | Change in substantial holding from TOP                       |
| 21/11/2023 | Relocation of Managing Director / CEO to Singapore           |
| 17/11/2023 | Award of Decommissioning Services Contract                   |
| 15/11/2023 | Trading Update   |
| 14/11/2023 | Notification regarding unquoted securities – MRM             |
| 10/11/2023 | Results of Meeting   |
| 10/11/2023 | 2023 AGM – Chairman's Address and MD Presentation            |
| 09/11/2023 | Purchase of Multi-Purpose Support Vessel                     |
| 02/11/2023 | Ceasing to be a substantial holder from WAM/WMI/WAA          |
| 18/10/2023 | Award of Department of Defence Contract                      |
| 05/10/2023 | Replacement Notice of Annual General Meeting and Voting Form |
| 05/10/2023 | Notice of Annual General Meeting/Voting Form                 |
| 08/09/2023 | Change in substantial holding from TOP                       |
| 08/09/2023 | Change in substantial holding                                |
| 07/09/2023 | Clarifying Announcements                                     |
| 01/09/2023 | MMA Inscription Contract Awards                              |
| 29/08/2023 | 2023 Financial Results Announcement and Presentation         |

## 6. INFORMATION ABOUT CYAN

### 6.1 Overview of Cyan Renewables and Seraya Partners

#### (a) Overview of Cyan Renewables

Cyan Renewables is a Singapore-headquartered offshore wind and environmental protection vessel operator with offices in the United Kingdom, Denmark and South Korea. Cyan Renewables is a wholly owned portfolio company of the Seraya Fund, a fund managed by Singapore-based next-generation infrastructure fund manager, Seraya Partners.

Cyan Renewables was established in September 2022 to support the delivery of offshore wind farms by owning and operating a fleet of offshore wind vessels. It is the world's first pure play offshore wind farm vessel operator serving the fast-growing offshore wind farm industry in the Asia Pacific. In addition to offshore wind, Cyan Renewables also has a growing business in the marine environmental protection sector in Europe.

Cyan Renewables owns, operates, and leases vessels across the offshore wind farm and marine environmental protection sectors including Emergency Response and Recovery Vessels, Service Operation Vessels, Foundation Installation Vessels and Wind Turbine Installation Vessels.

Cyan Renewables is led by a team of global shipping and renewable energy veterans based in Singapore, Denmark and the United Kingdom.

Cyan Renewables does not have any existing investments, assets or operations in Australia.

#### (b) Overview of Seraya Partners

Founded in 2020, Singapore-headquartered Seraya Partners is an independent infrastructure fund manager specialising in making digital infrastructure and energy transition investments across Asia.

Headquartered in Singapore, Seraya Partners has regional offices and teams in South Korea, Japan, Malaysia and Taiwan to source proprietary investment opportunities and to manage existing assets.

With more than US\$1,015 million of total assets under management (including debt),<sup>12</sup> Seraya Partners targets control-oriented, middle-market investments in the next generation infrastructure sector, primarily within developed Asian markets, and selectively in high-growth Southeast Asian markets.

Seraya Partners has made three investments (each a **Portfolio Company**, and collectively the **Portfolio Companies**), all of which are wholly, or majority owned by Seraya Partners managed funds:

- (i) **Empyrion Digital:** a green data centre operator focusing on using renewable energy and hydrogen solutions to power state-of-art next generation data centres;
- (ii) **Cyan Renewables:** Asia's first offshore wind farm and marine environmental protection vessel operator; and
- (iii) **Astrid Renewables:** developer of cutting-edge solar, wind, and energy storage solutions in partnership with multinational corporations.

None of the Portfolio Companies currently has any Australian operations or assets (other than Cyan Renewables' ownership of Cyan HoldCo which in turn owns Cyan).

Seraya Partners' ultimate holding entity is Seraya Holdings Ltd (a Cayman Islands company) which is ultimately controlled by its Managing Partners, Chern Chee Song and Chern Chee Wee. For more information on Seraya Partners, please see their website: <https://www.serayapartners.com/>.

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<sup>12</sup> The total assets under management includes total funds under management as of 31 December 2023 and Portfolio Company debt as of 26 April 2024.

## 6.2 Overview of Cyan Group

### (a) Introduction

Cyan is a newly incorporated Australian special purpose company established for the purpose of acquiring the Scheme Shares. It currently holds no assets of its own.

The immediate holding company of Cyan is Cyan Renewables (Australia) Holdings Pty Limited (ACN 675 839 782) (**Cyan HoldCo**). Cyan HoldCo was incorporated for the purpose of holding all the shares in Cyan and is directly owned by Cyan Renewables.

Except as described in this Section 6, none of Cyan and Cyan HoldCo have commenced trading or conducted business, and none of them have any assets or liabilities, other than in connection with their incorporation, the entry into transaction documents in connection with the Scheme and the taking of such other actions as are necessary to facilitate the Scheme (including actions in relation to the incurrence of costs, fees and expenses in connection with the Scheme and arranging of finance in connection with the Scheme).

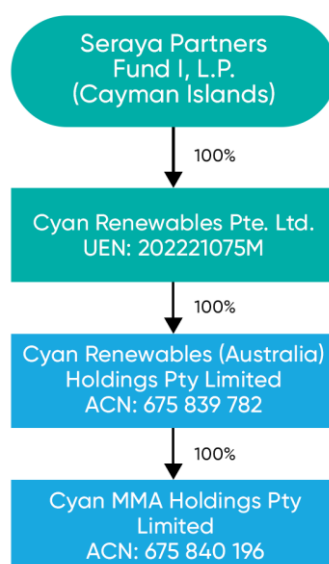
If the Scheme becomes Effective and subject to Cyan having paid the Scheme Consideration, Cyan will acquire all of the Scheme Shares on the Implementation Date.

### (b) Ownership structure

As at the Last Practicable Date:

- (i) Cyan is a wholly-owned subsidiary of Cyan HoldCo;
- (ii) Cyan HoldCo is a wholly-owned subsidiary of Cyan Renewables; and
- (iii) Cyan Renewables is currently directly wholly-owned by Seraya Fund.

The ownership structure of Cyan (as at the Last Practicable Date) is illustrated below.



As noted in Section 6.4(b), Seraya Partners is in discussions with potential equity co-investors who may be offered the opportunity to invest alongside the Seraya Fund in Cyan Renewables. These potential co-investors are existing and future potential limited partners of Seraya Partners in the Seraya Fund and are not in a position to influence Cyan or Cyan's obligations under the Scheme. To the extent that any such co-investment arrangements are finalised and subject to the receipt of any necessary approvals, it is expected that such co-investors will invest in Cyan Renewables directly or via one or more vehicles managed by the Seraya Fund and/or its affiliated entities. As at the date of this Scheme Booklet, the composition of, and participation by, any co-investors has not been finalised. Neither the Scheme nor the provision of the Scheme Consideration by Cyan is conditional on finalising any such co-investment arrangements.

(c) **Cyan and Cyan HoldCo Directors**

As at the date of this Scheme Booklet, the directors of Cyan and Cyan HoldCo are the same being Chee Wee Chern – Managing Partner of Seraya Partners, Keng Lin Lee – Group Chief Executive Officer of Cyan Renewables, Cai De Adrian Koh – Managing Director at Seraya Partners – and Swapna Keskar.

### 6.3 Rationale for proposed acquisition of MMA

As a service provider to the offshore energy industry through its fleet of vessels, the MMA Group shares synergies with Cyan Renewables. The MMA Group provides Cyan Renewables with exposure to Australia and greater exposure to Asia as Cyan Renewables pursues equity investment to create a leading global energy transition-focused offshore marine business.

Cyan intends to support the continued growth of the MMA business across the Asia Pacific, with a focus on diversifying the business into sustainable and low carbon end sectors such as offshore wind and government services. With the support of Cyan Renewables' expertise in specialist offshore wind vessels, MMA is well placed to support the delivery of offshore wind farms in Australia in the future.

### 6.4 Financing arrangements for the Scheme Consideration

This Section 6.4 sets out how Cyan intends to fund amounts payable in connection with the Scheme.

(a) **Overview**

The Scheme Consideration will be provided wholly in cash.

If the Scheme becomes Effective, MMA Shareholders will receive the Scheme Consideration for each MMA Share they hold as at the Record Date. Refer to Section 4.3 and 4.4 for further detail regarding the Scheme Consideration.

Based on the number of MMA Shares on issue on a fully diluted basis as at the date of this Scheme Booklet, the maximum amount that may be required to be paid by Cyan to fund the Scheme Consideration to MMA Shareholders is A\$1,025,944,935.60.

Cyan intends to fund the Scheme Consideration using a combination of debt and equity financing. These funding arrangements are described in further detail below in sections 6.4(b) and 6.4(c). The proceeds available to Cyan under the equity and debt financing is in excess of the maximum aggregate amount of cash payable on implementation of the Scheme.

The Scheme is not subject to any financing condition precedent.

(b) **Equity funding arrangements**

Cyan and MMA have received a legally binding equity commitment letter from the Seraya Fund GP, dated 24 March 2024 (the **Equity Commitment Letter**), under which the Seraya Fund has committed to cause Cyan to receive the amount equal to the aggregate Scheme Consideration payable to Scheme Participants if the Scheme becomes Effective, for the purpose of funding the Scheme Consideration (the **Equity Funding**). The Equity Funding will be paid to Cyan before the Implementation Date. Cyan will therefore have access to a cash amount of A\$1,025,944,935.60 (being the entirety of the Scheme Consideration) to be paid to the Scheme Participants on Implementation of the Scheme, pursuant to the Equity Commitment Letter.

Seraya Fund has represented and warranted to Cyan and MMA that it has (and will, when required to fund the aggregate Equity Funding under the terms of the Equity Commitment Letter, have) committed funds available to it to fund the Equity Funding to fulfill its obligations under the Equity Commitment Letter.

The provision of the Equity Funding is conditional only on the Scheme becoming Effective.

The Equity Commitment Letter separately includes a funding commitment from the Seraya Fund totalling a further A\$10,259,449 in circumstances where the Reverse Break Fee becomes payable by Cyan (the **Reverse Break Fee Funding**). The provision of the

Reverse Break Fee Funding is conditional only on Cyan being required to pay the Reverse Break Fee in accordance with clause 10 of the Scheme Implementation Deed.

On the basis of the arrangements described above, Cyan considers that it will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme, solely from the Equity Funding available to it pursuant to the Equity Commitment Letter.

For completeness, the possible introduction of co-investors in Cyan Renewables (as described in Section 6.2(b)) does not limit Cyan's rights to call on the Seraya Fund's commitment in respect of the Equity Funding under the Equity Commitment Letter.

(c) **Debt funding arrangements**

Cyan has entered into a legally binding syndicated facility agreement under which UBS AG Australia Branch (**UBS**) has agreed to provide certain secured debt facilities to Cyan in an aggregate amount of up to A\$535,000,000 (the **Debt Facilities**). Under the Debt Facilities, Cyan is permitted to use the proceeds of the Debt Facilities to, among other things, fund part of the aggregate Scheme Consideration payable by Cyan under the Scheme. The Debt Facilities are provided on a customary certain funds basis and are subject to certain customary conditions precedent, including:

- (i) certification that the Scheme is approved by the Court and has become Effective;
- (ii) certification that completion of the acquisition of MMA will occur on the Implementation Date in accordance with the Scheme Implementation Deed;
- (iii) confirmation that there has been no termination of, amendment to, or waiver granted by Cyan under the Scheme Implementation Deed, the Deed Poll or the Scheme provided to UBS which (taken as a whole) materially and adversely affects the interests of UBS unless UBS has provided its prior written consent (such consent not to be unreasonably withheld or delayed); and
- (iv) the accuracy of certain representations identified in the syndicated facility agreement made with respect to Cyan prior to funding of the Debt Facilities.

It is expected that the conditions precedent to the Debt Facilities will be satisfied on or before the Second Court Date (other than certain procedural conditions which are intended to be satisfied concurrently with, or prior to, the initial borrowing under the Debt Facilities, including the payment of fees, costs and expenses).

As at the date of this Scheme Booklet, Cyan is not aware of any reason why, and has no basis to believe that the conditions to the Debt Facilities will not be satisfied so as to enable the relevant Debt Facilities to be drawn for the purpose of funding part of the Scheme Consideration.

Cyan is also in the process of putting in place long-term debt facilities under which it is proposed that certain financial institutions will provide debt facilities to Cyan which may be drawn for the purpose of funding part of the Scheme Consideration (**Additional Facilities**). As at the date of this Scheme Booklet, the details of any such financing have not been finalised and no agreement has been reached. To the extent any amounts drawn under the Additional Facilities will reduce the amounts available under the Debt Facilities and be used to fund part of the Scheme Consideration, definitive long form documentation in respect of the Additional Facilities will be entered into prior to the Second Court Date.

(d) **Provision of Scheme Consideration**

On the basis of the funding arrangements described above, Cyan is of the opinion that it has a reasonable basis for holding that view, and holds the view that it will be able to satisfy its obligations to provide the Scheme Consideration as and when it is due under the terms of the Scheme.

## 6.5 Intentions of Cyan if the Scheme is implemented

If the Scheme is implemented, Cyan will become the holder of all Scheme Shares and, accordingly, MMA will become a wholly owned subsidiary of Cyan.



This Section 6.5 sets out Cyan's present intention only and is based on the information concerning MMA (including certain non-public information made available by MMA to Cyan prior to the entry into the Scheme Implementation Deed) and the general business and economic environment which is known to Cyan at the time of preparation of this Scheme Booklet. Cyan does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of its present intentions. Cyan's present intentions concerning the businesses, assets and employees of MMA are the same as the intentions of Cyan HoldCo, Cyan Renewables and Seraya Partners.

If the Scheme is implemented, Cyan intends to undertake a detailed review of MMA's assets and operations, including to evaluate their performance, prospects and strategic relevance. Cyan will only make final decisions following the completion of its review of MMA's business and based on the facts and circumstances at the relevant time.

Accordingly, the statements in this Section 6.5 are therefore statements of present intention and may change as new information becomes available or circumstances change.

(a) **Removal from ASX**

Following the implementation of the Scheme, Cyan will arrange for MMA to apply for the termination of the official quotation of MMA Shares on ASX and for MMA to be removed from the official list of ASX shortly after the Implementation Date.

(b) **Head office**

If the Scheme is implemented, Cyan presently intends for MMA to maintain its head office in Perth, Australia.

(c) **Board of directors**

If the Scheme is implemented, the MMA Board will be reconstituted, such that some or all of the MMA Directors may be replaced, from Implementation. At the date of this Scheme Booklet, the new directors have not been identified, but the directors will include at least two Australian resident individuals, as well as Singapore-based representatives from Seraya Partners and Cyan. In addition, if the Scheme is implemented, Cyan intends for Mr David Ross to continue in his role as Managing Director and CEO of MMA.

(d) **Changes to MMA's constituent documents**

Cyan intends to replace MMA's constitution following implementation of the Scheme with a constitution on terms which are typical for a proprietary company limited by shares. This is consistent with the intention that MMA Shares will no longer be publicly listed, and MMA will be converted into a proprietary company limited by shares following implementation of the Scheme.

(e) **Employees, business, operations, and assets**

Subject to the findings of the post-acquisition review referred to in this Section 6.5, Cyan's current intention is to continue the strategic direction and operations of MMA, and use its expertise, assets and operating model to expand further into offshore wind support services while continuing to provide a comprehensive suite of marine and subsea services to its existing clients in the offshore energy and wider maritime industries.

To that end, all existing material assets will be retained, and Cyan currently intends to retain the MMA Group's employees and to support MMA's existing management team. It is therefore Cyan's intention that MMA's current management will be principally responsible for the day-to-day management of MMA Group following Implementation of the Scheme, particularly as Cyan Renewables does not have operations in Australia.

(f) **Debt facilities**

If the Scheme is implemented, Cyan intends to replace MMA's existing debt facilities with a new financing structure with the aim of facilitating MMA's continued growth. As noted in Section 6.4(c), Cyan is in discussions with third party financiers regarding a potential refinance of MMA's existing debt facilities. As at the date of this Scheme Booklet, the details of any such refinancing have not been finalised and no agreement has been reached.

## 6.6 Additional information

(a) **Interests in MMA Shares**

As at the Last Practicable Date, neither Cyan, nor any other Cyan Group Member, have a Relevant Interest or Voting Power in any MMA Shares.

(b) **No dealing in MMA Shares in previous four months**

Neither Cyan, nor any other Cyan Group Member, nor any of their Associates, has provided, or agreed to provide, consideration for any MMA Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet, except for the Scheme Consideration which Cyan has agreed to provide under the Scheme.

(c) **No inducing benefits to MMA Shareholders given during previous four months**

During the four months before the date of this Scheme Booklet, neither Cyan, nor any other Cyan Group Member, nor any of their Associates has given, or offered to give, or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of MMA Shares where the benefit was not offered to all MMA Shareholders under the Scheme.

(d) **No benefits to current MMA Group officers**

Neither Cyan, nor any Cyan Group Member, nor any of their Associates has made or will be making any payment or has given or will be giving any benefit to any of the current directors, secretaries, or executive officers of any MMA Group Member as compensation for loss of, or as consideration for or in connection with their retirement from office in that MMA Group Member or in a Related Body Corporate.

(e) **No interests of Cyan directors in MMA Shares**

As at the date of this Scheme Booklet, none of the directors of Cyan or any Cyan Group Member have a Relevant Interest or Voting Power in any MMA Shares.

(f) **No other material information**

Except as otherwise disclosed in this Scheme Booklet, there is no other information relating to Cyan or the other Cyan Group Members, or their intentions regarding the MMA Group, that is material to the making of a decision by a Shareholder in relation to the Scheme that is within the knowledge of the directors of Cyan and Cyan HoldCo as at the date of this Scheme Booklet that has not been previously disclosed to MMA Shareholders.

## 7. RISK FACTORS

### 7.1 Introduction

In considering the Scheme, Shareholders should be aware that there are a number of risk factors, both general and specifically relating to MMA, which may affect the future operating and financial performance of MMA and/or the price or value of MMA Shares.

If the Scheme proceeds, Shareholders who hold their MMA Shares on the Record Date will receive the Scheme Consideration, will cease to hold MMA Shares and will also no longer be exposed to the risks detailed in this Section 7 (and any other risks to which MMA may be exposed).

If the Scheme does not proceed, Shareholders will continue to hold MMA Shares and continue to be exposed to ongoing and future risks associated with an investment in MMA.

The risk factors presented in this Section 7 are not an exhaustive list of all risks related to MMA or the Scheme. Additional risks and uncertainties not currently known to MMA may also have an adverse impact on MMA's operating and financial performance and the value of MMA Shares.

These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Shareholders. Each Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

### 7.2 Risks relating to the business and operations of MMA

#### (a) Operational risk

The Company's operations are subject to various risks inherent in servicing the offshore energy and wider marine industry. MMA's international operations broaden the Company's risk exposure in terms of both opportunities and threats.

Operational risks include (but are not limited to):

- (i) Health and safety incidents;
- (ii) Epidemics/pandemics;
- (iii) Loss of key customers/contracts;
- (iv) Failure by customers to pay for services;
- (v) Equipment damage, technical failures, or human error;
- (vi) Industrial relations issues including strikes;
- (vii) Vessels capsizing, sinking, grounding, collisions, fires and explosions, piracy, vessel seizures or arrests and acts of terrorism;
- (viii) Environmental pollution, contamination and other related accidents;
- (ix) Regulatory and legislative non-compliance;
- (x) Cyber security attacks;
- (xi) Kidnap and ransom;
- (xii) Fraud and theft;
- (xiii) Increases in input costs;
- (xiv) Failure to attract and retain qualified personnel or loss of key personnel;
- (xv) Contractual assumptions of risk;
- (xvi) Reduction in the demand for the Company's services;
- (xvii) Escalating stakeholder scrutiny and requirements;
- (xviii) Risked revenue exposure from lack of customer depth;
- (xix) Future impairment of the vessel fleet;
- (xx) Increasing supply of vessels and services to the offshore energy markets, applying downward pressure on day rates and asset values;
- (xxi) Global events that cause a reduction in economic output, including war, famine, natural disasters and financial crisis; and
- (xxii) Regional conflicts or elevated localised risk environments removing key markets and opportunities.

Potential consequences associated with these risks include the loss of human life or serious injury, pollution, environmental damage, significant damage to or loss of assets and equipment, business disruption, client dissatisfaction, loss of contracts, damage to the Company's reputation and legal and regulatory action, including fines.

These risks could expose MMA to significant liabilities, a loss of utilisation, revenue and/or lead MMA to incur additional costs and therefore may have a materially adverse impact on the Company's financial position and profitability.

**(b) Dependence on the level of activity in the offshore energy industry**

The Company is dependent on the level of activity and capital spending in the offshore energy industry including oil and gas and offshore wind.

The level of activity may vary and be affected by, amongst other things, prevailing or predicted future energy prices, government policies and macro conditions. Several other factors also affect the offshore energy industry, including economic growth, energy demand, the transition to renewable energy, the cost and availability of other energy sources (including onshore sources) and changes in energy technology and regulation. There can be no assurance around future levels of offshore activity. Any prolonged period of low offshore activity will have an adverse effect on MMA's business.

MMA develops its service offering and determines the composition of its fleet based on its projections of the demand for offshore energy services, and is currently focused on tailoring its business towards servicing the energy transition moving forward. Consequently, should the Company's projections be inaccurate, it would be at risk of failing to, or being unable to, fully implement its corporate strategy to partake in the energy transition, which would negatively impact MMA's balance sheet, financial performance, shareholder returns and future operating capabilities.

**(c) Fleet maintenance and replacement**

The vessel services business of the Company is a capital intensive business.

The ageing of the fleet is inevitable and with that ageing comes increasing capital expenditure associated with vessel maintenance and ultimately replacement. Whilst demand for the Company's vessels is presently high, traditionally MMA's customers have a preference for younger more modern vessels.

The ageing fleet poses several risks to the Company's future performance, such as:

- (i) maintenance and repair costs may exceed estimates;
- (ii) unforeseen maintenance may be needed sooner than expected;
- (iii) operational failures could require immediate, unplanned expenditures and loss of revenue; and
- (iv) vessel market values may depreciate over time.

The timing of fleet replacement is a critical management decision involving consideration of the ideal age profile of the fleet, determining the types of vessels that will be in demand, the cost of building new vessels (and hence the return on capital from them), and the availability of shipyard capacity to undertake new build programs. Depending on the type of vessel it may take 2-3 years from commission to completion of a newbuild.

Further complicating the process of building new vessels (and operating the Company's existing fleet) is the evolving environmental regulations, including those addressing climate change and emissions reductions. With the development of alternative fuel technologies globally still in the early stages of investigation and research, adopting any new viable technology into a new build (or as an upgrade to existing assets) is likely to involve significant capital. Given the long operational life of the vessels, any newbuild program must ensure the assets are future proofed to remain relevant to the industry for the life of the asset. Therefore it is logical that the cost of new replacement vessels today and in the future, including new technology, combined with inflationary pressures, will be significantly more than the build cost of vessels presently in the fleet.

(d) **Competition**

Demand for MMA's vessels and services is impacted by the number of available vessels in the market and the competitive landscape.

Any misalignment between vessel supply and demand can adversely impact vessel utilisation, rates and contract terms, thereby impacting MMA's earnings and profitability.

MMA must make decisions today about market conditions in the future, and in markets that can change materially and rapidly due to their connection to commodity prices. Should MMA fail to accurately predict future market conditions, it may make decisions today that prove disadvantageous in future. This includes MMA's expansion into the emerging offshore wind sector, which requires MMA to infer the future size of the addressable market and MMA's ability to acquire market share.

Changing MMA's asset mix and operations takes time to implement and the company may be committed to investments while market conditions move against the company's original investment rationale. This can include the establishment of new market entrants, or expansion of existing competitors, that could reduce or limit MMA's future market share in its targeted markets and/or require MMA to provide services at lower profit margins.

(e) **Geopolitical, government and regulatory risk factors**

The Company's international operations are subject to challenging geopolitical risks in varying degrees.

Changes in the geopolitical climate in the Company's market areas, such as the outbreak or resolution of war, nationalisation of a customer's projects and changes to industry related legislation, protectionist measures, economic sanctions and border closures or restrictions may open up more advantageous areas to operate or could require us to discontinue operating in that area, leading to corresponding impacts on vessel and service utilisation. As MMA's operations have expanded into the offshore wind sector in Taiwan, we continue to monitor the geopolitical situation there and official advice issued by governments and marine risk insurers (including the Joint War Committee).

MMA may face restrictions on its ability to win work in certain countries due to changing cabotage regulations or government controls, and MMA may be required to form joint ventures in some countries in order to access the local offshore energy market. Joint ventures may introduce a higher level of operational, financial and counterparty risk.

The prevalence of civil unrest, bribery and/or corruption in some foreign jurisdictions also limits MMA's ability to operate in these areas.

(f) **Risks relating to indebtedness**

MMA may be required to draw down on its existing debt facilities or put additional debt financing in place in the future. Where debt financing is accessed, any material reduction in profitability may increase the risk of the Company failing to generate sufficient cash flow to meet its debt servicing obligations in the future. A reduction in profitability may also limit MMA's ability to comply with the covenants associated with its Banking Facilities. Alternatively, by complying with restrictive debt covenants, MMA may be prevented from pursuing other value enhancing growth strategies.

(g) **Access to capital**

MMA's ability to raise debt and equity capital on acceptable terms in the future may be limited depending on market conditions which could impact its ability to fund future capital expenditure programs.

As MMA provides services to businesses, the company's access to capital will be determined by the profitability and, by extension, access to capital within its target markets. Should MMA's target markets experience adverse changes, this may indirectly limit the company's access to capital while also having the potential to reduce the quality of MMA's debtors.

(h) **Commodity prices**

Demand for MMA's oil and gas services is partly dependent upon its customers' views on the current and future demand for hydrocarbons as well as their ability to access capital. The oil and gas industry is sensitive to changes in global commodity prices and increasingly sensitive to pressure from environmental activist groups to lower overall growth investment in hydrocarbons. These commodity prices are impacted by a wide range of local, regional and global events or conditions that affect demand and supply, whilst activist pressure continues to build via community groups and in some cases by government policy changes.

(i) **Foreign exchange**

The majority of MMA's revenues are paid in either Australian or US Dollars and the Company's operating costs are primarily denominated in a combination of Australian, Singaporean and US Dollars, providing a partial natural hedge for the Company's activities. Adverse movements in these currencies may result in a negative impact on MMA's earnings.

(j) **Cyber security**

Any cyber security breach could result in information system failures, delays and/or increase in capital expenses. Failures in the Company's information technology systems could translate into operational delays, compromising, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, or destruction or corruption of data.

Accordingly, any failure of information systems or a component of information systems could adversely impact the Company's reputation, business, financial condition and results, as well as compliance with its contractual obligations, compliance with applicable laws, and potential litigation and regulatory enforcement proceedings. Information technology systems failures could also materially adversely affect the effectiveness of the Company's internal controls over financial reporting.

While MMA employs a number of controls to manage this risk, there can be no guarantee that the mitigation strategies will be effective in removing or reducing the risk.

(k) **Climate change and ESG**

Climate change and ESG issues are becoming increasingly important to capital providers, customers, Regulatory Authorities and other stakeholder groups.

The energy transition is impacting MMA's traditional oil and gas customers as the world moves towards renewable energy sources.

Furthermore, climate change may result in an increased frequency of extreme weather events, such as cyclones, thunderstorms and snow or ice storms, as well as increased volatility in seasonal temperatures. Extreme weather events can interfere with the Company's operations directly, by impacting the ability of the Company's vessels to perform, and indirectly, by impacting the performance of the Company's customers' operations.

The transition to an alternate marine fuel technology in order to reduce emissions, will also affect MMA's fleet and could require significant capital expenditure as marine assets transition to lower emissions fuel sources to meet regulatory requirements and/or customer expectations in the future.

If MMA fails to implement an effective energy transition strategy or if debt and equity capital providers shift funding away from service providers to the oil and gas industry, MMA's financial results, ability to access capital or the market for its securities could be adversely impacted.

(l) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of MMA depends substantially on its key personnel and employees, each of whom has knowledge and experience of MMA's services that cannot be replicated by others in the



short term. MMA's management may, subject to the relevant periods of notice specified in their employment agreements with MMA, terminate their employment relationship with MMA at any time and the loss of any member of the senior management team could harm MMA's business.

There can be no assurance that there will be no detrimental impact on the performance of MMA or its growth potential if one or more of these employees cease their employment (or if one or more of the MMA Directors ceases being a director of MMA) and suitable replacements are not identified and engaged in a timely manner.

MMA will need to hire new personnel from time to time. Competition for such personnel is intense and any shortage of availability of the required skills could impair the development of MMA's business and the rate of such development. Such shortage could also cause wage inflation, which may impact MMA's financial position and financial performance.

**(m) Contractual and counterparty risks**

MMA derives a significant amount of revenue from a relatively small number of customers.

The success of MMA's business is largely dependent on its ability to establish and maintain important client relationships and diversify the client base. Any loss of one or more customers is likely to adversely affect the operating results of MMA.

MMA currently has mostly short-term contracts with its customers and is therefore exposed to external factors that may impact demand.

The financial performance of MMA is also exposed to potential failure to perform by counterparties to its contractual arrangements. This may also lead to adverse financial consequences for MMA and there can be no guarantee that MMA would be able to recover the full amount of any loss through legal action.

In addition, the Scheme may cause contractual counterparties to reconsider their ongoing relationship with MMA and there can be no guarantee that in the future those counterparties will continue to be contractually bound by existing contracts or enter into new contracts with MMA.

**(n) Cyclical variation in financial performance**

MMA operates within a cyclical industry and is subject to market dynamics which are predictably inconsistent. The Company's financial performance is highly dependent on market conditions at any point in time and MMA may be limited in its ability to influence the return on its assets and investments as a consequence. Day rates and utilisation rates are particularly dependent on the prevailing market conditions at any point in time.

The Company's asset base requires periodic reinvestment to maintain operations and the cost of this reinvestment is subject to change due to capital and labour costs, macroeconomic factors (e.g. exchange rates) and changing market conditions. MMA operates in a capital-intensive industry that requires the majority of the capital cost of its assets to be funded during construction or at acquisition. Maintenance costs associated with its assets are comparatively small when compared to these construction or acquisition costs in most cases. Consequently, the Company will have inconsistent capital requirements over time with the future cost of reinvestment in its asset base being variable.

The considerable upfront capital expenditure required to construct and/or acquire MMA's vessels is a key risk which is exacerbated by the inherently cyclical nature of the offshore services industry.

**(o) Growth through organic and inorganic opportunities**

MMA has historically relied on organic growth (through the purchasing of vessels) and inorganic growth (through mergers and acquisitions) to deliver Shareholder returns. It is not known if the Company will continue to be able to source such opportunities in the future, putting at risk its ability to generate future value for its Shareholders.

An important pathway for MMA's growth strategy is the ability to acquire businesses that enable MMA to grow and diversify into new markets. To execute this strategy MMA will need to identify, negotiate and acquire targets on favourable terms and then successfully integrate them into the MMA Group (and there are risks that those events will not occur).

(p) **Insurance**

MMA maintains insurance to protect against certain risks with such scope of coverage and in such amounts as MMA considers to be reasonable in the circumstances and to the extent commercially available, although its insurance policies may not be sufficient to cover all of the potential risks associated with its operations. MMA may not be able to obtain or maintain insurance to cover risks on acceptable terms. Insurance coverage for these risks may not be available or continue to be available or may not be adequate to cover any resulting liability. Losses from any of these events have the potential to have a material adverse effect on the financial position and profitability of MMA.

### 7.3 Risks related to the Scheme

(a) **Completion of the Scheme is subject to various conditions that must be satisfied or waived**

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can MMA provide any assurance, that these conditions will be satisfied or (where applicable) waived, or if satisfied or (where applicable) waived, when that will occur. In addition, there are a number of conditions to the Scheme which are outside the control of MMA and Cyan, including, but not limited to, the FIRB Condition Precedent, approval of the Scheme by the Requisite Majorities of Shareholders and approval by the Court of the Scheme at the Second Court Hearing (see the summary of the conditions in Section 4.5 and detailed in full in the Scheme Implementation Deed, a full copy of which was attached to the MMA announcement on ASX relating to the Scheme on 25 March 2024).

If for any reason the conditions to the Scheme are not satisfied or (where applicable) waived and the Scheme is not completed, the market price of MMA Shares may be adversely affected.

(b) **The Scheme Implementation Deed may be terminated by MMA or Cyan in certain circumstances, in which case MMA may not be able to solicit an alternative transaction**

Each of MMA and Cyan has the right to terminate the Scheme Implementation Deed in certain circumstances. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either MMA or Cyan before the Implementation of the Scheme.

If the Scheme Implementation Deed is terminated, there is no forecast made nor assurance given that the MMA Board will be able to find a party willing to pay an equivalent or greater price for MMA Shares than the price to be paid pursuant to the terms of the Scheme Implementation Deed.

(c) **Tax consequences for Scheme Participants**

If the Scheme is successfully implemented, there may be tax consequences for Scheme Participants. The tax consequences for Scheme Participants will vary depending on a number of factors, including their jurisdiction of residence for tax purposes and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Shareholders participating in the Scheme is detailed in Section 8. Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.

### 7.4 Risks related to MMA if the Scheme does not proceed

(a) **Shareholders will not receive the Scheme Consideration**

If the Scheme is not implemented, Shareholders will retain their MMA Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, MMA would remain listed on ASX and would continue to operate its business. In those circumstances, Shareholders will continue to be exposed to the risks and benefits of owning MMA Shares.

(b) **The price of an MMA Share may fall below its recent trading price, in the absence of a Superior Proposal**

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the company. Price fluctuations in MMA's Share price could result from (among other things) national and global economic and financial conditions, the market's response to the Scheme, market perceptions of MMA, regulatory changes affecting the MMA's operations, variations in MMA's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of MMA Shares in the future if the Scheme does not proceed.

The trading price of an MMA Share rose following the announcement of the Scheme on the Scheme Announcement Date (refer to Section 5.12).

If the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by the MMA Board, then the MMA Share price may fall.

(c) **Transaction costs will be incurred**

If the Scheme is not implemented, MMA's transaction costs will be borne by MMA alone. MMA may also be required to pay the Break Fee to Cyan, depending on the circumstances in which the Scheme does not proceed. Estimates of the transaction costs in the event the Scheme is not implemented are set out Section 9.14(e).

(d) **Exposure to other risks**

In the event the Scheme is not implemented, an investment in MMA Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in MMA as detailed non-exhaustively in Sections 7.2 and 7.5.

## **7.5 General Risks relating to MMA**

(a) **Economic conditions**

Changes in the general economic climate in which MMA operates may adversely affect the financial performance of MMA. Factors that may contribute to that general economic climate include the level of direct and indirect competition against MMA, including but not limited to:

- (i) general economic conditions;
- (ii) changes in Regulatory Authorities' policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) financial failure or default by an entity with which MMA is, or may become, involved in a contractual relationship; and
- (vii) natural disasters, social upheaval or war.

(b) **Trading Price of MMA Shares**

The price at which MMA Shares are quoted on ASX may increase or decrease due to a number of factors outside of MMA's control. The price of MMA Shares may be subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian, US and Singaporean Dollars on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the

MMA Shares. These factors may cause the MMA Shares to trade at prices above or below the price at which the MMA Shares were initially acquired.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that MMA's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Force majeure events**

Events may occur within or outside the jurisdictions in which MMA operates that could impact the global economy, the economy of the jurisdictions in which MMA operates, MMA's operations and the price of MMA Shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (including pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for MMA's services and its ability to operate its assets or may otherwise adversely impact MMA's operations, financial performance and financial position. MMA only has a limited ability to insure against some of these risks.

(d) **Litigation**

As with any operating business, MMA is subject to litigation risks. All industries are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of litigation processes, the resolution of any particular legal proceeding to which MMA is or may become subject to could have a material effect on its financial position, results of operations or MMA's activities.

(e) **Other**

Additional risks and uncertainties not currently known to MMA may also have a material adverse effect on MMA's business and operations and the information detailed above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks to MMA.

## 8. AUSTRALIAN TAXATION CONSIDERATIONS

### 8.1 General income tax implications of the Scheme

This is a general outline of the Australian income tax, GST and stamp duty considerations for Shareholders on Implementation of the Scheme. These comments assume that the Scheme will be implemented in accordance with the terms described in the Scheme Implementation Deed.

The types of Shareholders considered in this outline are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their MMA Shares on capital account for Australian tax purposes, who:

- (a) are, and have always been, a tax resident of, and only of, Australia for Australian income tax purposes;
- (b) do not hold, and have never held, their MMA Shares as part of a permanent establishment outside of Australia for Australian income tax purposes; and
- (c) hold, and have always held, their MMA Shares directly and solely on capital account for Australian income tax purposes.

These comments are not applicable to all Shareholders and are not intended to cover Shareholders who:

- (a) hold their MMA Shares on revenue account (such as share trading entities) or as trading stock;
- (b) are under a legal disability;
- (c) are temporary residents of Australia for Australian taxation purposes;
- (d) have been a dual resident for tax purposes during the period they owned the MMA Shares;
- (e) may be subject to special tax rules such as partnerships, banks, insurance companies or tax-exempt organisations;
- (f) acquired their MMA Shares under or in connection with an employee share plan of MMA;
- (g) hold their MMA Shares as an asset in a business carried on through a permanent establishment in Australia; or
- (h) are subject to the taxation of financial arrangements (TOFA) rules in Division 230 of the ITAA97 in relation to gains and losses that may arise on disposal of their MMA Shares (noting that the TOFA rule does not generally apply to individuals unless they elect for it to apply).

This general outline is based on the Australian taxation law, and the understanding of the practice of the tax authorities, at the time of issue of this outline. The laws are complex and are subject to change periodically as is their interpretation by the Courts and the tax authorities.

This outline is general in nature only, should not be relied upon by Scheme Participants as taxation advice and is not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of Shareholders. Therefore, it is recommended that Shareholders obtain their own professional taxation advice relevant to their circumstances. Further, the comments below do not address any taxation implications which may arise in countries other than Australia, and as such Shareholders who may be subject to tax consequences outside of Australia are strongly advised to consider the taxation implications which may arise in those jurisdictions.

### 8.2 Dealings in MMA Shares

#### (a) Certain income tax consequences of the Scheme for Shareholders

If the Scheme becomes Effective, Shareholders will dispose of their MMA Shares to Cyan in exchange for the Scheme Consideration under the Scheme.

#### (b) Capital Gains Tax (CGT) Event

Under the proposed Scheme, Shareholders will transfer their MMA Shares to Cyan. The transfer of the MMA Shares to Cyan will cause a disposal of the MMA Shares and should

trigger the occurrence of CGT event A1 for Australian income tax purposes. CGT rollover relief should not be available to Shareholders, given the Scheme involves a disposal of MMA Shares for cash consideration.

The CGT event should occur on the date on which the transfer of MMA Shares occurs, that is, the Implementation Date. The disposal of MMA Shares could result in either of the following outcomes for Australian tax resident Shareholders:

- (i) capital gain – a capital gain should arise to the extent that the capital proceeds received on the disposal of the MMA Shares exceeds their cost base; or
- (ii) capital loss – a capital loss should arise to the extent that the capital proceeds received on the disposal of the MMA Shares are less than their reduced cost base.

(c) **Capital proceeds**

The capital proceeds from a CGT event are the total of the monies and the market value of any other property a taxpayer received, or is entitled to receive, in respect of the event happening.

The capital proceeds received by the Shareholders for the disposal of their MMA Shares to Cyan under the Scheme should be the Scheme Consideration, being A\$2.60 per MMA Share.

(d) **Cost base and reduced cost base**

The cost base of MMA Shares will generally include the amount of money paid, or the value of any property given, in order to acquire the MMA Shares, plus certain incidental costs in relation to the acquisition or disposal of the MMA Shares (such as brokerage). The reduced cost base of the MMA Shares is determined in a similar manner, but requires certain adjustments to be made.

The cost base and reduced cost base of a Shareholder's MMA Shares will depend on their own specific circumstances. Shareholders should consult their own independent tax advisors.

(e) **CGT discount**

If a Shareholder is an individual, complying superannuation fund or trust and acquired their MMA Shares at least 12 months before the Implementation Date (not counting the day of acquisition or the day of disposal), the amount of the capital gain (after being reduced for current year capital losses and prior year capital losses, if any) should generally be eligible for reduction by the applicable CGT discount.

The applicable CGT discount percentage for individuals and trusts is 50% and for complying superannuation entities is one-third.

There is no CGT discount available for Shareholders that are taxed as companies or Shareholders who have held their MMA Shares for less than 12 months or chose to index the cost base of their MMA Shares.

Where a trust has utilised the CGT discount, the availability of the discount ultimately depends on the tax profile of the entity to whom the income of the trust estate is distributed.

The rules relating to the CGT discount are complex and the outcomes can vary depending on the circumstances of the individual. As such, Shareholders should ensure they obtain their own independent tax advice.

(f) **CGT implications for Australian Shareholders**

The amount of any capital gain arising for Australian resident Shareholders on disposal of their MMA Shares (after offsetting any available capital or revenue losses from the current income year or brought forward from previous income years) should be reduced by any applicable CGT discount.

The net capital gain for the income year should be included in the Shareholder's assessable income and should be subject to tax at the Shareholder's applicable rate of tax.



Where a net capital loss arises in the income tax year of disposal and is not offset against other net capital gains in the same income year, the net capital loss may be carried forward to offset capital gains made by Shareholders in future income years, subject to satisfaction of the loss recoupment tests, namely the Continuity of Ownership Test or the Business Continuity Test. Shareholders should obtain their own tax advice in relation to the operation of these rules.

(g) **Foreign resident capital gains withholding**

The foreign resident capital gains withholding regime can impose an obligation on a purchaser of shares to withhold an amount equal to 12.5% of the purchase price for the shares (**FRCGW Amount**) and remit that amount to the ATO. This withholding requirement can apply to transactions involving the acquisition of certain indirect interests in Australian real property from relevant non-residents.

Broadly, a non-resident Shareholder's MMA Shares would constitute an 'indirect Australian real property interest' if both of the following tests are satisfied:

- (i) **Non-portfolio interest test:** where a Shareholder, and its associates, held 10% or more of the issued capital of MMA at the Implementation Date (or throughout a 12-month period that began no earlier than 24 months before the Implementation Date and ended no later than the Implementation Date); and
- (ii) **Principal asset test:** where the sum of the market value of MMA assets that are taxable Australian real property (broadly, direct and indirect interests in Australian real property, including leases of Australian land) exceeds the sum of the market value of its assets that are not taxable Australian real property.

On the understanding that the second condition above should not be satisfied, MMA Shares should not constitute indirect Australian real property interests and it is not anticipated any FRCGW Amount will be withheld from Scheme Consideration. Cyan is working to agree a process with the ATO to determine its legislative obligations, including for example whether the ATO is of the view that any Shareholder is required to provide a declaration that they are an Australian tax resident or that their MMA Shares are not an indirect Australian real property interest (**FRCGW Declaration**).

If Cyan does not obtain confirmation from the ATO in a timely manner, certain of the Scheme Participants with an address outside Australia (or which Cyan, as a purchaser, reasonably believes is a 'relevant foreign resident') may be contacted to provide a FRCGW Declaration that the MMA Shares are not an indirect Australian real property interest and absent receipt of such FRCGW Declaration (or other variation) Cyan may (subject to compliance with the Scheme Implementation Deed, the Scheme and applicable law) be required to withhold the FRCGW Amount from the Scheme Consideration. The FRCGW Amount is not a final tax and can be credited against the actual tax liability of a non-resident Shareholder, with any excess refunded. Non-resident Shareholders should consult with a professional tax adviser regarding their particular circumstances.

(h) **Australian CGT implications for non-Australian tax resident Shareholders**

Generally, for Australian income tax purposes, non-Australian tax resident Shareholders who have not used their MMA Shares at any time in carrying on a business through a permanent establishment in Australia should only be subject to Australian CGT if the MMA Shares would constitute an 'indirect Australian real property interest' as defined above.

On the understanding that MMA Shares should not constitute indirect Australian real property interests non-Australian tax resident Shareholders should not be subject to Australian CGT tax.

Non-Australian tax resident Shareholders should seek independent tax advice as to the taxation implications of the Scheme being implemented in their own country of residence and in Australia.

### 8.3 Stamp duty

No stamp duty should be payable in any Australian jurisdiction by Shareholders on the disposal of their MMA Shares under the Scheme.

## **8.4 GST**

Shareholders should not be liable for GST in respect of the disposal of the MMA Shares.

GST may be imposed on taxable supplies (if any) obtained by Shareholders from third party suppliers (such as advisor costs) in connection with the Scheme. The entitlement of Shareholders of input tax credits in relation to these acquisitions (if any) may be restricted. Shareholders who are GST registered should seek their own professional tax advice in relation to this matter.

## 9. ADDITIONAL INFORMATION

### 9.1 Interests of MMA Directors in MMA securities

As at the Last Practicable Date, the following Directors of MMA held the following Relevant Interests in MMA securities:

| MMA Director     | MMA Shares             | MMA Performance Rights <sup>1</sup> |                                 | % of MMA Shares on issue on an undiluted basis <sup>2</sup> |
|------------------|------------------------|-------------------------------------|---------------------------------|---|
|                  |                        | MMA Vested Performance Rights       | MMA Unvested Performance Rights |   |
| Ian Macliver     | 100,000 <sup>3</sup>   | -                                   | -                               | 0.026%  |
| David Ross       | 2,258,477 <sup>4</sup> | 3,978,188 <sup>4</sup>              | 3,669,779 <sup>4</sup>          | 0.596%  |
| Chiang Heng Gnee | 83,157 <sup>5</sup>    | -                                   | -                               | 0.022%  |
| Sally Langer     | -                      | -                                   | -                               | 0%  |
| Susan Murphy AO  | 199,200 <sup>6</sup>   | -                                   | -                               | 0.053%  |

**Notes:**

- Under the MMA Employee Incentive Plan, an MMA Unvested Performance Right vests subject to the achievement of the vesting conditions associated with that MMA Unvested Performance Right. An MMA Vested Performance Right gives its holder the right to be issued one MMA Share following the exercise of the MMA Vested Performance Right.
- Assumes 379,021,627 MMA Shares outstanding (being all MMA Shares on issue at the Last Practicable Date). Details of the proposed treatment of the MMA Performance Rights under the Scheme are set out in Section 9.2.
- 100,000 MMA Shares are held by Cornela Pty Ltd (Ian Macliver Super Fund A/C), an entity associated with Mr Ian Macliver.
- 2,067,719 MMA Shares are held directly by Mr David Ross, 35,495 MMA Shares are held by Mr David Ross and Mrs Jennifer Susan Ross, 155,263 MMA Shares are held by HUB24 Custodial Services Ltd <David Ross Super Fund A/C>, 3,978,188 MMA Vested Performance Rights are held by Mr Ross and 3,669,779 MMA Unvested Performance Rights are held by Mr Ross.
- 83,157 MMA Shares are held directly by Mr Chiang Heng Gnee.
- 199,200 MMA Shares are held directly by Ms Susan Murphy AO.

Refer to Section 9.2 for details on the proposed treatment of MMA Performance Rights, including those MMA Performance Rights held by Mr David Ross, if the Scheme becomes Effective.

### 9.2 Treatment of MMA Performance Rights

This Section details the treatment of the MMA Performance Rights in relation to the Scheme. Section 9.1 details the number and type of MMA Performance Rights held by Mr David Ross as at the Last Practicable Date. No MMA Director other than Mr Ross holds any interest in any MMA Performance Rights.

**(a) Overview of arrangements**

MMA operates the MMA Employee Incentive Plan (as approved by Shareholder resolutions at MMA's recent annual general meetings). The MMA Employee Incentive Plan permits MMA to offer a range of different equity interests to assist in rewarding, retaining and motivating MMA's (or its Related Bodies Corporate's) directors, the Senior Management Personnel, employees, contractors and consultants and to align those persons' interests with Shareholders.

Each MMA Performance Right granted under the MMA Employee Incentive Plan has a nil exercise price and is (or was, in the case of MMA Vested Performance Rights) subject to various vesting conditions (including time-based and/or performance-based vesting conditions).

As at the Last Practicable Date, MMA had a total of 15,572,579 MMA Performance Rights on issue (comprising 3,978,188 MMA Vested Performance Rights<sup>13</sup> and 11,594,391 MMA Unvested Performance Rights<sup>14</sup>), which are subject to the vesting conditions set out in Section 5.8(b) in respect of the relevant unvested classes of MMA Performance Rights (as applicable) being met.

Accordingly, Mr Ross and certain MMA senior executives and key employees have previously been issued, and have on foot, existing incentive arrangements which will be impacted by the Scheme if it becomes Effective.

**(b) Implications of the Scheme for participants in the incentive arrangements**

The terms of all of the MMA Performance Rights, regardless of their vesting and other conditions, provide that if a change of control event occurs, the MMA Board must, as soon as reasonably practicable after the change of control event occurs, determine, in its absolute discretion, the number of MMA Unvested Performance Rights that will vest and become capable of exercise, notwithstanding that any applicable performance criteria have not been satisfied.

The definition of "change of control event" in the MMA Employee Incentive Plan includes a court ordering a meeting of the Company's Shareholders to be held in relation to a proposed compromise or arrangement for the purpose of, or in connection with, a merger by scheme of arrangement under Part 5.1 of the Corporations Act (which includes the Scheme).

Under the Scheme Implementation Deed, MMA must take such action as is necessary after the Effective Date and prior to the Record Date to ensure that, by no later than the Record Date, there are no outstanding Performance Rights on issue as at the Record Date. MMA may take any lawful action necessary to comply with this obligation, including (without limitation) accelerating the vesting of, or waiving any vesting conditions or vesting periods applying to, the MMA Performance Rights. See Section 9.13(d) for further details.

The MMA Board (excluding Mr David Ross) has resolved to accelerate the vesting of all MMA Unvested Performance Rights on issue subject to:

- (i) the Court ordering the Scheme Meeting to be held (which order has now been made); and
- (ii) the Scheme becoming Effective.

Of the 11,594,391 MMA Unvested Performance Rights on issue, 5,188,344 are scheduled to vest on 1 July 2024 in accordance with the satisfaction of their existing vesting hurdles (the vesting of which will occur in the ordinary course and are not related to the Scheme). The remainder are scheduled to vest on 1 July of each of 2025 and 2026 subject to the vesting conditions set out in Section 5.8(b) in respect of the relevant unvested classes of MMA Performance Rights (as applicable) being met.

In exercising its discretion to accelerate the vesting of all MMA Unvested Performance Rights the Board considered:

- (i) the significant efforts of senior management (including the Managing Director) over a number of years, that has ultimately resulted in the substantial turn around and growth of MMA and creation of Shareholder value;
- (ii) given the strong performance of MMA since the date those MMA Unvested Performance Rights were granted, it is likely that the substantial majority of those MMA Unvested Performance Rights would have vested in time in the absence of the Scheme; and
- (iii) the need to retain employees during the Scheme process, given the uncertainties created for senior management as a result of the Scheme.

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<sup>13</sup> The MMA Vested Performance Rights include the "2020 MD & CFO LTIP" and the "2022 MD Retention" MMA Performance Rights.

<sup>14</sup> The MMA Unvested Performance Rights include the "2021 EMT LTIP", the "2021 MD LTIP", "2023 Senior Manager LTIP", "2024 Senior Manager LTIP" and "2023 Senior Manager STIP" MMA Performance Rights.

The holders of those MMA Unvested Performance Rights which vest may exercise the ensuing MMA Vested Performance Rights immediately upon the Scheme becoming Effective and prior to the lapse of those MMA Performance Rights as detailed below.

Following exercise of the MMA Performance Rights, the holders of those MMA Performance Rights will be issued MMA Shares on a one-for-one basis and will then receive the Scheme Consideration for their MMA Shares on the Implementation Date determined using the same method as the Scheme Consideration being offered to all Scheme Participants under the Scheme.

The MMA Board (excluding Mr Ross) has further determined that, if the Scheme becomes Effective, any MMA Performance Rights (regardless of whether they are currently vested, will vest in accordance with their existing terms prior to the Effective Date or will vest upon the Effective Date due to the MMA Board resolution above) which are not exercised into MMA Shares by 4:00 pm (AWST) on the Record Date (which is currently scheduled for 11 July 2024), will immediately (and automatically) lapse. Any such lapsed MMA Performance Rights would not be exercisable into Scheme Shares, and consequently no Scheme Consideration would be payable in respect of them (as they would never become Scheme Shares).

(c) **Implications for participants in the incentive arrangements if the Scheme does not become Effective**

If the Scheme does not become Effective, MMA expects that its existing arrangements will remain in place subject to their existing terms and conditions (including incentive arrangements in relation to Mr David Ross).

## 9.3 Regulatory relief

(a) **ASX waiver**

MMA applied for and received confirmation from ASX that a waiver of ASX Listing Rule 6.23 is not required in order to permit the MMA Board to make the determinations regarding treatment of the MMA Performance Rights set out in Section 9.2.

(b) **ASIC relief**

ASIC has also granted MMA a waiver of the requirements in paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations, such that (in summary, and in addition to relief regarding depersonalising and aggregating disclosures) MMA need only set out the particulars of payments and benefits to any director, secretary or executive officer of MMA (or any Related Body Corporate) in relation to his or her loss of office, or retirement from office, or as a consequence of, or in connection with, the Scheme (or as materially affected by the Scheme).

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the MMA Directors, the financial position of MMA has materially changed since the date of the last balance sheet laid before MMA's annual general meeting or sent to MMA Shareholders in accordance with section 314 or 317 of the Corporations Act, being 31 December 2023, and, if so, particulars of any change. ASIC has granted MMA relief from this requirement on the basis that (in summary) this Scheme Booklet sets out whether, within the knowledge of the MMA Directors as at the date of this Scheme Booklet, the financial position of MMA has materially changed since 31 December 2023 (being the last date of the period to which the financial statements for the half-year ended 31 December 2023 relate) and if so particulars of any such material change. See the other parts of this Scheme Booklet (particularly Section 5.10) for details of relevant material changes in the financial position of MMA since 31 December 2023.

## 9.4 Specified agreements or arrangements with directors, secretaries and executive officers

### (a) Termination benefits for Senior Management Personnel

As detailed in Section 6, Cyan's intention is that the Senior Management Personnel will continue in their roles with MMA after Implementation. Notwithstanding that intention, details of certain contractual termination benefits in relation to the Senior Management Personnel are set out below:

- (i) Mr David Ross and MMA Offshore Asia Pte Ltd (referred to as the **Company** in this Section 9.4(a)(i)) are parties to an employment contract dated 20 November 2023 (**DR Employment Contract**), in respect to Mr Ross' position as Chief Executive Officer of the MMA Group, based in Singapore. Pursuant to the DR Employment Contract:

(A) If the DR Employment Contract or Mr Ross's employment is terminated:

- (i) immediately by the Company without notice or payment in lieu of notice, the Company shall pay to Mr Ross the remuneration payable under the DR Employment Contract for the time worked by Mr Ross up to the time of termination only; or
- (ii) by the Company with six (6) months' notice or payment in lieu of notice, the Company may pay to Mr Ross either:
  - (1) six (6) full months' annual remuneration in lieu of the applicable notice period, and where payment in lieu is made, Mr Ross's employment terminates when the Company makes the payment to Mr Ross; or
  - (2) where a period of less than six (6) months' written notice is given by the Company, an amount equivalent to the annual Remuneration for the applicable period between the amount of written notice given and six (6) months, and where such payment is made, Mr Ross's employment terminates when the Company makes payment to Mr Ross; or
- (iii) by Mr Ross with six (6) months' written notice, the Company shall pay to Mr Ross the remuneration payable under the DR Employment Contract up to and including the date of termination; or
- (iv) by Mr Ross upon the occurrence of a Fundamental Change, the Company shall pay to Mr Ross a termination payment of an amount equal to the aggregate maximum amount that may be paid to Mr Ross under the Listing Rules and the Corporations Act without prior Shareholder approval.

(B) Upon termination of the DR Employment Contract or Mr Ross' employment by either party for any reason, the Company agrees to pay, or reimburse to Mr Ross, certain relocation costs and expenses of Mr Ross.

- (ii) Mr David Cavanagh and MMA Offshore Vessel Operations Pty Ltd (referred to as the **Company** in this Section 9.4(a)(ii)) are parties to an employment contract dated 17 July 2023 in respect to Mr Cavanagh's position as Chief Financial Officer



of the MMA Group (**DC Employment Agreement**). Pursuant to the DC Employment Contract:

- (A) The Company may terminate Mr Cavanagh's employment by giving Mr Cavanagh twenty four (24) weeks' written notice or twenty four (24) weeks' payment in lieu of notice.
- (B) Mr Cavanagh may resign from employment by giving the Company twenty four (24) weeks' written notice. The Company may then determine whether to make up to twenty four (24) weeks' payment in lieu of notice.
- (C) Upon the occurrence of a Fundamental Change, Mr Cavanagh may terminate his employment by giving to the Company not less than thirty (30) days' notice, upon the expiry of which the Company shall pay Mr Cavanagh a termination payment equal to 0.5 times his fixed annual remuneration of A\$480,154 (gross).

(iii) Mr Tim Muirhead and MMA Offshore Vessel Operations Pty Ltd (referred to as the **Company** in this Section 9.4(a)(iii)) are parties to an employment contract dated 1 May 2023 in respect to Mr Muirhead's position as Company Secretary and Executive General Manager Legal of the MMA Group (**TM Employment Agreement**). Pursuant to the TM Employment Contract:

- (A) The Company may terminate Mr Muirhead's employment by giving Mr Muirhead twelve (12) weeks' written notice or twelve (12) weeks' payment in lieu of notice.
- (B) Mr Muirhead may resign from employment by giving the Company twelve (12) weeks' written notice. The Company may then determine whether to make up to twelve (12) weeks' payment in lieu of notice.

(b) **Deeds of indemnity, access and insurance**

MMA has entered into deeds of indemnity, insurance and access with its Directors and various executive officers, on customary terms.

MMA pays premiums in respect of a directors' and officers' insurance policy for the benefit of the Directors and executive officers. MMA will, prior to the Implementation Date, enter into arrangements to secure directors' and officers' run-off insurance for any and all directors and executive officers of each member of the MMA Group for up to a seven year period from the Implementation Date. Clause 13 of the Scheme Implementation Deed provides various Cyan undertakings in support of that insurance.

(c) **Other termination benefits**

As noted in Section 9.3(b), ASIC has granted MMA a modification of paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations, which relates to the disclosure of certain payments or benefits. This Scheme Booklet complies with that paragraph, as modified by ASIC.

(d) **Payments and other benefits**

Except as detailed in this Section 9 or elsewhere in this Scheme Booklet, there is no agreement or arrangement made between any MMA Director and any other person, in connection with or conditional upon the outcome of the Scheme.

## 9.5 Special exertion fees for non-executive MMA Directors

Non-executive MMA Directors will receive a one-off payment of an exertion fee for additional work during the 2024 financial year during the extended period of negotiations with Cyan. The total exertion fees to be paid to the non-executive MMA Directors will be no more than A\$240,000. The following amounts will be paid:

- (a) Mr Ian Macliver – A\$140,000;
- (b) Mr Chiang Gnee Heng – A\$40,000;
- (c) Ms Susan Murphy AO – A\$30,000; and
- (d) Ms Sally Langer – A\$30,000.

The special exertion fees are in consideration for past services and will be paid in June 2024, regardless of the Implementation of the Scheme. The payment of the special exertion fees is not conditional upon the outcome of the Scheme and is not related to or conditional upon the departure of any MMA Director upon Implementation of the Scheme.

## 9.6 Escrowed Shares

As part of the consideration paid for the acquisition by MMA of 100% of fully paid ordinary shares in Subcon International Pty Ltd (ACN 601 725 688) (**Subcon**) announced to ASX on 23 June 2022, MMA issued 7,131,940 MMA Shares (**Subcon MMA Shares**) to the shareholders of Subcon on 28 July 2022. The Subcon MMA Shares are subject to a two-year escrow period, expiring on 28 July 2024. The proposed Implementation Date for the Scheme is 18 July 2024, being prior to the end of the escrow period of the Subcon MMA Shares.

The terms of the Voluntary Escrow Agreements entered into by MMA and all holders of Subcon MMA Shares, permit the disposal or cancellation of Subcon MMA Shares pursuant to a compromise or arrangement under part 5.1 of the Corporations Act upon such compromise or arrangement becoming effective.

Accordingly, if the Scheme becomes Effective then the Subcon MMA Shares will, upon Implementation, be transferred to Cyan (on the same terms as the other Scheme Shares) in consideration for the relevant Scheme Consideration pursuant to the Scheme.

## 9.7 Intentions of MMA Directors

As at the Last Practicable Date, all MMA Directors have confirmed their intention to vote, or cause to be voted, all MMA Shares they hold or control (including, in the case of Mr Ross, any additional eligible MMA Shares he may hold or control as at the date of the Scheme Meeting if he exercises any or all of his 3,978,188 MMA Vested Performance Rights into MMA Shares by that time) in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Shareholders.

## 9.8 Marketable securities in Cyan held by, or on behalf of, MMA Directors

As at the Last Practicable Date, no marketable securities in Cyan, Cyan Renewables, Seraya Partners or any of their Related Bodies Corporate are held by, or on behalf of, any of the MMA Directors.

## 9.9 Interests of MMA Directors in contracts of Cyan

As at the Last Practicable Date, no MMA Director has an interest in any contract entered into by Cyan, Cyan Renewables, Seraya Partners or any of their Related Bodies Corporate, other than the Scheme Implementation Deed.

## 9.10 Lodgement of Scheme Booklet

This Scheme Booklet was lodged with ASIC on 7 May 2024 in accordance with section 411(2)(b) of the Corporations Act.

## 9.11 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of MMA that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

## 9.12 Creditors of MMA

The Scheme, if implemented, is not expected to materially prejudice MMA’s ability to pay its creditors, as the Scheme involves the acquisition of MMA Shares for consideration provided by a third party, rather than the acquisition of MMA’s underlying assets. No material new liability (other than transaction costs) is expected to be incurred by MMA as a consequence of the Scheme (refer also to Section 9.13(g) for information relating to the Break Fee). MMA has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

## 9.13 Scheme Implementation Deed

MMA and Cyan have entered into the Scheme Implementation Deed in connection with the proposed Scheme. The Scheme Implementation Deed details the obligations of MMA and Cyan in relation to the Scheme. The Scheme Implementation Deed was attached to the MMA announcement on ASX relating to the Scheme on 25 March 2024. The material terms of the Scheme Implementation Deed, include (without limitation) the following:

### (a) MMA Board Recommendation

MMA has given certain representations and warranties, and has certain obligations, in relation to the recommendations of MMA Directors concerning the Scheme and their voting intentions (including as detailed in clause 6 of the Scheme Implementation Deed).

### (b) Conduct of Business

Clause 7 of the Scheme Implementation Deed provides a number of restrictions on the conduct of MMA’s business until the earlier of the termination of the Scheme Implementation Deed or the Implementation Date.

### (c) Exclusivity arrangements

Clause 8 of the Scheme Implementation Deed details a number of exclusivity undertakings provided by MMA in favour of Cyan during the Exclusivity Period.

- (i) During the Exclusivity Period, MMA and its representatives are restricted (subject, in certain cases, to certain exceptions (including a customary ‘fiduciary out’)) from:
  - (A) participating in any negotiations or discussions that concern a Competing Proposal;
  - (B) providing any due diligence access granted to any Third Party for the purposes of such Third Party making, formulating, developing or finalising a Competing Proposal;
  - (C) soliciting, inviting, encouraging or initiating any enquiries, negotiations, proposals or discussions or other communication (or communicating with any person an intention to do any of these things) with any Third Party in relation to, or that may reasonably be expected to lead to the making of a Competing Proposal;
  - (D) facilitating, negotiating or accepting or entering into or agreeing to negotiate, accept or enter into a Competing Proposal with a Third Party; and
  - (E) enabling any Third Party to undertake due diligence on MMA, or providing any material non-public information to a Third Party, that may lead to a Competing Proposal.

- (ii) MMA will be permitted to respond to a Third Party to acknowledge receipt and explain that it is bound by the Scheme Implementation Deed.
- (iii) During the Exclusivity Period, MMA must within two Business Days notify Cyan in writing of any Competing Proposal.
- (iv) If MMA does receive a Competing Proposal and has determined that the Competing Proposal is or could become a Superior Proposal, it must (subject to an exception in relation to a 'fiduciary out') provide Cyan with the material terms of that Competing Proposal.
- (v) Cyan will have five Business Days to provide MMA with a new proposal that would in the opinion of the MMA Board (acting in good faith) constitute a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (**Cyan Counterproposal**). If no Cyan Counterproposal is provided or if its terms are not agreed between Cyan and MMA, MMA will be permitted to engage with the Third Party regarding the Competing Proposal (and will not breach the terms of the Scheme Implementation Deed in doing so).
- (vi) The so-called 'fiduciary out' provisions in clause 8.13, provide exceptions to certain of the exclusivity restrictions summarised above to (in summary) enable the MMA Directors to comply with their fiduciary or statutory duties.

At the Last Practicable Date, MMA has not received any Competing Proposal.

For further information refer to clause 8 of the Scheme Implementation Deed.

(d) **Performance Rights**

Clause 5 of the Scheme Implementation Deed deals with the treatment of MMA Performance Rights prior to the Record Date.

- (i) MMA must take such action as is necessary after the Effective Date and prior to the Record Date to ensure that there are no outstanding MMA Performance Rights on issue as at the Record Date.
- (ii) In order to comply with this obligation, MMA may (without limitation):
  - (A) accelerate the vesting of, or waive any vesting conditions or vesting periods applying to, any or all of the MMA Performance Rights (subject to the proper exercise of the MMA Board's discretion);
  - (B) make all necessary applications to ASX for waivers of the Listing Rules (if required);
  - (C) grant, issue or procure the issue or transfer of such number of MMA Shares as required by the terms of the relevant MMA Performance Rights before the Record Date so that the holders of those MMA Performance Rights can participate in the Scheme and receive the Scheme Consideration.
- (iii) MMA must notify Cyan of the number of MMA Shares that have been issued on the exercise of MMA Performance Rights as soon as reasonably practicable after their issue.
- (iv) Any action taken in connection with (or which is otherwise taken in accordance with) clause 5 of the Scheme Implementation Deed (including the exercise of any discretion by the MMA Board) will not:
  - (A) be a Prescribed Occurrence or Material Adverse Event;
  - (B) be a breach of, or non-compliance with, any provision of the Scheme Implementation Deed, or a breach of any of the MMA Representations and Warranties; or

- (C) give rise to any rights of Cyan against MMA pursuant to the Scheme Implementation Deed, including any termination rights or any rights to payment of the Break Fee.

For further information refer to clause 5 of the Scheme Implementation Deed.

(e) **Termination of the Scheme Implementation Deed**

- (i) The Scheme Implementation Deed contains customary termination rights for an agreement of this nature, which are set out in clause 14.1 of the Scheme Implementation Deed. Cyan or MMA may terminate the Scheme Implementation Deed (subject to the survival of certain provisions):
  - (A) for a material unremedied breach of a material term of the Scheme Implementation Deed by the other party;
  - (B) if the Scheme has not become Effective by the End Date;
  - (C) for breaches of the other party's representations and warranties where the relevant breach is material in the context of the Scheme as a whole and is unremedied;
  - (D) for actual or anticipated breach or non-fulfilment of a Condition Precedent that is for the benefit of that party or both parties (pursuant to clause 3.8); or
  - (E) if the other party consents to the termination and provided both parties confirm the termination in writing.
- (ii) Cyan may terminate for the reasons set out in paragraph 9.13(e)(i) above and also if any MMA Director:
  - (A) fails to recommend that Shareholders vote in favour of the Scheme;
  - (B) at any time prior to 8:00am on the Second Court Date, publicly withdraws, adversely changes or adversely modifies their recommendation that Shareholders vote in favour of the Scheme; or
  - (C) at any time prior to 8:00am on the Second Court Date, makes a public statement that they no longer support the Scheme or endorse or support a Competing Proposal,
 other than:
  - (D) if an MMA Director is subject to an Abstain Requirement; or
  - (E) to the extent of a statement by MMA, the MMA Board or one or more MMA Directors to the effect that:
    - (i) a Competing Proposal is or may be a Superior Proposal; or
    - (ii) no action should be taken by Shareholders (while either the MMA Board assesses a Competing Proposal or while the matching right process in clause 8.7 of the Scheme Implementation Deed is completed).
- (iii) MMA may terminate for the reasons set out in paragraph 9.13(e)(i) above and also if:
  - (A) the MMA Board or all or a majority of MMA Directors exercise their 'fiduciary out'; or

(B) the Independent Expert has concluded that the Scheme is not in the best interests of Shareholders and, if this conclusion has been determined by the Independent Expert based on a Competing Proposal, after MMA has complied with any applicable obligations under clause 8 (including the matching right process).

(iv) The Scheme Implementation Deed also permits either party to remediate a breach of the Conditions Precedent in clauses 3.1(f) (No Material Adverse Event) and 3.1(g) (No Prescribed Occurrence) in certain circumstances before termination rights are enlivened under clause 3.8.

(f) **Representations and Warranties**

The Scheme Implementation Deed contains customary representations and warranties given by each of MMA and Cyan to each other. These representations and warranties are detailed in Schedule 2 (in the case of MMA) and Schedule 3 (in the case of Cyan) of the Scheme Implementation Deed.

The Scheme provides that each Scheme Participant is taken to have warranted to MMA and Cyan on the Implementation Date, and to have appointed and authorised MMA as its attorney and agent to warrant to Cyan on the Implementation Date, that (in summary):

- (i) all Scheme Shares held by that Scheme Participant (including rights and entitlements) which are transferred to Cyan under the Scheme will be fully paid and free from Encumbrances, other interests of third parties and transfer restrictions;
- (ii) the Scheme Participant has full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to them) to Cyan under the Scheme; and
- (iii) the Scheme Participant has no existing right to be issued any MMA Shares, MMA Performance Rights or any other MMA equity securities.

(g) **Break Fee**

MMA may become liable to pay to Cyan the Break Fee of A\$10,259,449 if any of the following events occur:

- (i) during the Exclusivity Period Cyan terminates the Scheme Implementation Deed and, prior to termination, one or more MMA Directors:
  - (A) fails to recommend that Shareholders vote in favour of the Scheme or maintain that recommendation;
  - (B) publicly withdraws, adversely changes or adversely modifies their recommendation; or
  - (C) publicly recommends that Shareholders accept or vote in favour of, or otherwise publicly supports or endorses, a Competing Proposal,

but no Break Fee is payable:

- (D) if the Independent Expert concludes in the Independent Expert's Report (or in a replacement, variation or supplement to it) that the Scheme is not in the best interests of Shareholders, other than where the conclusion is due wholly or primarily to the existence of a Competing Proposal;
- (E) if the relevant MMA Director(s) is subject to an Abstain Requirement; or
- (F) to the extent of a statement by MMA, the MMA Board or one or more MMA Directors to the effect that:

- (i) a Competing Proposal is or may be a Superior Proposal; or



- (ii) no action should be taken by Shareholders (while either the MMA Board assesses a Competing Proposal or while the matching right process in clause 8.7 of the Scheme Implementation Deed is completed);
- (ii) a Competing Proposal is announced during the Exclusivity Period and within 12 months of the announcement, the Third Party proponent of the Competing Proposal or any Associate of that Third Party:
  - (A) completes the Competing Proposal of any of the following types;
    - (i) directly or indirectly acquiring or becoming the holder of, or having a right to acquire a legal, beneficial or economic interest in, or control of, all or a substantial part of the consolidated assets of the MMA Group;
    - (ii) directly or indirectly acquiring control of MMA or merging with MMA or any other material MMA Group Member; or
    - (iii) otherwise directly or indirectly acquiring, being stapled to, or merging with MMA;
  - (B) without limiting paragraph (i) immediately above, acquires pursuant to that Competing Proposal (either alone or together with that Third Party's Associates) a Relevant Interest in more than 50% of the MMA Shares (other than as custodian, nominee or bare trustee) under a transaction that is or has become wholly unconditional; or
- (iii) if Cyan validly terminates the Scheme Implementation Deed due to certain material and wilful breaches of the Scheme Implementation Deed by MMA which have not been remedied.

There are also certain exceptions to the circumstances where the Break Fee is payable by MMA, as detailed in the Scheme Implementation Deed.

(h) **Reverse Break Fee**

Cyan may become liable to pay to MMA the Reverse Break Fee of A\$10,259,449 if any of the following events occur:

- (i) Cyan breaches a material term of the Scheme Implementation Deed or its representations and warranties in Schedule 3 of the Scheme Implementation Deed; or
- (ii) if the Scheme becomes Effective but Cyan does not pay the Scheme Consideration.

There are also certain exceptions to the circumstances where the Reverse Break Fee is payable by Cyan for a material breach of the Scheme Implementation Deed (as detailed in the Scheme Implementation Deed).

## 9.14 Consents

(a) **Consents to be named**

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

- (i) BDO as the Independent Expert and author of the Independent Expert's Report;
- (ii) M3 Marine as the Independent Technical Expert and author of the Independent Technical Expert's Report forming part of the Independent Expert's Report;
- (iii) Rothschild & Co as financial advisers to MMA;
- (iv) Barrenjoey as financial advisers to MMA;

- (v) Thomson Geer Lawyers as legal advisers to MMA in relation to Australian law;
  - (vi) PwC as tax advisers to MMA; and
  - (vii) Automic as the Share Registry.
- (b) **Cyan, Cyan HoldCo, Cyan Renewables, Seraya Partners, Seraya Fund GP and Seraya Fund consents**
- Cyan, Cyan HoldCo, Cyan Renewables, Seraya Partners, Seraya Fund GP and Seraya Fund have given and have not withdrawn their consent to be named in this Scheme Booklet and in relation to the Cyan Information in this Scheme Booklet, in the form and context in which that information is included.
- (c) **Consents not withdrawn**
- Each person named in Sections 9.14(a) and 9.14(b) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet (and in respect of Section 9.14(a) only, in the capacity indicated next to their name).
- (d) **Disclaimer**
- Each person named in Section 9.14(a):
- (i) has not authorised or caused the issue of this Scheme Booklet;
  - (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in Section 9.14; and
  - (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.
- (e) **Fees**
- Each of the persons named in Section 9.14(a) as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive from MMA professional fees charged in accordance with their normal basis of charging. Certain other costs have been, or will be, incurred by MMA in relation to other third party services in relation to the Scheme.
- If the Scheme is implemented, costs of approximately A\$13.5 million (excluding GST) are expected to be paid by MMA. This includes fees for MMA's financial, legal, accounting and tax advisers, other external advisers and service providers, the Independent Expert's fees, the Independent Technical Expert's fees general administrative fees, and other expenses.
- If the Scheme is not implemented, costs of approximately A\$3.0 million (excluding GST) are expected to be paid by MMA. These amounts do not include the transaction costs that may be incurred by Cyan in relation to the Scheme, nor any Break Fee payable in certain circumstances by MMA to Cyan under the terms of the Scheme Implementation Deed.

## 9.15 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, MMA becomes aware of any of the following:

- (a) a material statement in this Scheme Booklet is false or misleading or deceptive in a material respect;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or

- (d) a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

MMA will make available supplementary material to Shareholders. MMA intends to make available any supplementary material by releasing that material to ASX ([www.asx.com.au](http://www.asx.com.au)) and posting the supplementary document to MMA's website ([www.mmaoffshore.com](http://www.mmaoffshore.com)). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, MMA may also send such supplementary materials to Shareholders.

## **9.16 Other material information**

Except as detailed in this Scheme Booklet, so far as the MMA Directors are aware, there is no other information that is:

- (a) material to the making of a decision by Shareholders whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting; and
- (b) known to an MMA Director as at the date of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Shareholders.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF MMA OFFSHORE LIMITED AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF MMA OFFSHORE LIMITED ON 27 MAY 2024.



Ian Macliver  
Non-Executive Chairman

## 10. GLOSSARY

In this Scheme Booklet, unless the context requires otherwise:

**A\$** means the lawful currency of Australia.

**AASB 16** means Accounting Standard AASB 16 Leases.

**Abstain Requirement** means:

- (a) an order, requirement or request made or imposed by the Court or a Regulatory Authority that one or more MMA Directors abstain or withdraw from making a recommendation to Shareholders to vote in favour of the Scheme; or
- (b) senior counsel acting for Mr David Ross advises that in their opinion, in order to comply with his personal fiduciary or statutory duties, Mr Ross must, or should, abstain or withdraw from making a recommendation to Shareholders to vote in favour of the Scheme.

**Accounting Standards** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the audited financial statements of the MMA Group.

**AEST** means Australian Eastern Standard Time.

**Affiliate** means, in relation to a person or entity:

- (a) a Related Body Corporate of that person or entity;
- (b) an entity over which the person or entity (or a Related Body Corporate of that person or entity) exercises Control within the meaning of section 50AA of the Corporations Act (but read as though section 50AA(4) were omitted);
- (c) a current, future or potential trust, limited partnership, fund, other investment vehicle or investment mandate from time to time managed or advised by the person or entity or any entity described in paragraph (a) or (b) above (each, an **Affiliate Fund**); and/or
- (d) a fund, collective investment vehicle, partner or limited partnership over which the person or entity or any entity described in paragraph (a) or (b) exercises Control within the meaning of section 50AA of the Corporations Act (but read as though section 50AA(4) were omitted),

and, in respect of Cyan only, excluding any investee or portfolio entity, being an entity in which Cyan or its Affiliate Funds invests in the ordinary course of its private equity investment operations, that are not provided and or do not obtain access to, Confidential Information (as defined in the Scheme Implementation Deed) and are not acting, directly or indirectly, on behalf, or at the direction or instruction, of Cyan or another Cyan Group Member that is in possession of Confidential Information in connection with the Scheme or the Transaction.

**Annexure** means an annexure to this Scheme Booklet.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the Corporations Act, as if the subsection 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed and MMA was the designated body.

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

**ATO** means the Australian Taxation Office.

**AWST** means Australian Western Standard Time.

**Barrenjoey** means Barrenjoey Advisory Pty Limited (ACN 636 976 228).

**BDO** means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

**Break Fee** means an amount equal to A\$10,259,449.

**Business Day** means a business day as defined in the Listing Rules.

**CGT** means capital gains tax.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Classification Society** means a member of the International Association of Classification societies which is responsible for the regulation and survey of vessels, including the vessels within the MMA Group's vessel fleet.

**Competing Proposal** means any expression of interest, proposal, offer, agreement, arrangement or transaction, which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with their Associates):

- (a) directly or indirectly acquiring or having the right to acquire:
  - (i) a Relevant Interest in;
  - (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or
  - (iii) control of,  
more than 20% of the Shares on issue;
- (b) directly or indirectly acquiring or becoming the holder of, or having a right to acquire a legal, beneficial or economic interest in, or control of, all or a substantial part of the consolidated assets of the MMA Group;
- (c) directly or indirectly acquiring control of MMA (as determined in accordance with section 50AA of the Corporations Act, but disregarding sub-section 50AA(4)) or merging with MMA or any other material MMA Group Member;
- (d) otherwise directly or indirectly acquiring, being stapled to, or merging with MMA; or
- (e) requiring MMA to abandon, or otherwise fail to proceed with the Transaction,

whether by way of takeover bid, reverse takeover, shareholder approved acquisition, members' or creditors' scheme of arrangement, capital reduction, share buy-back or repurchase, sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or incorporated or unincorporated joint venture or other synthetic merger, deed of company arrangement, debt for equity arrangement or other proposal, offer, transaction or arrangement, or a series of any of the foregoing.

**Control** has the meaning given to that term in section 50AA of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Cyan and MMA.

**Cyan** means Cyan MMA Holdings Pty Limited (ACN 675 840 196).

**Cyan Board** means the board of directors of Cyan from time to time.

**Cyan Counterproposal** has the meaning given to that term in Section 9.13(c).

**Cyan Group** means:

- (a) Cyan;
- (b) Cyan HoldCo;
- (c) Cyan Renewables;
- (d) Seraya Fund GP;
- (e) Seraya Partners;
- (f) Seraya Fund; and
- (g) each Affiliate of the entities listed in paragraphs (a) to (f).

**Cyan Group Member** or **member of the Cyan Group** means any one of:

- (a) Cyan;
- (b) Cyan HoldCo;
- (c) Cyan Renewables;



- (d) Seraya Fund GP;
- (e) Seraya Partners;
- (f) Seraya Fund; and
- (g) each Affiliate of the entities listed in paragraphs (a) to (f).

**Cyan HoldCo** means Cyan Renewables (Australia) Holdings Pty Limited (ACN 675 839 782).

**Cyan Information** means information regarding Cyan Group provided by or on behalf of any member of the Cyan Group to MMA or its representatives in writing for inclusion in this Scheme Booklet, being the information in the Sections or parts of those Sections detailed below:

- (a) Important Notices – the following paragraphs in the Important Notices:
  - (i) Forward looking statements; and
  - (ii) No website is part of the Scheme Booklet;
- (b) Section 2 – the following questions 'Who is Cyan?' and 'Who is Cyan Renewables?' contained in the Frequently Asked Questions;
- (c) Section 6 – Information about Cyan;
- (d) Section 10 – the following definitions contained in the Glossary:
  - (i) Cyan;
  - (ii) Cyan Board;
  - (iii) Cyan Group;
  - (iv) Cyan Group Member and Member of the Cyan Group;
  - (v) Cyan HoldCo;
  - (vi) Cyan Information;
  - (vii) Cyan Renewables;
  - (viii) Seraya Fund;
  - (ix) Seraya Fund GP; and
  - (x) Seraya Partners.

For the avoidance of doubt, the Cyan Information excludes the MMA Information, Independent Expert's Report (in Annexure A) and Section 8.

**Cyan Renewables** means Cyan Renewables Pte. Ltd. of 9 Raffles Place, #22-02 Republic Plaza, Singapore 048619.

**Deed Poll** means the deed poll executed by Cyan, the form of which is contained in Annexure C of this Scheme Booklet.

**EBIT** means earnings before interest and tax.

**EBITDA** means the operating earnings from ordinary operations before interest, income tax, depreciation and amortisation on a consolidated basis calculated in accordance with the Accounting Standards.

**Effective** means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Encumbrance** means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, right of first refusal and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

**End Date** means whichever one of the following applies:

- (a) if the FIRB Condition Precedent has been satisfied by 5:00pm on the second Business Day prior to the date that is six months after the Execution Date, the date which is six months after the Execution Date;
- (b) if the FIRB Condition Precedent has not been satisfied by 5:00pm on the second Business Day prior to the date that is six months after the Execution Date and the FIRB Condition Precedent is still capable of satisfaction at such time, the date which is seven months after the Execution Date; or
- (c) if the FIRB Condition Precedent has not been satisfied by 5:00pm on the second Business Day prior to the date that is seven months after the Execution Date and the FIRB Condition Precedent is still capable of satisfaction at such time, the date which is eight months after the Execution Date.

**Equity Commitment Letter** has the meaning given to that term in Section 6.4(b).

**Equity Funding** has the meaning given to that term in Section 6.4(b).

**Exclusivity Period** means the period commencing on the Execution Date and ending on the earliest of:

- (a) the date the Scheme Implementation Deed is terminated in accordance with its terms;
- (b) the Effective Date; and
- (c) the End Date.

**Execution Date** means the date of the Scheme Implementation Deed, being 24 March 2024.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**FIRB** means the Australian Foreign Investment Review Board.

**FIRB Condition Precedent** has the meaning given to that term in Section 4.5(a).

**Foreign Corporate Regulatory Authority** means the Singaporean Accounting and Corporate Regulatory Authority, the Taiwanese Financial Supervisory Commission and the Malaysian Companies Commission of Malaysia.

**Fundamental Change** means a material diminution in the nature and level of responsibilities or functions of the employee's position within MMA Group, including without limitation a material diminution resulting from a change in control of MMA.

**FY** means financial year.

**GST** has the meaning given to it in the GST Law.

**GST Law** has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Implementation** means the implementation of the Scheme, in accordance with its terms, after the Scheme becomes Effective.

**Implementation Date** means the date that is five Business Days after the Record Date, or such other date (after the Record Date) as MMA and Cyan agree in writing.

**Independent Expert** means BDO.

**Independent Expert's Report** means the report in Annexure A.

**Independent Technical Expert** means M3 Marine.

**Independent Technical Expert's Report** means the report prepared by the Independent Technical Expert, which report forms part of the Independent Expert's Report.

**ITAA97** means the *Income Tax Assessment Act 1997* (Cth).

**Last Practicable Date** means 5:00pm (AWST) on 20 May 2024.

**Listing Rules** means the official listing rules of ASX.

**LTI** means long-term incentive.

**LTIP** means long-term incentive plan.

**M3 Marine** means M3 Marine Valuations Pte Ltd.

**Material Adverse Event** means:

- (a) an event, occurrence or matter that occurs after the Execution Date (each a **Specified Event**), which has or would (either individually or when aggregated together with any other such Specified Events of the same type or nature) be reasonably likely to have:
  - (i) the effect of a diminution in the value of the consolidated net assets of the MMA Group (taken as a whole) (calculated in accordance with the Accounting Standards), by at least 12.5% as against the consolidated net assets in the 31 December 2023 MMA Group reported balance sheet;
  - (ii) the effect of a diminution in the full financial year consolidated annual SID EBITDA of the MMA Group (taken as a whole) by at least 12.5% as compared to what the consolidated annual SID EBITDA of the MMA Group would reasonably have been expected to have been for the financial year ending 30 June 2024 based on the annualised consolidated SID EBITDA of the MMA Group for the half year ending 31 December 2023;
- (b) five or more vessels owned by the MMA Group each have the full class status of the vessel suspended by the vessels' Classification Society applicable to that vessel (including, without limitation, due to a catastrophic failure or other reason) and each such vessel being deemed by an industry recognised independent expert to be unable to earn revenue for a period of six months or more,

other than certain events, occurrences or matters specified in the Scheme Implementation Deed.

**MMA or Company** means MMA Offshore Limited ACN 083 185 693.

**MMA Board** means the board of directors of MMA from time to time.

**MMA Director** or **Director** means a director of MMA.

**MMA Group** means MMA and its Subsidiaries.

**MMA Group Member** or **member of the MMA Group** means any one of MMA or of its Subsidiaries.

**MMA Information** means all information included in the Scheme Booklet other than:

- (a) the Cyan Information;
- (b) the Independent Expert's Report in Annexure A; and
- (c) the description of the taxation effect of the Scheme on Scheme Participants prepared by an external adviser to MMA (including (without limitation) the non-exhaustive summary of relevant Australian tax considerations set out in Section 8).

**MMA Performance Right** means a performance right issued by MMA under employee incentive arrangements (or similar) of the MMA Group to, subject to the terms of that performance right, acquire a Share.

**MMA Share** or **Share** means a fully paid ordinary share issued in the capital of MMA.

**MMA Share Register** means the register of holders of MMA Shares maintained by or on behalf of MMA in accordance with the Corporations Act.

**MMA Shareholder** means a person who is registered in the MMA Share Register as the holder of one or more MMA Shares, from time to time.

**MMA Shareholder Information Line** means the Shareholder information service with respect to the Scheme operated by or on behalf of MMA.

**MMA Unvested Performance Right** means an MMA Performance Right that is unvested as at the Last Practicable Date.

**MMA Vested Performance Right** means an MMA Performance Right that is vested as at the Last Practicable Date.

**Notice of Scheme Meeting** means the notice convening the Scheme Meeting together with the Proxy Form for that meeting as contained in Annexure D.

**NTA** means net tangible assets.

**Permitted Encumbrance** means:

- (a) the Encumbrances granted by the MMA Group Members in favour of their financiers; and
- (b) any other Encumbrance granted by any member of the MMA Group in the ordinary course of business under any retention of title, hire purchase or conditional sale arrangement or arrangement having similar effect in respect of goods supplied to the MMA Group on the supplier's standard or usual terms (or terms more favourable to the MMA Group) or arising by operation of law in the ordinary course of trading, so long as in each case, the debt it secures is paid when due or contested in good faith and appropriately provisioned.

**Prescribed Occurrence** means (other than certain exceptions detailed in the Scheme Implementation Deed) the occurrence of any of the following during the period commencing on the Execution Date and ending at 8:00am on the Second Court Date:

- (a) MMA converting all or any of its shares into a larger or smaller number of shares;
- (b) any member of the MMA Group resolving to reduce its share capital in any way;
- (c) any member of the MMA Group:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) a member of the MMA Group issuing securities, including without limitation shares, or granting options or convertible securities, or agreeing to make an issue of or grant an option over shares, other than an issue of Shares upon the exercise or conversion of any or all of the MMA Performance Rights which are on issue on the day immediately prior to the Execution Date;
- (e) a member of the MMA Group issuing or agreeing to issue securities convertible into, or giving rights to be issued, Shares, including pursuant to a dividend reinvestment or other share plan;
- (f) any member of the MMA Group announcing, making, declaring, paying or distributing or incurring a liability to make or pay any dividend or otherwise returning or agreeing to return any capital to its members (whether in cash or in specie);
- (g) the MMA Group disposing, or agreeing to dispose, of the whole or a substantial part, of its business or property;
- (h) a member of the MMA Group creating, or agreeing to create any Encumbrance over the whole, or a substantial part, of its business or property, other than:
  - (i) Encumbrances for the purposes of securing obligations under financing arrangements entered into for the purposes of:
    - (A) replacing maturing or expiring debt financing arrangements;
    - (B) refinancing existing debt finance arrangements on market terms;
    - (C) new bank guarantees;
    - (D) currency hedging; or
  - (ii) other Permitted Encumbrances; or
- (i) an insolvency event (as defined in the Scheme Implementation Deed) occurs in relation to a member of the MMA Group (other than a dormant entity).

**Proxy Form** means the proxy form that accompanies this Scheme Booklet or is available from the Share Registry.

**PwC** means PricewaterhouseCoopers (ABN 52 780 433 757).

**Record Date** means 5:00pm (AWST) on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as ASX requires or which MMA and Cyan may agree in writing.

**Registered Address** means, in relation to a Scheme Participant, the address of the Scheme Participant shown in the MMA Share Register as at the Record Date.

**Regulatory Authority** includes:

- (a) a foreign or Australian government or governmental, semi-governmental, administrative, fiscal, tax or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute;
- (d) any applicable securities commission or stock or securities exchange;
- (e) in particular, ASX, ASIC, FIRB, the Takeovers Panel and Foreign Corporate Regulatory Authorities; and
- (f) any authorised representative of any of the above.

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Relevant Interest** has the meaning given to that term in sections 608 to 609B of the Corporations Act.

**Requisite Majorities** has the meaning given to that term in Section 4.9(a).

**Reverse Break Fee** means an amount equal to A\$10,259,449.

**Reverse Break Fee Funding** has the meaning given to that term in Section 6.4(b).

**Rothschild & Co** means Rothschild & Co Australia Limited ACN 008 591 768.

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act between MMA and the Scheme Participants in respect of all Scheme Shares, the form of which is contained in Annexure B (as amended by MMA and Cyan from time to time), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by MMA and Cyan.

**Scheme Announcement Date** means the date the proposed Scheme was announced on ASX, being 25 March 2024.

**Scheme Booklet** means this information booklet to be despatched to Shareholders in connection with the Scheme.

**Scheme Consideration** means the consideration to be provided by Cyan to each Scheme Participant for the transfer of each Scheme Share under the Scheme, being A\$2.60 per Scheme Share.

**Scheme Implementation Deed** means the Scheme Implementation Deed dated 24 March 2024 between MMA and Cyan, a full copy of which was attached to the MMA announcement on ASX relating to the Scheme on 25 March 2024.

**Scheme Meeting** means the meeting of Shareholders ordered by the Court to be convened in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any meeting convened following any adjournment or postponement of that meeting.

**Scheme Participant** means a Shareholder recorded in the MMA Share Register as holding one or more MMA Shares as at the Record Date.

**Scheme Resolution** means the resolution to approve the Scheme to be considered by Shareholders at the Scheme Meeting.

**Scheme Share** means a Share on issue on the Record Date.

**Second Court Date** means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the first day on which the adjourned application is heard or scheduled to be heard.

**Second Court Hearing** means the hearing at which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the hearing at which the adjourned application is heard.

**Section** means a section of this Scheme Booklet.

**Senior Management Personnel** means those persons listed in the table in Section 5.6(b).

**Seraya Fund** means Seraya Partners Fund I, L.P., a limited partnership established in the Cayman Islands.

**Seraya Fund GP** means Seraya GP1 Ltd, which is the general partner of the Seraya Fund.

**Seraya Partners** means Singapore-based infrastructure fund manager Seraya Management Private Limited.

**Shareholder** means a person who is registered in the MMA Share Register as the holder of one or more MMA Shares, from time to time.

**Share Registry** means Automic Pty Ltd (ACN 152 260 814), which is the share registry services provider to MMA.

**SID EBITDA** means the operating earnings from ordinary operations before interest, income tax, depreciation and amortisation on a consolidated basis calculated in accordance with the Accounting Standards, adjusted by excluding any non-cash gain or loss in respect of one-off items such as impairments, reversals and provisions and the impacts of AASB 16.

**STI** means short-term incentive.

**STIP** means short term incentive plan.

**Subcon MMA Shares** has the meaning given in Section 9.6.

**Subsidiary** has the meaning given to that term in section 9 of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal that the MMA Board, acting in good faith, and after consultation with external legal advisers and financial advisers, determines would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction which is more favourable to Shareholders (as a whole) than the Transaction (or, if applicable, the Transaction as amended or varied by agreement between MMA and Cyan following application of the matching right process set out in clause 8.8 of the Scheme Implementation Deed), in each case taking into account all of the terms and conditions and other aspects of the Competing Proposal (including, but not limited to, any timing considerations, conditionality, the value and type of consideration, the identity of the proponent and funding) and of the Transaction.

**Takeovers Panel** means the Australian Takeovers Panel.

**Third Party** means a person who:

- (a) is not a member of the MMA Group or an Associate of a member of the MMA Group;
- (b) is not a member of the Cyan Group or an Associate of a member of the Cyan Group; and
- (c) is not a person which would be a member of the Cyan Group or an Associate of a member of the Cyan Group, but for the remainder of the definition of "Affiliate" which follows paragraph (d) of that definition.

**Transaction** means the acquisition by Cyan of all of the Scheme Shares in consideration for the provision of the Scheme Consideration, by means of the Scheme and in accordance with the terms of the Scheme Implementation Deed.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**Trust Account** means an Australian dollar denominated trust account (with an ADI) operated by MMA (or, if notified in writing by MMA to Cyan, operated by the Share Registry) as trustee for the Scheme Participants.



**Voting Power** has the meaning given to it in the Corporations Act.

**VWAP** means the volume weighted average price.

In this Scheme Booklet (other than in Annexure A to Annexure D):

- (a) words and phrases not otherwise defined in this Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;
- (b) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (c) headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet; and
- (d) a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise.

**Annexure A**  
**Independent Expert's Report**

## MMA OFFSHORE LIMITED

### Independent Expert's Report

23 May 2024

## Financial Services Guide

23 May 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by MMA Offshore Limited ('MMA' or 'the Company') to provide an independent expert's report on the proposed acquisition by Cyan MMA Holdings Pty Ltd ('Cyan') via a scheme of arrangement ('the Scheme'). You are being provided with a copy of our report because you are a shareholder of MMA and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by MMA to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

### Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$150,000.



Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in MMA.

#### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from MMA for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

#### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

#### **Complaints resolution**

##### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

#### **Compensation arrangements**

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

#### **Referral to External Dispute Resolution Scheme**

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

|                      |  |
|----------------------|--|
| Mail:                | GPO Box 3, Melbourne, VIC 3001                         |
| Free call:           | 1800 931 678   |
| Website:             | <a href="http://www.afca.org.au">www.afca.org.au</a>   |
| Email:               | <a href="mailto:info@afca.org.au">info@afca.org.au</a> |
| Interpreter Service: | 131 450  |

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23 May 2024

The Directors  
MMA Offshore Limited  
Level 10, 12-14 the Esplanade  
Perth WA 6000

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 25 March 2024, MMA Offshore Limited ('MMA' or 'the Company') announced that it had entered into a binding Scheme Implementation Deed ('SID') with Cyan MMA Holdings Pty Ltd ('Cyan'), under which Cyan will acquire all of the fully paid ordinary shares in MMA, by way of a scheme of arrangement under the *Corporations Act 2001* (Cth) ('Corporations Act' or 'the Act') ('the Scheme').

Under the terms of the SID, each MMA shareholder will receive \$2.60 cash for each MMA share held on the Scheme record date ('Scheme Consideration').

The Scheme is subject to various customary conditions precedent, including:

- approval by MMA shareholders ('Shareholders') at the Scheme meeting by the requisite majorities (at least 75% of all votes cast by Shareholders and (unless the Federal Court of Australia ('Court') orders otherwise) more than 50% of the number of Shareholders who vote at the Scheme meeting);
- approval of the Court;
- approval of the Australian Foreign Investment Review Board;
- no material adverse event;
- no prescribed occurrences;
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders; and
- another customary condition regarding there being no restraining orders, as detailed in the SID.

### 2. Summary and opinion

#### 2.1 Requirement for the report

The directors of MMA have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Scheme is in the best interests of the shareholders of MMA.

Our Report is prepared pursuant to section 411 of the Corporations Act (**‘Section 411’**) and is to be included in the Scheme Booklet for MMA, to assist Shareholders in their decision whether to approve the Scheme.

## 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**‘ASIC’**) Regulatory Guide 60 **‘Schemes of arrangements’** (**‘RG 60’**), Regulatory Guide 111 **‘Content of expert’s reports’** (**‘RG 111’**), Regulatory Guide 112 **‘Independence of experts’** (**‘RG 112’**) and Regulatory Guide 170 **‘Prospective financial information’** (**‘RG 170’**).

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- how the value of an MMA share (on a controlling interest basis) compares to the value of the Scheme Consideration;
- the likelihood of an alternative offer being made to MMA;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- the position of Shareholders should the Scheme not proceed.

## 2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

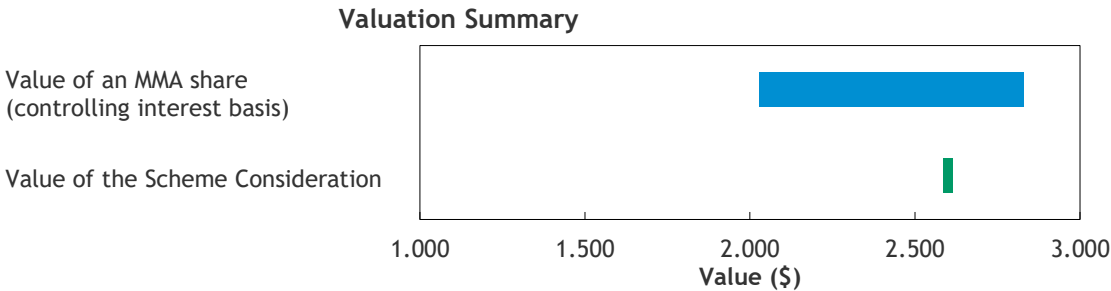
## 2.4 Fairness

The value of an MMA share (on a controlling interest basis) and the value of the Scheme Consideration, are compared below:

| Fairness assessment                                | Ref | Low<br>\$ | Preferred<br>\$ | High<br>\$ |
|--|-----|-----------|-----------------|------------|
| Value of an MMA share (controlling interest basis) | 10  | 2.03      | 2.41            | 2.83       |
| Value of the Scheme Consideration                  | 11  | 2.60      | 2.60            | 2.60       |

Source: BDO analysis

The above valuation ranges are graphically presented below:



Based on the values shown above, in our opinion the Scheme is fair for Shareholders.

## 2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

| ADVANTAGES AND DISADVANTAGES |  |         |   |
|------------------------------|--|---------|---|
| Section                      | Advantages   | Section | Disadvantages   |
| 13.1.1                       | The Scheme is fair   | 13.2.1  | Shareholders will forego the opportunity to participate in any potential upside in the value of the Company |
| 13.1.2                       | The Scheme Consideration provides certainty of value to Shareholders                                 | 13.2.2  | Shareholders will lose exposure to the marine and offshore services industry                                |
| 13.1.3                       | Shareholders will crystallise their investment at a high point in a highly cyclical business         |         |   |
| 13.1.4                       | The Scheme removes the uncertainty of future capital deployment required to replenish an aging fleet |         |   |

Other key matters we have considered include:

| Section | Description                                  |
|---------|--|
| 13.3    | Consequences of not approving the Scheme     |
| 13.4    | Alternative proposal                         |
| 13.5    | Other considerations - Taxation implications |

## 3. Scope of the Report

### 3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Regulations 2001 (**‘Regulations’**) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act.

An independent expert’s report must be obtained by a scheme company if:

- there is one or more common directors; or
- the other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of MMA and Cyan, nor is there any party to the Scheme which holds 30% or more of the scheme company, being MMA. Accordingly, there is no requirement for this Report pursuant to Section 411.

Notwithstanding the fact that there is no requirement to engage an independent expert to report on the Scheme, pursuant to the SID, the Scheme is subject to an independent expert’s report concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders.

Accordingly, the directors of MMA have requested that BDO prepare this independent expert’s report, and to provide an opinion as to whether the scheme is in the best interests of Shareholders.

### 3.2 Regulatory guidance

Neither the Act nor the Regulations define the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether the takeover bid is ‘fair and reasonable’. While there is no definition of ‘fair and reasonable’, RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, ‘in the best interests’ must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the

alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- a comparison between the value of an MMA share (on a controlling interest basis) and the value of the Scheme Consideration (fairness - see Section 12 'Is the Scheme fair?');
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 13 'Is the Scheme reasonable?'); and
- a consideration of whether the Scheme is in the best interests of Shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Outline of the Scheme

On 25 March 2024, MMA announced that it had entered into a binding SID with Cyan, under which Cyan will acquire all of the fully paid ordinary shares in MMA, by way of a scheme of arrangement under the Corporations Act.

Under the terms of the SID, each MMA shareholder will receive \$2.60 cash for each MMA share held on the Scheme record date.

### Conditions precedent

The Scheme is subject to various customary conditions precedent, including:

- approval by Shareholders at the Scheme meeting by the requisite majorities (at least 75% of all votes cast by Shareholders and (unless the Court orders otherwise) more than 50% of the number of Shareholders who vote at the Scheme meeting);
- approval of the Court;
- approval of the Australian Foreign Investment Review Board;
- no material adverse event;
- no prescribed occurrences;
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders; and
- another customary condition regarding there being no restraining orders, as detailed in the SID.

### Break fees

Pursuant to the SID, MMA must (subject to certain exceptions in the SID) pay Cyan a \$10.3 million break fee if:

- during the exclusivity period, Cyan terminates the SID and, prior to termination, one or more MMA directors:
  - fails to recommend that Shareholders vote in favour of the Scheme or maintain that recommendation;
  - publicly withdraws, adversely changes or adversely modifies their recommendation; or
  - publicly recommends that Shareholders accept or vote in favour of, or otherwise publicly supports or endorses, a competing proposal,

But no break fee is payable in certain circumstances detailed in the SID;

- a competing proposal is announced during the exclusivity period, and within 12 months of the announcement the third party proponent (or their associate) completes the competing proposal; or
- Cyan validly terminates the SID under certain clauses relating to a material breach of the SID by MMA.

Pursuant to the SID, a reverse break fee of \$10.3 million must be paid by Cyan to MMA if:

- (subject to certain exceptions in the SID) MMA validly terminates the SID under certain clauses relating to a material breach of the SID by Cyan; or



- the Scheme becomes effective but Cyan does not pay the total Scheme Consideration payable in consideration for all MMA shares under the Scheme in accordance with its obligations under the SID and the related Deed Poll which Cyan has executed.

The complete set of circumstances under which the break fees are payable are detailed in Sections 9.13(g) and (h) of the Scheme Booklet.

### Transactions costs

Regardless of the outcome of the Scheme, transaction costs of approximately \$3.0 million will be borne by MMA.

### Performance rights

Pursuant to the SID, MMA must ensure that there are no outstanding performance rights on issue as at 5:00pm (AWST) on the record date for the Scheme. MMA currently has 15,572,579 performance rights on issue comprising:

- 3,978,188 vested MMA performance rights; and
- 11,594,391 unvested MMA performance rights.

Of the unvested MMA performance rights, 5,188,344 are scheduled to vest on 1 July 2024 and become exercisable into the same number of MMA shares in accordance with their terms. The MMA board of directors (excluding Mr David Ross) has resolved to accelerate the vesting of all unvested MMA performance rights on issue subject to:

- a) the Court ordering the Scheme meeting to be held; and
- b) the Scheme becoming effective.

The MMA board of directors (excluding Mr David Ross) has further determined that, if the Scheme becomes effective, any MMA performance rights which are not exercised into MMA shares by the relevant time on the Scheme record date will automatically and immediately lapse at that time.

## 5. Profile of MMA

### 5.1 History

MMA (formerly known as Mermaid Marine Australia Limited) is an Australian Securities Exchange ('ASX') listed company that provides marine and subsea services to the offshore energy and wider maritime industries. MMA was founded as a single-vessel company in 1989 and was admitted to the official list of the ASX on 16 June 1999. The Company currently operates a fleet of 20 offshore support vessels ('OSVs'), with operations spanning Australia and New Zealand, Southeast Asia, Africa, the Middle East, and United Kingdom. The Company's head office is in Perth, Western Australia.

MMA utilises its fleet to provide vessel services, subsea services, and project logistics. The vessel services segment is the primary operation of the Company, deriving revenue from the provision of specialised OSVs. The Company's subsea segment provides services to companies operating in subsea environments including inspection, maintenance, repair, and its project logistics segment provides project management of large marine spreads and complex marine logistics.

The Company has undergone a strategic transformation in recent years, transitioning from a pure vessel operator to an integrated marine and subsea services business. The Company has remained focused on extracting maximum value in the business's core markets, whilst simultaneously diversifying into new growth sectors such as offshore wind, government and defence, and environmental services, to reduce the risk of cyclicalities on its operations.

The current board members of MMA are:

- Ian Macliver - Chairman;
- David Ross - Managing Director;
- Chiang Gnee Heng - Non-Executive Director;
- Sue Murphy - Non-Executive Director; and
- Sally Langer - Non- Executive Director.

### 5.2 MMA Operations

MMA derives revenue from the provision of marine services to support offshore oil & gas, offshore renewable projects, governments, and coastal infrastructure globally. MMA has recently focused on building a more sustainable and diversified business, that would be less susceptible to cyclical movements in the shipping, and oil and gas industries, whilst simultaneously, capitalising on growing markets. MMA has built its more diverse and integrated business model through organic and inorganic growth in recent years.

#### Fleet

MMA's operating fleet consists of 20 core vessels (of which 17 are owned and three are leased under a bareboat charter agreement) comprising of three anchor handling tugs ('AHT'), five anchor handling tug supply vessels ('AHTS'), six platform supply vessels ('PSV') and six multi-purpose support vessels ('MPSV'). MMA's current fleet is shown below:

| Name                               | Flag      | Year Built | Brake Horsepower ('BHP ') / Deadweight Tonnage ('DWT') |
|------------------------------------|-----------|------------|--|
| Anchor Handling Tugs               |           |            |  |
| Searcher*                          | Australia | 2008       | 3,200 BHP  |
| Cove                               | Australia | 2013       | 5,620 BHP  |
| Strait**                           | Australia | 2012       | 7,342 BHP  |
| Anchor Handling Tug Supply Vessels |           |            |  |
| Coral                              | Singapore | 2011       | 8,000 BHP  |
| Crystal***                         | Singapore | 2008       | 8,000 BHP  |
| Vision                             | Singapore | 2009       | 8,000 BHP  |
| Majestic                           | Malaysia  | 2014       | 12,070 BHP   |
| Monarch                            | Malaysia  | 2010       | 12,070 BHP   |
| Platform Supply Vessels            |           |            |  |
| Leeuwin                            | Singapore | 2013       | 4,000 DWT  |
| Plover                             | Australia | 2015       | 4,000 DWT  |
| Brewster                           | Australia | 2016       | 4,000 DWT  |
| Inscription                        | Singapore | 2012       | 4,849 DWT  |
| Valour                             | Malaysia  | 2013       | 5,509 DWT  |
| Harmony**                          | Singapore | 2016       | 4,700 DWT  |
| Multi-Purpose Support Vessels      |           |            |  |
| Pride                              | Singapore | 2013       | 5,150 BHP  |
| Privilege                          | Singapore | 2015       | 10,460 BHP   |
| Prestige                           | Malaysia  | 2016       | 13,731 BHP   |
| Pinnacle                           | Malaysia  | 2016       | 13,731 BHP   |
| Vigilant                           | Singapore | 2013       | 8,000 BHP  |
| Offshore Solution                  | Australia | 2016       | 3,218 BHP  |

Source: MMA's 2024 Half Year Results Investor Presentation.

\*Held for sale.

\*\*Bareboat charter vessels which are not owned by MMA. All other vessels except for the MMA Crystal are owned by MMA.

\*\*\*Owned by OWF Marine Co Ltd, a wholly-owned subsidiary of MMA's Taiwanese joint venture company, MMA Global Aqua Co Ltd.

MMA implements a management programme to maintain the quality and operational capability of vessels and minimise holding costs between contracts. The core fleet of vessels has an average age profile of 10.6 years. MMA has an annual service contract to access an onshore facility in Singapore to support vessel operations. The Singapore Onshore Support Facility is used for vessel modification projects, mobilisation and demobilisation scopes, and as a staging area for offshore projects.

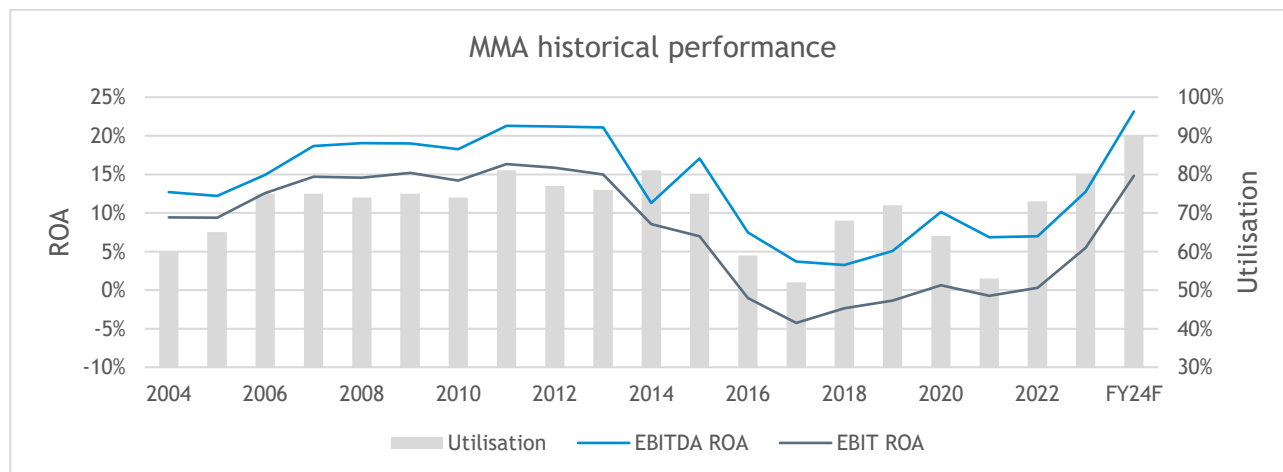
## Utilisation

The average utilisation for the financial year ended 30 June 2023 ('FY23') was 80%, up from 73% in financial year ended 30 June 2022 ('FY22'). The increased utilisation has been a major driver of the improvement in earnings, particularly with utilisation of larger vessels. During FY23, MPSV utilisation was 83% (up from 60% in FY22), PSV utilisation was 87% (up from 84% in FY22) and AHTS utilisation was 82% (up from 69% in FY22), with the larger AHTS vessels achieving solid utilisation throughout the year.

Utilisation remained buoyant in the half year ended 31 December 2023 ('HY24'), with the Company's vessels achieving an average utilisation of 83%. Current guidance announced by MMA expects utilisation to increase to 90% across the fleet in the second half of the financial year ending 30 June 2024 ('FY24'),

which management has advised is unprecedented and unlikely to be sustainable under MMA's current short-term contracting strategy.

MMA's average fleet utilisation rates and corresponding return on asset ('ROA') metrics over the past twenty years is set out below:



Source: BDO analysis and MMA's annual reports.

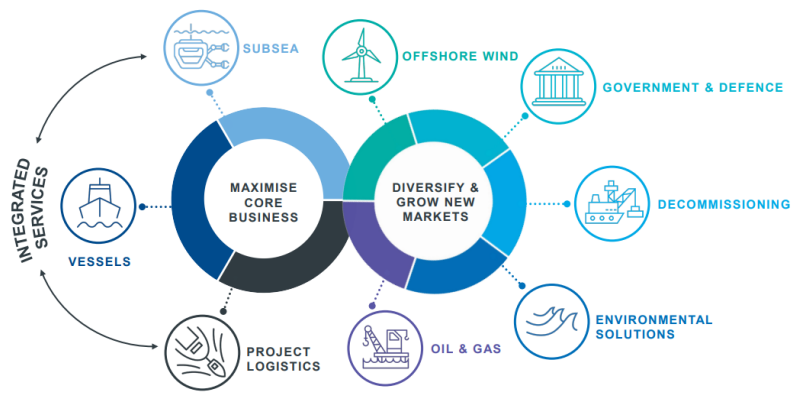
We note that MMA's fleet utilisation rates and return on assets were relatively strong over the period from 2010 to 2014. During this period, MMA supported significant greenfield CAPEX projects in Australia, namely Chevron Australia Pty Ltd's Gorgon and Wheatstone projects, combined with an increased volume of exploration work. The suppressed utilisation rates from 2015 to 2021, and the increase in utilisation rates since 2021 are detailed in Section 8.3 of our Report.

### Growth strategy

MMA has sought to expand its business offerings beyond vessel services, aiming to provide more asset-light and integrated services. This was highlighted by the Company's acquisition of Neptune Marine Services Limited ('Neptune') in 2019, which provided an entry for MMA into the subsea market. Additionally, the acquisition of 49.9% of Taiwanese survey company Global Aqua Survey Ltd in 2021, forming a new joint venture, 'MMA Global Aqua', and the acquisition of Subcon International Pty Ltd ('Subcon') in 2022, expanded the Company's presence into subsea stabilization and environmental solutions.

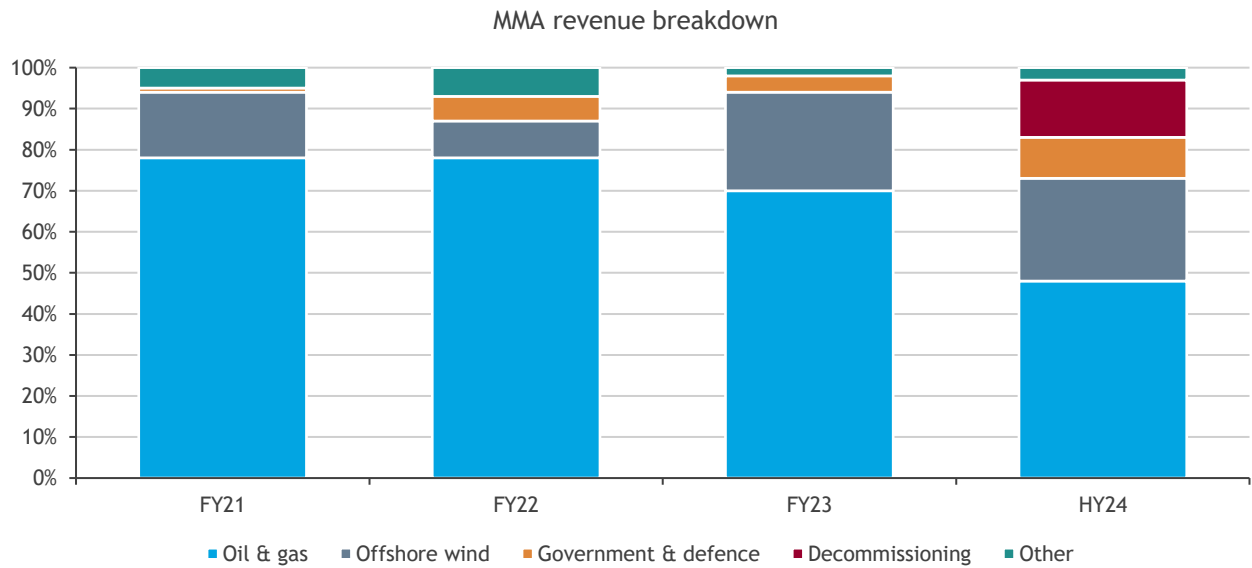
MMA has also endeavoured to diversify its market exposure, transitioning from solely servicing the oil and gas industry to servicing offshore renewable projects, governments, and coastal infrastructure projects. MMA was successfully appointed to the Australian Government HydroScheme Industry Partnership Program ('HIPP') in 2020, for the provision of hydrographic survey and technical training services. Additionally, MMA was awarded its first offshore wind project off the coast of Taiwan in 2020 which was supported by the establishment of an office in Taiwan in 2021.

A summary of the growth strategy of MMA is depicted in the Company’s illustration below:



Source: MMA’s 2024 Half Year Results Investor Presentation

The diversification strategy of the Company was highlighted in HY24, with 52% of revenue derived outside oil & gas (25% offshore wind, 14% decommissioning work and 10% government/defence projects). The company revenue across industries over recent periods is illustrated below, showing the diversification away from oil & gas in recent periods:



Source: BDO analysis and MMA’s 2024 Half Year Results Investor Presentation

### 5.3 Vessel Services

Vessel Services is the primary operation of the Company, growing organically and inorganically since MMA commenced operations in 1989. MMA’s vessel services include:

- Production and offtake support;
- Supply operations (drilling, production and seismic);
- Installation and construction support;
- Anchor handling and towing;
- Accommodation support;

- Inspection, maintenance, repair, remotely operated vehicle ('ROV'), dive and survey support; and
- Vessel management and technical services.

The Company's vessel service revenue was \$156.4 million, and EBITDA was \$57.0 million for HY24, representing a 41% and 74% increase on the previous corresponding period, respectively. The improved day rates combined with strong utilisation drove the increase in earnings during HY24.

### Key contracts

MMA's vessels were active on a range of projects during HY24 across oil and gas and offshore wind. The vessels activities and key contracts are summarised below:

- MMA Plover and MMA Brewster on contract with INPEX providing production support and drilling operations for Ichthys liquefied natural gas ('LNG') field in Australia's Northwest;
- Mermaid Cove supported Woodside's Northwest Shelf's continued operations on a 3-year contract;
- MMA Privilege continued on an accommodation and walk to work contract in Côte d'Ivoire;
- MMA Vision continued its three-year contract with OMV New Zealand;
- MMA Pinnacle, MMA Prestige and MMA Crystal supported offshore wind developments in Taiwan during HY24;
- MMA Leeuwin commenced a 392-day contract supporting Woodside's Scarborough drilling operations;
- MMA Valour supported Benthic on geotechnical projects in Hawaii and Papua New Guinea;
- MMA Majestic operated for the entire HY24 on a contract in Malaysia;
- MMA Pride operated in Thailand on decommissioning activities for the entire HY24, with a scheduled dry docking completed in November 2023;
- MMA Monarch, MMA Coral and Mermaid Strait supported decommissioning activities on the Woodside Enfield field;
- MMA Inscription commenced with INPEX for a six-month contract with options to extend;
- MMA Coral was extended with Beach Energy in the Bass Strait for a further 12 months; and
- The reactivation of the bareboat charter MMA Harmony progressed.

During HY24, MMA announced a number of material new vessel contracts including:

- Two back-to-back contracts for the platform supply vessel, MMA Inscription for a 220-day firm period with 87 days of additional option periods;
- A four-year ship management contract with CSIRO for the research vessel 'Investigator'; and
- An integrated decommissioning services contract utilising the MMA Prestige.

## 5.4 Subsea Services

MMA entered the subsea service business through the acquisition of key operating subsidiaries of Neptune in 2019. The subsea division was active on several integrated projects delivered onboard MMA vessels. MMA's subsea services include:

- Inspection, maintenance and repair;



- Subsea installation and construction;
- Offshore and subsea survey and positioning;
- Geophysical and light geotechnical survey;
- Decommissioning and asset removal and repurposing;
- Stabilisation and scour protection;
- Offshore diving;
- Specialist subsea engineering;
- Manufacture and refurbishment of subsea structures and intervention equipment;
- Integrated artificial reefs, dive attractions and habitat enhancement; and
- Coastal erosion control.

The Subsea services revenue was \$64.4 million for HY24, whilst EBITDA was \$10.3 million for HY24, up 6% and 91% on the previous corresponding period, respectively.

#### Key contracts

The subsea division was active across oil and gas, offshore wind and government and defence projects during HY24, which are outlined below:

- MMA Pinnacle delivered extensive survey and ROV services in Taiwan;
- MMA Crystal completed cable trenching, ROV and survey scopes in Taiwan, through MMA Global Aqua;
- The Mermaid Searcher continued to support the Australian Department of Defence HIPP Program, completing MMA's 5th hydrographic survey for HIPP program in the Kimberley region of Western Australia;
- Commenced \$30 million robotics and autonomous technology familiarisation project with the Australian Navy utilising MMA's newly acquired vessel, Offshore Solution;
- MMA completed ongoing rig positioning surveys under our long-term agreements (Woodside in Senegal and INPEX in Australia); and
- Notably during FY23, MMA completed their largest integrated service project, with MMA Pinnacle supporting a pipeline installation campaign in Qatar;

## 5.5 Project Logistics

The project logistics segment manages complex logistics requirements for large projects around the world. MMA's project logistics services include:

- Integrated logistics solutions;
- Engineered solutions and logistics studies;
- Vessel chartering;
- Tug and barge operations; and
- Greenfield and turnkey solutions

The project logistics division derived revenue of \$13.6 million in HY24 and EBITDA of \$3.0 million in HY24, up from \$3.6 million and \$0.7 million in the previous corresponding period, respectively.

The activity during HY24 was supporting decommission activities in Australia. The major project completed during the half year was the provision of three MMA vessels and a third-party barge to support the decommissioning and removal of the Nganhurra riser turret mooring, part of the broader Enfield field decommissioning project by Woodside. The revenue streams of the project logistics division are uneven and dependent on scheduling of major development and decommissioning projects and the availability of assets.

## 5.6 Recent Corporate Events

### Acquisition of Subcon

On 28 July 2022, MMA acquired 100% of Subcon. The consideration paid by MMA for the acquisition of Subcon consisted of a cash deposit of \$4.2 million and 7,131,940 shares in MMA, to the value of \$4.35 million. The number and fair value of the ordinary shares issued as part of the consideration paid was determined based on the Volume Weighted Average Price ('VWAP') for the 60 days prior to completion of \$0.589.

### Disposal of shipyard

On 2 December 2022, MMA announced the sale of the shipyard facility in Batam, Indonesia.

### New Finance Facility

On 10 August 2023, MMA announced it had entered a new \$130 million financing facility. The facility replaced the Company's existing debt facility which had been due to end in January 2025. The new finance facility had the following key terms:

- Debt limit of \$130 million on a non-amortising revolving basis, being \$120 million revolving loan facility and \$10 million letter of credit facility;
- 4-year term expiring in August 2027;
- The debt can be drawn either in Australian Dollars or US Dollars;
- The facility contains customary covenants; and
- The banking syndicate consists of three banks (both Australian and International based).

The new finance facility enabled MMA to optimise its balance Sheet whilst providing additional flexibility and liquidity for growth.

### Acquisition of new MSV

On 9 November 2023, MMA announced it had acquired the multi-purpose support vessel, Offshore Solution. The vessel was acquired from Guardian Offshore for \$14 million, which was funded from MMA's existing cash reserves. The Offshore Solution is suitable for operations globally and can undertake a wide range of offshore services including survey, remote operations, and diving across multiple sectors.

During HY24, the Offshore Solution commenced work on a \$30 million robotics and autonomous technology familiarisation project with the Australian Navy.

### Inclusion in S&P/ASX 300 Index

On 1 March 2024, the S&P Dow Jones Indices announced the changes in the S&P/ASX Indices, whereby, MMA was included in the S&P/ASX 300 Index effective at the open on 18 March 2024.

## 5.7 Historical Statement of Financial Position

| Consolidated Statement of Financial Position               | Reviewed as at<br>31-Dec-23<br>\$'000 | Audited as at<br>30-Jun-23<br>\$'000 | Audited as at<br>30-Jun-22<br>\$'000 |
|--|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>CURRENT ASSETS</b>                                      |                                       |                                      |                                      |
| Cash and cash equivalents                                  | 65,835                                | 106,346                              | 73,864                               |
| Trade and other receivables                                | 94,281                                | 84,190                               | 63,536                               |
| Inventories  | 2,692                                 | 2,170                                | 1,696                                |
| Prepayments  | 4,158                                 | 4,538                                | 8,166                                |
| Assets held for sale                                       | 2,642                                 | -                                    | -                                    |
| Other assets   | 336                                   | -                                    | -                                    |
| <b>TOTAL CURRENT ASSETS</b>                                | <b>169,944</b>                        | <b>197,244</b>                       | <b>147,262</b>                       |
| <b>NON-CURRENT ASSETS</b>                                  |                                       |                                      |                                      |
| Property, plant and equipment                              | 445,376                               | 431,442                              | 370,338                              |
| Right-of-use assets  | 16,399                                | 9,722                                | 9,520                                |
| Investment in associate                                    | -                                     | 480                                  | 1,782                                |
| Loan to associate  | 4,980                                 | 5,687                                | 6,515                                |
| Intangible assets  | 6,194                                 | 6,302                                | 560                                  |
| Deferred tax assets  | 3,362                                 | -                                    | -                                    |
| Other assets   | 896                                   | -                                    | -                                    |
| <b>TOTAL NON-CURRENT ASSETS</b>                            | <b>477,207</b>                        | <b>453,633</b>                       | <b>388,715</b>                       |
| <b>TOTAL ASSETS</b>  | <b>647,151</b>                        | <b>650,877</b>                       | <b>535,977</b>                       |
| <b>CURRENT LIABILITIES</b>                                 |                                       |                                      |                                      |
| Trade and other payables                                   | 56,436                                | 53,408                               | 43,136                               |
| Contract liabilities                                       | 12,793                                | 5,175                                | 12,256                               |
| Borrowings   | -                                     | 5,500                                | 12,500                               |
| Lease liabilities  | 9,111                                 | 4,842                                | 3,055                                |
| Provisions   | 12,820                                | 12,191                               | 14,431                               |
| Current tax liabilities                                    | 3,853                                 | 2,628                                | 305                                  |
| <b>TOTAL CURRENT LIABILITIES</b>                           | <b>95,013</b>                         | <b>83,744</b>                        | <b>85,683</b>                        |
| <b>NON-CURRENT LIABILITIES</b>                             |                                       |                                      |                                      |
| Borrowings   | -                                     | 75,818                               | 102,919                              |
| Lease liabilities  | 8,147                                 | 5,263                                | 6,455                                |
| Provisions   | 103                                   | 63                                   | 31                                   |
| Deferred tax liabilities                                   | 91                                    | 144                                  | 140                                  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                       | <b>8,341</b>                          | <b>81,288</b>                        | <b>109,545</b>                       |
| <b>TOTAL LIABILITIES</b>                                   | <b>103,354</b>                        | <b>165,032</b>                       | <b>195,228</b>                       |
| <b>NET ASSETS</b>  | <b>543,797</b>                        | <b>485,845</b>                       | <b>340,749</b>                       |
| <b>EQUITY</b>  |                                       |                                      |                                      |
| Issued capital   | 746,615                               | 746,615                              | 742,265                              |
| Reserves   | 149,395                               | 154,270                              | 141,484                              |
| Accumulated losses   | (352,519)                             | (415,317)                            | (543,377)                            |
| <b>Equity attributable to equity holders of the parent</b> | <b>543,491</b>                        | <b>485,568</b>                       | <b>340,372</b>                       |
| Non-controlling interest                                   | 306                                   | 277                                  | 377                                  |
| <b>TOTAL EQUITY</b>  | <b>543,797</b>                        | <b>485,845</b>                       | <b>340,749</b>                       |

Source: MMA's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

### Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$106.35 million as at 30 June 2023 to \$65.84 million as at 31 December 2023. The decrease of approximately \$40.51 million was primarily due to the repayment of \$83.03 million in borrowings and \$20.28 million purchase of PP&E during the period. The decrease in cash and cash equivalents was partially offset by cash generated from operating activities.

- During the half year ended 31 December 2023, MMA reclassified the vessel, Mermaid Searcher, as held for sale at its carrying value of \$2.64 million.
- Property, plant and equipment ('PP&E') increased from \$431.44 million as at 30 June 2023 to \$445.38 million as at 31 December 2023. The increase in PP&E during the period to 31 December 2023 was primarily the result of vessel impairment reversal of \$23.03 million and vessel additions of \$19.29 million. The increase in PP&E was partially offset by foreign currency exchange differences and the vessel reclassified to held for sale. The Company's PP&E is summarised in the table below:

| PP&E                              | Reviewed as at<br>31-Dec-23<br>\$'000 | Audited as at<br>30-Jun-23<br>\$'000 | Audited as at<br>30-Jun-22<br>\$'000 |
|-----------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>Buildings and improvements</b> |                                       |                                      |                                      |
| At cost                           | 1,884                                 | 586                                  | 6,926                                |
| Accumulated depreciation          | (1,508)                               | (458)                                | (6,017)                              |
| <b>Carrying amount</b>            | <b>376</b>                            | <b>128</b>                           | <b>909</b>                           |
| <b>Vessels</b>                    |                                       |                                      |                                      |
| At cost                           | 709,156                               | 716,540                              | 710,863                              |
| Accumulated depreciation          | (271,810)                             | (293,444)                            | (349,295)                            |
| <b>Carrying amount</b>            | <b>437,346</b>                        | <b>423,096</b>                       | <b>361,568</b>                       |
| <b>Plant and Equipment</b>        |                                       |                                      |                                      |
| At cost                           | 22,694                                | 21,916                               | 19,673                               |
| Accumulated depreciation          | (15,040)                              | (13,698)                             | (11,812)                             |
| <b>Carrying amount</b>            | <b>7,654</b>                          | <b>8,218</b>                         | <b>7,861</b>                         |
| <b>Total PP&amp;E</b>             | <b>445,376</b>                        | <b>431,442</b>                       | <b>370,338</b>                       |

Source: MMA's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- The Company's right-of-use assets were \$16.40 million as at 31 December 2023, with the Company leasing several assets including:
  - Subsea and operating premises at Welshpool, Australia which expires 30 April 2025 (with an option to extend two five-year terms);
  - Current head office premises in Perth which expires 30 November 2026 (with an option to extend for one five-year term; and
  - Vessel bareboat charters with lease terms of one to two years.
- The investment in associate (MMA Global Aqua Services), was written down to nil during the period ended 31 December 2023, as a result of challenging trading conditions and losses on projects.
- In 2022 a US\$4.25 million loan was made by the Company to MMA Global Aqua Services for the purchase of a vessel. The loan has a five-year term at an interest rate of 4.8% with 60 equal monthly repayments and is secured with a registered mortgage over the vessel. The loan has a balance of \$4.98 million as at 31 December 2023.
- Intangible assets of \$6.19 million as at 31 December 2023 consist of goodwill and software development. Goodwill of \$5.96 million was recognised through the Subcon acquisition.
- MMA had two material carry forward tax loss positions as at 31 December 2023. Firstly, a gross carry forward tax loss amount of \$86.1 million in Australia and secondly in Malaysia for USD\$100.4 million. Based on forecast FY24 performance, MMA determined it probable that the unrecognised deferred tax assets in relation to prior year capital loss allowances in Malaysia would be utilised. Therefore, a deferred tax asset of \$3.36 million was recognised at 31 December 2023.

- During the period ended 31 December 2023 MMA entered into a new \$130 million revolver finance facility. The new facility consists of a \$120 million revolving loan facility and \$10 million letter of credit facility. The facility has a 4-year tenure with expiry in August 2027. As at 31 December 2023, the facility had not been drawn down. Current and non-current borrowings of \$5.50 million and \$75.82 million as at 30 June 2023 were repaid and the associated financing facilities terminated.
- The movement in issued capital from \$742.27 million as at 30 June 2022 to \$746.62 million as at 30 June 2023 was primarily the result of MMA's acquisition of Subcon, with consideration in the form of 7,131,940 shares in MMA.

## 5.8 Historical Statement of Profit or Loss and Other Comprehensive Income

| Consolidated Statement of Profit or Loss and Other Comprehensive Income     | Reviewed for the half-year ended 31-Dec-23<br>\$'000 | Audited for the year ended 30-Jun-23<br>\$'000 | Audited for the year ended 30-Jun-22<br>\$'000 |
|---|--|--|--|
| Revenue   | 204,288  | 308,265  | 283,766  |
| Finance income  | 783  | 1,886  | 82   |
| Gain on disposal of shipyard  | -  | 22,919   | -  |
| Other income  | 100  | 3,084  | 4,948  |
| Share of results of associate   | (472)  | (1,284)  | (248)  |
| Vessel expenses   | (108,754)  | (175,205)                                      | (149,940)                                      |
| Subsea expenses   | (35,589)   | (84,081)                                       | (65,667)                                       |
| Project Logistics expenses  | (10,553)   | (3,324)  | (56,954)                                       |
| Administrative expenses   | (8,867)  | (15,359)                                       | (10,048)                                       |
| Impairment reversal   | 23,034   | 80,337   | 35,304   |
| Finance costs   | (2,164)  | (6,745)  | (6,383)  |
| <b>Profit/(loss) before income tax</b>                                      | <b>61,806</b>  | <b>130,493</b>                                 | <b>34,860</b>                                  |
| Income tax benefit/(expense)  | 649  | (2,798)  | (1,030)  |
| <b>Profit/(loss) for the period</b>   | <b>62,455</b>  | <b>127,695</b>                                 | <b>33,830</b>                                  |
| <b>Other comprehensive income/(loss), net of tax</b>                        |  |  |  |
| <i>Items that may be reclassified subsequently to profit or loss:</i>       |  |  |  |
| Exchange differences on translation of foreign operations                   | (4,967)  | 12,288   | 21,228   |
| Loss on hedge of net investment in a foreign operation                      | (1,492)  | (1,679)  | (4,920)  |
| Foreign exchange differences reclassified to profit or loss                 | -  | (1,305)  | -  |
| <b>Profit/(loss) for the period</b>   | <b>(6,459)</b>                                       | <b>9,304</b>                                   | <b>16,308</b>                                  |
| <b>Total comprehensive (loss) for the period, net of tax</b>                | <b>55,996</b>  | <b>136,999</b>                                 | <b>50,138</b>                                  |
| Total comprehensive income/(loss) attributable to equity holders of MMA     | 55,968   | 137,100  | 49,712   |
| Total comprehensive income/(loss) attributable to non-controlling interests | 28   | (101)  | 426  |
| <b>Total comprehensive (loss) for the period, net of tax</b>                | <b>55,996</b>  | <b>136,999</b>                                 | <b>50,138</b>                                  |

Source: MMA's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023

## Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Revenue for the half year ended 31 December 2023 was \$204.29 million, up 27.7% from the previous corresponding period. EBITDA was \$63.3 million for the half year ended 31 December 2023, up 97% from the corresponding period.

- Revenue for the year ended 30 June 2023 was \$308.27 million, representing an increase of 9% from the revenue of \$283.77 million for the ended 30 June 2022. EBITDA for the year ended 30 June 2023 was \$69.3 million, a 115% improvement on the year ended 30 June 2022.
- The improvement in revenue and EBITDA in recent periods has been driven by favourable market conditions, with increased demand for the Company's offshore vessels and services from both the oil and gas and offshore wind sectors. The disproportionate increase in EBITDA has been the result of increased rates and utilisation, higher number of integrated work scopes and reduced impact of COVID-19 on the Company's cost base.
- The breakdown of service revenue by reportable segment is shown in the table below:

|   | Reviewed for half<br>year ended<br>31-Dec-23<br>\$'000 | Audited for the<br>year ended<br>30-Jun-23<br>\$'000 | Audited for the<br>year ended<br>30-Jun-22<br>\$'000 |
|---|--|--|--|
| <b>Vessel Services</b>                              |  |  |  |
| External sales                                      | 145,836  | 212,743  | 140,611  |
| External sales - Assets classified as held for sale | -  | -  | 18,034   |
| Inter-segment sales                                 | 10,612   | 19,610   | 18,685   |
|   | <b>156,448</b>   | <b>232,353</b>                                       | <b>177,330</b>                                       |
| <b>Subsea Services</b>                              |  |  |  |
| External sales                                      | 44,878   | 92,335   | 66,365   |
| Inter-segment sales                                 | 19,519   | 18,131   | 4,421  |
|   | <b>64,397</b>  | <b>110,466</b>                                       | <b>70,786</b>  |
| <b>Project Logistics</b>                            |  |  |  |
| External sales                                      | 13,574   | 3,187  | 58,756   |
| Inter-segment sales                                 | -  | 458  | 1,529  |
|   | <b>13,574</b>  | <b>3,645</b>   | <b>60,285</b>  |
| <b>Eliminations</b>                                 | <b>(30,131)</b>  | <b>(38,199)</b>                                      | <b>(24,635)</b>                                      |
| <b>Consolidated revenue</b>                         | <b>204,288</b>   | <b>308,265</b>                                       | <b>283,766</b>                                       |

Source: MMA's audited financial statements for the years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

- The diversification strategy of the Company has been focused on growing revenue from offshore wind, government and defence, and decommissioning services. For the half year ended 31 December 2023 more than 50% of revenue was derived from these markets as broken down in the table below:

|   | Reviewed for half year<br>ended 31-Dec-23<br>\$'000 |
|---|---|
| <b>Revenue recognised over time:</b>          |   |
| Oil and Gas                                   | 91,218  |
| Renewables                                    | 51,536  |
| Government and Defence                        | 20,420  |
| Decommissioning                               | 29,483  |
| Other   | 8,990   |
|   | <b>201,647</b>                                      |
| <b>Revenue recognised at a point in time:</b> |   |
| Fuel sales                                    | 2,641   |
| <b>Total revenue</b>                          | <b>204,288</b>                                      |

Source: MMA's reviewed financial statements for the half year ended 31 December 2023.

- During December 2022 the Company sold its shipyard facility in Batam, Indonesia. The Company recognised a gain on the disposal of \$22.92 million in the year ended 30 June 2023.

- Other income of \$0.10 million for the half year ended 31 December 2023 comprised \$0.18 million of net foreign exchange losses, \$0.05 million of loss on disposal of PP&E and \$0.33 million of other income.
- In line with accounting standards, MMA assessed Vessel Services Cash Generating Unit ('CGU') for impairment under AASB 136 as at 30 November 2023. The assessment identified improving market conditions and increasing vessel asset values and resulted in a \$23.03 million impairment reversal on the vessel CGU, recognised in the half year accounts to 31 December 2023, which unwound all remaining impairments recorded in previous financial years.
- Foreign exchange differences on translations of foreign operations of \$4.97 million were recorded in other comprehensive income for the half year to 31 December 2023. This is attributable to MMA's foreign denominated asset base valued in US dollars.
- MMA recorded a loss of \$1.49 million for a net investment hedge of foreign operations for the half year to 31 December 2023. This was the result of a depreciating US Dollar which decreased the value (in Australian dollar terms) in HY24.
- MMA holds an 80% interest in the equity shares of MMA Global Projects Pte Ltd and has the power to appoint and remove directors. Given this level of control, MMA has consolidated MMA Global Projects Pte into the Company's financial statements. The remaining 20% non-controlling interest is represented in the financial statements of the Company.

## 5.9 Capital structure

The share structure of MMA as at 21 May 2024 is outlined below:

|  | Number      |
|--|-------------|
| Total ordinary shares on issue             | 379,021,627 |
| Top 20 shareholders                        | 318,593,824 |
| Top 20 shareholders - % of shares on issue | 84.06%      |

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 21 May 2024 are detailed below:

| Name                                      | No. of Ordinary shares | Percentage of issued shares (%) |
|---|------------------------|---------------------------------|
| Thorney Opportunities Ltd                 | 30,133,930             | 7.95%                           |
| Halom Investments Pte Ltd                 | 29,248,195             | 7.72%                           |
| State Street Corporation and subsidiaries | 22,825,297             | 6.02%                           |
| <b>Subtotal</b>                           | <b>82,207,422</b>      | <b>21.69%</b>                   |
| Others                                    | 296,814,205            | 78.31%                          |
| <b>Total ordinary shares on Issue</b>     | <b>379,021,627</b>     | <b>100.00%</b>                  |

Source: Share registry information



## 6. Profile of Cyan

Cyan MMA Holdings Pty Ltd is a wholly-owned subsidiary of Cyan Renewables Pte Ltd (**‘Cyan Renewables’**). Cyan was recently incorporated by Cyan Renewables as the acquisition vehicle for the acquisition of the MMA shares pursuant to the Scheme. Cyan Renewables is an offshore wind vessel operator headquartered in Singapore, with offices in the United Kingdom, Denmark and South Korea.

Cyan Renewables is a wholly owned portfolio company of the Seraya Fund, a fund managed by Singapore-based next-generation infrastructure fund manager, Seraya Management Private Limited (**‘Seraya’**). Seraya is an independent infrastructure fund manager specialising in making digital infrastructure and energy transition investments across Asia. Seraya is also headquartered in Singapore.

## 7. Economic analysis

MMA has predominant exposure to the risks and opportunities of the Australian market through its operations and listing on the ASX, as well as exposure to the risks and opportunities of the Singaporean market, with its international operations based out of its Singapore operational facility. As such, we have presented an analysis on the Australian and Singaporean economy, to the extent that it relates to considerations for our assessment.

Furthermore, MMA has a strategy to grow its global presence with operational facilities in Aberdeen, United Kingdom, and offices in Taiwan and Malaysia. As a significant proportion of MMA's revenue is derived from operations throughout Southeast Asia, and considering the Company's growing focus on renewables, we have provided an analysis of the Taiwanese economy and the renewable energy sector in Taiwan.

### 7.1 Australia

In its March 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.35%. Prior to the March meeting, the Board of the RBA ('the RBA Board') had further held interest rates steady, following a 25-basis point increase made in November 2023. The decision to hold the cash rate steady at the March meeting was to facilitate inflation returning to the RBA's inflation target of 2-3% within a reasonable timeframe and ongoing moderate growth in employment. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe. Recent data reviewed by the RBA Board on inflation, the labour market and economic activity, in addition to the revised set of forecasts, indicates that inflation is easing as expected, although it remains high.

Subsequent to its peak in December 2022 at 7.8%, inflation continued to gradually decrease over the 2023 calendar year towards the RBA inflation target of 2-3%. The RBA outlined in the March 2024 statement that the decline in the monthly consumer price index ('CPI') indicator from 5.4% in the September 2023 quarter to 3.4% over the year to January 2024 suggests further progress in the decline in inflation. However, the RBA considers that inflation is still high and whilst goods price inflation has further eased, the prices of many services remain high and is moderating at a more gradual pace. The forecast for CPI inflation reveals it is expected to continue to decline to the target range in 2025, and to the midpoint in 2026.

According to the RBA, data from the December 2023 quarter confirmed that growth in the Australian economy has slowed. Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. Additionally, dwelling investments have demonstrated weakness on the back of continual hikes in housing prices across the country. However, real incomes have stabilised recently and are expected to grow from here, supporting growth in consumption later in 2024.

Since the beginning of 2024, equity prices in Australia have increased to reach a record high, similarly experienced in the advanced economies of the United States and Japan, as a result of recent declines in bond yields. The rise in equity prices is likely indicative of growing market confidence in the potential for inflation to align with central bank targets with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed in on demand in Australia. For 2024, it is anticipated that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain

substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumption fades and the property sector remains weak.

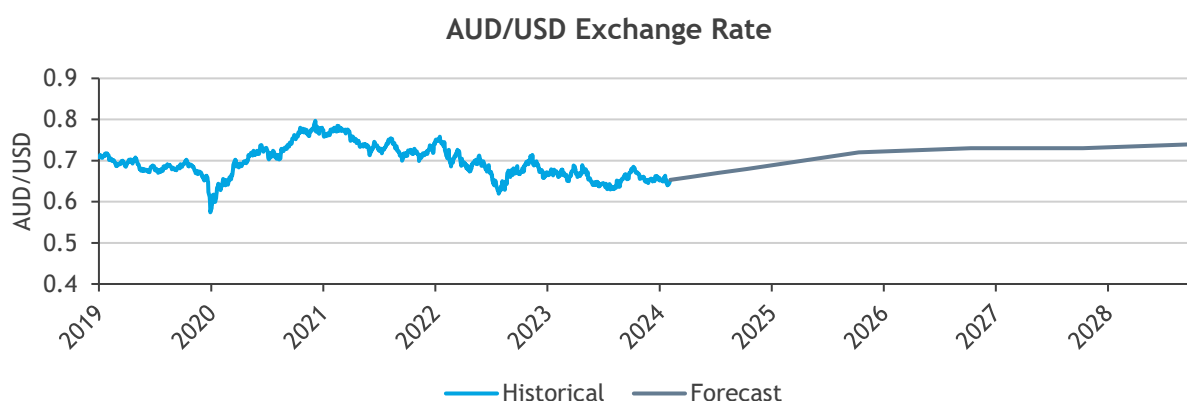
Regarding the labour market, conditions continue to ease gradually although it remains tight. In February 2024, the unemployment rate was at 3.7%. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to gradually rise to around 4.40% in June 2025. Additionally, wage growth has also increased over the past year, but has peaked with indications it will moderate over the year ahead.

### Foreign exchange movements

In March 2020, the AUD depreciated by approximately 15% as a result of uncertainties around the global economic environment following the outbreak of COVID-19. Following the initial outbreak, the AUD appreciated against the USD resulting from market expectations of a more rapid pace of monetary policy easing in the United States than in Australia.

Since the beginning of 2023, the AUD/USD exchange rate has remained in the relatively narrow range of 0.63 to 0.71. In its February 2024 Statement on Monetary Policy, the RBA stated that the value of the AUD remains consistent with its key drivers. As at the date of our Report, the AUD/USD exchange rate is forecast to gradually increase to 0.73 in the medium term, before reaching 0.74 over the long-term.

The chart below illustrates the fluctuations in the AUD/USD exchange rate since 2019 and forecast AUD/USD exchange rates based on consensus estimates.



Source: Bloomberg, BDO analysis

The majority of MMA's revenues are paid in either Australian or US Dollars. Movements in the AUD/USD exchange rate impacts the translation from the functional currencies of the Company's foreign entities into AUD, with adverse movements potentially negatively impacting MMA's earnings.

### Outlook

While there are encouraging signs that inflation is moderating, the economic outlook remains uncertain. To-date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board has emphasised the importance of this remaining the case. Services price inflation remains high, as observed overseas however it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continues to weigh on consumption. Growth is expected to gradually increase from late 2024 as inflation declines and pressure on household income eases. However, the full impact of policy tightening on household consumption is uncertain and there remains a high level of uncertainty around the outlook for the Chinese economy and the implications of the conflicts in Ukraine and the Middle East. The squeeze on household finances could result in prolonged subdued household consumption, which may put more downward pressure on labour demand and wages and see an earlier return to the inflation target than forecasted. This could also occur if economic growth among Australia's trading partners is slower than anticipated.

Source: [www.rba.gov.au](https://www.rba.gov.au) Statement by the Reserve Bank Board: *Monetary Policy Decision* dated 19 March 2024 and prior periods, [www.rba.gov.au](https://www.rba.gov.au) *Statement on Monetary Policy February 2024* and prior periods, and BDO analysis

## 7.2 Singapore

Over the last few decades, Singapore has emerged as a global financial hub, due to its pro-business environment, stable political structure and judicial system, tax incentives, skilled workforce and advantageous geographic location. Singapore has a highly developed free market economy, where gross exports and imports of goods and services are more than 300 percent of GDP. The Monetary Authority of Singapore's ('MAS') role is to maintain price stability conducive to sustained growth of the economy. Medium term price stability has been achieved by management of the exchange rate against a weighted basket of currencies. The trade-weighted exchange rate is allowed to fluctuate within a policy band, the level and direction of which is announced semi-annually.

### Domestic growth

According to the Ministry of Trade and Industry Singapore, Singapore's economy saw a year-on-year ('YoY') growth of 2.7% in the first quarter of 2024, surpassing the 2.2% growth in the preceding quarter. On a seasonally adjusted quarter-on-quarter basis, the economy expanded by 0.1%, continuing the momentum from the 1.2% expansion recorded in the fourth quarter of 2023.

In the first quarter of 2024, growth in the manufacturing sector was modest whilst the construction experienced an expansion, supported by increased public sector construction even as private sector output declined. Among the services sectors, growth in professional service sectors was robust whilst tourist related sectors benefited from a strong recovery in international visitor arrivals.

Looking at a longer-term perspective, the well-diversified Singapore economy has been able to count on its varied avenues of growth to withstand different types of economic shocks. Prospects for the Singapore economy in 2024 remain positive, with GDP growth projected to come in between 1% and 3%. The recovery in the manufacturing and financial sectors should be backed by the turnaround in the electronics cycle and anticipated easing in global interest rates.

### Employment

Conditions in the Singaporean labour market remain tight with the unemployment rate holding steady at 2.0% in February 2024. Labour demand cooled throughout 2023, whilst employment growth was maintained, driven particularly by non-residents within construction and manufacturing sectors. Labour demand and wage growth are expected to strengthen in line with the forecast of improved economic growth prospects for 2024.

### Inflation

MAS Core Inflation for January and February 2024 averaged at 3.4% YoY, slightly up from the 3.3% recorded in the fourth quarter of 2023 but was lower than expected. Inflation edged up due to several

factors including the increase in the GST rate, higher electricity and gas tariffs following the carbon tax hike, and elevated essential services fees amidst higher input and labour expenses. However, there was a notable slowdown in inflation for food and travel-related services. When excluding the GST impact, underlying inflation remained relatively stable. CPI-All Items inflation decreased to 3.1% YoY in January and February, from 4.0% in the previous quarter, supported by a continued decline in inflation rates for private transport and accommodation.

Core inflation is expected to stay elevated in the near term before showing more noticeable easing in the fourth quarter of 2024 and beyond. For 2024, both MAS Core Inflation and CPI-All Items inflation are projected to come in at an average of 2.5-3.5%. Excluding the impact of the increases in the GST rate, core and headline inflation are forecast at 1.5-2.5%. Upside risks to inflation remain, including from additional shocks to global food and energy prices, and stronger than expected wage pressures. Conversely, an unexpectedly sharp deceleration in global economic growth could also lead to a more rapid-than-expected deceleration in inflation.

According, the MAS in its April monetary policy decision stated the existing rate of appreciation of the policy band is necessary to mitigate imported inflation and domestic cost pressures, ensuring medium-term price stability. MAS will therefore maintain the prevailing rate of appreciation of the Singapore dollar nominal effective exchange rate (S\$NEER) policy band. There will be no change to its width and the level at which it is centred. MAS will actively monitor both global and domestic economic developments and remain alert to potential risks to inflation and growth.

### Shipping in Singapore

Singapore is a premier global hub port and an international maritime centre with 130,000 vessels entering ports each year. The Maritime industry accounts for 7% of Singapore's GDP and contributes 170,000 jobs. Shipping income derived from Singaporean shipping operations are exempt from taxation, in accordance with Section 13A of the Singapore Income Tax Act 1947.

MMA operates an operational facility in Singapore, from which, vessels provide services internationally throughout South East Asia, Middle East/Africa, Europe and other locations. Given that the company trades in and out of countries for less than 180 days to avoid permanent establishment, foreign income taxation is minimised and income is generated in Singapore.

Source: [www.mas.gov.sg](http://www.mas.gov.sg) Statement by the Monetary Authority of Singapore; *Monetary Policy Statement* dated 12 April 2024 and prior periods. [www.mti.gov.sg](http://www.mti.gov.sg) Statement by the Ministry of Trade and Industry Singapore dated 12 April 2024. <https://stats.mom.gov.sg> Ministry of Manpower Labour Market Report dated 14 March 2024.

## 7.3 Taiwan

The rate of economic development in Taiwan has accelerated since the Chinese Government withdrew from the mainland to the island in 1949, despite continuing heavy defence burden and a high population growth rate. Taiwan's formerly agricultural economy has shifted toward a semi-industrialized economy. In the March monetary policy meeting, Central Bank of the Republic of China (Taiwan) ('CBC') decided to raise rates by 0.125 percentage points. This consists of the discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations which now stand at 2%, 2.375% and 4.25%, respectively.

### Domestic growth

According to the CBC, Taiwan's GDP grew by 1.31% over 2023, down from 2.59% in the preceding year. During the first few months of 2024, Taiwan's exports have recorded strong growth, underpinned by steady global demand, and expanding business in artificial intelligence and other emerging technology applications. Domestic demand improved with rising consumer confidence boosting private consumption, yet investment sentiment remained weak, evident in declining capital equipment imports.

The CBC has projected Taiwan's GDP to rebound in 2024, with an expected growth rate of 3.22%. The anticipation of a strengthening global goods trade and the increasing adoption of emerging technological applications are expected to sustain export growth and stimulate private investment further, whilst private consumption is expected to continue growing

### Unemployment

In the labour market, the number of employed persons has continued increasing whilst the unemployment rate has continued to decrease. The unemployment rate reached 3.38% in March 2024, trending downwards from the 4.8% in June 2021.

### Inflation

The annual growth rate of CPI averaged 2.43% for the first two months of this year, primarily reflecting increases in prices of food, entertainment services and rental costs. CPI inflation rate is expected to slow down from last year due to a slight rise in commodity prices, as compared to the projections which said international oil prices would increase from the previous year, and a smaller increase in services prices due to a high base effect. Taking into account a proposed hike in electricity rates in April this year, the CBC revised up the forecasts for the CPI to 2.16% for 2024. CBC is remaining vigilant with the evolving effects of electricity rate adjustments and the energy transition for net-zero emissions on domestic inflation.

### Renewable energy in Taiwan

Taiwan currently imports roughly 98% of its energy sources and gets more than 80% of its electricity from fossil fuels. At the end of 2023, Taiwan's renewable energy installations had a total capacity of 17,916MW, of which 2,674 MW was wind power. Taipei has set ambitious energy transition targets, earmarking around \$30 billion to be invested in renewable technologies to help the country reach net-zero emissions by 2050.

Solar power is current the largest producer of renewable energy in Taiwan, however, the country has shifted focus to the wind power space, especially from offshore sites due to shortages in available space on land and high offshore wind speeds. According to the Global Energy Monitor, Taiwan has more than 66,000 MW of total wind power capacity under development, which is the fourth highest capacity volume in Asia and the ninth largest globally, and in contrast to only 1,000MW of solar capacity in development.

MMA's operations have expanded into the offshore wind sector in Taiwan, with the formation of joint venture, MMA Global Aqua, and the establishment of an office in Taiwan in 2021. During FY23, MMA had several vessels working on the offshore wind market in Taiwan, including larger vessels, MMA Pride, MMA Prestige and MMA Pinnacle. The offshore wind market in Taiwan remains are strategic jurisdiction for the Company's services.

### China/Taiwan Conflict

The offshore wind industry in Taiwan navigates geopolitical risks amidst the ongoing tensions between China and Taiwan. China asserts sovereignty over Taiwan and has not ruled out the use of force to bring the island under its control. The vulnerability of offshore wind farms in Taiwan to military confrontation is difficult to quantify, with potential operational interference risks, while also questioning the strategic advantage for China in targeting such infrastructure.

**Source:** [www.cbc.gov.tw](http://www.cbc.gov.tw). Monetary Policy Decision of the Board Meeting dated 21 March 2024. [www.taipower.com.tw](http://www.taipower.com.tw). Overview of the Development of Renewable Energy dated 18 April 2024. [globalenergymonitor.org/](https://globalenergymonitor.org/) Global Wind Power Tracker (December 2023).

## 8. Industry analysis

MMA operates within the OSV industry, providing services to offshore oil and gas, and renewable energy projects in Australia/New Zealand and internationally. MMA's OSV services are underpinned by upstream energy markets, as such, we have presented an overview of the relevant industry segments on the basis that these form part of the considerations for our overall assessment.

We have presented an analysis of the global oil and gas, offshore wind and global OSV industries.

### 8.1 Global Oil and Gas Industry

The primary products of the oil and gas industry are crude oil and natural gas, and to a lesser extent, liquefied petroleum gas, coal seam gas and shale oil and gas. Historically, oil and gas have been extracted from "conventional" plays in which the hydrocarbons are trapped by an overlying layer of permeable rock allowing for traditional extraction methods. However, oil and gas can also be found in other geological settings, such as shale formations. Shale oil and gas resources are formed within the organic rich shale source rock. As the low permeability of the shale inhibits the oil and gas from migrating to permeable reservoir rocks, shale oil and gas is often referred to as 'unconventional' plays or 'tight' oil and gas.

Over the last decade, there has been significant growth in unconventional resource development due to breakthroughs in technology, which have resulted in resources located in shale and other tight formations becoming commercially viable. According to the US Energy Information Administration's ('EIA') short term energy outlook, global world crude oil and liquid fuels production in 2023 totalled 101.8 million barrels of oil ('MMbbl') daily. The increase of approximately 1.8 MMbbl daily on the year prior was despite voluntary supply cuts by the Organization of the Petroleum Exporting Countries ('OPEC') undertaken since late 2022, and was primarily driven by strengthening production in the United States and Latin America.

While the growth, cost and risk profiles of oil and gas industry products may vary, depending on the method and technology necessary for extraction, commodities are generally traded on the same market once extracted. The global oil and gas industry is therefore one of the largest in the world, and as is inherent to large markets, the industry is dominated by large, highly integrated companies. The scale of operations and the capital investment required to bring fields into production represent high barriers to entry.

The transport sector including road, rail, sea and air, accounts for most global oil consumption, and as a result, demand for oil is largely influenced by global economic growth. According to the Australian Department of Industry, Science, Energy and Resources' ('DISR') March 2024 publication of the Resources and Energy Quarterly, global oil consumption increased by 2.4% during 2023, compared to 2022.

However, according to DISR, global oil consumption growth is expected to increase by an average of 1.1% per year between 2024 and 2029. The increased introduction of electric vehicles will gradually replace internal combustion engine vehicles, displacing a portion of total oil demand. However, world oil consumption will continue to be underpinned by China's rebounding petrochemical activity and the ongoing recovery of global air travel.

Historically, Russia has been the world's largest global supplier of natural gas. However, following Russia's invasion of Ukraine in 2022, Russia has since renounced its contractual obligations to supply Europe with pipeline natural gas, leaving a large portion of Russian gas stranded. In June 2023, the Ukrainian Energy Minister announced that Ukraine is unlikely to renew a 2024-expiring gas transit agreement that permits Russia to export natural gas to Europe, which could see Europe's natural gas supplies become further stifled.



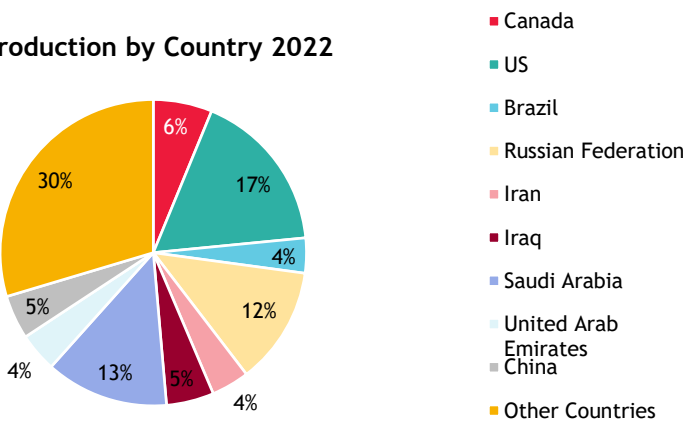
In late 2022, the Group of Seven ('G7'), European Union ('EU'), and Australia imposed price caps on Russian crude and refined products, to prevent Russia from earning a wartime premium. In response, Russia announced in early 2023 that it would decrease output volumes by 5%. However, DISR notes that Russian oil exports have not shown a major decline, as crude exports have instead been redirected from Organisation for Economic Co-operation and Development ('OECD') countries to other countries such as India and China, and refined exports being diverted to countries geographically close to Europe such as Turkey, the Middle East and Africa or other large oil producing countries with the capacity to blend and resell Russian products.

In April 2024, several OPEC+ countries (OPEC plus of 10 other oil-producing countries inclusive of Russia, 'OPEC+') announced an extension of additional voluntary cuts for the second quarter of 2024. OPEC+ have implemented a series of voluntary output cuts since late 2022, aiming to support the market amid rising non-OPEC output and worries over demand as major economies continue to grapple with high interest rates. The existing voluntary cuts present a latent capacity readily available to come to market should OPEC+ deem demand is increasing, potentially capping oil prices without requiring further development expenditure.

### Oil production and consumption

According to data released by Energy Institute, USA was the leading producer of oil in 2022, producing approximately 760 million tonnes, equivalent to 17% of global oil production. We have outlined global oil production by country in 2022 below:

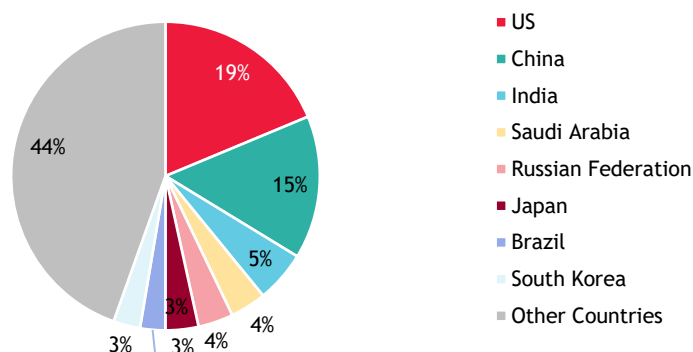
**Oil Production by Country 2022**



**Source:** Energy Institute Statistical Review of World Energy, 2023

Alongside leading production quantities, USA was also the leading consumer of oil, consuming approximately 823 million tonnes in 2022. Combined, US, China and India contributed to approximately 40% of global oil consumption in 2022. We have outlined global oil consumption by country for 2022 below:

**Oil Consumption by Country 2022**



Source: Energy Institute Statistical Review of World Energy, 2023

## Outlook

The figure below illustrates the historical fluctuations in the oil spot prices from January 2004 through to April 2024 as well as the Consensus Economics forecasts for oil prices from the remainder of 2024 to 2033.

**Oil Spot and Forecast Price**



Source: Bloomberg and Consensus Economics Survey dated 19 April 2024.

We consider the historical period illustrates strong oil prices from 2011 through to 2015 and a suppressed period of oil prices from 2015 through to 2021. These trends broadly correlate with historical global OSV utilisation and charter rates outlined in Section 8.3 of this Report.

Since the start of 2024, oil prices have increased due to heightened tensions in the middle east, including the attacks on commercial vessels in the Red Sea shipping channel, along with easing concerns of US oversupply. Additionally, the recent extension of OPEC+ voluntary production cuts has added to upward price pressure at a time of the year when oil demand typically increases in the Northern Hemisphere.

According to DISR, demand for oil is expected to grow slowly before declining over the forecast period. The shifts in demand are primarily driven by changes in demand for transport fuel, particularly increasing global jet fuel demand, and demand by the Chinese transport sector and petrochemical demand, alongside other non-OECD demand. Meanwhile, OECD demand is expected to remain steady, before declining, led by combination of relatively weak economic growth, electrical vehicle ('EV') adoption and

efficiency gains. The DISR is also expecting world supply to continue to rise, primarily driven by production in the Americas, particularly by Guyana, the US, Brazil and Canada. OPEC+ production is also expected to increase when OPEC+ supply cuts expire.

According to Consensus Economics, oil prices are expected to weaken over the forecast period. The forecast price of oil is expected to sit within the band of US\$71.5/barrel and US\$78.0/barrel over the medium term and subsequently stabilise to a long term (2029-2033) nominal forecast of approximately US\$77.0/barrel.

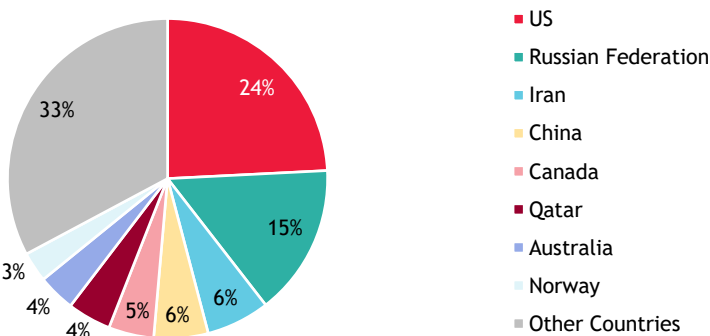
OSV demand from the offshore oil and gas sector is typically dependent on upstream oil and gas exploration and production, which are directly influenced by oil price movements. The current oil price movements continue to be conducive for growth in the offshore oil and gas market, however, according to analysis provided in M3 Marine Valuations Pte Ltd's ('M3') Independent Technical Specialist Report ('ITSR'), detailed in Appendix 5, offshore upstream engineering, procurement and construction investments for 2023 were \$38.30 billion, representing a 29% decrease from 2022. The transition towards renewable energy sources is forecast to result in a decline in upstream oil and gas investments in the long term.

MMA's operations include the development of new assets and decommissioning activities. During HY24, vessels MMA Monarch, MMA Coral and Mermaid Strait supported decommissioning activities on the Woodside Enfield field. Approximately US\$32 billion of greenfield exploration is projected for the Australia/New Zealand markets in the next five years, alongside several significant decommissioning projects in the Asia Pacific region. The exploration and decommissioning projects are expected to generate high demand for vessels and services over the coming years.

### Natural Gas production and consumption

According to data released by Energy Institute, USA was the leading producer of natural gas in 2022, producing approximately 978 billion cubic metres, equivalent to 24% of global natural gas production. We have outlined global natural gas production by country in 2022 below:

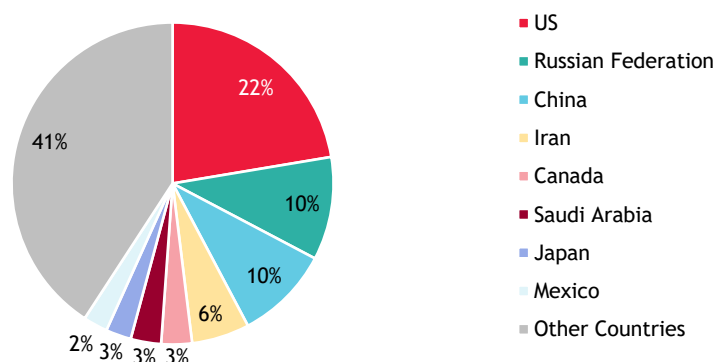
**Natural Gas Production by Country 2022**



**Source:** Energy Institute Statistical Review of World Energy, 2023

Alongside leading production quantities, USA was also the leading consumer of natural gas, consuming approximately 881 billion cubic metres in 2022. Combined, US, Russia, China and Iran contributed to approximately 50% of global natural gas consumption in 2022. We have outlined global natural gas consumption by country for 2022 below:

## Natural Gas Consumption by Country 2022



Source: Energy Institute Statistical Review of World Energy, 2023

## Outlook

The worldwide shift towards low-emission energy will have an impact on natural gas markets. Although the exact trajectory remains highly uncertain, gas usage is anticipated to decline in the long run as major global economies aim for net-zero emissions. However, in the near to medium term, demand is forecasted to stay robust as gas serves as a transitional fuel, replacing higher-emission fossil fuels on the path towards renewable energy.

The graph below illustrates the historical fluctuations in the natural gas spot prices from January 2004 through to April 2024 as well as the Consensus Economics forecasts for natural gas prices from the remainder of 2024 to 2033.

## Natural Gas Spot and Forecast Price



Source: Bloomberg and Consensus Economics Survey dated 19 April 2024.

Global LNG markets have eased from the records in 2022, with the price shocks that flowed from the fallout over the Russian/Ukraine Crisis now largely subsided. Gas markets have become less flexible following the disruption of pipeline flows between Russia and Europe, with structurally slower growth over the past two years. Global LNG trade is anticipated to grow by 13% or 52 million tonnes ('Mt') over the two-year outlook relative to 2023, primarily attributable to newly commissioned US LNG plants. Forecasts indicate that the majority of new production will be sold to Europe, which is expected to increase European LNG imports from 123 Mt to 152 Mt between 2023 and 2026, respectively.

According to Consensus Economics, natural gas prices are expected to strengthen. The forecast price of natural gas is expected to sit within the band of US\$3.4/MMBtu and US\$3.8/MMBtu over the medium term and subsequently increase to a long term (2029-2033) nominal forecast of approximately US\$4.0/MMBtu.

LNG production has expanded significantly in Australia, predominately on the back of large-scale capital investment. Australian LNG facilities combined output supports domestic LNG use and generates LNG exports summing to around 80Mt annually. However, this gas production is potentially to come under pressure over the forecast period. According to the DISR, exploration has been persistently low for the last five years, and several projects are likely to start running short of reserves in the next 5 to 10 years, including the large North West Shelf project in Western Australia.

MMA operations are targeted towards all phases of the oil and gas cycle including production, maintenance, brownfield and greenfield support for hydrocarbons. There is estimated to be approximately \$US32 billions of greenfield exploration in Australia/New Zealand markets over the next five years. During HY24, Mermaid Cove, MMA Plover, MMA Brewster, MMA Coral, MMA Leeuwin and MMA Inscription all supporting LNG producers in Australia and the MMA Vision on contract in New Zealand. LNG in Australia remains a key market for MMA and should continue to drive demand for MMA's services in the short to medium term.

### Project development sanctioning

Globally, there is expected to be US\$567 billion of oil and gas greenfield sanctioning over the next five years, of which, approximately US\$186 billion is expected in MMA's key operating regions (Australia/New Zealand, Asia, Middle East and East Africa). The development of these new assets will be a key target of MMA's operations and are expected to generate demand for MMA's vessels and subsea services. Decommissioning activity has also started to increase with several major projects due to be decommissioned in the Asia Pacific region over the next seven years.

In Australia and other developed nations, oil and gas majors are facing growing environmental pressures, particularly with the increasing emphasis on decarbonization. This shift in focus is expected to influence the approval of future projects. The energy transition's progress has been impeded by the need for energy security and the increase in demand. However, companies within the oil and gas industry are proactively pursuing the diversification of energy sources to contribute to the broader energy mix.

**Source:** Bloomberg, Consensus Economics, IBISWorld, S&P Global, Department of Industry Science and Resources, Energy Institute Statistical Review of World Energy 2024 and prior additions.

## 8.2 Offshore Wind Industry

Wind generates electricity by converting the kinetic energy of moving air into electrical energy. In wind turbines, the wind spins rotor blades, converting kinetic energy to rotational energy. A shaft transfers this rotational energy to a generator, producing electricity. Once the electricity is generated, it can be used, connected to the electrical grid, or stored for future use. Wind turbines are being installed both onshore and offshore to maximize the utilization of this sustainable energy source.

Wind energy has emerged as a key player in the renewable energy sector. The 1.5°C Scenario outlined by the International Renewable Energy Agency ('IRENA') in the 2023 World Energy Transitions Outlook provides a roadmap for reaching the 1.5°C target of limiting the global temperature rise by 2050. To achieve this target, by 2050, wind power (onshore and offshore) would significantly increase from the current 900 gigawatt ('GW') up to more than 10,000 GW.

Offshore wind is expected to play a key role in the contribution of wind power to the energy transition. Due to its offshore location, substantial energy generation per unit area, and capacity for swift deployment on a gigawatt scale, offshore wind emerges as a cost-effective solution for providing

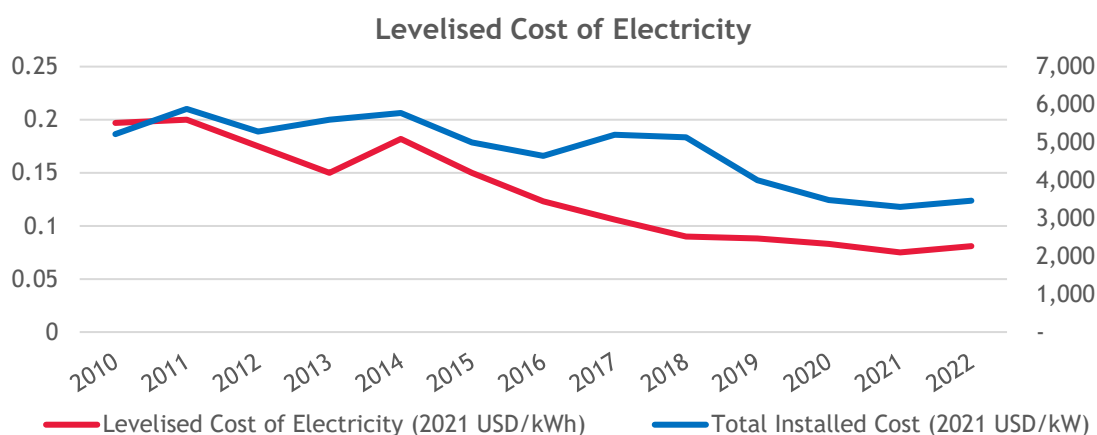
electricity to densely populated coastal regions. As part of the 1.5°C Scenario, offshore wind would be aiming to reach almost 2,500 GW by 2050, 40 times increase from 2022 levels (63 GW in 2022).

MMA Offshore has begun to strategically align itself with the burgeoning offshore wind industry, diversifying some of its revenue stream away from oil and gas and expanding its services offering to cater to the growing demand for offshore wind projects.

## Performance

Wind power experienced rapid growth throughout the 2000s, fuelled by research and development, favourable policies, and decreasing costs. According to the IRENA wind generation capacity surged from 7.5 GW in 1997 to 900 GW in 2022. Offshore wind experienced a significant expansion in capacity, increasing from 3.1 GW in 2010 up to 63.2 GW in 2022. Concurrently, the global weighted-average total installed costs fell 34%, from US\$5,217/kilowatt ('kW') to US\$3,461/kW.

Advancement in offshore wind technology including larger turbines, longer blades, higher hub heights and locations further offshore have led to increased estimated lifetime capacity factors for newly commissioned projects. Despite these advancements, the geographical distribution of offshore wind projects remains consistent, with Europe and Asia leading the way. These technological advancements and the industry's growing maturity have resulted in a significant decline in the weighted average levelised cost from US\$0.197/kWh to US\$0.081/kWh between 2010 and 2022. The offshore wind installation cost and levelized electricity cost trends are illustrated in the chart below:



Source: BDO Analysis and the International Renewable Energy Agency (IRENA).

## Outlook

The demand for vessel, subsea and project logistic services provided by MMA on offshore wind projects is closely aligned with the development of new offshore wind projects. MMA's services are predominantly in the southeast Asian region, with an expected US\$143 billion to be spent on offshore windfarms in Asia and Australia between 2024 and 2031. With this investment expected to translate to more than 5,000 turbines being installed in South East Asia by 2031, this should drive potential demand for MMA's services.

In Australia, offshore wind projects are in the early stages but offers plenty of capacity to grow. The Minister for Climate Change and Energy announced the identification of six priority areas in Australia for offshore wind in August 2022 of which two of the zones, namely the Bass Strait region off Northern Tasmania and the Indian Ocean region off Perth/Bunbury, were open for consultation in late 2023. Due to

the lengthy lead times associated with wind farms, substantial construction activity may not commence in Australia until the early 2030s.

**Source:** IRENA World Energy Transitions Outlook, June 2023. European Patent Office (EPO) and the International Renewable Energy Agency (IRENA) Offshore wind energy: Patent insight report, November 2023. MMA Annual Report, June 2023.

### 8.3 Global OSV Market

Offshore support vessels (OSVs) are specialised vessels designed to provide various services and support for offshore oil & gas exploration and production processes. These vessels play a fundamental role in the logistics and operations of the platforms, their installation, as well as the transportation of equipment and supplies. OSVs also play an important role in the construction and maintenance of offshore renewable projects.

Demand for OSV's by the energy market is underpinned by energy demand and supply fundamentals, wider macroeconomic indicators, upstream costs, and credit markets. Historically, the primary market for OSVs has been the oil and gas sector, with demand closely tied to the utilisation of drilling rigs for upstream oil and gas activities. Recently, there has been an increase in demand for OSV's in offshore installations, maintenance, and operation of renewable energy infrastructure. This shift is largely a result of government policies and regulations aimed at addressing environmental concerns and promoting renewable energy sources.

The OSV market experienced buoyant conditions between 2007 and 2014, characterised by robust demand and a flurry of newbuild orders. During this period, there was optimism of strong future demand and financing was readily available and affordable. However, in mid-2014, the OSV industry began a downward slide as oil prices started to decline. This downturn intensified in the latter half of 2014, prompting oil companies to dramatically pull back from investing in offshore exploration and production. Consequently, many OSV players found themselves grappling with high levels of indebtedness, a legacy of the newbuild order boom in 2014.

The COVID-19 pandemic impacted the OSV market through a combination of factors, including supply chain disruptions, reduced demand for transportation fuels and declining oil prices. The pandemic caused a reduction in demand for oil, as travel restrictions and lockdown measures were implemented worldwide. The decrease in oil consumption caused oil prices to decline, deterring offshore exploration and production activities which flowed through to falling demand for OSV services. The pandemic also caused disruptions in global supply chains, leading to delays to vessel construction and delivery.

The OSV market has rebounded since the Covid-19 pandemic, supported by increased global exploration and production spending and revitalized offshore activity. Oil prices have been conducive for a healthy offshore market, as discussed in section 8.1, averaging US\$85.41/barrel in March 2023. Developments in the offshore renewable energy market have also driven demand for OSV's, whilst supply side constraints are persisting. OSV owners have capitalised on the buoyant market, with an increase in average day rates and utilisation.

#### OSV supply and newbuild activity

The demand for OSV vessels has recovered from market deterioration that began in late 2014, however, the supply side of the market has undergone a profound transformation over the past decade. The poor market conditions since 2014 have resulted in a historically low order book, while long-term layups and vessel scrapping have led to a finite and shrinking total fleet.

As mentioned in the ITSr in Appendix 5, 1,936 units of AHT/AHTS vessels and 1,625 units of PSV/supply vessels are currently deployed globally. The global OSV fleet is aging, with the average build year of the



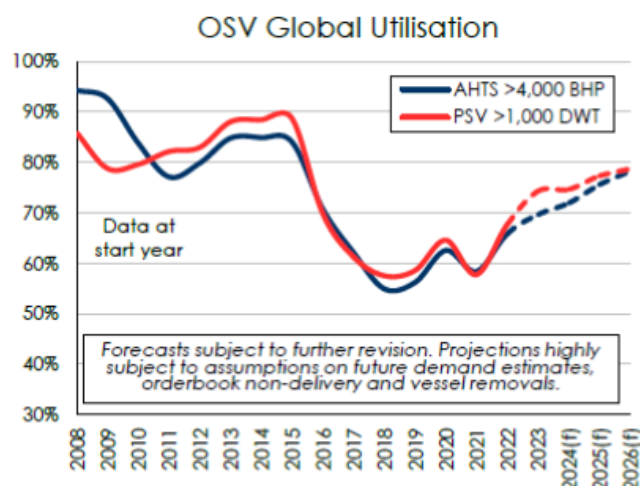
total OSV fleet standing at 2006, while newbuild contracting activity is at historic lows. There is little expectation of additional vessel supply entering the market in the next two to three years, and only 177 units have been built and delivered over the past five years.

Newbuilds are facing technical hurdles, particularly concerning future fuels, which have yet to be fully defined or developed. Additionally, access to funding remains a significant challenge. The scarcity of funds is compounded by limited shipyard slot availability, as shipyards are prioritizing the construction of blue water vessels over OSVs. However, there have been reports of publicised orders being placed for MPSVs, indicating some activity amidst the prevailing constraints.

Newbuild pricing has also surged since the last market boom, despite a slight downturn during the COVID-19 pandemic, making it challenging for current charter rates to meet return on investment criteria. Outside of China, newbuild (replacement) costs have surged by around 40-45% across the board. This upward pricing trend is expected to continue due to the tight supply constraints resulting from shipyard limitations, uncertainties regarding future fuels, and financial constraints by finance providers.

### OSV utilisation rates

Global vessel utilisation continued to increase over the three years to June 2023, as illustrated by the global utilisation index in the figure below (tracks global AHTS and PSV historical utilisation and forecasts). Global utilisation rates have increased with limited vessel availability in the market and competing demand from offshore wind and the oil and gas sector driving demand.



Source: MMA's 2024 Half Year Results Investor Presentation.

The current limited supply of OSVs has been the result of a shortage of new builds and a significant number of cold-stacked units. As mentioned in the ITSR detailed in Appendix 5, there were approximately 963 vessels (including PSVs, AHTSs, AHTs, and MPSVs) laid up globally in April 2024. Of these, approximately 700 units are over 20 years old, and approximately 525 units are over 34 years old. The diminishing viability of these vessels for re-entry into the market, coupled with the escalated prices being fetched for scrapped vessels, is enticing OSV owners to offload aging units that have been cold stacked for extended periods, which are challenging and costly to reactivate.

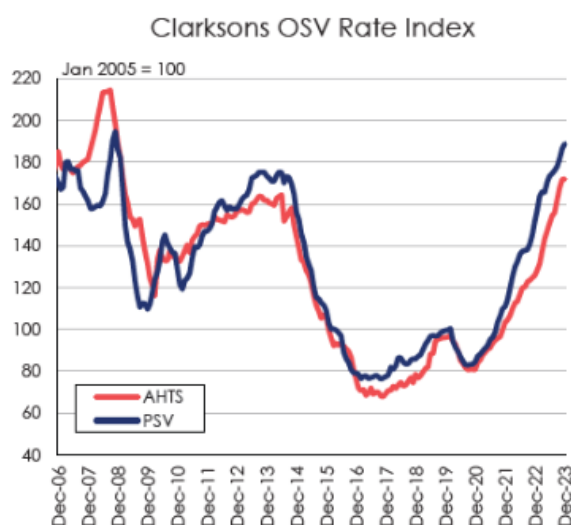
Faced with a scarcity of newer vessels, clients are increasingly dependent on existing fleets to fulfill their operational needs, prioritizing vessel availability and functionality over age. In the oil and gas sector, where there's a vessel age limit of 15 years, newer vessels are particularly sought after, leading to

exceptionally high utilization rates. Additionally, OSV owners are boosting utilization rates through a more integrated service offering, including subsea services.

MMA has experienced an improvement in utilisation, with the average utilisation of its vessel for HY24 being 83%, up from 80% in FY23 and 73% in FY22. Current guidance announced by MMA expects utilisation to increase to 90% across the fleet in the second half of FY24, which management has advised is unprecedented and unlikely to be sustainable under MMA's current short-term contracting strategy.

### OSV charter rates

The industry has seen strong increases in rates with limited vessel availability and competing demand from the offshore wind and oil and gas sector. Global vessel rates continued to increase over 3 years to December 2023, as illustrated by the OSV rate index in the figure below (tracks global AHTS and PSV rates). Charter rates have increased 30% over the course of the 2023 calendar year, reaching a 15-year high.



Source: MMA's 2024 Half Year Results Investor Presentation.

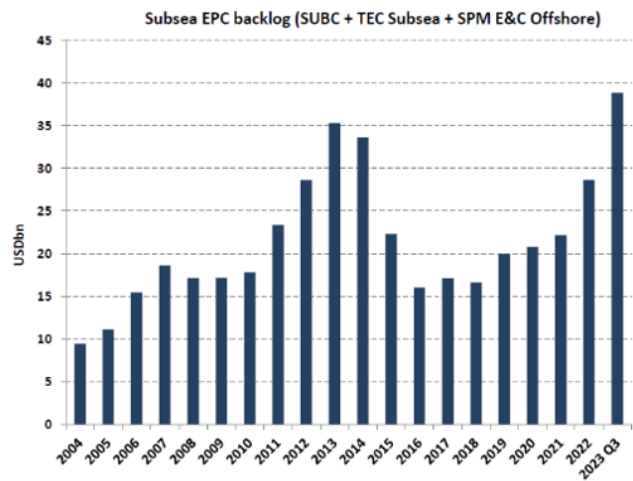
As outlined in the ITSR in Appendix 5, the charter rates may continue to ramp up for the foreseeable future due to an increase in demand and tight supply constraints and limited newbuilds in the near to mid-term horizon. MMA has benefited from the increase in rates in the recent periods, which is expected to continue in coming periods. However, it is important to highlight that certain vessels in MMA's fleet are presently under contract, potentially limiting the benefits from any short-term future rate increases. MMA has also placed a focus on securing longer term contract positions to improve the overall stability of earnings for the coming years, consequently reducing the ability of MMA to access short term higher spot rates.

### Subsea services

Subsea services are integral to the global OSV industry, encompassing operations that aid offshore energy exploration, production, and maintenance beneath the ocean surface. OSV operators are focusing on expanding service offerings to deliver subsea services onboard their vessels to further enhance margins and returns on assets, through a more integrated service offering.

The macro-outlook for the subsea service industry appears promising, fuelled by a global backlog of required works and a substantial reduction in fleet capacity. At the end 2023, the backlog of subsea work

had surged to record levels, as illustrated in figure below. Additionally, the sector has witnessed a significant decline in fleet capacity since the previous market upcycle, presenting opportunities for OSV operators to capitalize.



Source: MMA’s 2024 Half Year Results Investor Presentation.

The outlook for MMA’s subsea business continues to look positive with strong activity levels in MMA’s key markets. During the HY24, MMA’s subsea division was active across oil and gas, offshore wind and government and defence projects, with the MMA Pinnacle, MMA Crystal, Mermaid Searcher and Offshore Solution all undertaking subsea works. MMA is positioned to benefit as, in addition to the OSV sector, rates are also increasing in the subsea industry, due to the backlogged demand and tight supply.

Outlook

The OSV sector outlook remains highly positive against the backdrop of generally supportive energy prices, further demand gains and limited supply growth. Further developments of offshore renewable energy projects are expected to increase demand for OSVs. However, any decline in hydrocarbon growth or energy transitions could soften pricing and utilization. Persistent supply side constraints, including limited shipyard space, technical demands, and financial support challenges from banks and financiers, are expected to continue. The possible entry of newbuilds may moderate market pricing as the supply and demand balance equalizes, yet OSV positivity is anticipated to extend beyond 2025, with global 'real' utilisation expected to remain at levels of 80% and above.

Source: MMA’s 2024 Half Year Results Investor Presentation. ITSR prepared by M3 Marine Valuations Pte Ltd, April 2024.

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value, where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The core value of MMA lies in the future cash flows to be generated from its three core business units, namely its Vessel Services Business ('VSB'), Subsea Services Business ('SSB') and Project Logistics Business ('PLB'). However, due to these core business units having unique earnings profiles and being at different stages in the business life cycle, we do not consider it appropriate to value the shares of MMA using a single valuation methodology. Rather, we consider it appropriate to adopt multiple valuation methodologies to accommodate for the different nature of MMA's core business units.

Based on discussions with management and our review of the historical and forecast financial performance of the PLB, we consider that the financial information provided does not show a consistent level of profitability. Therefore, we do not consider an income-based methodology to be appropriate for the purposes of valuing the PLB. In addition, there are no material assets or liabilities associated with the PLB which would support the adoption of an asset-based methodology. Management has also advised that the Company is intending to roll the PLB into the VSB in the future. We also note that any PLB services utilise MMA's existing fleet of vessels. MMA has included all revenue and costs relating to the PLB in the forecast cash flow model for the VSB. Accordingly the value of the PLB business is included in the valuation of the VSB, as detailed in Section 10.1.1. Based on the above, we have elected to not separately value the PLB and consider the value of the PLB to be incorporated in our valuation of the VSB.

Therefore, we consider Sum-of-Parts to be the most appropriate methodology in assessing the value of MMA. The approach using the Sum-of-Parts involves separately valuing each business unit of the Company. The value of each business may be determined using different methods as described above. The component businesses are then aggregated to estimate the fair market value of MMA.

In our assessment of the value of an MMA share, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the fair market value of a company by assessing the realisable value of each of its component parts. The value of each component part may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value. We have aggregated the estimated fair market values of MMA's component part, having consideration to the following:
  - the value of MMA's VSB, using the DCF methodology;
  - the value of MMA's SSB, using the FME methodology;

- the value of MMA's corporate costs, using the DCF methodology;
- transaction costs to be incurred regardless of whether the Scheme proceeds; and
- the necessary adjustments required to convert the enterprise value into an equity value.
- QMP as our secondary methodology, which represents the value that a Shareholder may receive for an MMA share if it were sold on market prior to the announcement of the Scheme. The value derived from this methodology reflects a minority interest value; and
- A market-based assessment as a cross-check methodology to our DCF valuation of the VSB, based on fair market asset values determined by M3.

We have chosen these methodologies for the following reasons:

- The DCF methodology is most commonly applicable to assets and businesses whereby future cash flows can be forecast with a reasonable level of confidence. We have adopted the DCF methodology to value the VSB, as this business unit has a history of cyclical financial performance, driven by market forces and significant capital expenditure requirements. The DCF methodology incorporates a terminal value for assets and businesses with non-finite lives. The DCF methodology derives the enterprise value of the VSB as debt cash flows are not considered;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives. This methodology places a value on each business by estimating the likely FME and capitalising the FME at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. We have adopted the FME methodology to value the SSB, as the SSB has a history of stable earnings before interest, tax, depreciation and amortisation ('EBITDA'), which allows for the capitalisation multiple to be applied. In adopting the FME methodology, we have adopted the enterprise value ('EV') to EBITDA multiple, derived from comparable companies and transactions, which has been adjusted for various factors. The FME methodology using the EV/EBITDA multiple derives the enterprise value of the SSB;
- As discussed above, the DCF and FME methodologies derive the enterprise value of a business, whereas the purpose of our assessment is to determine the equity value of MMA. Therefore, we have made the necessary adjustments required to convert the total enterprise value into an equity value; and
- We have considered the QMP methodology because the shares of MMA are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on market. This means there is a regulated and observable market where the shares of MMA can be traded. However, for the QMP methodology to be considered appropriate, the shares should be liquid and the market should be fully informed of the Company's activities.

## 10. Valuation of an MMA share

### 10.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of an MMA share (on a controlling interest basis), by aggregating the estimated fair market value of its underlying assets and liabilities, having consideration to the following:

- the value of MMA's VSB, using the DCF methodology;
- the value of MMA's SSB, using the FME methodology;
- the value of MMA's corporate costs, using the DCF methodology;
- transaction costs to be incurred regardless of whether the Scheme proceeds; and
- the necessary adjustments required to convert the enterprise value into an equity value.

Our Sum-of-Parts valuation of MMA is summarised in the table below:

| Sum-of-Parts valuation of an MMA share          | Ref    | Low<br>\$'000  | Preferred<br>\$'000 | High<br>\$'000   |
|---|--------|----------------|---------------------|------------------|
| Value of MMA's VSB                              | 10.1.1 | 741,646        | 842,370             | 955,100          |
| Value of MMA's SSB                              | 10.1.2 | 110,000        | 130,000             | 150,000          |
| Value of MMA's corporate costs                  | 10.1.3 | (171,006)      | (142,505)           | (114,004)        |
| Transaction costs                               | 10.1.4 | (2,520)        | (2,520)             | (2,520)          |
| <b>Total enterprise value of MMA (control)</b>  |        | <b>680,639</b> | <b>829,865</b>      | <b>991,096</b>   |
| Enterprise value to equity value adjustments    | 10.1.6 | 106,895        | 106,895             | 106,895          |
| <b>Total equity value of MMA (control)</b>      |        | <b>787,534</b> | <b>936,760</b>      | <b>1,097,991</b> |
| Number of MMA shares on issue                   | 10.1.5 | 388,188,159    | 388,188,159         | 388,188,159      |
| <b>Value per MMA share (control) (\$/share)</b> |        | <b>2.03</b>    | <b>2.41</b>         | <b>2.83</b>      |

Source: BDO analysis

Based on the above, we have assessed the value of an MMA share (on a controlling interest basis) to be in the range of \$2.03 to \$2.83 with a preferred value of \$2.41.

#### 10.1.1. DCF valuation of MMA's Vessel Services Business

As detailed in Section 9, we have elected to use the DCF methodology in valuing the VSB. The DCF approach estimates the fair market value of a business by discounting the future cash flows arising from it to their net present value. Performing a DCF valuation requires the determination of:

- the future cash flows that the VSB is expected to generate; and
- an appropriate discount rate to apply to the cash flows of the VSB to convert them into their present value equivalent.

The management of MMA has prepared a detailed forecast cash flow model of the VSB ('**VSB Model**'). The VSB Model estimates the future cash flows expected from the provision of MMA's vessel services. The VSB Model depicts forecasts of annual, real, after-tax cash flows over an approximate 10-year period from the beginning of FY24 to the end of FY33.

We have adopted a valuation date of 31 March 2024 ('**Valuation Date**'). Accordingly, we have adjusted the start date of the VSB Model to 31 March 2024.

We have assessed the reasonableness of the VSB Model and the material assumptions that underpin it. We have made certain adjustments to the VSB Model were considered appropriate, to arrive at an adjusted model ('Adjusted VSB Model'). In particular, we made the following adjustments to the VSB Model:

- adjusted the model start date to 31 March 2024;
- incorporated a three-year downturn period by including subdued fleet utilisation rates, (further discussed below); and
- reflected any changes to the economic and other input assumptions following our research.

The VSB Model was prepared based on estimates of day rates and utilisation rates for each vessel, operating costs and capital expenditure. The main assumptions underpinning the Adjusted VSB include the following:

- day rates;
- utilisation rates;
- operating costs;
- capital expenditure;
- corporate and other taxes; and
- discount rate.

We performed the following analysis on the VSB Model:

- analysed the VSB Model to confirm its integrity and mathematical accuracy;
- conducted independent research on certain economic and other inputs such as day rates, inflation, exchange rates and the discount rate applicable to the future cash flows of the VSB; and
- performed sensitivity analyses on the value of the VSB by flexing key assumptions and inputs.

### Appointment of a technical expert

M3 was engaged to provide fair market fair of the vessels owned by MMA to compare to the assessed value of the VSB. M3 was also engaged to provide a technical assessment of market assumptions underpinning the VSB Model. M3's assessment involved the provision of assessment on the following assumptions adopted in the VSB Model, including but not limited to:

- new vessel replacement costs;
- long term utilisation rates;
- forecast charter rates; and
- current market conditions assessment.

M3's ITSR is included in Appendix 5.

The Adjusted VSB Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information* and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted VSB Model has been based, have not been prepared on a reasonable basis.



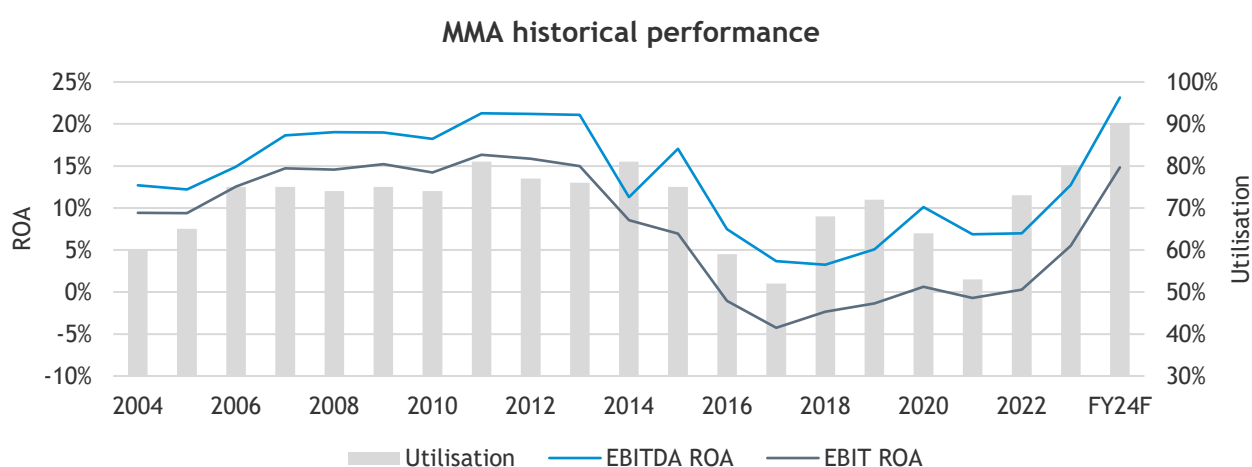
## Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted VSB Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

## Current and forecast industry conditions

Given the strong cyclical nature of the shipping services industry, we consider it appropriate to assess the historical, current and forecast industry conditions within which the VSB is operating.

We outline the following illustration of MMA's historical vessel utilisation and return on assets (EBITDA and EBIT as a percentage of net tangible asset value):



Source: MMA management, BDO analysis

We consider that the above illustration supports the following insights about the VSB:

- The historical performance of MMA's operations are highly cyclical through its exposure to the oil & gas industry. Although MMA is employing a strong diversification strategy away from oil and gas, into offshore wind farms, any adverse cyclicalities felt by OSV industry participants operating in the oil and gas industry, will result in an increase in OSV operators seeking opportunities to enter other markets such as offshore wind farms.
- There is correlation between fleet utilisation and operating profitability.
- The cyclicalities evident in the graph above, with a recent suppression of utilisations and earnings from 2014 through to 2020, corresponds with the timing of the downturn in the oil and gas markets (as outlined in Section 8.1 of this report and in the ITSR found in Appendix 5).
- We note that the current levels of utilisation rates and earnings as a percentage of asset value are at historically high levels when compared against the period in the graph. This may indicate that MMA's ability to continue to improve utilisation and ROA is limited.

From our review of the offshore oil & gas and offshore renewable energy markets and M3's ITSR included in Appendix 5 we note the following related to the current outlook of MMA's Vessel operations in the short to medium term:

- Offshore oil & gas is projected to remain buoyant in the short to medium term with expectations of US\$567 billion of oil and gas greenfield developments to be sanctioned over the next five years, including approximately US\$186 million expected in MMA's key operating regions.
- Global investment and development of offshore renewable wind projects will continue at high levels, with US\$143 billion to be spent on offshore windfarms in Asia and Australia between 2024 and 2031. With this investment expected to translate to more than 5,000 turbines being installed in South East Asia by 2031.
- Given the lack of newbuild activity in the OSV space, the supply of new vessels into the market is not likely in the short term (given the lead time required to build OSVs). Coupled with buoyant demand for services, global OSV utilisation and charter rates are forecast to remain high in the short to medium term. Further detail is outlined in Section 8.3 above.

Therefore, we conclude that MMA's VSB is currently operating within strong conditions for OSV industry participants that may continue in the short to medium term. However, given the historical trends of the shipping industry, these strong OSV industry operating conditions are unlikely to remain indefinitely. Therefore, we consider a downturn in demand for OSV services is reasonably foreseeable as the OSV business cycle repeats itself as it has done historically.

## Economic assumptions

### Inflation

All cash flows contained in the VSB Model are calculated on a real basis. Therefore, we have applied our assessed forecast inflation rates to convert all cost cash flows in the Adjusted VSB Model into nominal terms.

The VSB Model forecasts costs in Australian Dollars. Therefore, we consider the Australian inflation rate to be the most appropriate inflation rate to apply to the cash flows in the VSB Model.

In forming our assessment of forecast inflation rates, we have considered consensus views of forecast inflation rates sourced from Bloomberg and recent inflation trends in Australia. Long-term inflation beyond 2026 has been assumed to be flat at 2.50% per annum, being the RBA's long-term inflation target.

The inflation assumptions we have adopted in the Adjusted VSB Model are outlined in the table below.

| Inflation      | 2024  | 2025  | 2026  | Long-term |
|----------------|-------|-------|-------|-----------|
| Inflation rate | 3.30% | 2.80% | 2.60% | 2.50%     |

Source: Bloomberg and BDO analysis

### Foreign exchange rate

Various inputs to the VSB Model are quoted in USD terms, including day rates and newbuild replacement values. We have converted these inputs from USD terms to AUD terms at the following forecast exchange rates for the below periods.

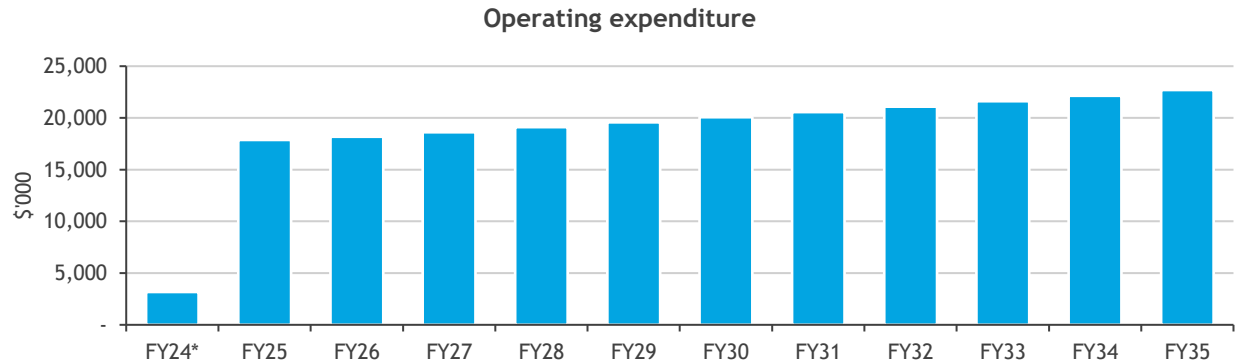
| Exchange rates | 2024 | 2025 | 2026 | Long-term |
|----------------|------|------|------|-----------|
| AUD/USD        | 0.65 | 0.67 | 0.70 | 0.70      |

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered forecasts prepared by banks, economic analysts and other publicly available information.

**Operating expenditure**

The operating expenditure in the Adjusted VSB Model includes overheads relating to the VSB. The forecast operating expenditure for the VSB is illustrated in the chart below:



\*FY24 reflects partial fiscal year beginning 31 March 2024 and ending 30 June 2024  
Source: Adjusted VSB Model and BDO analysis

**Capital expenditure**

The capital expenditure requirements in the Adjusted VSB Model represents sustaining capital expenditure and replacement capital expenditure. Sustaining capital expenditure relates to routine maintenance costs.

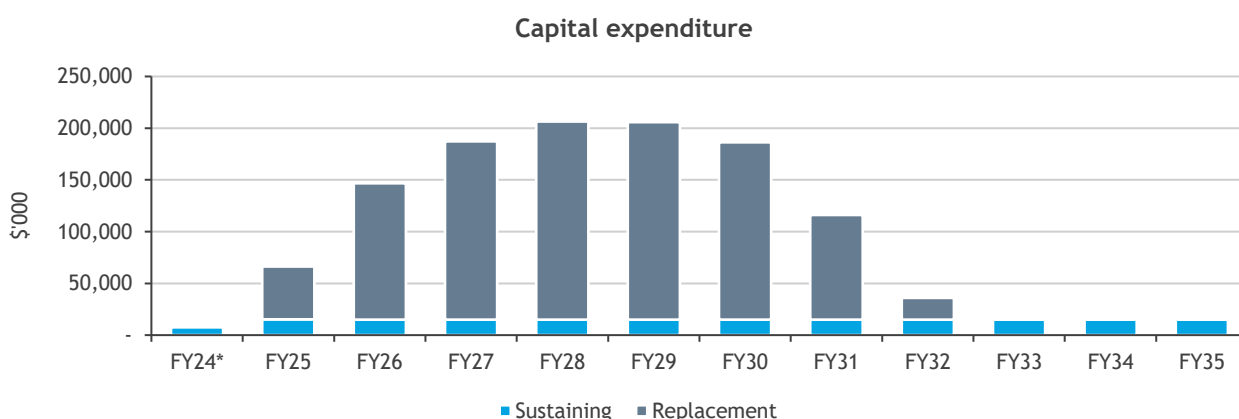
Replacement capital expenditure relates to the replacement cost of the vessels owned by MMA once each vessel reaches a certain age. In determining the replacement cost of each vessel, we have relied on the newbuild replacement values determined by M3, which are contained in the ITSr in Appendix 5.

All vessels owned by MMA are assumed to be replaced over the forecast period in the Adjusted VSB Model. Based on discussions with management, the replacement cost is spread equally over the three-year period from an order being placed, to the delivery of the new vessel. The Adjusted VSB Model assumes that a replacement order is placed once each respective vessel reaches an age of approximately 12 to 13 years.

As outlined in section 5.2 of this Report, MMA’s current fleet has an average age of 10.6 years.

As stated previously, the major industries that MMA provides services to will typically not contract vessels older than 15 years. Therefore, we have assumed that vessels will be replaced after reaching an age of 15 years. However, in a tight market with high demand and low supply of vessels, it is not uncommon for customers to contract vessels with lives stretching beyond the industry norm of 15 years. Therefore, we have performed sensitivity analyses below to consider the potential effects to the value of the VSB resulting from delays in the replacement date for each of its vessels.

The forecast capital expenditure for the VSB is illustrated in the chart below. As discussed below, we have performed sensitivity analyses to incorporate delays in the delivery of new vessels.



\*FY24 reflects partial fiscal year beginning 31 March 2024 and ending 30 June 2024

Source: Adjusted VSB Model and BDO analysis

### Day rates

Day rates relate to the rate per day for which MMA's vessels are contracted to customers. In forming our assumption of forecast day rates for each individual vessel, we have relied on analysis undertaken by M3. In the ITSR, M3 have stated that the OSV markets remain strong and will be sustainable for the medium outlook in terms of utilisation, charter rates and values. We note that the day rates adopted in the Adjusted VSB Model have been standardised on an international manning basis.

M3 conducted further analysis on the forecast day rates for each individual vessel, however this has not been included in our Report or M3's ITSR for commerciality reasons.

Further information is contained in the ITSR, which is included as Appendix 5 of our Report.

### Fleet utilisation rates

Fleet utilisation rate is a measure of the percentage of time that the fleet is earning revenue compared to its capacity.

Management of MMA provided us with key supporting documentation behind the fleet utilisation rate assumptions adopted in the VSB Model. This included management representations as to the basis of the fleet utilisation rate assumptions, where third party documentation was not available to verify the assumptions. This was conducted to establish sufficient reasonable grounds for the fleet utilisation rate assumptions underpinning the VSB Model and for reliance on management prepared forecast information, in accordance with RG 170.

We conducted the following procedures in establishing sufficient reasonable grounds for the fleet utilisation rate assumptions:

- analysed historical fleet utilisation rates to ensure that the forecast fleet utilisation rate assumptions are broadly consistent with what has been achieved historically by MMA; and
- requested customer contracts from management and verified that MMA's entire fleet had secured revenue for the majority of FY24. This enabled us to establish sufficient reasonable grounds to rely on the earnings guidance and forecast utilisation rates for FY24 announced on 18 April 2024 that states utilisation will be above 90% for the second half of 2024.

We note that the VSB Model does not consider any cyclicity to the earnings performance of the VSB over the forecast period, with consistent fleet utilisation rates adopted across the entire forecast period. Typically, a downturn would result in reduced fleet utilisation, as illustrated in sections above.

As discussed in Section 8 of our Report, the shipping services industry is cyclical in nature. Therefore, we consider management's unadjusted forecast fleet utilisation rate assumptions to represent a best case scenario. As such, we have used management's forecast fleet utilisation rate assumptions to inform the high end of our assessed value range of the VSB.

Accordingly, we have adjusted the VSB Model to capture the cyclical nature of the shipping services industry and the high likelihood of a downturn occurring during the forecast period. We have adjusted the VSB Model to incorporate a downturn period, being a three-year period of subdued fleet utilisation rates (20% lower than forecast fleet utilisation rate assumptions which is broadly in line with historical trends, as depicted in the historical utilisation graph above), followed by a recovery in utilisation rates, and a long-term average utilisation rate of 81% in the final year, for the purposes of determining cash flows for the terminal value. We note that this long-term average utilisation rate is in line with M3's long-term expectations, which are included in the ITSr in Appendix 5. The inclusion of this downturn period represents our base case scenario.

We have also performed sensitivity analyses on the severity of the downturn, by adjusting the subdued average fleet utilisation rate over the three-year downturn period, which is further discussed in our sensitivity analysis section below.

Based on our analysis of MMA's historical utilisation rates, customer contracts, management's forecast fleet utilisation rate assumptions and M3's analysis, we have adopted the following average fleet utilisation rates over the forecast period under our base case.

| Fleet utilisation rates        | 2024 | 2025 | 2026 | Long-term |
|--------------------------------|------|------|------|-----------|
| Average fleet utilisation rate | 90%  | 88%  | 86%  | 81%       |

Source: Information provided by management, M3 and BDO analysis

### Terminal value

Our terminal value assumption is based on the perpetuity method, whereby the final period cash flow grows at a perpetual rate of 2.50% per annum, being the current long-term inflation rate target in Australia. As discussed previously, the cash flow underpinning the terminal value has been based on a long-term average fleet utilisation of 81%, which is based on M3's long-term expectations.

### Taxation

The Company is based in two principal geographical areas, being Australia and Singapore.

In accordance with Section 13A of the Singapore Income Tax Act 1947, shipping income derived from Singaporean shipping operations is exempt from taxation. We also note that MMA's Singapore operations facility provides vessel services internationally throughout South East Asia, Middle East/Africa, Europe and other locations. However, the Company trades in and out of these regions for less than 180 days each year to avoid permanent establishment, and therefore foreign income taxation.

Therefore, for the purposes of calculating taxation payable in the Adjusted VSB Model, based on recent trends in MMA's earnings, we have assumed that approximately 50% of the VSB's income is generated in Australia, and as such is subject to the Australian corporate taxation rate of 30%. We have assumed that the other 50% of the VSB's income is generated in Singapore, or internationally, with tax exemptions, as discussed above.

The Company currently has carry-forward taxation losses of \$86 million in Australia and \$165 million in Malaysia, which it can use to offset future taxable income generated in these respective countries. This has been reflected in the Adjusted VSB Model.

## Discount rate

In our assessment of an appropriate discount rate to apply to the cash flows of the VSB, we consider the most appropriate discount rate to be the VSB's nominal WACC. This is because the Adjusted VSB Model has been prepared on a nominal basis and does not include debt cash flows. Therefore, the cash flows in the Adjusted VSB Model represent cash flows to the firm, from which payments to providers of both debt and equity are made.

We have assessed the VSB's WACC to be in the range of 10.41% to 11.55% per annum. We have used a rounded midpoint of 11.00% in our base case to discount the cash flows of the VSB to their present value.

In assessing the VSB's WACC, we considered the following:

- the rate of return for comparable listed companies operating in the marine and subsea service sector, primarily servicing the offshore energy sector;
- the capital structure of the VSB over the forecast period; and
- the risk profile of the VSB compared to the identified comparable companies.

A detailed consideration of how we arrived at our adopted discount rate range is included in Appendix 4 of our Report.

## Sensitivity analysis

Our valuation of the VSB is sensitive to changes in forecast day rates, operating costs, capital expenditure and the discount rate. Therefore, we have included a sensitivity analysis to consider the value of the VSB under the following scenarios:

- a change of +/- 10% to day rates;
- a change of +/- 10% to operating costs;
- a change of +/- 10% to capital expenditure;
- a change of +/- 10% to the long-term AUD/USD exchange rate; and
- a discount rate in the range of 9% to 13%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the VSB if our base case assumptions change:

| Sensitivity analysis of the DCF valuation of the VSB |           |                 |                     |         |
|--|-----------|-----------------|---------------------|---------|
| Percentage change                                    | Day rates | Operating costs | Capital expenditure | AUD/USD |
| 10.00%   | 1,053.48  | 650.82          | 757.43              | 904.59  |
| 8.00%  | 1,011.26  | 699.97          | 774.42              | 893.07  |
| 6.00%  | 969.04    | 743.03          | 791.40              | 881.11  |
| 4.00%  | 926.81    | 780.71          | 808.39              | 868.69  |
| 2.00%  | 884.59    | 813.63          | 825.38              | 855.79  |
| -  | 842.37    | 842.37          | 842.37              | 842.37  |
| -2.00%   | 800.15    | 867.43          | 859.36              | 828.40  |
| -4.00%   | 757.93    | 889.27          | 876.35              | 813.85  |
| -6.00%   | 715.71    | 908.29          | 893.34              | 798.68  |
| -8.00%   | 673.48    | 924.84          | 910.33              | 782.86  |
| -10.00%  | 631.26    | 939.25          | 927.31              | 766.32  |

Source: Adjusted VSB Model and BDO analysis

| Sensitivity analysis of the DCF valuation of the VSB to the discount rate |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| Discount rate   | 9.00%  | 10.00% | 11.00% | 12.00% | 13.00% |
| Value (\$m)   | 982.66 | 909.41 | 842.37 | 780.98 | 724.73 |

Source: Adjusted VSB Model and BDO analysis

As previously discussed, the major industries that MMA provides services to will typically not contract vessels older than 15 years. However, in a tight market with high demand and low supply of vessels, it is not uncommon for customers to contract vessels with lives stretching beyond the industry norm of 15 years.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the VSB resulting from delays in the replacement date for each of its vessels.

| Sensitivity analysis of the DCF valuation of the VSB to delays in vessel replacements |         |         |         |         |        |        |
|---|---------|---------|---------|---------|--------|--------|
| Delay   | 5 years | 4 years | 3 years | 2 years | 1 year | -      |
| Value (\$m)   | 948.79  | 930.06  | 910.12  | 884.56  | 862.20 | 842.37 |

Source: Adjusted VSB Model and BDO analysis

As previously discussed, the shipping services industry is cyclical in nature. Accordingly, we have adjusted the VSB Model to incorporate a downturn period. We have considered a three-year period of subdued fleet utilisation rates (20% lower than forecast fleet utilisation rate assumptions in our base case), followed by a recovery in utilisation rates as a proxy for incorporating the potential effects of a downturn on the value of the VSB.

We have sensitised the severity of the downturn period by adjusting the subdued fleet utilisation rate over the three-year downturn period. Our sensitivity analysis considers a downturn period with a utilisation rate that is in the range of 40% lower than forecast utilisation rates, up to the scenario where no downturn period occurs.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the VSB under varying severities over the downturn period.

| Sensitivity analysis of the DCF valuation of the VSB to the severity of the downturn period |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| Adjustment to utilisation rate assumptions (during downturn period)                         | -40%   | -30%   | -20%   | -10%   | 0%     |
| Value (\$m)   | 741.65 | 798.94 | 842.37 | 894.59 | 955.10 |

Source: Adjusted VSB Model and BDO analysis

In considering the above sensitivity analyses, the following should be noted:

- the above variables may have compounding or offsetting effects and are unlikely to move in isolation;
- the above variables which we have performed our sensitivity analyses on are not the only variables which are subject to deviation from the forecast assumptions;
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e., variances could be greater than the percentage increases or decreases set out in the above analyses); and
- we have presented the above sensitivities to highlight the sensitivity of the value of the VSB to changes in day rates, downturn severity and other assumptions.



Based on the above analysis, we consider the value of the VSB to be in the range of \$742 million to \$955 million, with a base case value of \$842 million. The low and high values of our assessed range are based on the varying severities of the downturn period, which have been assessed by adjusting the subdued average fleet utilisation over the three-year downturn period. Therefore, given the sensitivity of the value of the VSB to movements in utilisation rates during the downturn period, we consider it appropriate to adopt a wide range of values around our base case.

#### **Market-based assessment cross-check**

We instructed M3 to perform a fair market valuation of MMA's fleet of vessels. The total fair market value of MMA's fleet of vessels involved in the VSB represents the total value to MMA if it were to sell its entire fleet of VSB vessels on market. Therefore, we consider the total fair market value of MMA's VSB vessels to represent the floor value of the VSB and to serve as a broad cross-check to our DCF valuation of the VSB determined above.

The total market value of MMA's vessels is in the range of \$552.31 million and \$640.77 million (in the range of US\$359 million and US\$416.5 million converted to AUD at the spot AUD/USD exchange rate of 0.65) with a preferred value of \$578.46 million (US\$391.75 million). The total market value of MMA's vessels involved in the VSB, as determined by M3, is approximately \$578.46 million (preferred value of US\$376 million converted to AUD at the spot AUD/USD exchange rate of 0.65). We note this excludes Offshore Solution and Mermaid Searcher which have a total current market value of US\$15.75 million (giving the total fleet a value of US\$391.75 million as referenced in the M3 ITSR). These vessels have been excluded for the following reasons:

- Offshore Solution is a dedicated vessel for the SSB; and
- Mermaid Searcher is held for sale, as detailed in Section 10.1.6 of our Report.

We note that this is lower than our base case DCF valuation of \$842 million as determined above, which supports the adoption of the DCF methodology for the purposes of valuing the VSB.

For further information on M3's approach and conclusions, refer to the ITSR prepared by M3 which is included as Appendix 5 of our Report.

### 10.1.2. FME valuation of MMA's Subsea Services Business

We have elected to use the FME methodology to value MMA's SSB. The FME methodology estimates the value of a business by estimating the likely FME and capitalising the FME at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors.

When performing an FME valuation, we must determine the following:

- the FME of the SSB; and
- an appropriate multiple to apply to these earnings.

#### Assessing the normalised earnings of the SSB

In performing our FME valuation, we have considered potential adjustments to the reported earnings of the SSB to arrive at a normalised earnings figure. The objective of normalising is to determine the underlying profitability expected to be maintained by the SSB.

We considered the following in our assessment of the SSB's normalised earnings:

- non-recurring or one-off items, such as profit on sale of assets;
- non-operating revenues and expenses;
- unrecorded items; and
- abnormal or non-commercial transactions.

In determining the SSB's FME, the figure selected should represent what is currently sustainable. Any anticipated growth in earnings is accounted for via the capitalisation multiple. We have reviewed the following unadjusted financial information as a basis for our normalised earnings assessment:

- audited financial statements for FY21, FY22 and FY23;
- reviewed financial statements for the half-year ended 31 December 2023 ('HY24');
- annualised HY24 performance as a proxy for FY24 performance;
- earnings guidance for the year ending 30 June 2024;
- consensus analysts' views of MMA's SSB forecast EBITDA for FY24 and FY25; and
- management's forecast performance as a cross-check to our assessed level of FME.

Our adjustments are limited to those identified through a review of the SSB's financial performance, and those identified through discussions with management of MMA.

Our normalisation adjustments to the SSB's reported EBITDA are set out below:

|  | Ref | FY21A<br>A\$'000 | FY22A<br>A\$'000 | FY23A<br>A\$'000 | FY24F<br>A\$'000 |
|--|-----|------------------|------------------|------------------|------------------|
| <b>Reported EBITDA</b>                       | a)  | (1,536)          | 2,392            | 9,542            | 25,334           |
| Add back: Taiwan associate share of loss     | b)  | -                | 249              | 1,284            | -                |
| Add back: Woodside Senegal tax adjustment    | c)  | -                | -                | 600              | -                |
| Add back: Write off obsolete inventory       | d)  | -                | -                | 70               | -                |
| Add back: Project cost contingency provision | e)  | -                | 501              | -                | -                |
| <b>Normalised EBITDA</b>                     |     | (1,536)          | 3,142            | 11,496           | 25,334           |

Source: BDO analysis

The following normalisation adjustments were made to the reported EBITDA of the SSB. We consider EBITDA to be an appropriate measure of profitability to compare against comparable companies in the market as it reflects operating earnings before the influence of the capital expenditure profile and funding of the business. This is important for businesses in the shipping services industry where capital expenditure can vary significantly. We note that the SSB is not as capital intensive as some of the comparable companies identified in our analysis, and therefore, assessing earnings prior to depreciation and amortisation is an appropriate measure to standardise the operating earnings. In addition, it removes the impact of different accounting policies relating to depreciation and leases.

#### a) Reported EBITDA

We have considered EBITDA figures from the following sources:

- Audited financial statements for FY21, FY22 and FY23;
- Reviewed financial statements for HY24;
- earnings guidance for FY24; and
- management's forecast performance.

#### b) Taiwan associate share of loss

Amounts disclosed in the table above relate to MMA's share of losses from MMA's Taiwan associate (MMA is a 49.9% shareholder). The Taiwan business incurred operating losses on contracts to the amounts outlined in FY22 and FY23. MMA's share of the losses is accounted for in accordance with equity accounting standards. We consider these amounts to be non-recurring and not incurred in the normal course of business, therefore we have omitted the losses from our normalised EBITDA analysis.

#### c) Senegalese tax adjustment

MMA has had challenges structuring arrangements for contracts in Senegal. As part of one contract, MMA had originally provided for an income tax expense that was subsequently changed to be a withholding tax obligation that was reclassified to be included in the EBITDA assessment. We consider this to be a one-off instance and have excluded the withholding tax obligation for the purposes of our normalised EBITDA analysis.

#### d) Obsolete inventory written down

MMA identified inventory held in Indonesia as no longer being in a condition fit for use and therefore wrote down the carrying value of the inventory to nil. We consider this is not an expense incurred in the ordinary course of business and have added back to the obsolescence charge for the purposes of our EBITDA analysis.

#### e) Project cost contingency provision

MMA had two engagements which had an escalation in project costs that required the raising of project cost contingency provisions. Given the one-off nature of the contingency provision expenses, we do not consider these expenses to be in the normal course of business, and therefore, we have excluded them from our normalised EBITDA analysis.

## Calculating FME

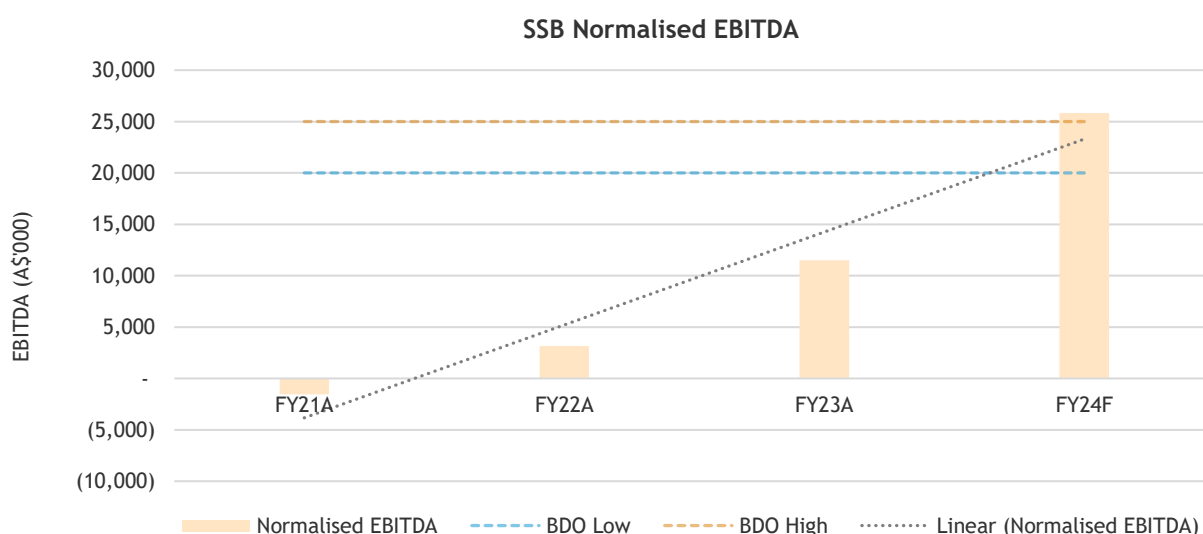
In assessing the level of SSB's FME, we have considered SSB's historical levels of normalised earnings in order to derive a sustainable level of profitability that we consider to be achievable in the future.

We have considered management prepared forecast information for FY25 and FY26 to solidify our view of SSB's FME. In order for us to establish sufficient reasonable grounds for reliance on any management prepared forecast information, we considered the following:

- An analysis comparing actual performance with budgeted performance over FY21, FY22 and FY23, provided us with confidence that the earnings of the SSB can be forecast with a reasonable degree of accuracy and, at a conservative level, provided us with confidence that budgets have been exceeded over the historical period of analysis.
- FY24 performance is set to be above the budgeted earnings set at the start of FY24.
- Analysis of current and anticipated activity in the subsea services industry, outlined in section 8.3, indicates the demand for subsea services is forecast to stay strong for the foreseeable future with record levels of works backlogged globally.

After considering SSB's historical and forecast earnings, we estimate future maintainable earnings (EBITDA) to be in the range of \$20 million and \$25 million.

We have illustrated our normalised earnings and resultant FME range in the following graph:



Source: BDO analysis

In determining our assessed range of future maintainable earnings, we considered the following:

- We note the acquisition of Neptune, detailed in Section 5.2, took place prior to the above presented period of analysis. However, SSB also made smaller acquisitions over the period of analysis including the business acquisition of Subcon in 2022 and the purchase of the dedicated subsea services vessel, Offshore Solution, in late 2023. These acquisitions alone cannot account for the significant growth in earnings over the period of analysis. As such we consider the growth in normalised earnings over the period from FY21 to FY24 to be a combination of organic and inorganic growth, coupled with favourable industry conditions. As detailed above, these favourable industry conditions for subsea services are predicted to continue into the short to

medium term given the strong backlog of subsea services works globally. Therefore, we consider it appropriate to place more reliance on the most recent earnings as we do not consider the earlier periods to be reflective of the likely earnings pattern of the SSB going forward and to be reflective of the current market value.

- We have used MMA management's forecast and budgeted earnings data to underpin the top end of our assessed FME range. Based on our review of the information provided to us, nothing has come to our attention to suggest that MMA management's forecast and budgeted earnings data is not a reasonable estimate of the SSB's earnings going forward.
- We note that although FY24 is presented as a forecast period, we have actual performance for the majority of the financial year to rely on, with strong foresight over the remaining forecast period of FY24, providing a high level of confidence in the FY24F normalised EBITDA figure presented.

### Assessing an appropriate multiple to apply to FME

The next step in applying the FME methodology is to determine an appropriate multiple to apply to our assessed FME of the SSB determined above. Inherently, the multiple should reflect the risks and likely growth associated with the business.

To determine an appropriate multiple, we have analysed:

- EV/EBITDA multiples of publicly traded comparable companies ('**Trading Multiples**'); and
- EV/EBITDA multiples implied from comparable transactions ('**Transaction Multiples**').

#### Trading Multiples

In determining an appropriate EV/EBITDA multiple to apply to SSB's FME, we selected a group of publicly listed companies we considered to be comparable to the SSB in terms of operations, business risk and exposure to similar end user markets.

A total of eight comparable companies were identified based on our search criteria. Details of the identified comparable companies are included in Appendix 4.

We considered the following factors in determining an appropriate EV/EBITDA multiple to apply to the SSB's FME:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the market in which the SSB operates;
- strategic attractions of the SSB, including particular strengths and weaknesses, market position, strength of competition and barriers to entry;
- relationship with, and dependence on, key clients;
- stability and quality of earnings;
- the asset backing of the underlying business; and
- the future prospects for the operations of the SSB.

The Trading Multiples of the identified comparable companies are outlined in the table below:

| Company name                    | Market capitalisation<br>02-May-24<br>(\$m) | Mkt cap incl.<br>control prem.<br>02-May-24<br>(\$m) | Enterprise<br>value as at<br>02-May-24<br>(\$m) | Revenue for<br>year ended<br>31-Dec-23<br>(\$m) | Hist. EBITDA<br>year ended<br>31-Dec-23<br>(\$m) | Historical<br>multiple<br>(EV/EBITDA) |
|---------------------------------|---|--|---|---|--|---------------------------------------|
| <b>MMA Offshore Limited</b>     | <b>890.7</b>                                | <b>1,157.9</b>                                       | <b>1,109.3</b>                                  | <b>352.6</b>                                    | <b>101.1</b>                                     | <b>11.0</b>                           |
| DOF Group ASA                   | 2,004.4                                     | 2,605.7  | 4,396.0   | 1,725.8   | 542.4  | 8.1                                   |
| Oceaneering International, Inc. | 3,490.5                                     | 4,537.6  | 5,392.3   | 3,813.5   | 698.2  | 7.7                                   |
| Saipem SpA                      | 7,152.8                                     | 9,298.7  | 9,644.5   | 20,414.1  | 1,642.9  | 5.9                                   |
| SEACOR Marine Holdings Inc.     | 519.5                                       | 675.3  | 1,067.5   | 431.0   | 96.0   | 11.1                                  |
| Siem Offshore Inc.              | 1,155.1                                     | 1,501.7  | 2,065.8   | 493.0   | 226.7  | 9.1                                   |
| Solstad Offshore ASA            | 503.6                                       | 654.7  | 2,865.7   | 1,001.7   | 442.0  | 6.5                                   |
| Subsea 7 S.A.                   | 7,542.2                                     | 9,804.8  | 11,004.3  | 9,389.3   | 1,123.0  | 9.8                                   |
| Reach Subsea ASA                | 227.1                                       | 295.3  | 414.4   | 284.5   | 133.8  | 3.1                                   |
|                                 |   |  |   |   | Mean   | 7.7                                   |
|                                 |   |  |   |   | Median   | 7.9                                   |

Source: S&P Capital IQ and BDO analysis

The EV/EBITDA multiples for the comparable companies disclosed in the table above have been assessed as at 2 May 2024, using the EBITDA for the latest available historical year as at that date. We have outlined MMA information as at 22 March 2024 being the date prior the announcement of the Scheme. We have verified that all reported data above conforms with AASB 16 *Leases*.

The observed EV/EBITDA multiples range from a low of 3.1 times to a high of 11.1 times, with a mean and median of 7.7 times and 7.9 times, respectively.

In order to arrive at our EV/EBITDA multiple range to apply to the FME of SSB, we have adjusted the observed trading multiple range to account for the following factors:

#### Discount for small size and lack of diversification relative to comparable companies

Smaller companies are generally valued at a discount to comparable larger companies. Larger companies generally have less business risk due to the diversification of risk in the various operations of their business, whereas smaller companies are less diversified with a higher concentration of business risk. MMA has a relatively small market capitalisation compared to the comparable companies above. Further, we note that we are assessing the value of the SSB, which represents a portion of the MMA group as a whole. Accordingly, we have discounted the observed EV/EBITDA multiple range to reflect an applicable level of risk associated with the SSB's small size and lack of diversification relative to the assessed comparable companies.

#### Projected earnings growth

We consider the SSB has been through a recent trend of strong growth in earnings, as depicted in the EBITDA graph above. Taking into account the recent earnings growth, management's forecast performance in FY24 through to FY26, and the current expectations for industry wide demand for subsea services, we have reasonable grounds to assume the earnings growth will continue for the SSB over the short to medium term.

After analysis of the comparable companies' forecast FY24 through to FY26, where available, we have assessed that there is significant growth in earnings anticipated for most of the companies in the selected group of comparable companies (aligning with the industry-wide demand projected for subsea services), and therefore, no adjustment to the EV/EBITDA multiple is required to account for the SSB's forecast growth in earnings.

## Control

The Trading Multiples data is based on the market capitalisations of the comparable companies, which is calculated using the market price of shares, which in turn represents a minority interest in the respective companies. We note that our valuation of the SSB is on a controlling interest basis. Therefore, we have applied a premium for control to the observed market capitalisation of each comparable company in order to derive an enterprise value of the comparable companies on a controlling interest basis. This ensures the EV/EBITDA multiples outlined in the table above are on a controlling interest basis and there is no need to adjust the assessed multiple to reflect a controlling interest.

The control premium applied was 30%, being the midpoint of the assessed control premium in section 10.2 of this Report.

## Conclusion

Based on the above factors, we consider an appropriate EV/EBITDA multiple to apply to the SSB earnings to be in the range of 5.5x to 6.0x on a controlling interest basis.

## Transaction Multiples (cross-check)

As a cross-check to our assessed EV/EBITDA multiple, we have also considered completed transactions where we consider the target to be broadly comparable with the SSB. The identified comparable transactions and implied EV/EBITDA multiple are outlined in the table below.

| Transaction close date | Target                       | Acquirer                             | % acquired | EV (\$m) | EBITDA (\$m) | Implied EV/EBITDA multiple |
|------------------------|------------------------------|--------------------------------------|------------|----------|--------------|----------------------------|
| 26-Mar-24              | Icon Offshore Berhad         | Liannex Maritime Sdn Bhd             | 50%        | 154.9    | 24.6         | 6.3                        |
| 19-Dec-23              | Eneti Inc.                   | Cadeler A/S                          | 100%       | 786.5    | 224.7        | 3.5                        |
| 16-Nov-21              | PT Rig Tenders Indonesia Tbk | PT Surya Indah Muara Pantai          | 81%        | 12.7     | 3.8          | 3.3                        |
| 05-Mar-18              | Ecosse Subsea Systems Ltd    | Oceaneering International, Inc.      | 100%       | 89.3     | 12.6         | 7.1                        |
| 09-Dec-16              | Rem Offshore ASA             | Solstad Offshore ASA                 | 100%       | 560.6    | 72.8         | 7.7                        |
| 27-Feb-15              | CH Offshore Ltd              | Energian Pte Ltd                     | 71%        | 275.9    | 35.4         | 7.8                        |
| 03-Jun-14              | Seamec Ltd                   | HAL Offshore Ltd                     | 75%        | 39.8     | 7.0          | 5.7                        |
| 04-Mar-14              | Kreuz Holdings Ltd           | Headland Private Equity Fund 6, L.P. | 100%       | 389.8    | 75.0         | 5.2                        |
| Mean                   |                              |                                      |            |          |              | 5.8                        |
| Median                 |                              |                                      |            |          |              | 6.0                        |

Source: S&P Capital IQ and BDO analysis

Given the above transaction multiples represent multiples paid to obtain a controlling interest in the target, we consider the implied EV/EBITDA multiples to be comparable to our assessed EV/EBITDA multiple range determined above, which includes a premium for control. Based on the above, we consider the transaction multiples to broadly support our assessed EV/EBITDA multiple range.



### Conclusion of the FME valuation of the SSB on a controlling interest basis

Our assessment of the enterprise value of the SSB is based on applying our assessed multiple range to our assessed range of SSB's FME. Our assessed valuation of the enterprise value of SSB based on the FME methodology is set out in the table below:

| Value of MMA's Subsea Services Business            | Low<br>\$'000  | High<br>\$'000 |
|--|----------------|----------------|
| Future Maintainable Earnings                       | 20,000         | 25,000         |
| Adjusted EV/EBITDA multiple                        | 5.5x           | 6.0x           |
| <b>Enterprise value of the SSB (control basis)</b> | <b>110,000</b> | <b>150,000</b> |

Source: BDO analysis

### 10.1.3. Value of MMA's corporate costs

Corporate costs attributable to the Company as a whole, were not included in our valuations of the VSB or the SSB. Instead, we have accounted for the corporate costs attributable to the Company as a whole, separately.

MMA's corporate costs for the years ended 30 June 2023, 30 June 2022 and 30 June 2021, as well as the annualised corporate costs for the half-year ended 31 December 2023 are set out below.

| MMA's corporate costs                            | HY24<br>\$'000 | FY23<br>\$'000 | FY22<br>\$'000 | FY21<br>\$'000 |
|--|----------------|----------------|----------------|----------------|
| Corporate costs                                  | 8,867          | 15,359         | 10,048         | 10,094         |
| <b>Value of MMA's annualised corporate costs</b> | <b>17,734</b>  | <b>15,359</b>  | <b>10,048</b>  | <b>10,094</b>  |

Source: MMA's financial statements and BDO analysis

Based on MMA's historical corporate costs, we have assessed MMA's corporate costs to be in the range of \$10.0 million per annum to \$15.0 million per annum, with a mid-point position of \$12.5 million per annum (in real terms).

We have applied our assessed long-term forecast inflation rate of 2.50% per annum to the corporate costs and assumed the costs continue up until 30 June 2034, being the final year of cash flows contemplated by the DCF valuation of the VSB. We have discounted the corporate cost cash flows by 11% per annum, being our assessed WACC of the VSB. We note that the VSB forms a substantial part of the value of the Company, evidenced by our assessed value of the VSB being considerably greater than our assessed value of the SSB. Therefore, we consider the WACC of the VSB to be appropriate for the purposes of discounting the corporate cost cash flows to present value.

In forming a terminal value for our corporate cost estimate, we have assumed that the VSB and SSB will continue indefinitely and the level of corporate costs (in real terms) required to support the two business units will be relatively consistent over the long-term. Therefore, our terminal value assumption for the corporate costs is based on the perpetuity method, whereby our mid-point position of \$12.50 million corporate costs per annum (in real terms) grows at a perpetual rate of 2.50% per annum, being the current long-term inflation rate target in Australia. We have also assumed a tax shield impact from these corporate costs, calculated at the Company's effective tax rate of approximately 15%.

The period in which the terminal value occurs for our corporate costs assessment coincides with the period in which the terminal value occurs in the VSB Model, being the year ending 30 June 2035.

Based on the above, we have assessed the present value of corporate costs to be in the range of \$114 million to \$171 million, with a mid-point value of \$143 million.

#### 10.1.4. Transaction costs

In performing our valuation of MMA, we have reflected the transaction costs that are expected to be incurred by MMA subsequent to 31 March 2024, regardless of whether the Scheme proceeds.

The transaction costs to be incurred by MMA have been estimated to be \$3.0 million as detailed in the Scheme Booklet. We have not considered transaction costs totalling \$480,000 that have already been incurred by MMA prior to 31 March 2024, as these costs are already reflected in the enterprise value to equity value adjustment, which is determined below. Therefore, the remaining \$2.52 million transaction costs yet to be incurred have been included in this adjustment to the valuation.

#### 10.1.5. Number of MMA shares on issue

As detailed in Section 5.9 of our Report, the number of MMA shares on issue as at the date of our Report is 379,021,627. We have also adjusted the number of MMA on issue to account for the 3,978,188 vested MMA performance rights and the 5,188,344 unvested MMA performance rights which management has advised will vest on 1 July 2024.

As detailed in Section 4 of our Report, the MMA board of directors (excluding Mr David Ross) has resolved to accelerate the vesting of all unvested MMA performance rights on issue (11,594,391 performance rights) as part of the Scheme. However, we have not considered the remaining 6,406,047 unvested MMA performance rights (which are not scheduled to vest on 1 July 2024) in our assessment of the value of an MMA share. This is because the purpose of our valuation is to assess the value of an MMA share prior to the implementation of the Scheme, whereas these unvested performance rights are only subject to accelerated vesting as a result of the Scheme. Therefore, we have only included the performance rights that have already vested, or will vest on 1 July 2024 in our assessment.

The total number of MMA shares on issue used in our Sum-of-Parts valuation of MMA is set out below:

| Share structure prior to the Scheme                                      |                    |
|--|--------------------|
| Number of MMA shares on issue  | 379,021,627        |
| Number of vested MMA performance rights                                  | 3,978,188          |
| Number of unvested MMA performance rights which will vest on 1 July 2024 | 5,188,344          |
| <b>Total number of MMA shares on issue</b>                               | <b>388,188,159</b> |

Source: Scheme Booklet and BDO analysis

#### 10.1.6. Enterprise value to equity value adjustments

Our valuation of MMA's two core business units, namely the VSB and the SSB have been performed at the enterprise value level. Whereas the purpose of our assessment is to determine the equity value of MMA. Therefore, we have applied the following steps to convert the total enterprise value into an equity value:

- Added cash and cash equivalents and deducted net business debt. The cash and cash equivalents and net business debt balances have been sourced from MMA's unaudited financial statements for the period ended 31 March 2024. We have obtained bank statements and borrowings verification from management to establish reasonable grounds for reliance on the unaudited financial information. Our assessment of net business debt includes lease liabilities recognised under AASB 16, on the basis that we have also adjusted our FME to be in line with AASB 16. We note that our assessed EV/EBITDA multiples have also been calculated using AASB 16; and
- Added assets and deducted liabilities which are surplus to the operations of the businesses. The balance sheet of a company includes all assets and liabilities required to generate income. However, if there are assets or liabilities surplus to the business, these can be considered additional to the

enterprise value calculated from the FME valuation methodology, as they are not required to generate income in the normal course of business and would have been excluded from the normalised FME. We consider the deferred tax assets, current tax liabilities and deferred tax liabilities to be non-operational in nature and have therefore been treated as surplus assets and liabilities.

We consider that the value of all other assets and liabilities of MMA are implicitly included in our separate valuations of the VSB and the SSB. Therefore, we have only adjusted for the items detailed above and in note b below.

A summary of the adjustments made to convert our assessed enterprise value of MMA into an equity value is set out below:

| Equity value of MMA                             | Note | Low<br>\$'000  | Mid-point<br>\$'000 | High<br>\$'000   |
|---|------|----------------|---------------------|------------------|
| <b>Enterprise value of MMA (control)</b>        |      | <b>680,639</b> | <b>829,865</b>      | <b>991,096</b>   |
| <b>Cash and cash equivalents</b>                |      |                |                     |                  |
| Add: Cash and cash equivalents                  |      | 103,555        | 103,555             | 103,555          |
| <b>Net business debt</b>                        |      |                |                     |                  |
| Deduct: Net business debt                       | a)   | (891)          | (891)               | (891)            |
| <b>Surplus assets</b>                           |      |                |                     |                  |
| Add: Fair market value of Mermaid Searcher      | b)   | 4,231          | 4,231               | 4,231            |
| <b>Total adjustments</b>                        |      | <b>106,895</b> | <b>106,895</b>      | <b>106,895</b>   |
| <b>Equity value of MMA (control)</b>            |      | <b>787,534</b> | <b>936,760</b>      | <b>1,097,991</b> |
| Number of MMA shares on issue                   |      | 388,188,159    | 388,188,159         | 388,188,159      |
| <b>Value per MMA share (control) (\$/share)</b> |      | <b>2.03</b>    | <b>2.41</b>         | <b>2.83</b>      |

Source: BDO analysis

#### Note a) Net business debt

The net business debt adjustment comprises current lease liabilities of \$8.84 million and non-current lease liabilities of \$6.93 million as at 31 March 2024, which has been offset by right-of-use assets of \$14.88 million as at 31 March 2024.

#### Note b) Fair market value of Mermaid Searcher

We consider the Mermaid Searcher to be a surplus asset, given that it is held for sale and no cash flows arising from its use are included in our valuation of the VSB. In determining the fair market value of Mermaid Searcher, we have relied on the market value as determined by M3. For further information on M3's approach and conclusions, refer to the ITSR prepared by M3 which is included as Appendix 5 of our Report.

Based on the above, we consider the equity value of MMA (on a controlling interest basis) to be in the range of \$787.53 million to \$1,097.99 million, with a preferred value of \$936.14 million. Based on the number of ordinary shares in MMA on issue, this derives a value per MMA share of \$2.03 to \$2.83, with a preferred value of \$2.41.

## 10.2 QMP valuation

To provide a comparison to the valuation of an MMA share in Section 10.1, we have also assessed the QMP for an MMA share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

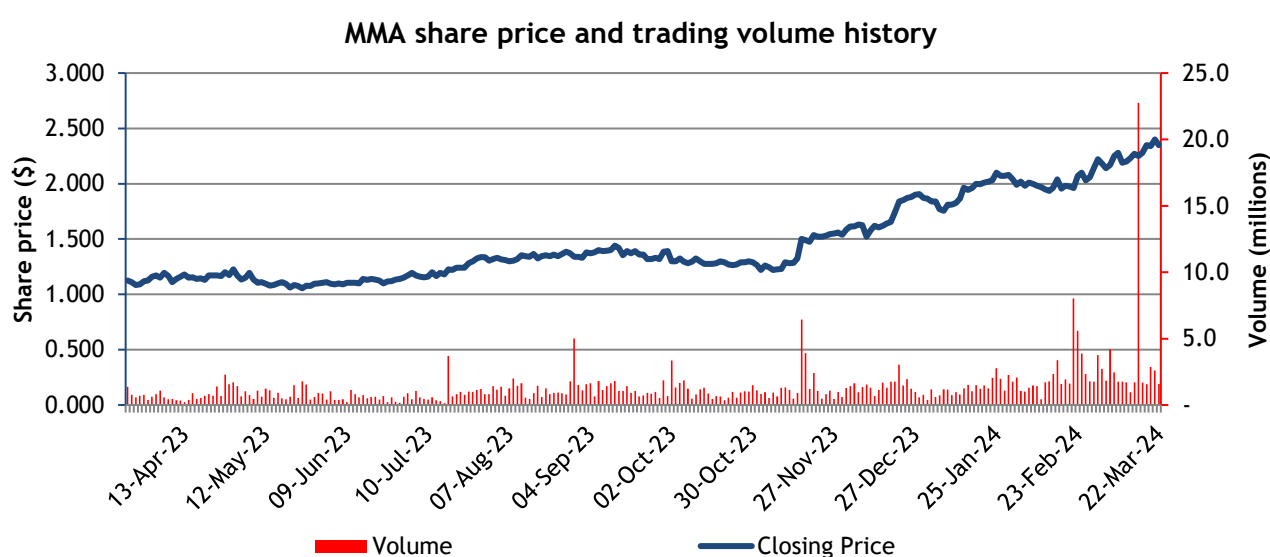
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Therefore, our calculation of the QMP of an MMA share including a premium for control has been prepared in two parts. The first part is to calculate the QMP on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a QMP value that includes a premium for control.

### Minority interest value

Our analysis of the QMP of an MMA share is based on the pricing prior to the announcement of the Scheme. This is because the value of an MMA share after the announcement of the Scheme may include the effects of any change in value as a result of the Scheme. However, we have considered the value of an MMA share following the announcement of the Scheme when we have considered reasonableness in Section 13.

Information on the Scheme was announced to the market on 25 March 2024. Therefore, the following chart provides a summary of the share price movement over the 12 months to 22 March 2024, which was the last trading day prior to the announcement of the Scheme.



Source: Bloomberg

The daily price of MMA shares from 22 March 2023 to 22 March 2024 ranged from a low of \$1.030 on 25 May 2023 to a high of \$2.400 on 21 March 2024. The largest day of single trading over the assessed period was 15 March 2024, when 22,755,671 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

| Date       | Announcement   | Closing Share Price Following Announcement<br>\$ (movement) |   |       | Closing Share Price Three Days After Announcement<br>\$ (movement) |   |       |
|------------|--|---|---|-------|--|---|-------|
| 01/03/2024 | S&P DJI Announces March 2024 Quarterly Rebalance     | 2.220   | ▲ | 3.7%  | 2.170  | ▼ | 2.3%  |
| 22/02/2024 | 2024 Half Year Results Investor Presentation         | 1.960   | ▼ | 0.8%  | 2.030  | ▲ | 3.6%  |
| 22/02/2024 | 2024 Half Year Results Announcement                  | 1.960   | ▼ | 0.8%  | 2.030  | ▲ | 3.6%  |
| 22/02/2024 | 2024 Half Year Financial Report                      | 1.960   | ▼ | 0.8%  | 2.030  | ▲ | 3.6%  |
| 17/11/2023 | Award of Decommissioning Services Contract           | 1.475   | ▼ | 1.0%  | 1.520  | ▲ | 3.1%  |
| 15/11/2023 | Trading Update                                       | 1.500   | ▲ | 13.2% | 1.535  | ▲ | 2.3%  |
| 10/11/2023 | Results of Meeting                                   | 1.280   | ▼ | 0.8%  | 1.500  | ▲ | 17.2% |
| 10/11/2023 | 2023 AGM - Chairman's Address and MD Presentation    | 1.280   | ▼ | 0.8%  | 1.500  | ▲ | 17.2% |
| 09/11/2023 | PURCHASE OF MULTI-PURPOSE SUPPORT VESSEL             | 1.290   | ▲ | 4.9%  | 1.325  | ▲ | 2.7%  |
| 18/10/2023 | Award of Department of Defence Contract              | 1.300   | ▲ | 1.6%  | 1.265  | ▼ | 2.7%  |
| 01/09/2023 | MMA Inscription Contract Awards                      | 1.380   | ▲ | 3.8%  | 1.400  | ▲ | 1.4%  |
| 29/08/2023 | 2023 Financial Results Announcement and Presentation | 1.340   | ▼ | 2.2%  | 1.380  | ▲ | 3.0%  |
| 29/08/2023 | 2023 Appendix 4E - Preliminary Final Report          | 1.340   | ▼ | 2.2%  | 1.380  | ▲ | 3.0%  |
| 25/08/2023 | Award of Ship Management Contract for CSIRO          | 1.385   | ▲ | 1.5%  | 1.340  | ▼ | 3.2%  |
| 10/08/2023 | New Finance Facility                                 | 1.355   | ▲ | 2.7%  | 1.365  | ▲ | 0.7%  |
| 17/07/2023 | FY2023 Trading Update                                | 1.225   | ▲ | 3.8%  | 1.240  | ▲ | 1.2%  |

Source: Bloomberg, ASX, and BDO Analysis

On 17 July 2023, MMA announced an anticipated EBITDA figure for FY23, which represented an increase of over 100% on previous the financial year, driven by a better than expected second half of FY23. On the date of the announcement, the share price increased 3.8% to close at \$1.225, before increasing a further 1.2% over the subsequent three-day trading period to close at \$1.240.

On 10 August 2023, MMA announced it had entered into a new \$130 million finance facility, replacing the Company's existing debt facility which was due to end in January 2025. On the date of the announcement, the share price increased 2.7% to close at \$1.355, before increasing a further 0.7% over the subsequent three-day trading period to close at \$1.365.

On 1 September 2023, MMA announced it had been awarded two contracts to provide LNG field support duties in Australia's North West. The contracts involved the platform supply vessel "MMA Inscription" being engaged under two back-to-back contracts for a total period of 220 days, commencing in mid-September 2023. The contracts were expected to generate combined revenue of approximately \$12.4 million. On the date of the announcement, the share price increased 3.8% to close at \$1.380, before increasing a further 1.4% over the subsequent three-day trading period to close at \$1.400.

On 9 November 2023, MMA announced the purchase of a new multi-purpose support vessel. On the date of the announcement, the share price increased 4.9% to close at \$1.290, before increasing a further 2.7% over the subsequent three-day trading period to close at \$1.325. Subsequently, on 10 November 2023, MMA held its Annual General Meeting ('AGM'). On the date of the AGM, the share price decreased 0.8% to close at \$1.280, before increasing 17.2% over the subsequent three-day trading period to close at \$1.500.

On 15 November 2023, MMA provided an anticipated EBITDA figure for the first half of FY24, announcing that the business outperformed expectations for the first half of FY24. On the date of the announcement, the share price increased 13.2% to close at \$1.500, before increasing a further 2.3% over the subsequent three-day trading period to close at \$1.535. In addition to the share price movement, the volume of trading of MMA shares was significant, with 6,439,528 shares being traded on the date of the announcement, representing approximately 1.70% of the Company's issued capital.

On 1 March 2024, the S&P Dow Jones Indices announced changes to the S&P/ASX Indices, whereby MMA was included in the S&P/ASX 300 Index effective prior to the open on 18 March 2024. On the date of the announcement, the share price increased 3.7% to close at \$2.220, before decreasing 2.3% over the subsequent three-day trading period to close at \$2.170.

To provide further analysis of the QMP for an MMA share, we have also considered the VWAP for 10-, 30-, 60- and 90-day periods to 22 March 2024.

| Share price per unit | 22-Mar-24 | 10 days | 30 days | 60 days | 90 days |
|----------------------|-----------|---------|---------|---------|---------|
| Closing price        | \$2.350   |         |         |         |         |
| VWAP                 |           | \$2.273 | \$2.162 | \$2.107 | \$1.977 |

Source: Bloomberg and BDO analysis

The above VWAPs are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of MMA shares that has occurred since the Scheme was announced. An analysis of the volume of trading in MMA shares for the twelve months to 22 March 2024 is set out below:

| Trading days | Share price low | Share price high | Cumulative volume traded | As a % of issued capital |
|--------------|-----------------|------------------|--------------------------|--------------------------|
| 1 day        | \$2.325         | \$2.400          | 1,595,277                | 0.42%                    |
| 10 days      | \$2.150         | \$2.420          | 39,224,622               | 10.35%                   |
| 30 days      | \$1.865         | \$2.420          | 94,083,944               | 24.82%                   |
| 60 days      | \$1.735         | \$2.420          | 132,641,703              | 35.00%                   |
| 90 days      | \$1.290         | \$2.420          | 179,461,853              | 47.35%                   |
| 180 days     | \$1.150         | \$2.420          | 280,032,398              | 73.88%                   |
| 1 year       | \$1.030         | \$2.420          | 333,699,919              | 88.04%                   |

Source: Bloomberg, BDO analysis

This table indicates that MMA's shares display a high level of liquidity, with 88.04% of the Company's current issued capital being traded in a twelve month period and almost 25% in the 30 trading days immediately prior to the announcement of the Scheme. RG 111.86 states that for the QMP methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the QMP may not reflect their value, should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of MMA, we consider the shares to display a high level of liquidity, on that basis that more than 1% of securities have been traded weekly on average, with 88.04% of MMA's current issued capital being traded over a twelve-month period, and 73.88% of MMA's current issued capital being traded over the 180-day period, prior to the announcement of the Scheme. Of the 52 weeks in which our analysis is based on, more than 1% of the Company's securities had been traded in 32 of those weeks.

Our assessment is that a range of values for MMA's shares based on market pricing, after disregarding post announcement pricing, is between \$1.970 and \$2.350.

## Control premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed industrial service companies and all ASX-listed companies over the ten-year period from 2014 to April 2024. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

### ASX-listed industrial service companies

| Year | Number of Transactions | Average Deal Value (\$m) | Average Control Premium (%) |
|------|------------------------|--------------------------|-----------------------------|
| 2024 | -                      | -                        | -                           |
| 2023 | -                      | -                        | -                           |
| 2022 | 3                      | 7,144.53                 | 26.77                       |
| 2021 | 1                      | 15.58                    | 88.98                       |
| 2020 | -                      | -                        | -                           |
| 2019 | -                      | -                        | -                           |
| 2018 | 2                      | 527.96                   | 34.52                       |
| 2017 | 1                      | 516.54                   | 46.29                       |
| 2016 | 3                      | 457.17                   | 58.60                       |
| 2015 | 2                      | 4,014.50                 | 36.64                       |
| 2014 | 2                      | 451.69                   | 21.10                       |

Source: Bloomberg, BDO analysis

### All ASX-listed companies

| Year | Number of Transactions | Average Deal Value (\$m) | Average Control Premium (%) |
|------|------------------------|--------------------------|-----------------------------|
| 2024 | 6                      | 532.14                   | 24.12                       |
| 2023 | 34                     | 428.37                   | 27.25                       |
| 2022 | 39                     | 3,199.03                 | 23.39                       |
| 2021 | 28                     | 1,095.24                 | 35.17                       |
| 2020 | 16                     | 367.97                   | 40.43                       |
| 2019 | 29                     | 4,165.55                 | 32.83                       |
| 2018 | 26                     | 1,571.79                 | 30.07                       |
| 2017 | 24                     | 1,168.71                 | 36.75                       |
| 2016 | 28                     | 490.46                   | 38.53                       |
| 2015 | 28                     | 948.39                   | 33.53                       |
| 2014 | 36                     | 485.46                   | 37.39                       |

Source: Bloomberg, BDO analysis



The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed industrial service companies and all ASX-listed companies, are set out below:

| Entire Data Set Metrics | ASX-listed Industrial Service Companies |                     | All ASX-Listed Companies |                     |
|-------------------------|---|---------------------|--------------------------|---------------------|
|                         | Deal Value (\$m)                        | Control Premium (%) | Deal Value (\$m)         | Control Premium (%) |
| Mean                    | 2,380.39                                | 41.13               | 1,439.36                 | 32.64               |
| Median                  | 431.03                                  | 36.91               | 127.26                   | 28.47               |

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

In performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed industrial service companies and all ASX-listed companies is approximately 41.13% and 32.64% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 36.91% for ASX-listed industrial service companies and 28.47% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

### QMP including control premium

Applying a control premium to MMA's QMP results in the following QMP value including a premium for control:

|  | Low<br>\$     | High<br>\$    |
|--|---------------|---------------|
| QMP value  | \$1.97        | \$2.35        |
| Control premium                                      | 25%           | 35%           |
| <b>QMP valuation including a premium for control</b> | <b>\$2.46</b> | <b>\$3.17</b> |

Source: BDO analysis

Therefore, our valuation of an MMA share based on the QMP method and including a premium for control is between \$2.46 and \$3.17, with our preferred QMP value of an MMA share being a rounded midpoint value of \$2.82. We have selected the midpoint between the low and high values as a preferred value as there is no reason for us to select a value on either end of the above assessed range.

### 10.3 Assessment of the value of an MMA share

The results of the valuations performed are summarised in the table below:

| Value of an MMA share                     | Ref  | Low<br>\$ | Preferred<br>\$ | High<br>\$ |
|---|------|-----------|-----------------|------------|
| Sum-of-Parts (controlling interest basis) | 10.1 | 2.03      | 2.41            | 2.83       |
| QMP (controlling interest basis)          | 10.2 | 2.46      | 2.81            | 3.17       |

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value an MMA share as the core value of the Company lies in its two main business units, being the VSB and the SSB, which have been separately valued using different valuation methodologies, due to their unique earnings profiles and different stages in the business life cycle. Notwithstanding this, we consider the QMP methodology to be relevant for the purposes of a broad cross-check to our valuation under the Sum-of-Parts approach.

We note that whilst the QMP and the Sum of Parts value range have a substantial overlap, the value range of an MMA share derived under the Sum-of-Parts approach is lower than the value range derived under the QMP approach. The difference in results under our two valuation approaches is explained by:

- We are bound by guidance contained in ASIC's Regulatory Guides, specifically RG 170, when assessing the value of MMA and the material assumptions that underpin the individual valuations of the VSB and the SSB. Broker research, which can inform investors, is not constrained or governed by this guidance and therefore may be basing their valuations on different technical and economic assumptions. As such investors may have relied on such broker research; and
- Given the current upcycle in the shipping services industry, the market price may be influenced by positive sentiment around the current strong operating conditions and may take an optimistic view that current utilisation rates, return on asset metrics and general demand for vessel services will continue in the long-term. Whereas, we have incorporated an approximate downturn period in our DCF valuation of the VSB (Section 10.1.1) in order to capture the cyclicity of the shipping services industry and the likelihood of a downturn period occurring over the forecast period. We have also considered the less likely scenario where no downturn period occurs during the forecast. We have used this scenario to inform the high end of our value range of the VSB. Under this scenario, we note that the high end of our Sum-of-Parts valuation range is broadly consistent with our preferred QMP value of an MMA share (on a controlling interest basis).

Based on the results above we consider the value of an MMA share (on a controlling interest basis) to be in the range of \$2.03 to \$2.83, with a preferred value of \$2.41.

## 11. Valuation of the Scheme Consideration

Per the SID, Shareholders will receive \$2.60 cash for each MMA share held on the Scheme record date. Therefore, the value of the Scheme Consideration is \$2.60 per MMA share.

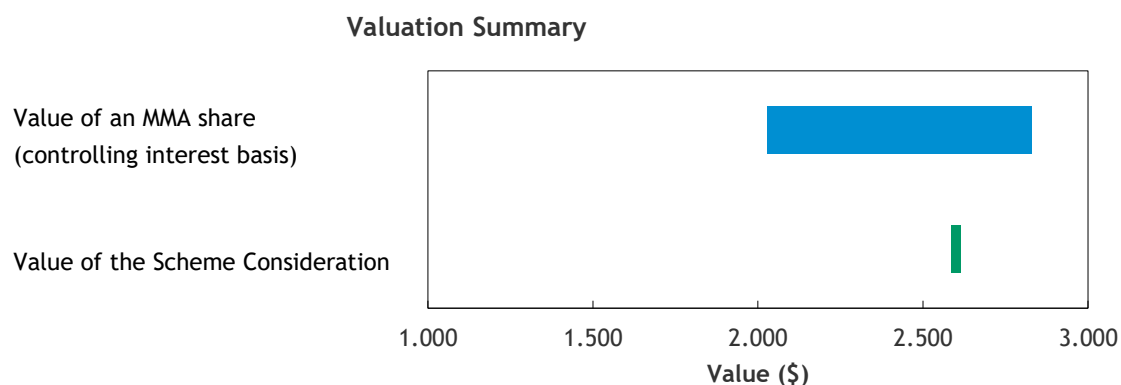
## 12. Is the Scheme fair?

The value of an MMA share (on a controlling interest basis) and the value of the Scheme Consideration, are compared below:

| Fairness assessment                                | Ref | Low<br>\$ | Preferred<br>\$ | High<br>\$ |
|--|-----|-----------|-----------------|------------|
| Value of an MMA share (controlling interest basis) | 10  | 2.03      | 2.41            | 2.83       |
| Value of the Scheme Consideration                  | 11  | 2.60      | 2.60            | 2.60       |

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that the Scheme is fair for Shareholders. We consider the Scheme to be fair for Shareholders.

We note that the Scheme Consideration is also within our QMP value range of \$2.46 to \$3.17 and as such the Scheme would be considered to be fair based on that value range also.

## 13. Is the Scheme reasonable?

We have considered the below, in terms of both:

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Scheme is reasonable for Shareholders.

### 13.1 Advantages of approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

#### 13.1.1. The Scheme is fair

As set out in Section 12, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

#### 13.1.2. The Scheme Consideration provides certainty of value to Shareholders

The Scheme Consideration is \$2.60 per MMA share. Therefore, Shareholders will receive cash for exiting their investment in MMA which offers certainty in their returns and provides Shareholders with the opportunity to utilise the cash received for other purposes, such as alternative investments.

However, we note that this may not be considered an advantage by those Shareholders who acquired their MMA shares at a price higher than \$2.60 per share, or those Shareholders who do not wish to access alternative investments.

#### 13.1.3. Shareholders will crystallise their investment at a high point in a highly cyclical business

As stated within this Report, and the ITSR found in Appendix 5, MMA operates in a highly cyclical industry in which demand for OSV services can depend on many factors, including commodity markets, economic conditions and market dynamics. The supply of OSVs globally can also be volatile, with the current supply of OSV impacted by an aging global fleet and a lack of newbuild activity (due to high costs and low shipyard availability).

MMA has taken advantage of the above which has resulted in strong performance in business operations with utilisation of vessels and return on assets metric at historically high levels. Levels considered unsustainable by MMA management under the current short term contracting strategy as publicly stated in recent earnings guidance announced on 18 April 2024.

This provides an opportunity for Shareholders to crystallise the value of their investment in MMA at a potential high point of a business cycle and avoiding the risk of continuing to hold MMA shares as the cycle turns.

#### 13.1.4. The Scheme removes the uncertainty of future capital deployment required to replenish an aging fleet

As outlined in Section 10.1.1. of this Report, MMA will have significant capital expenditure requirements to replenish the current fleet of vessels as the age of each vessel reaches a point where some major

industries consider the vessels obsolete. As discussed in section 10.1.1, the average age of the fleet is currently 10.6 years and major industries that MMA provides services to will typically not contract vessels older than 15 years. However, in a tight market with high demand and low supply of vessels, it is not uncommon for customers to contract vessels with lives stretching beyond the industry norm of 15 years. We note guidance provided on the replacement costs of each vessel in MMA's current fleet is detailed in the ITSR found in Appendix 5 of this Report.

In order to fund the future capital expenditure requirements, MMA may deploy a mix of retained earnings, debt facilities and, if funding shortfalls prevail, equity raisings may be sought which could dilute Shareholders. Any major capital expenditure program is likely to impact MMA's ability to deliver future returns to shareholders via dividends.

## **13.2 Disadvantages of approving the Scheme**

We have considered the following disadvantages when assessing whether the Scheme is reasonable.

### **13.2.1. Shareholders will forego the opportunity to participate in any potential upside in the value of the Company**

If Shareholders approve the Scheme, they will exit their investment in MMA. As a result, Shareholders will forego the opportunity to participate in any potential upside in the value of MMA, or access any future returns generated from MMA's assets.

Shareholders may have a view that the future prospects of the industry will not reflect history. However, we note that the current period of cyclical strength in the global OSV market is unlikely to continue indefinitely.

### **13.2.2. Shareholders will lose exposure to the marine and offshore services industry**

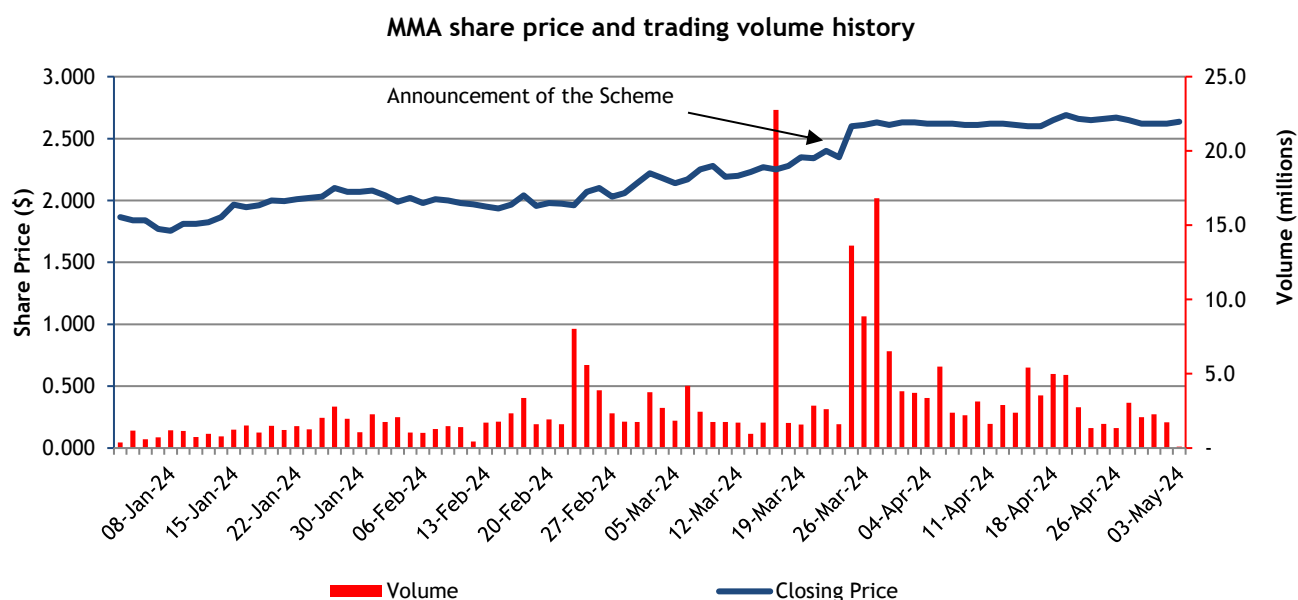
Shareholders may be holding their shares in MMA to maintain exposure to the marine and offshore services industry through MMA's vessels, subsea and project logistics operations, which in turn service the offshore energy, renewables, and wider maritime industries. By approving the Scheme, Shareholders will exit their investment in MMA and lose exposure to this industry.

In addition, there are limited ASX listed companies comparable to MMA in terms of marine and offshore service providers to the offshore energy, renewables and wider maritime industries. Therefore, Shareholders may not be able to replace this investment with a similar alternative investment.

### 13.3 Consequences of not approving the Scheme

#### Potential decline in MMA's share price

We have analysed movements in MMA's share price since the Scheme was announced. A graph of MMA's share price and trading volume leading up to, and following the announcement of the Scheme is set out below.



Source: Bloomberg

From 1 January 2023 to 3 May 2024, the closing price of MMA's shares ranged from a low of \$1.755 on 8 January 2024 to a high of \$2.69 on 19 April 2024.

MMA announced the Scheme on 25 March 2024. On the date of the announcement, MMA's closing share price increased approximately 10.6% to \$2.60, from the previous day's closing share price of \$2.35. On the date of the announcement, 13,627,714 shares were traded, representing approximately 3.60% of MMA's issued capital at the time. Following the announcement of the Scheme, MMA's share price has fluctuated from a low of \$2.60 on 25 March 2024, 16 April 2024 and 17 April 2024, to a high of \$2.69 on 19 April 2024.

Based on the above analysis, it is possible that if the Scheme is not approved, then MMA's share price may decline to a level observed prior to the announcement of the Scheme.

#### Transaction costs will be incurred by MMA and the Break Fee may be payable to Cyan

If the Scheme is not implemented, MMA will have incurred transactions costs of approximately \$3.0 million with no achieved outcome. In addition, MMA may be required to pay the Break Fee to Cyan depending on the circumstances under which the Scheme does not proceed.

We note that the Break Fee is not payable by MMA as a result of MMA not obtaining the requisite approval level from Shareholders. Refer to the SID for the complete set of circumstances under which the break fees are payable by MMA and Cyan.

## 13.4 Alternative proposal

We are unaware of any alternative proposal that might offer Shareholders a premium over the value resulting from the Scheme.

## 13.5 Other considerations

### Taxation implications

Shareholders are directed to Section 8 of the Scheme Booklet for a detailed explanation of the general Australian taxation implications of the Scheme for Shareholders. We emphasise that the taxation circumstances of each Shareholder can differ significantly and individual shareholders are advised to obtain their own specific taxation advice.

## 14. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of MMA for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- Reviewed financial statements of MMA for the half-year ended 31 December 2023;
- MMA's half year results investor presentation 22 February 2024;
- 31 March 2024 MMA Board Pack, including MMA's 31 March 2024 management accounts
- 31 March 2024 MMA bank statements
- Independent Technical Specialist Report prepared by M3 Marine Valuations Pte Ltd dated 20 May 2024;
- VSB Model provided by MMA;
- Scheme Implementation Deed;
- Share registry information;
- Research analyst reports;
- Bloomberg;
- S&P Capital IQ;
- Reserve Bank of Australia;
- Monetary Authority of Singapore;
- Ministry of Trade and Industry Singapore;
- Ministry of Manpower Singapore;
- Central Bank of the Republic of China (Taiwan);
- Global Energy Monitor;
- Energy Institute Statistical Review of World Energy 2023;
- IBISWorld;
- Consensus forecasts;
- International Renewable Energy Agency - World Energy Transitions Outlook 2023 and Offshore Wind Energy Report 2023;
- Australian Government, Department of Industry, Science and Resources, Resources and energy quarterly: March 2004 and previous editions;
- Announcements made by MMA available through the ASX;



- Information in the public domain; and
- Discussions with Directors and Management of MMA.

## 15. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$150,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by MMA in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by MMA, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to MMA, Cyan and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of MMA, Cyan and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with MMA, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to MMA and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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## 16. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia

with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## 17. Disclaimers and consents

This report has been prepared at the request of MMA for inclusion in the Scheme Booklet which will be sent to all MMA Shareholders. MMA engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed scheme of arrangement with Cyan.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Cyan. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by MMA and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of MMA, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for the vessels owned by MMA. The valuer engaged for the vessel valuation, M3 Marine Valuations Pte Ltd, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

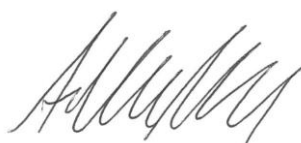
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**  
Director



**Adam Myers**  
Director

# Appendix 1 - Glossary of Terms

| Reference          | Definition  |
|--------------------|---|
| The Act            | <i>The Corporations Act 2001 (Cth)</i>  |
| Adjusted VSB Model | BDO adjusted detailed cash flow model for MMA's Vessel Services Business                              |
| AGM                | Annual General Meeting  |
| AHT                | Anchor handling tugs  |
| AHTS               | Anchor handling tug supply vessels  |
| APES 225           | Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' |
| ASIC               | Australian Securities and Investments Commission  |
| ASX                | Australian Securities Exchange  |
| BDO                | BDO Corporate Finance (WA) Pty Ltd  |
| CAPM               | Capital asset pricing model   |
| CBC                | Central Bank of the Republic of China (Taiwan)  |
| CGU                | Cash generating unit  |
| Company            | MMA Offshore Limited  |
| Corporations Act   | The Corporations Act 2001 Cth   |
| Court              | Federal Court of Australia  |
| CPI                | Consumer price index  |
| Cyan               | Cyan MMA Holdings Pty Ltd   |
| Cyan Renewables    | Cyan Renewables Pte Ltd   |
| DCF                | Discounted Future Cash Flows  |
| DISR               | Australian Department of Industry, Science, Energy and Resources'                                     |

| Reference       | Definition   |
|-----------------|--|
| EBIT            | Earnings before interest and tax   |
| EBITDA          | Earnings before interest, tax, depreciation and amortisation   |
| EIA             | US Energy Information Administration   |
| EU              | European Union   |
| EV              | Enterprise value   |
| FME             | Future Maintainable Earnings   |
| FSG             | Financial Services Guide   |
| FYXX            | Financial year ended 30 June 20XX  |
| G7              | Group of Seven, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. |
| GDP             | Gross domestic product   |
| GW              | Gigawatt   |
| HIPP            | Australian Government HydroScheme Industry Partnership Program   |
| HYXX            | Half financial year ended 31 December 20XX   |
| IRENA           | International Renewable Energy Agency  |
| ITSR            | Independent Technical Specialist Report  |
| kW              | kilowatt   |
| LNG             | Liquefied natural gas  |
| M3              | M3 Marine Valuations Pte Ltd   |
| MAS             | Monetary Authority of Singapore  |
| MMA             | MMA Offshore Limited   |
| MMA Global Aqua | Joint venture between MMA and Global Aqua Survey Ltd   |
| MMbbl           | million barrels of oil   |

| Reference            | Definition  |
|----------------------|---|
| MPSV                 | Multi-purpose support vessels   |
| Mt                   | Million tonnes  |
| NAV                  | Net Asset Value   |
| Neptune              | Neptune Marine Services Limited   |
| OECD                 | Organisation for Economic Co-operation and Development  |
| OPEC                 | Organization of the Petroleum Exporting Countries   |
| OPEC+                | OPEC plus of 10 other oil-producing countries inclusive of Russia   |
| OSV                  | Offshore support vessels  |
| Our Report           | This Independent Expert's Report prepared by BDO  |
| PLB                  | MMA's Project Logistics Business  |
| PP&E                 | Property, plant and equipment   |
| PSV                  | Platform supply vessels   |
| QMP                  | Quoted market price   |
| RBA                  | Reserve Bank of Australia   |
| RBA Board            | Board of the RBA  |
| Regulations          | Corporations Regulations 2001 (Cth)   |
| RG 111               | Content of expert reports (October 2020)  |
| RG 112               | Independence of experts (March 2011)  |
| RG 60                | Schemes of arrangement (September 2020)   |
| ROA                  | Return on assets  |
| ROV                  | Remotely operated vehicle   |
| Scheme Consideration | Under the terms of the Scheme, each MMA shareholder will receive \$2.60 cash for each MMA share held at the record date |

| Reference             | Definition   |
|-----------------------|--|
| Section 411           | Section 411 of the Corporations Act  |
| Seraya                | Seraya Management Private Limited  |
| Shareholders          | Shareholders of MMA  |
| SID                   | Scheme Implementation Deed   |
| SSB                   | MMA's Subsea Services Business   |
| Subcon                | Subcon International Pty Ltd   |
| Sum-of-Parts          | A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies  |
| the Scheme            | The proposed scheme of arrangement, whereby it is proposed Cyan will acquire the entire issued share capital of MMA  |
| Trading Multiples     | EV/EBITDA multiples of publicly traded comparable companies  |
| Transaction Multiples | EV/EBITDA multiples implied from comparable transactions   |
| Valuation Date        | 31 March 2024  |
| Valuation Engagement  | An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time. |
| VSF                   | MMA's Vessel Services Business   |
| VSF Model             | Detailed cash flow model for the Vessel Services Business prepared by the management of MMA  |
| VWAP                  | Volume Weighted Average Price  |
| WACC                  | Weighted Average Cost of Capital   |
| YoY                   | Year-on-year   |



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# Appendix 2 - Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

## **1 Net asset value**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

## **2 Quoted market price basis**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

## **3 Capitalisation of future maintainable earnings**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4 Discounted future cash flows**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

#### **5 Market-based assessment**

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

# Appendix 3 - Discount Rate for MMA's Vessel Services Business

Assessing the correct risk-adjusted discount rate (also referred to as the cost of capital), for an asset or business requires consideration of factors that affect the returns and risks of the business, as well as the application of accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

When considering the VSB, we consider the most appropriate discount rate to be the post-tax nominal weighted average cost of capital ('WACC'). The WACC is built up from the cost of debt and cost of equity for the asset or business. We select the WACC as the appropriate discount rate because the cash flows considered in the VSB Model are assessed on a pre-financing basis. Local taxation considerations were considered in the VSB Model, therefore, a post-tax discount rate was used.

## Cost of equity and Capital Asset Pricing Model

For the cost of equity component of the WACC, we consider the capital asset pricing model ('CAPM'), which is a commonly used methodology in determining the required market rate of return on equity investments. CAPM is based on the theory that a rational investor would price an asset so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes investors are risk averse and demand a higher return for accepting a higher level of risk. The calculation for the cost of equity, based on CAPM, is set out in the table below.

| CAPM        |  |
|-------------|--|
| $K_e$       | $= R_f + B \times (R_m - R_f)$   |
| Where:      |  |
| $K_e$       | = expected equity investment return or cost of equity in nominal terms |
| $R_f$       | = risk free rate of return   |
| $R_m$       | = expected market return   |
| $R_m - R_f$ | = market risk premium  |
| $B$         | = equity beta  |

The individual components of CAPM are discussed below.

## Risk-free rate ( $R_f$ )

The risk-free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

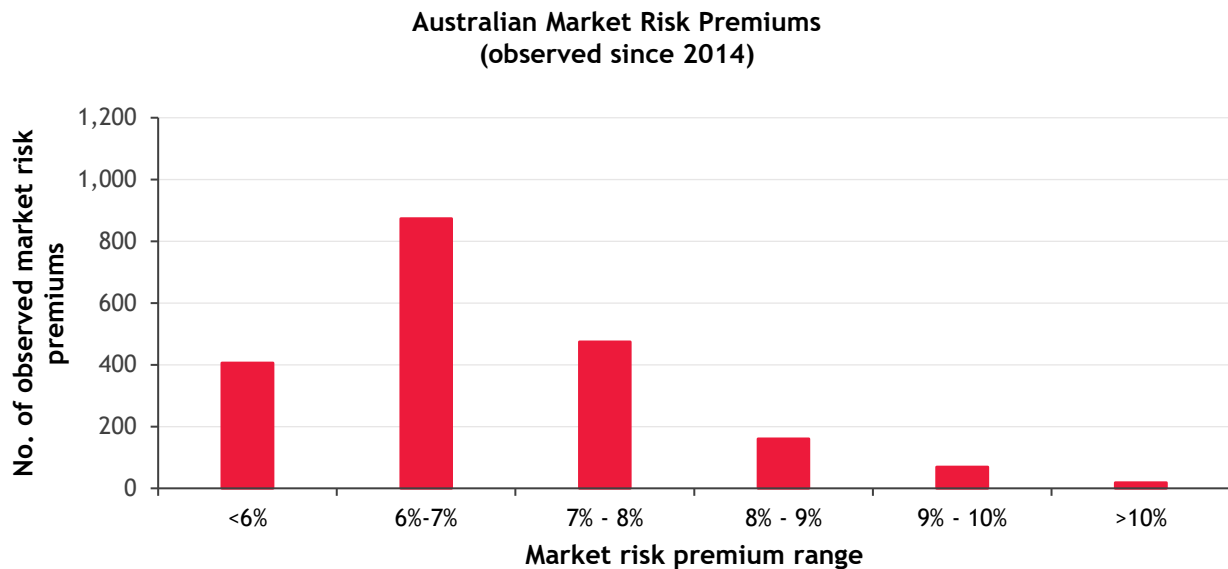
In determining an appropriate ten-year bond rate to use as a proxy for the risk-free rate, we have considered the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts sourced from Bloomberg. Based on this analysis, we have used a risk-free rate ranging from 3.50% to 4.00% in our analysis.

## Market risk premium ( $R_m - R_f$ )

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not

observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used a market risk premium of 6% in our assessment.

**Selected beta (β)**

In order to assess the appropriate equity beta for the VSB, we have had regard to the equity beta of comparable listed entities that operate in the marine and subsea service sector, primarily servicing the offshore energy sector. The listed companies identified have similar operations to the VSB in respect of service offering and industry exposure. The betas have been assessed over a five-year period using weekly returns, against the MSCI World Industrials Index.

The list of comparable companies we selected are set out below, with a brief description of each company provided at the end of this section.

| Company                                       | Market Capitalisation<br>2-May-24<br>(A\$m) | Gear<br>Beta<br>(B) | Gross Debt/Equity<br>(%) | Ungeared Beta<br>(Ba) | R <sup>2</sup> |
|---|---|---------------------|--------------------------|-----------------------|----------------|
| Kirby Corporation (NYSE:KEX)                  | 9,767.16                                    | 1.20                | 37%                      | 0.91                  | 0.32           |
| Subsea 7 S.A. (OB:SUBC)                       | 7,668.86                                    | 1.24                | 32%                      | 0.98                  | 0.22           |
| Tidewater Inc. (NYSE:TDW)                     | 7,555.05                                    | 1.38                | 69%                      | 0.87                  | 0.13           |
| Oceaneering International, Inc. (NYSE:OII)    | 3,482.21                                    | 1.72                | 145%                     | 0.77                  | 0.20           |
| Helix Energy Solutions Group, Inc. (NYSE:HLX) | 2,518.02                                    | 2.11                | 47%                      | 1.51                  | 0.26           |
| Seamec Limited (BSE:526807)*                  | 510.26                                      | 0.41                | 18%                      | 0.36                  | 0.00           |
| Reach Subsea ASA (OB:REACH)                   | 227.30                                      | 0.79                | 136%                     | 0.37                  | 0.07           |
| Baker Technology Limited (SGX:BTP)            | 127.77                                      | 0.72                | 7%                       | 0.68                  | 0.06           |
| <b>Mean</b>                                   | <b>3,982.08</b>                             | <b>1.20</b>         | <b>0.61</b>              | <b>0.81</b>           | <b>0.16</b>    |
| <b>Median</b>                                 | <b>3,000.12</b>                             | <b>1.22</b>         | <b>0.42</b>              | <b>0.82</b>           | <b>0.17</b>    |
| <b>Mean (excluding outlier)</b>               | <b>4,478.05</b>                             | <b>1.31</b>         | <b>0.67</b>              | <b>0.87</b>           | <b>0.18</b>    |
| <b>Median (excluding outlier)</b>             | <b>3,482.21</b>                             | <b>1.24</b>         | <b>0.47</b>              | <b>0.87</b>           | <b>0.20</b>    |

\*Seamec Limited has been excluded from the data set as an outlier due to having a low R<sup>2</sup> value.

Source: Bloomberg and BDO analysis

In selecting an appropriate beta for the VSB, we have considered the similarities and differences of the VSB compared to the set of comparable companies as set out above. We set out our considerations as follows:

- the comparable companies are all exposed to the cycles of the shipping and marine services industry;
- the comparable companies primarily service the offshore energy sector;
- some comparable companies are heavily exposed to different geographies, such as Kirby Corporation primarily servicing the US market;
- the comparable companies have variable risk profiles depending on the level of diversification of their services, whilst the VSB is intending to focus solely on vessel services; and
- the comparable companies identified have varying size and scale profiles, with Kirby Corporation, Subsea 7 S.A and Tidewater Inc. all having market capitalisations in excess of \$7 billion as at 2 May 2024, which is a reflection of these companies being larger and more diversified businesses than the VSB. Conversely, Reach Subsea ASA and Baker Technology Limited have market capitalisations of less than \$230 million as at 2 May 2024, which is a reflection of these companies being much smaller than the VSB. We have considered the varying size and scale profiles across the comparable companies when assessing the mean and median of the dataset.

In selecting an appropriate ungeared beta for the VSB, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. As set out in the table above, the ungeared betas for the list of comparable companies (excluding outlier), based on the returns over a five-year period, ranges from 0.37 to 1.51 with a mean and median of 0.87.

In selecting an appropriate ungeared beta for the VSB, we have considered the ungeared betas of the companies listed and the factors discussed above. We have also placed a higher weighting on those companies with more meaningful ungeared betas. Based on our analysis, we consider an appropriate ungeared beta to be in the range of 0.85 to 0.95 for the VSB.

## Gearing

The discount rate assessment requires an assessment of the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period. For the gearing of the VSB we have assumed a gross debt to equity ratio of 20% having consideration to MMA's debt-to-equity ratio and to the peer group's mean and median gross debt-to-equity ratio, as this reflects the typical debt-to-equity structure of similar industry participants.

## Regeared beta

Applying the above 20% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 0.99 and 1.11.

## Inherent risk adjustment (alpha)

In our assessment of certain additional risk factors of the VSB relative to the peer group, we have elected to apply an inherent risk adjustment in deriving our cost of equity.

An inherent risk adjustment or "alpha" is used to measure returns on a risk-adjusted basis and is applied in relation to a benchmark to gauge performance. In our assessment of the cost of equity, we consider the following inherent risks additional to the risk factors captured in our selected beta to justify the application of an additional inherent risk adjustment:

- five of the seven comparable companies (excluding Seamec Limited which was deemed an outlier) are considerably larger in size compared to VSB, with these peers having market capitalisations ranging from \$2.5 billion to \$9.8 billion. Therefore, a hypothetical acquirer of the VSB may not be able to access funding at the same cost as the larger identified comparable companies; and
- majority of the comparable companies are more diversified in their service offerings relative to the VSB, which is solely focused on vessel services. Therefore, a hypothetical acquirer of the VSB would be exposed to significantly more business risk and in turn, its investors may require a relatively higher rate of return.

In consideration for the factors above, we consider an inherent risk adjustment of 2.00% to be reasonable.

## Cost of equity

We have assessed the cost of equity for the VSB to be in the range shown in the table below.

| Input                         | Value adopted |               |
|-------------------------------|---------------|---------------|
|                               | Low           | High          |
| Risk-free rate of return      | 3.50%         | 4.00%         |
| Equity market risk premium    | 6.00%         | 6.00%         |
| Inherent risk adjustment (Ra) | 2.00%         | 2.00%         |
| Beta (regeared)               | 0.99          | 1.11          |
| <b>Cost of equity</b>         | <b>11.47%</b> | <b>12.67%</b> |

Source: Bloomberg and BDO analysis



### Taxation rate

We have adopted a tax rate of 15% based on the Company's effective tax rate. We have considered the following factors:

- Australia's corporate tax rate is 30%. We have considered the recent historical trend in VSB earnings consisting of 50% from Australian operations;
- The corporate tax rate in Singapore is 17%, however, the shipping industry is incentivised with a tax rate of nil%. Singapore is also a business hub for MMA's international operations which can consist of engagements completed in international waters over periods of less than 180 days in a year, resulting in no local corporate tax being payable (as discussed in Section 10.1.1 of our Report);
- Any withholding taxes payable on international VSB contracts are included at an operating profit level; and
- MMA management consider 15% as a reasonable estimate for corporate taxation.

### WACC (post-tax)

The WACC represents the market rate of return on total assets required by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e. pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is set out in the table below.

| WACC      |   |
|-----------|---|
| WACC      | $= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1 - t)$ |
| Where:    |   |
| $K_e$     | = expected return or discount rate on equity      |
| $K_d$     | = interest rate on debt (pre-tax)                 |
| $t$       | = corporate tax rate                              |
| $E$       | = market value of equity                          |
| $D$       | = market value of debt                            |
| $(1 - t)$ | = tax adjustment                                  |

### Cost of Debt

Based on our assessment of comparable companies' cost of debt, we consider a reasonable pre-tax cost of debt to fall within the range of 6.00% and 7.00% (equivalent to 5.10% and 5.95% on a post-tax basis respectively, assuming the adopted 15% tax rate).

## Discount Rate Conclusion

Using the inputs discussed above, we have calculated the WACC for the VSB to be in the range of 10.41% to 11.55%, with a rounded midpoint of 11.0% (rounded to the nearest 0.5%), as set out in the table below.

| Post-tax WACC of the VSB          | Value Adopted |               |
|-----------------------------------|---------------|---------------|
|                                   | Low           | High          |
| Cost of Equity (Ke)               | 11.47%        | 12.67%        |
| After-tax cost of debt (Kd) (1-t) | 5.10%         | 5.95%         |
| Proportion of Equity (E/(E+D))    | 83.33%        | 83.33%        |
| Proportion of Debt (D/(E+D))      | 16.67%        | 16.67%        |
| <b>Post-tax WACC</b>              | <b>10.41%</b> | <b>11.55%</b> |

Source: Bloomberg, BDO analysis

Based on the rounded midpoint of our assessed range, we consider a post-tax WACC of 11.0% to be appropriate for the purpose of our DCF valuation of the VSB.

We note that our assessed WACC is quoted on a nominal basis and is applied to cash flows after the payment of taxation. As such, we consider it appropriate to apply a post-tax discount rate.

Business descriptions of the companies we considered in our comparable company analysis are set out below.

| Company                         | Business Description   |
|---------------------------------|--|
| Kirby Corporation               | Kirby Corporation operates domestic tank barges in the United States. The company provide marine transportation services and towing vessels for bulk liquid products across various waterways including the Mississippi River System, Gulf Intracoastal Waterway, and coastwise along three United States coasts, as well as in Alaska and Hawaii. Additionally, it offers distribution services, selling aftermarket parts for engines, transmissions, and related equipment, renting generators and industrial compressors, and manufacturing oilfield service equipment and electrical distribution systems, serving a wide range of clients including companies, the US government, and pleasure crafts. Kirby Corporation was founded in 1921 and is headquartered in Houston, Texas. |
| Subsea 7 S.A.                   | Subsea 7 S.A. delivers offshore projects and services for the energy industry worldwide. The company offers comprehensive subsea field development services, including project management, engineering, installation, maintenance, and decommissioning, as well as provision of remotely operated vehicles and engineering advisory across oil and gas, renewables, and utilities industries. The company was incorporated in 1993 and is based in Luxembourg City, Luxembourg.  |
| Tidewater Inc.                  | Tidewater Inc., together with its subsidiaries, provides offshore support vessels and marine support services to the offshore energy industry through the operation of a fleet of marine service vessels worldwide. It provides services in support of offshore oil and gas exploration, field development, and production, as well as windfarm development and maintenance, offshore construction, and seismic and subsea support. Tidewater Inc. was incorporated in 1956 and is headquartered in Houston, Texas.  |
| Oceaneering International, Inc. | Oceaneering International, Inc. provides engineered services and products, and robotic solutions to the offshore energy, defence, aerospace, manufacturing, and entertainment industries worldwide. Oceaneering International, Inc. was founded in 1964 and is headquartered in Houston, Texas.  |

| Company                            | Business Description   |
|------------------------------------|--|
| Helix Energy Solutions Group, Inc. | Helix Energy Solutions Group, Inc., together with its subsidiaries, an offshore energy services company, provides specialty services to the offshore energy industry in Brazil and internationally. Helix Energy Solutions Group, Inc. was incorporated in 1979 and is headquartered in Houston, Texas.  |
| Seamec Limited                     | Seamec Limited provides offshore oilfield and diving support vessel services in India and internationally. The company was incorporated in 1986 and is based in Mumbai, India. Seamec Limited is a subsidiary of HAL Offshore Limited.   |
| Reach Subsea ASA                   | Reach Subsea ASA provides subsea services in Norway and internationally. The company provides subsea services to oil and gas, renewables, and utilities sectors. The company was incorporated in 1909 and is headquartered in Haugesund, Norway.   |
| Baker Technology Limited           | Baker Technology Limited, an investment holding company, manufactures and provides specialized marine offshore equipment and services for the oil and gas industry in Singapore and internationally. The company designs, builds, operates, and charts mobile offshore units and supply vessels, constructs critical equipment for offshore marine and renewables, and offers marine logistics support. Baker Technology Limited was incorporated in 1981 and is based in Singapore. |

Source: S&P Capital IQ and BDO analysis

# Appendix 4 - Earnings multiples analysis

## Trading multiples

Additional forecast earnings multiples considered as part of our earnings multiple assessment for SSB outlined in section 10.1.2.

| Company name                    | Forecast EBITDA FY24 (\$m) | Forecast EBITDA multiple | Forecast EBITDA FY25 (\$m) | Forecast EBITDA multiple | Forecast EBITDA FY26 (\$m) | Forecast EBITDA multiple |
|---------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| <i>MMA Offshore Limited</i>     | 139.0                      | 8.0                      | 142.7                      | 7.8                      | 152.6                      | 7.3                      |
| DOF Group ASA                   | 763.7                      | 5.8                      | 867.9                      | 5.1                      | 898.3                      | 4.9                      |
| Oceaneering International, Inc. | 763.4                      | 7.1                      | 851.2                      | 6.3                      | 942.3                      | 5.7                      |
| Saipem SpA                      | 2,102.6                    | 4.6                      | 2,389.8                    | 4.0                      | 2,600.2                    | 3.7                      |
| SEACOR Marine Holdings Inc.     | 117.1                      | 9.1                      | 121.9                      | 8.8                      | n/a                        | n/a                      |
| Siem Offshore Inc.              | 280.0                      | 7.4                      | 309.1                      | 6.7                      | 379.0                      | 5.5                      |
| Solstad Offshore ASA            | 506.5                      | 5.7                      | 580.1                      | 4.9                      | n/a                        | n/a                      |
| Subsea 7 S.A.                   | 1,526.2                    | 7.2                      | 1,926.6                    | 5.7                      | 1,903.3                    | 5.8                      |
| Reach Subsea ASA                | 142.3                      | 2.9                      | 143.8                      | 2.9                      | 169.7                      | 2.4                      |
| Mean                            |                            | 7.5                      |                            | 6.6                      |                            | 6.0                      |
| Median                          |                            | 7.3                      |                            | 6.2                      |                            | 5.6                      |

Source: S&P Capital IQ and BDO analysis

Business descriptions of the companies we considered in our trading multiples analysis for SSB are set out below.

| Company                         | Business Description  |
|---------------------------------|---|
| DOF Group ASA                   | DOF Group ASA owns and operates a fleet of supply and subsea vessels. The company also provides subsea services, including project management, engineering, construction and installation, life-of-field, decommissioning/field abandonment, and survey and positioning, as well as inspection, repair, and maintenance services. In addition, it offers marine management services, such as chartering, crewing, mobilization, maintenance, refurbishment, project and new building, and compliance services. The company was founded in 1981 and is headquartered in Storebø, Norway.   |
| Oceaneering International, Inc. | Oceaneering International, Inc. provides engineered services and products, and robotic solutions to the offshore energy, defence, aerospace, manufacturing, and entertainment industries worldwide. Oceaneering International, Inc. was founded in 1964 and is headquartered in Houston, Texas.   |
| Saipem SpA                      | Saipem SpA provides energy and infrastructure solutions worldwide. It offers development of subsea fields and pipelaying; installation and lifting of offshore structures; and engineering, implementation, installation, maintenance, modification, and decommissioning activities. The company also provides biorefineries, geothermal energy, carbon capture, wind and solar energy, waste to energy, and renewables and green technologies; high-speed rail; premium, engineering, and smart maintenance services; and offshore and onshore services. Saipem S.p.A. was founded in 1957 and is headquartered in Milan, Italy. |

| Company                     | Business Description   |
|-----------------------------|--|
| SEACOR Marine Holdings Inc. | SEACOR Marine Holdings Inc. provides marine and support transportation services to offshore oil, natural gas, and windfarm facilities worldwide. It serves integrated national and international oil companies, independent oil and natural gas exploration and production companies, and oil field service and construction companies, as well as offshore wind farm operators and offshore wind farm installation and maintenance companies. SEACOR Marine Holdings Inc. was founded in 1989 and is headquartered in Houston, Texas.   |
| Siem Offshore Inc.          | Siem Offshore Inc. owns and operates offshore support vessels for the offshore energy service industry and offshore renewables market. It operates in Norway, North Sea, Brazil, Australia, Canada, Northern Pacific Ocean, Southeast Asia, and West Africa. Siem Offshore Inc. was founded in 2005 and is headquartered in Kristiansand, Norway.  |
| Solstad Offshore ASA        | Solstad Offshore ASA operates offshore service vessels and maritime services to offshore energy industry. It owns and operates platform supply vessel, anchor handling tug support vessel, and construction service vessels. The company offers subsea construction and renewable energy services, such as geotechnical work, walk to work services, grouting, SURF operations, cable laying and repair, trenching and burial, ROV support, installation of subsea equipment, survey work, IMR operations, node seismic operations, and diving and topside maintenance work. The company was founded in 1964 and is headquartered in Skudeneshavn, Norway. |
| Subsea 7 S.A.               | Subsea 7 S.A. delivers offshore projects and services for the energy industry worldwide. The company offers comprehensive subsea field development services, including project management, engineering, installation, maintenance, and decommissioning, as well as provision of remotely operated vehicles and engineering advisory across oil and gas, renewables, and utilities industries. The company was incorporated in 1993 and is based in Luxembourg City, Luxembourg.  |
| Reach Subsea ASA            | Reach Subsea ASA provides subsea services in Norway and internationally. The company provides subsea services to oil and gas, renewables, and utilities sectors. The company was incorporated in 1909 and is headquartered in Haugesund, Norway.   |

Source: S&P Capital IQ and BDO analysis

### Transaction multiples

Business descriptions of the companies we considered in our transaction multiples analysis for SSB are set out below.

| Company             | Business Description   |
|---------------------|--|
| Icon Offshore Behad | Icon Offshore Berhad, an investment holding company, provides OSVs to the oil and gas related industries in Malaysia and Brunei. The company operates through two segments, OSV and drilling. It offers vessel chartering and ship management services to oil and gas industries. The company also provides drilling rig services. |
| Eneti Inc.          | Eneti Inc. focuses on marine-based renewable energy through the installation of offshore commercial wind turbine generators. It has a fleet of five wind turbine installation vessels.   |

| Company                      | Business Description  |
|------------------------------|---|
| PT Rig Tenders Indonesia Tbk | PT Rig Tenders Indonesia Tbk provides marine logistics services for the oil and coal industry in Indonesia. It operates in two segments, Coal Transportation Services and Offshore Support Vessel Services. The company provides charters tugboats and barges to coal mining companies for the transportation of coal and other bulk aggregates. It consists of chartering supply vessels and accommodation work barges to upstream oil and gas companies for supporting their offshore operations. In addition, the company offers catering, and ship and crew management services.  |
| Ecosse Subsea Systems Ltd    | Ecosse Subsea Systems Limited designs, develops, builds, hires, and operates subsea equipment for offshore installation requirements. The company offers services in the areas of trenching, personnel, offshore engineering consulting, pipe-lay technology, ambient lifting, and equipment hire aspects. It serves oil and gas, offshore wind, wave power, and tidal industries in the United Kingdom and internationally.  |
| Rem Offshore ASA             | Rem Offshore ASA operates a fleet of offshore vessels in Norway and internationally. The company operates offshore construction vessels (OCVs), platform supply vessels (PSVs), and construction subsea vessels (CSVs). As of March 31, 2016, it operated 18 vessels that included 6 CSVs, 11 PSVs, and 1 OCV.  |
| CH Offshore Ltd              | CH Offshore Ltd., an investment holding company, owns and charters vessels in Singapore, Malaysia, Indonesia, Mexico, Africa, India, and internationally. The company offers offshore construction support; support services to offshore drilling rigs and installations, including towing, anchor-handling; supply of deck, liquid and dry bulk cargoes.   |
| Seamec Ltd                   | Seamec Limited provides offshore oilfield and diving support vessel services in India and internationally. The company's services include ROV operation support; inspection, maintenance, removal, and re-installation of single buoy moorings; pigging and retrieval of pigs; de burial and non-destructive testing of pipelines. In addition, it engages in charter, ship management and operation; and operates shipping lines of freight and passenger transportation, as well as undertakes EPC tunnel projects, including road, railway, metro, soft ground, and water tunnels.   |
| Kreuz Holdings Ltd           | Kreuz Holdings Limited, an investment holding company, provides subsea services to the offshore oil and gas industry. It offers subsea construction and installation solutions that support new offshore construction and installation projects; and inspection, repair, and maintenance (IRM) services to existing offshore production and pipeline facilities. The company's subsea construction and installation services include engineering, procurement, construction, installation, and commissioning for flexible flow lines, cables, and other subsea related projects. The company also engages in leasing owned vessels and subsea equipment. It operates primarily in India, Myanmar, Thailand, Brunei, Malaysia, Indonesia, and Vietnam. |

Source: S&P Capital IQ and BDO analysis

## Appendix 5 - Independent Technical Specialist Report

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**VALUATION REPORT**

**CLIENT** : BDO Corporate Finance (WA) Pty Ltd

**DOCUMENT NO.** : M3MV/BDO/001 – REV D

**DATE** : 20<sup>th</sup> May 2024



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## 1 RECORD OF REVISION

| D        | Amended Section 4, Appendix C and Added Valuation Methodology Commentary | J.Chua             | M. Meade | M. Meade | 20 <sup>th</sup> May 2024 |
|----------|--|--------------------|----------|----------|---------------------------|
| C        | Amende Pages 46 to 48  | J.Chua             | M.Chung  | M.Meade  | 6 <sup>th</sup> May 2024  |
| B        | Included Section 3,5,6,7,8 & 9   | J.Chua             | M.Meade  | M.Meade  | 2 <sup>nd</sup> May 2024  |
| A        | Valuation Report   | J. Chua & M. Meade | M.Chung  | M. Meade | 25 <sup>th</sup> Apr 2024 |
| Revision | Description  | Prepared           | Checked  | Approved | Date                      |

## 2 REVISION DETAILS

| D        | Appendix C | Range of values for Replacement Value                 |
|----------|------------|---|
| D        | 5          | Valuation Methodology Commentary                      |
| D        | 4          | Included Range of Values                              |
| C        | Appendix C | Amended commentary and data                           |
| B        | 9          | Amended Section 4 (Appendix C) and removed disclaimer |
| B        | 8          | Added Capt. Mike Meade's Curriculum Vitae             |
| B        | 7          | Added Capt. Mike Meade's Commercial Precis            |
| B        | 6          | Added Valuation Fee                                   |
| B        | 5          | Added Valuation Methodology                           |
| B        | 4          | Removed disclaimer and added M3MV's independence      |
| B        | 3          | Added Capt. Mike Meade's Professional Competency      |
| Revision | Section    | Description of Change                                 |

### 3 PROFESSIONAL COMPETENCY

#### **Capt. Michael Meade, CEO and Founder, M3 Marine Group Pte Ltd**

Captain Mike Meade, CMMar FNI MICS, an experienced Master Mariner and holder of an unlimited DP (Dynamic Positioning) Operators Certificate, is the founder and CEO of the M3 Marine Group, one of Asia's largest independent Offshore Shipbroking & Marine Consultancy groups.

Prior to setting up the M3 Group, Mike spent 9 years with Seacor Holdings where he held senior roles in the Middle East, the US, the UK and Asia. Previously, Mike spent 15 years with the Swire Group where he held various senior management positions after command experience on offshore vessels, with Swire Pacific Offshore.

Throughout, Mike has accumulated extensive exposure and success in dealing with major oil companies, shipyards, shipowners and offshore marine / engineering service providers globally. His strength lies in his ability to combine expert offshore knowledge with strong business acumen. He is described by many as a man with his 'finger very much on the pulse'.

Mike is actively involved in the brokerage (S&P, chartering, newbuilding) of all manner of offshore support vessels and is an accomplished offshore marine consultant, auditor, surveyor (CMID and OVID), valuer and a valued expert of the consultancy team in M3 Marine Expertise and M3 Marine Valuations.

Mike was awarded the prestigious Lifetime Achievement Award at the OSJ Awards 2022, awarded to an individual who has made a contribution of outstanding significance to the OSV industry during their lifetime.

Refer to **Appendix A** – Commercial Precis and **Appendix B** – Curriculum Vitae for further information.



## 4 VALUATION

20<sup>th</sup> May 2024

BDO Corporate Finance (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
Australia

Attention: Mr Sherif Andrawes

### **MMA Offshore Fleet Valuation April 2024 – 17 Vessels**

Dear Sirs,

Thank you for your instruction to value the fleet of 17 vessels.

After careful consideration, we are of the opinion that the Current Market Value (CMV)\* for the vessels on 17<sup>th</sup> April 2024, based on prompt ‘as is, where is’ sale with a total value in the range of **US\$ 359,000,000 to US\$ 416,500,000**, with a preferred value of **US\$ 391,750,000**, for the fleet of 17 vessels.

In the event this fleet of vessels is offered to be sold ‘en bloc’ to a single purchaser, historically, we would expect to see a potential bidder opening with an offer containing a discount to full value to our above valuation as of 17<sup>th</sup> April 2024. However, the market has changed dramatically, we thus believe that today if selling ‘en bloc’ any discount (at all) should be resisted as in reality, over time, for the foreseeable future, values are rising. It is our belief that if a fleet sale of MMA were to be proposed or transacted it would be at the full value of the fleet given the significant current improved market and MMA’s strategic position of being one of the largest OSV operators in SEA / Australasia and the well-maintained technical fleet position. Refer to **Appendix C – Offshore Support Vessel Market Study Report**.

Although MMA is primarily Asia and Australasia centric, given the high regulatory standards, charterer demands (especially IOC’s) and operating effectiveness that MMA have been able to follow and maintain, we believe that any potential buyers for the 17 vessels of MMA would be truly international.

The valuations relate solely to the date referred to and relate to our opinion of the Current Market Values as of that date and should not be taken to apply to any other date. No assurance can be given that such valuations can be sustained or are realisable in actual transactions.

We would stress that we have not inspected the vessels. We have assumed that the vessels are in good order and in a condition in hull and machinery which is to be expected of vessels of their respective types and age.

All particulars detailed are from the information given to us and such other information as we have been able to obtain from relevant works of reference in our possession, but we can accept no responsibility for their accuracy.

We confirm that M3 Marine Valuations Pte. Ltd., its partners, and staff are independent, with respect to MMA Offshore Ltd (MMA) and its related parties.

Yours faithfully,



Captain Mike Meade, CMMar FNI MICS  
Chief Executive Officer  
M3 Marine Group



## 5 VALUATION METHODOLOGY

### VESSEL / EQUIPMENT VALUATIONS

As a subsidiary of one of Asia's largest independent offshore marine service and ship broking companies, M3 Marine Valuations is ideally equipped with:

- Ready access to the latest market information;
- Firsthand, up-to-the-minute understanding of the Offshore Vessel and Equipment markets;
- Experts who are actively involved in sales and purchase negotiations; and
- Strategically positioned to monitor Offshore Vessel and Equipment market cycles and 'effective' transactions.

Our Valuers deliver quality and reliable valuations to owners, keen buyers and sellers, financial institutions, banks and other interested parties. They participate in joint valuations on larger projects, have advised on numerous M&A deals and, over the years, have co-operated with several esteemed yet typically non-offshore ship broking companies by undertaking on their behalf vessel valuations for offshore assets.

Vessels valued range from Drilling and Accommodation Rigs, the most complex DP MPSVs to smaller OSV's (PSV & AHTS). Equipment valued include Saturation / Air Diving Systems and Remotely Operated Vehicles (ROVs).

#### **Our valuation service is underpinned by:**

- Extensive experience in the offshore marine industry accumulated by our principal 'in-house' valuers and experts
- An experienced team of mariners and ship brokers who interface with the market daily and ensure that our information is current
- Confidentiality
- Professional Indemnity Insurance (except where the valuation is to be presented in share prospectus and/or bond issue)

The vessel / equipment valuation process is described in the flow chart set out below.

### **VESSEL / EQUIPMENT VALUATION PROCESS**

#### **Step 1: Develop a Good Understanding of the Vessel / Equipment**

Study vessel / equipment Specification, Class status and General Arrangement (as applicable), in particular fundamental operating capabilities and capacities, specialist equipment, age, design, place of build, reputation of shipyard, supporting capabilities, specialist roles and other features typical of vessel / equipment type

#### **Step 2: Vessel Inspection**

If the vessel / equipment is to be transacted (i.e. bought or sold) it is prudent to have it inspected. Our associate company, M3 Marine Expertise undertake this work. No inspection is typically undertaken for a desktop valuation.

#### **Step 3: Review Historical Vessel / Equipment Valuation Records**

Review our in-house historical valuation records (data collated from past valuations) and other sources of reference and identify comparables with valuations undertaken for similar type vessels / equipment

#### **Step 4: Consider Vessel's / Equipment's Current and Future Earning Potential**

Utilising in house data and other sources of reference, review similar type vessels / equipment current and prospective transactions and evaluate the subject vessel's / equipment's current status and potential and the likely impact on her market value

#### **Step 5: Consider Market Conditions**

Consider global events likely to influence the overall development of the offshore oil and gas industry, weigh different perceptions of market outlooks, movements, and volatility, expectations of market supply and demand imbalances, ship yard activities, order book, owners and operator's activities and impending projects

#### **Step 6: Consider Vessel's / Equipment's Inherent Value**

Particularly where market conditions are unfavourable, consider the vessel's / equipment's inherent value

#### **Step 7: Consider Vessel's / Equipment's Replacement Cost**

Consider costs for replacing by conversion or newbuild if applicable

**Step 8: Derive a Range of Figures which Best Represent the Vessel's / Equipment's Value**

Compile a valuation 'window' and collaborate in-house for verification of the process.

**Step 9: Prepare a Vessel / Equipment Valuation Certificate**

Draft a Vessel / Equipment Valuation Certificate incorporating the vessel / equipment details, the valuation and our standard terms and conditions.

**VALUATION METHODOLOGY COMMENTARY**

M3MV's 9-step valuation methodology is used as a guide in determining Current Market Values and Replacement Values for MMA's fleet of vessels. M3MV was engaged to carry out valuations on a desktop basis thus, **Step 2** of our valuation methodology was therefore not applicable.

Reflected in *Section 4* of the report, "*We have assumed that the vessels are in good order and in a condition in hull and machinery which is to be expected of vessels of their respective types and age.*"

M3MV is satisfied with MMA's vessels prima facie condition as we know they have been and will be inspected at least annually by the client base for either eCMID (electronic Common Marine Inspection Document) under the IMCA (International Marine Contractors Association) scheme or OVID (Offshore Vessel Inspection Database) under the OCIMF (Oil Companies International Maritime Forum) scheme, which are considered very detailed industry standard inspections.

**VALUATION APPROACH**

M3MV uses a market/comparable approach in determining our values. M3MV has an in-house proprietary valuation database (since 2005), records of all transactions from trade press and broker reports. M3 also owns an active offshore vessel brokerage with its own database that is constantly in the market undertaking potential / actual sales, on a daily basis.

Furthermore, M3 uses market reports in addition to tracking OSV sales globally, M3 subscribes and pay for database access to Clarkson's database, Westwood Energy Database and 4C Databases.

M3 also take data from the Veson/ VesselsValue database, which is also our partner and is the largest online vessel valuation database in the world.



## 6 VALUATION FEE

M3MV's valuation fee and scope of work are reflected in Commercial Proposal Reference No.: CP2140MMA08.

QUOTE//

### Scope of Work:

Part A and B for Client's fleet

#### Part A: Desktop Valuation for 17 vessels as listed in Appendix A

- Item (i) : Review vessels specifications, general arrangement and Class status (if available)
- Item (ii) : Undertake desktop valuation in accordance with M3MV's Valuation Methodology (Appendix B)
- Item (iii) : Valuation on Current Market Value (CMV) and Forced Sale Value (FSV)

#### Part B – Provision of valuation consultancy and advisory report for MMA Fleet (listed in Appendix A), which will include the following:

- Item (i) : Market demand and supply for offshore supply vessel (OSV)
- Item (ii) : Charter rates and a commentary (Charter rates for FY 2025 and 2026)
- Item (iii) : OSV global utilisation
- Item (iv) : OSV newbuild activity
- Item (v) : Views on improvement of charter rates
- Item (vi) : Summary on charter market outlook

### Valuation Fees and Payment Structure:

| Part A & B: Valuation Consultancy and Advisory             |  | Fees Breakdown |                   |
|--|--|----------------|-------------------|
| Provision of Valuation Consultancy and Advisory Report     |  | <i>Fixed</i>   | US\$10,000        |
| A fixed fee of US\$10,000 will be charged upon completion. |  |                |                   |
| <b>Part A &amp; B – Total Fees:</b>                        |  |                | <b>US\$10,000</b> |

//UNQUOTE



## **7 APPENDIX A – COMMERCIAL PRECIS**

**M3 Marine Group Pte Ltd**

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**Captain Michael A. N. Meade (CMMar, FNI, MICS)****A Précis of Commercial, Technical activities in Marine Management**

- Formed M3 Marine Group in 2005. M3 Marine Group consists of M3 Marine Offshore Brokers, M3 Marine Expertise, M3 Valuations and M3 Remote Inspections and provides offshore ship broking and a comprehensive range of technical and commercial consultancy services tailored to meet the needs of the Offshore Marine, Oil and Gas industry. I am the Group Chief Executive Officer (CEO).
- In addition to my role and responsibilities as a Group CEO, I am actively involved in the group's day-to-day business and the following activities:
  - ✓ Extensive involvement in the Charter Brokerage of all types of OSVs with a slant towards Subsea, Service sector and Accommodation vessels. We operate a full broker desk with brokers focused on all manner of time and bareboat charters in the offshore marine space.
  - ✓ Extensive involvement in Newbuilding and Sale and Purchase transactions representing both buyers and sellers.
  - ✓ Extensive experience of negotiating newbuild contracts in China for vessels from US\$ 5M to US\$ 300M in built cost. Extensive success rate in numbers of newbuilding secured and re-sold.
  - ✓ Specification, shipyard discussions, negotiations and finance arrangements for several offshore vessels, in the main, DP2 & 3 support vessels (Subsea, Accommodation and AHTS). Vessel suitability studies and a wide range of Newbuild and DP consultancy matters.
  - ✓ Extensive involvement in vessel valuations, forecasts and market trends analysis, commercial / corporate due diligence.
  - ✓ Expert witness / opinion for legal and insurance claims support. This includes attendance in Court and Arbitration hearings.
- Frequently requested to participate in trade conferences as speaker, panelist, moderator and session chairman. Conferences / events include (but not limited to):

- ✓ 7<sup>th</sup> Annual Offshore Support Vessels, Panel Discussion: “Where will the Future Growth Come from for OSV Operators”
- ✓ IMCA Indonesia Briefing Summary, Topic: “How M3 Utilises IMCA Marine Guidance for its business”
- ✓ Asian Offshore Subsea Journal Conference, Panel Discussion: “Country-Specific Finance Challenges and Opportunities”
- ✓ Sea Asia 2015, Panel Discussion: “Discussing the impact of the falling Oil Price on Offshore”
- ✓ Sea Asia 2017, Panel Discussion, Offshore Marine Breakfast session
- ✓ Institute of Chartered Shipbrokers “Can you build a ship properly in China? Yes, here is how!”
- ✓ Annual Offshore Subsea Journal Conference 2018, Debate – “The OSV Industry, Against the Motion”
- ✓ Asia Pacific Maritime 2018, Panel Discussion: “Offshore Connect”
- ✓ IMCA 2018 – “Reactivation of DP Vessels and IMCA Reporting Schemes”
- ✓ Institute of Chartered Shipbrokers 2019 – “A detailed look at the South East Asian OSV market and the potential commercial opportunities available in a recovering market”
- ✓ Annual Offshore Subsea Journal Conference 2019 London, “Region Analysis– Asia and Africa”
- ✓ Annual Offshore Subsea Journal Conference 2019 London, “OSV Industry Debate”
- ✓ Sea Asia 2019, Offshore Marine Breakfast Forum: “Offshore Casualty Management”
- ✓ Marine Offshore Oil and Gas Association (MOOGAS) Talk 2019, Outlook of OSV Market in the Future - South East Asia”
- ✓ Asian Marine Casualty Forum 2019 Singapore, “Marine casualties in the 21<sup>st</sup> century, is the industry coping? – Disruptive Technology”
- ✓ 2019 Nautical Institute Singapore Conference Panel Discussion: “Disruptive Technology”
- ✓ eCMID AVI and IIMS Conference, “Offshore Related Maritime Organisations Represented in Singapore – Benefit in support of surveyors and inspectors in the offshore (marine) industry”
- ✓ Various functions, attendance with governmental and regulatory bodies as part of my duties as a Singapore Shipping Association Councilor and Chairman of the SSA Offshore Services Committee



- Full P&L responsibility for diverse fleets across various regions. Largest fleet I ever had to control was some 30+ units in Mexico), up to 20 vessels (SPO Dubai) and Seacor Asia (over 20 vessels).
- From July 04 had full revenue oversight for SEACOR Marine International Fleet and Newbuildings and had to make numerous presentations to Management and Board of Directors.
- Have bid and been awarded long term contracts along with the requisite contract review and negotiations with the following major Oil Companies;
  - ✓ BP – Vietnam, UK, Sakhalin (JV with Rosneft), Azerbaijan (JV with AIOC), Indonesia and Egypt (GUPCO)
  - ✓ Conoco-Phillips, Vietnam (Cuulong), Indonesia and Bayu Undan (East Timor), Dubai (DPC)
  - ✓ Shell – Brunei, Malaysia, Iran, Sakhalin (SEIC)
  - ✓ Total – Indonesia, Thailand (PTTEP), Nigeria, Iran (Sirri), Qatar (Qatargas), Congo
  - ✓ Exxon Mobil, Qatar (Ras Gas), Sakhalin (Exxon Neftegaz), Angola
  - ✓ Premier, Myanmar
  - ✓ Petrovietnam (PTSC and Vietsovpetro)
  - ✓ Santos – Indonesia
  - ✓ Unocal – Indonesia, Thailand
  - ✓ QP (formerly QGPC)
  - ✓ ONGC
  - ✓ Cairn Energy – India, Bangladesh
  - ✓ PetroSA – South Africa
  - ✓ Pemex – Mexico
  - ✓ Saudi Aramco
  - ✓ ADMA, Abu Dhabi
  - ✓ Petrobel – Egypt

I can talk either in detail or briefly about all the above. The above is not a complete list.

- Have been involved in detailed planning and budgeting of vessel revenues and operations including technical, docking and personnel. I try and work upon a zero-based budgeting philosophy when I can (not always easy when you are a company taking over existing structures). Have shown extreme flexibility in adapting others (i.e. acquired Co's) Budgets and results and turning them into how we wanted them to work / be presented.
- Have always played a role in strategic thinking and vessel deployment, allocation, acquisition and sale.

- Established a commercial JV in Sakhalin Russia along with changing of structure and inherited partners. This involved not only 'structure', tax planning and management but also extensive negotiations to rid Company of an 'existing' partner (not an easy task in Russia) and flagging vessels under Russian flag involving elaborate re-flagging of existing assets and setting up bareboat registry structures.
- In Seacor was directly involved in extensive Sale & Purchase deals of individual assets and complete fleets. Initially a close wingman to the responsible VP and then going off on my own (within the structure). Most difficult but rewarding sales were those to the Vietnamese. I negotiated and concluded vessel sales in Vietnam to a Petrovietnam subsidiary of 3 state of the art AHTS vessels (two of which were DP) against fierce regional competition. This also involved candidate selection, inspection process, contract formation and negotiation, Letters of Credit setup, negotiation and payment and finally sale conclusion.
- In Seacor was directly involved in 14 newbuild contracts with a shipyard in Singapore (Jaya) which involved vessel specification definition, pricing, option pricing, shipyard build contract, shipyard sale contract, delivery, sale closing and warranty defect system setup, monitoring and ultimate closeout after guarantee period. 6 of the above vessels were also in the early stages Bareboat contracts that required purchase to be negotiated at various times during the currency of the contract.
- Established a 'Company' in Singapore that was a commercial JV with an eminent Chinese Bruneian family. My role involved solely setting up the Company setup, JV negotiations, successful bidding and award of 2 x 5-year contracts with vessels built in China and financed by banks in Singapore. Negotiated bank loan and shipyard contract with a yard in China. Note here was having to deal with entrepreneurial partners, staid traditional bank and US corporate structure.
- Have held various 'business development' roles either as a part of my line role (Middle East, Asia and International) as well as a dedicated role whilst serving in the USA (Houston). My business development role also took me into developing businesses in other markets such Oil Spill Response (witness SES in Fujairah), Aviation (Helicopters) and software (Brokerage software Co acquired by Seacor).
- Have undertaken Global marketing initiative to produce Corporate and Fleet marketing materials, Videos, Interactive Media and Company brochure (3 times) in Seacor. Also, used to do likewise in SPO.

- Gained responsibility for Mexican Joint Venture (SEACOR's largest JV) with a mixed fleet of 30 vessels. Have also served on the board of JV's in Egypt, UAE, Qatar and Saudi Arabia (Bahrain BEC).
- Setup Freezone Company in Jebel Ali Freezone with JAFZA.
- Setup a Joint operating group under an MoU with a large Indian Ship-Owner with assets deployed in the Arabian Gulf and India.
- Acquired a share in a local engineering business (Sharjah) with a view to implementing a growth strategy in the Arabian Gulf and the Caspian. This involved writing, presenting and selling a business plan to a bank. Arranging bank loans, buying property within Sharjah Port and setting up a multi-purpose workshop along with an ISO9001 Quality system. Also, negotiated agency representation with Denison Hydraulics and Pal Filtration. Finally managed to sell share and recover investment including money encumbered by bank loan.
- With SPO, setup asset owning joint ventures in Dubai, UAE and Doha, Qatar – winning multi-year contracts with Company owned assets. These Companies are still running today.
- Setup Tripartite JV in Egypt along with a 'Competitor' and a reputable family. Sold into JV six vessels and put all vessels onto long term contracts in Egypt. Undertook a complete indigenization policy. Subsequently sold 3 more vessels into this JV.
- Developed, bid and was awarded the largest contract that SPO had ever held. Essentially ran topside maintenance for Brunei Shell Petroleum with a multi-national, multi-disciplined work force of circa 400 people, plus had a range of Company assets on charter. Full P&L responsibility including working directly with Shell higher management on maintenance strategy and philosophy including major shutdown planning. Contract was grown from the B\$ 70M awarded to over B\$100M.
- Above involved setting up a sizeable Company in Brunei including finding and developing the 'right' partners. Negotiating the 'Contract' with BSP (6 sizeable volumes) and various sub contracts the largest of which was with Solus Oceaneering Systems for supply of labour and equipment to execute the 'work'.
- Managed a two-year contract which involved the charter of a Dynamically Positioned Crane – work ship to McDermott in Dubai and worked closely with Client on bids and execution in the Arabian Gulf and India. This included managing the project through the first Gulf war.

- Have attended extensive in-house residential management courses with INSEAD in Macau (General Management – 1 week), Fontainebleau (Finance and Control – 2 weeks) and again Fontainebleau (Senior Management - 6 weeks). These courses were tailored to the Swire Group and were offered as a conglomerate alternative to leaving to secure an MBA.



## **8 APPENDIX B – CURRICULUM VITAE**



**M3 Marine Group Pte Ltd**  
GST and Co. Reg No. 200509344C  
1 Commonwealth Lane  
#09-13 ONE Commonwealth  
Singapore 149544  
Tel: +65 6327 4606  
Fax: +65 6221 4606  
Email: mail@m3marine.com.sg  
Web: www.m3marine.com.sg

## Capt. Michael A. N. Meade (CMMar, FNI, MICS)

### PROFILE / CAREER SUMMARY

A commercially focused Senior Manager combining expert knowledge, operational, technical and commercial management along with strong business development and project management skills, in the International Marine and Offshore sector.



### PERSONAL DETAILS

Name: Michael A. N. Meade AFNI  
DOB: 25<sup>th</sup> December 1960  
Nationality: British / Singapore PR  
Contact: expert@m3marine.com.sg

### KEY QUALIFICATION (S)

- ✓ Management Training- INSEAD (Swire tailored programme)
- ✓ Class 1 Master Mariner Deck Officers Certificate of Competency
- ✓ HND Nautical Science
- ✓ Dynamic Positioning Operators Certificate- Unlimited
- ✓ OVID Accredited
- ✓ Bond Solon – Expert Witness Training

### PROFESSIONAL AFFILIATIONS

- ✓ Chartered Master Mariner
- ✓ Fellow of the Nautical Institute
- ✓ Freeman of the Honourable Company of Master Mariners
- ✓ PRI Assessor for the NI / HCMM CMMar Scheme
- ✓ Member of The Institute of Chartered Shipbrokers
- ✓ Current Chairman of Singapore Shipping Association (SSA) Offshore Services Committee since 2015
- ✓ Current Councillor of Singapore Shipping Association (SSA) since 2015
- ✓ Chairman of Singapore Shipping Association (SSA) Offshore Training, Development and Education Sub-Committee for 2013/2015
- ✓ Current Asia Pacific Representative on the IMCA Marine Division Management Committee
- ✓ Vice President of Marine Offshore Oil and Gas (MOOGAS)

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**PROFESSIONAL EXPERIENCE****Chief Executive Officer****Jul 2005 – Present: M3 Marine Group Pte Ltd**

- Extensive involvement in the Charter Brokerage of all types of OSVs with a slant towards Subsea, Service sector and Accommodation vessels.
- Extensive involvement in Newbuilding and Sale and Purchase transactions representing both buyers and sellers.
- Specification, shipyard discussions, negotiations and finance arrangements for a number of offshore vessels, in the main, DP2 & 3 support vessels (Subsea, Accommodation and AHTS).
- Extensive involvement in both the technical / operational and commercial expertise required in the initial conceptualization and gradual development of the Compact Semi-Submersible – a state of the art well intervention vessel concept.
- Undertaken all manner of assurance consultancy for an Oil Major in Sakhalin, Azerbaijan and Indonesia.
- Extensive involvement in vessel valuations, forecasts and market trends analysis, vessel suitability studies, commercial and corporate due diligence and a wide range of Newbuild and DP consultancy matters.
- Expert witness / opinion for legal, commercial and insurance claims. Has appeared as an Expert Witness at the High Court and Arbitration in Singapore, Hong Kong, Kuala Lumpur and London.
- Accredited OVID inspector.
- Active and frequent contributor in trade conferences as speaker, panellist, moderator and session chairman. Conferences / events (examples);
  - 7<sup>th</sup> Annual Offshore Support Vessels, Panel Discussion: “Where will the Future Growth Come from for OSV Operators”
  - IMCA Indonesia Briefing Summary, Topic: How M3 Utilises IMCA Marine Guidance for its business
  - Asian Offshore Subsea Journal Conference, Panel Discussion: “Country-Specific Finance Challenges and Opportunities
  - Sea Asia2015, Panel Discussion: “Discussing the impact of the falling Oil Price on Offshore”

***1997 – 2005: Seacor Holdings Inc*****Vice President****2005: Asia Pacific, based Singapore**

- Holding regional responsibility (Middle East, India, South East Asia, Australasia and Sakhalin). 22 strong team, including General Manager in Sakhalin, Fleet management in Singapore and a newbuilding programme. Plus, circa 200 Officers and Crew on direct payroll.
- Full P&L responsibility for a divers Fleet across region (14 vessels). Turnover circa \$25M which excluded gains from vessel sales (average \$5-\$15M per annum)
- Established a commercial JV in Sakhalin Russia along with changing of structure and inherited partners. Revenue \$5M.





- Established a commercial JV in Brunei which included Company setup, JV negotiations, and successful award of 2 x 5-year contracts with vessels built in China and financed by banks in Singapore. Negotiated bank loan and shipyard contract.
- Responsible for business development in Asia including non-core business and other SEACOR business lines.
- Undertook Global marketing initiative to produce Corporate and Fleet marketing materials and company brochure.

**General Manager**

**2001 – 2005: Seacor Marine (Asia) Pte Ltd**

- Based Singapore – Turnover US\$20-25M excluding vessel sales. Managed all aspects of local business conducted through the Singapore operation with responsibility for sales, operations and finance and to develop vessel sales through Asia / Middle East and Caspian.
- Negotiated and concluded vessel sales in Vietnam to a Petro Vietnam subsidiary of 3 state of the art AHTS vessels against fierce regional competition.

**International Marketing Manager**

**2000 – 2001: Seacor (Houston), USA**

- Head office posting to develop relationships with Oil Companies in Houston with respect to International business.
- Gained responsibility for Mexican joint Venture (SEACOR's largest JV) with a mixed fleet of 30 vessels.

**General Manager**

**1997 – 2000: Seacor Marine (Middle East), UAE**

- Setup Free zone establishment and conducted business development, vessel sales and operated ventures in Egypt, India and the Caspian.

**Director and General Manager**

**1996: Hydrolink, based Sharjah, UAE**

- Acquired a share in local engineering business with a view to implementing a growth in the Arabian Gulf and the Caspian.

***1981 – 1996: Swire Pacific Ship Management***

**General Manager**

**1993 – 1996: Swire Pacific Offshore (Dubai) LLC, based Dubai, UAE**

- Promoted to take over operation and fleet (at its peak 20 vessels) with area of operations Egypt, Arabian Gulf and India.
- Setup asset owning joint ventures in Dubai, UAE and Doha, Qatar – winning multi-year contracts with Company owned assets.



- Setup Tripartite JV in Egypt along with a 'Competitor' and a reputable family. Sold into JV six vessels and put all vessels onto long term contracts in Egypt. Undertook a complete indigenization policy.

**General Manager**                      **1991 – 1993: Swire Bahagia (B) Sdn Bhd, based Kuala Belait Brunei**

- Bid and was awarded the largest contract the Company had ever held.
- Essentially ran topside maintenance for Brunei Shell with a multinational, multi-disciplined work force of circa 400 people, plus had a range of Company assets on charter.
- Full P&L responsibility including working directly with Shell higher management on maintenance strategy and philosophy including major shutdown planning.
- Grew contract from the B\$ 70M awarded to over \$100M.

**Project Manager**                      **1989 – 1991: Swire Pacific Offshore seconded to McDermott Int'l Dubai**

- Managed a two-year contract which involved the charter of a Dynamically Positioned Crane – work ship to McDermott and worked closely with Client on bids and execution in the Arabian Gulf and India. This included managing the project through the first Gulf war.

**Relief Project Manager**                      **1988: Swire Pacific Offshore, Miri, Malaysia and Kuala Belait Brunei**

- First management role after seagoing career.

**Junior Officer to Master**                      **1981 – 1988: Swire Pacific**

- Having gained Unlimited Master Mariner and Dynamic Positioning Certificates, served onboard conventional cargo vessels with China Navigation Company and Offshore vessels with SPO.
- Culminated in serving as Master onboard Dynamically Positioned Dive Support Vessels in Brazil, Mexico, Africa and Asia.

**1978 – 1981: Ocean Fleets Ltd**

- British merchant marine shipping group – completed 4-year apprenticeship, achieving Class 3 Deck Officer Certificate of Competency, enabling practice at sea as an Officer.

**REFEREES**

Available upon request.



## **9 APPENDIX C – OFFSHORE SUPPORT VESSEL MARKET STUDY REPORT**

# OFFSHORE SUPPORT VESSEL MARKET STUDY REPORT

**APRIL 2024**



**M3 MARINE VALUATIONS PTE LTD**

*(Part of M3 Marine Group of Companies)*



**MMA**  
OFFSHORE

# EXECUTIVE SUMMARY



M3 Marine Valuation Pte Ltd (M3MV) have completed the following market study report for the Offshore Support Vessel (OSV) sector to provide contextual information on the market outlook of MMA Offshore Limited (“MMA”) fleet of vessels to support our independent valuation of the MMA fleet.

“MMA” is an Australia-based, global provider of marine and subsea services. The Company’s main activities include provision of vessels, subsea and project services to the offshore energy made up of oil & gas, renewables, and the wider maritime industry.

This report will give an overview of the OSV Market through the analysis of supply & demand of OSVs, its utilisation and market activities. This report will also comment on existing charter rates and will conclude with forecasted market improvements.

Requested by BDO Australia (BDO), M3MV acknowledges that this report will be used for the purpose of BDO’s Independent Expert Report (IER).

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| 1 | OSV Energy Market Overview     | MMA Fleet Review |                                  |
| 2 | Global OSV Demand Drivers      | 7                | MMA Historical Fleet Utilisation |
| 3 | OSV Supply – Vessel Deployment | 8                | Charter Rate Development         |
| 4 | Global OSV Utilisation         | 9                | Fleet Replacement Value          |
| 5 | Charter Rate Dynamics          | 10               | Future Energy Market Outlook     |
| 6 | Newbuild Activity              |                  |                                  |

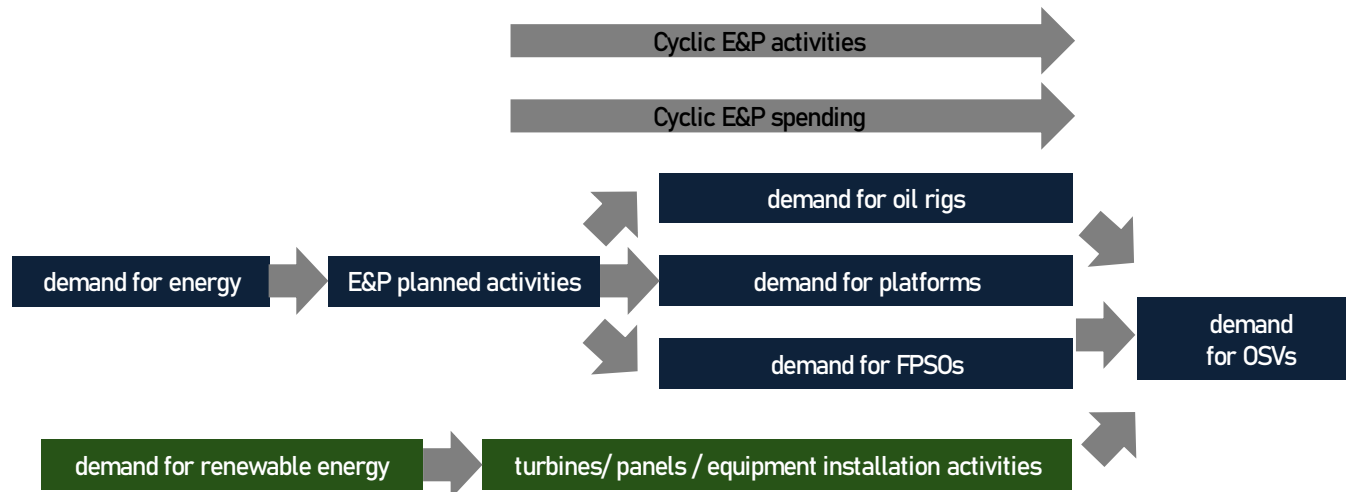
# LIST OF ABBREVIATIONS



| ABBREVIATION | DEFINITION                                       |
|--------------|--|
| AHT          | Anchor Handling Tug                              |
| AHTS         | Anchor Handling Tug Supply                       |
| AIS          | Automatic Identification System                  |
| BHP          | Brakehorse Power                                 |
| CAGR         | Compound Annual Growth Rate                      |
| COP28        | The 2023 Conference of the Parties of the UNFCCC |
| DP           | Dynamic Positioning                              |
| DWT          | Deadweight tonnage                               |
| GHG          | Greenhouse Gases                                 |
| GW           | Gigawatt   |
| GWEC         | Global Wind Energy Council                       |
| ISC          | Indian Sub-Continent                             |
| E&P          | Exploration & Production                         |
| EIR          | Enverus Intelligence Research                    |

| ABBREVIATION | DEFINITION   |
|--------------|--|
| EPC          | Engineering, Procurement & Construction  |
| mboepd       | thousand barrels of oil equivalent per day   |
| MPSV         | Multi-Purpose Supply Vessel  |
| O&G          | Oil & Gas  |
| OPEC+        | Organization of the Petroleum Exporting Countries (plus other oil-producing countries) |
| OSV          | Offshore Support Vessel  |
| PSV          | Platform Supply Vessel   |
| ROV          | Remotely Operated Vehicle  |
| SOV          | Service Operation Vessel   |
| US\$/bbl     | United States Dollars per Barrel   |
| WDV          | Written-Down Value   |
| YoY          | year-over-year   |

# 1. OSV ENERGY MARKET OVERVIEW



Source: M3 Marine

- The OSV Energy Market is underpinned by energy demand fundamentals, relevant global indicators, pricing, upstream costs, supply and demand and credit markets.
- Key market drivers for Offshore Energy industry is illustrated in the chart above –
  - OSV demand within the Oil & Gas (O&G) sector is typically driven by the level of utilisation for drilling rigs used for upstream O&G exploration & production (E&P) which are directly influenced by oil price movements.
  - Increase in demand for renewable energy due to governmental policies and regulations for reduction in GHG due to environmental concerns has created opportunities for OSVs in the renewable market for offshore installations, maintenance and operation of offshore renewable energy infrastructure.

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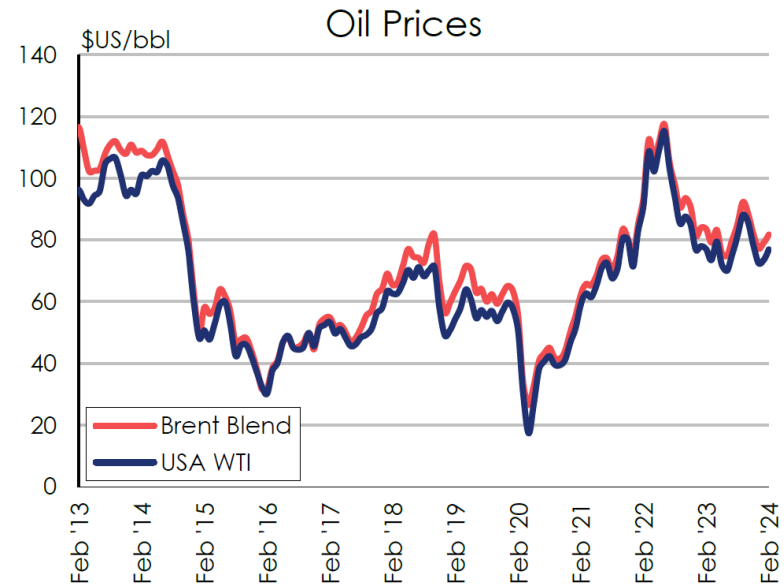


## 2. OSV DEMAND DRIVERS



### OIL PRICE

- Oil price is a key indicator of global economic activities and is a key determinant in the willingness of oil companies to increase capital expenditures through investment in new infrastructures and capital-intensive projects.
- Current oil prices continue to be conducive for the offshore market. As of Mar 24' oil prices have remained strong with Brent crude averaging at \$85.41 per barrel and closing above \$87 per barrel.
- The rise in oil prices were due to additional production cuts by OPEC+, ongoing tensions in the Middle East and Ukraine and an expected increase in demand post the COVID pandemic. These would balance out the increase in supply from US and Latin America, maintaining a stable market with oil prices within the range of \$75 – 85/bbl.

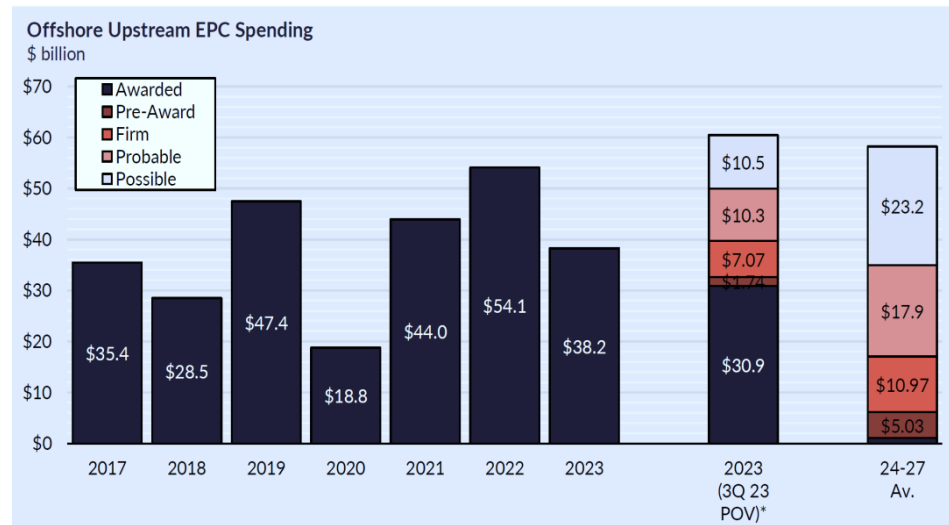


Source: Clarksons, M3 Marine (Mar 2024)

## 2. OSV DEMAND DRIVERS



### UPSTREAM / E&P SPENDING



Source: Westwood Global Offshore Drilling Rig Market Report, Q4 2023

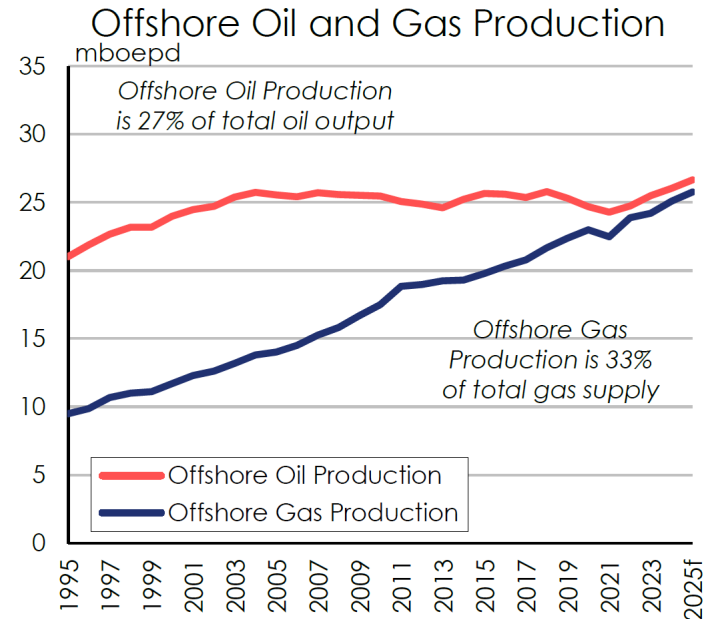
- Compared to 2020 lows caused by the COVID-19 pandemic, offshore upstream EPC investments for 2023 were at \$38.3bn reflecting a YoY 29% decrease.
- Transitions towards Renewable Energy forecasts a further decline in E&P spending – approximately \$221bn in total offshore EPC contract award in 2024 to 2027 period with a forecasted spending average of \$55.4bn/annum.

## 2. OSV DEMAND DRIVERS



### OFFSHORE OIL & GAS PRODUCTION

- Post a slight decline in Oil & Gas production during the COVID Pandemic, Offshore production is on the increase with Peak Oil expected sometime after 2030
- The energy transition has been slowed down by the needs of energy security along with an increase in demand
- Oil & Gas producers are all proactively working to develop alternative energy sources as a part of the energy mix as we move along with the transition
- Furthermore, “EIR (Enverus Intelligence Research) expects global oil demand to grow to approximately 108 million barrels per day by 2030.”



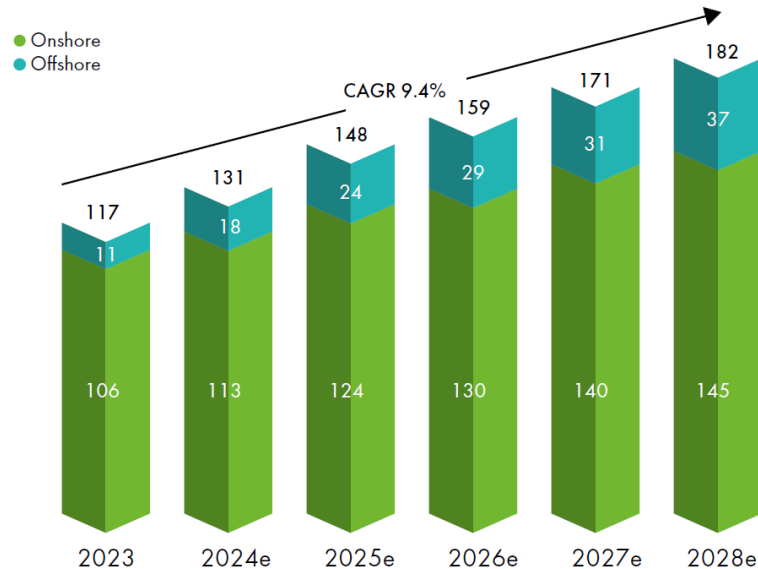
Source: Clarksons, M3 Marine (Mar 2024)

## 2. OSV DEMAND DRIVERS



### RENEWABLE ENERGY

New installations outlook 2024–2028 (GW)



Source: GWEC Global Wind Report 2024

- Renewable energy capacity is foreseen to triple per the recent COP28 with larger focus on the development of wind energy.
- Offshore wind expenditure are mostly dependent on private investments, nonetheless, per the GWEC 2024 report, the overall compound annual growth rate (CAGR) for new installations from 2024 – 2028 are at 9.4% with offshore installations at a CAGR of 28%.

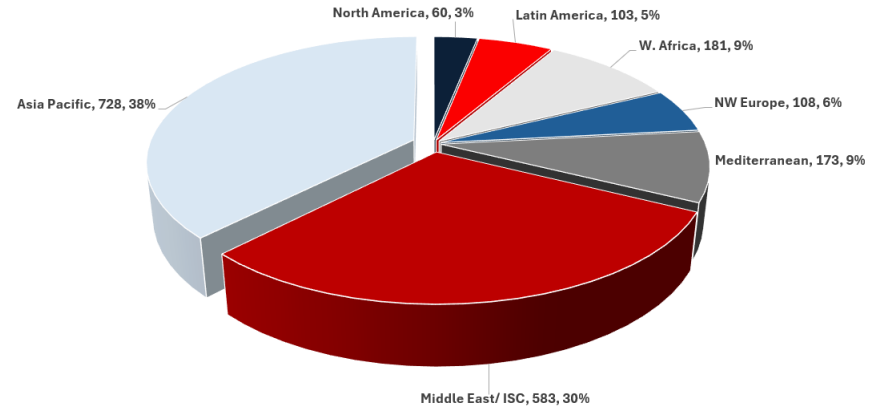
# 3. OSV SUPPLY



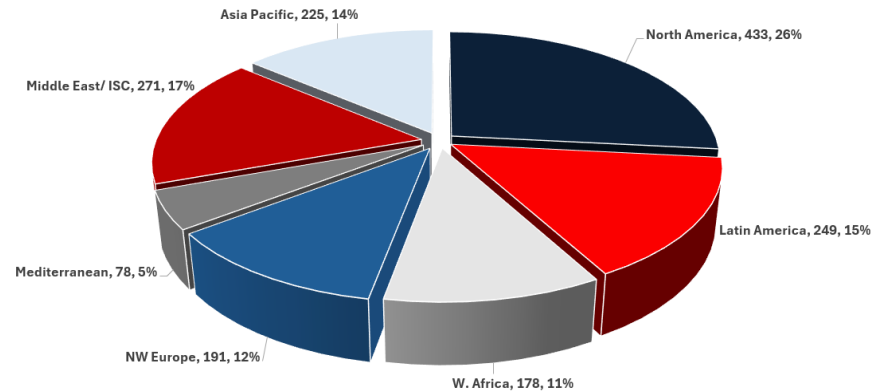
## VESSEL DEPLOYMENT

- Taking reference from Clarkson's March 2024 report, a total of 1,936 units of AHT / AHTS and 1,625 units of PSV / Supply vessels were deployed globally. Noting that figures excludes vessels that are idle.
- Middle East/ ISC and Asia Pacific possesses larger percentage of AHTS amounting to 68% of the global fleet. Majority of units are made up of 4,000 to 8,000 BHP AHTS – 340 units and 383 units in Middle East/ ISC and Asia Pacific respectively.
- PSV/ Supply vessels are more evenly spread globally and across the various sizes. North America still holds the greatest number of units followed by Middle East/ ISC, Latin America and Asia Pacific.

AHT & AHTS REGIONAL DEPLOYMENT



PSV / SUPPLY REGIONAL DEVELOPMENT



Source: Clarksons, M3 Marine (Mar 2024)

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## 4. OSV UTILISATION



### LAID UP VESSELS

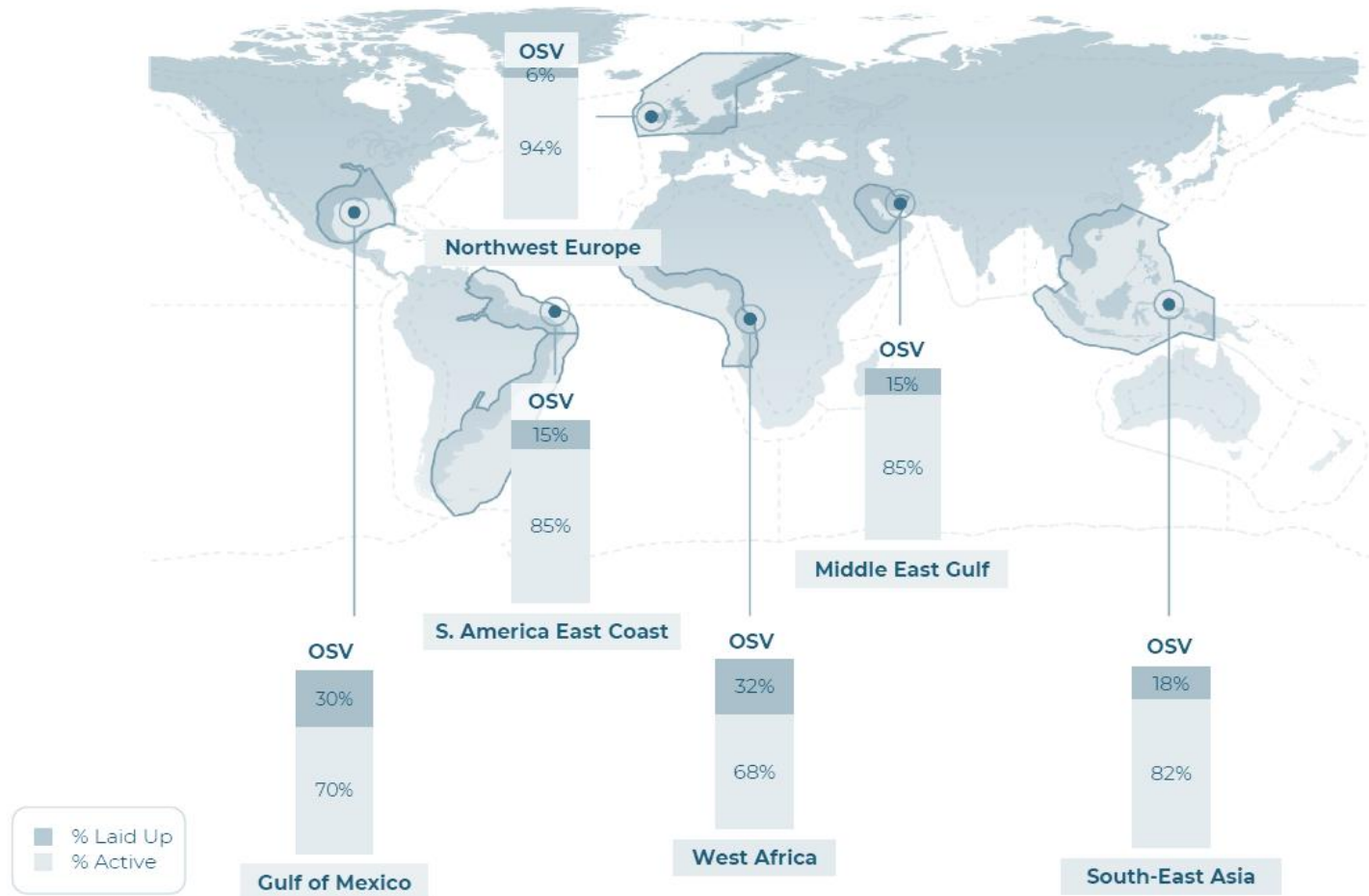


Source: VesselsValue, M3 Marine

- Recency of AIS Signal gives an indication if a vessel is active or laid-up. We can assume that vessels with AIS Signal being >8 weeks to be in laid up status.
- According to VesselsValue (23 Apr 2024), there are approximately 963 vessels (PSV, AHTS, AHT, MPSV, Maintenance/ Support and SOV) currently laid-up globally.
- Approximately 700 of these units are >20 years of age and 525 units are >34 years – such units will no longer be viable to re-enter the OSV market and are deemed non-competitive.

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## 4. OSV UTILISATION



Source: Veson / VesselsValue, OSV Market Review 2023/2024 (April 2024)

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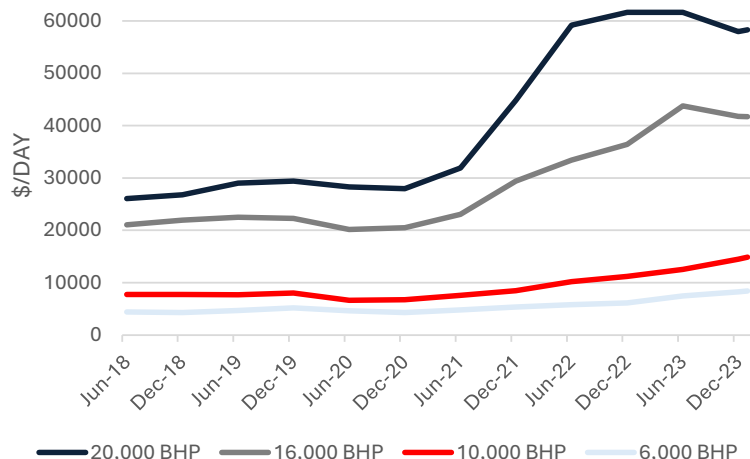
# 5. CHARTER RATE DYNAMICS



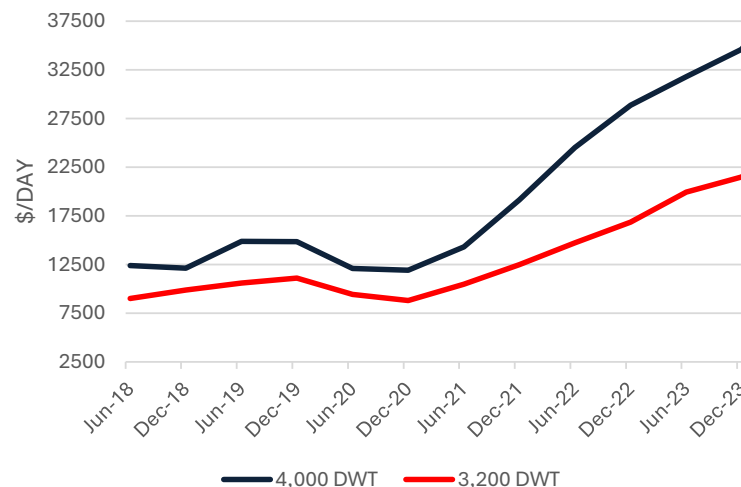
## TERM RATES

- AHTS of average sizes of 6,000 BHP, 10,000 BHP, 16,000 BHP and 20,000 BHP and PSV of 3,200 DWT and 4,000 DWT were recorded to show global charter rate trends.
- AHTS charter rates remained steady since market recovery whilst PSV rates continue to strengthen particularly for the larger units (4,000 DWT).
- It is our opinion that the ramp up in charter rate will continue for the foreseeable future due an increase in demand and tight supply constraints and no new buildings on the near to mid term horizon.

GLOBAL AHTS T/C RATES



GLOBAL PSV T/C RATES



Source: Clarksons, M3 Marine (Mar 2024)

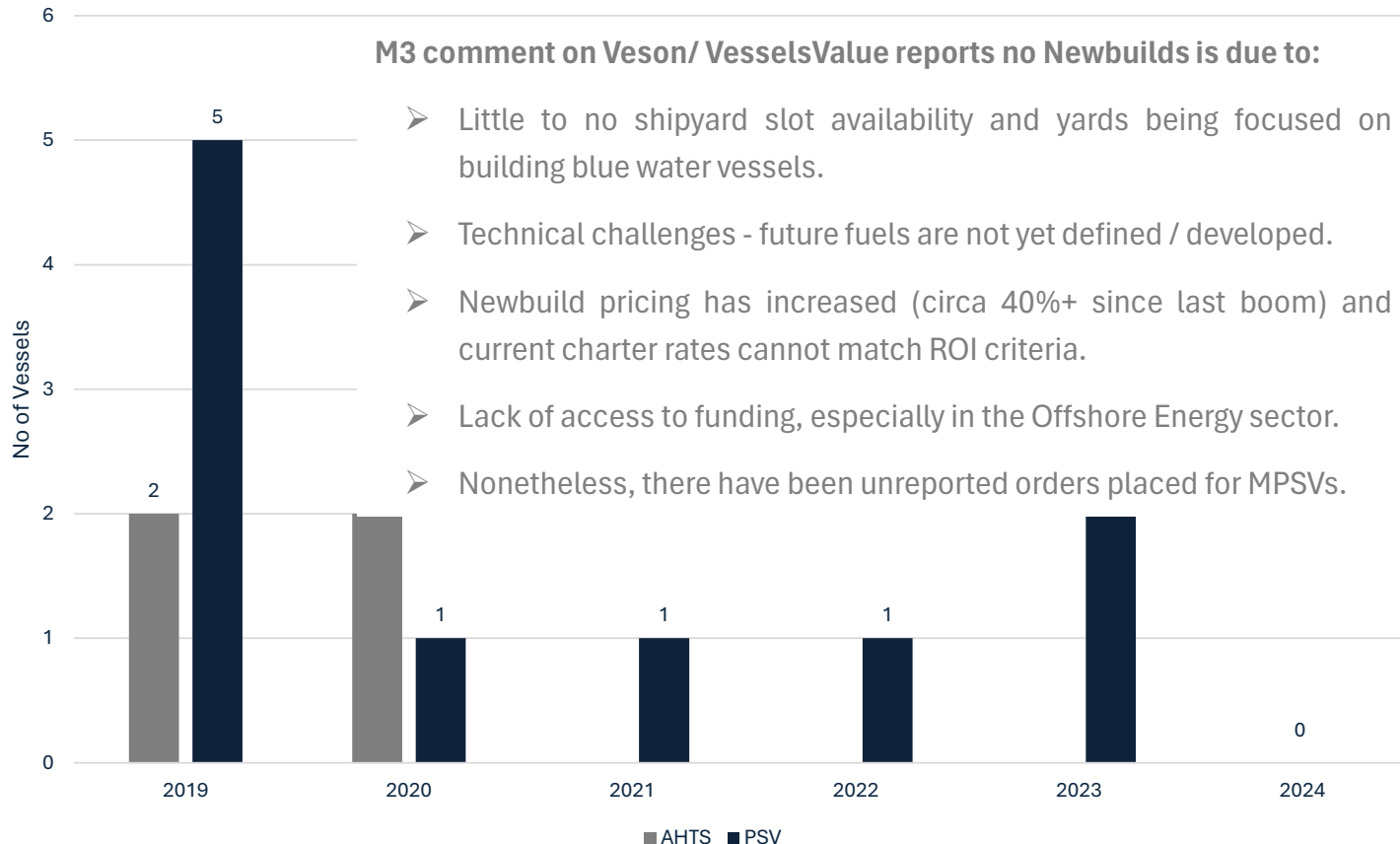
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## 6. NEWBUILD ACTIVITY



### ORDERBOOK



Source: Veson / VesselsValue, OSV Market Review 2023/2024

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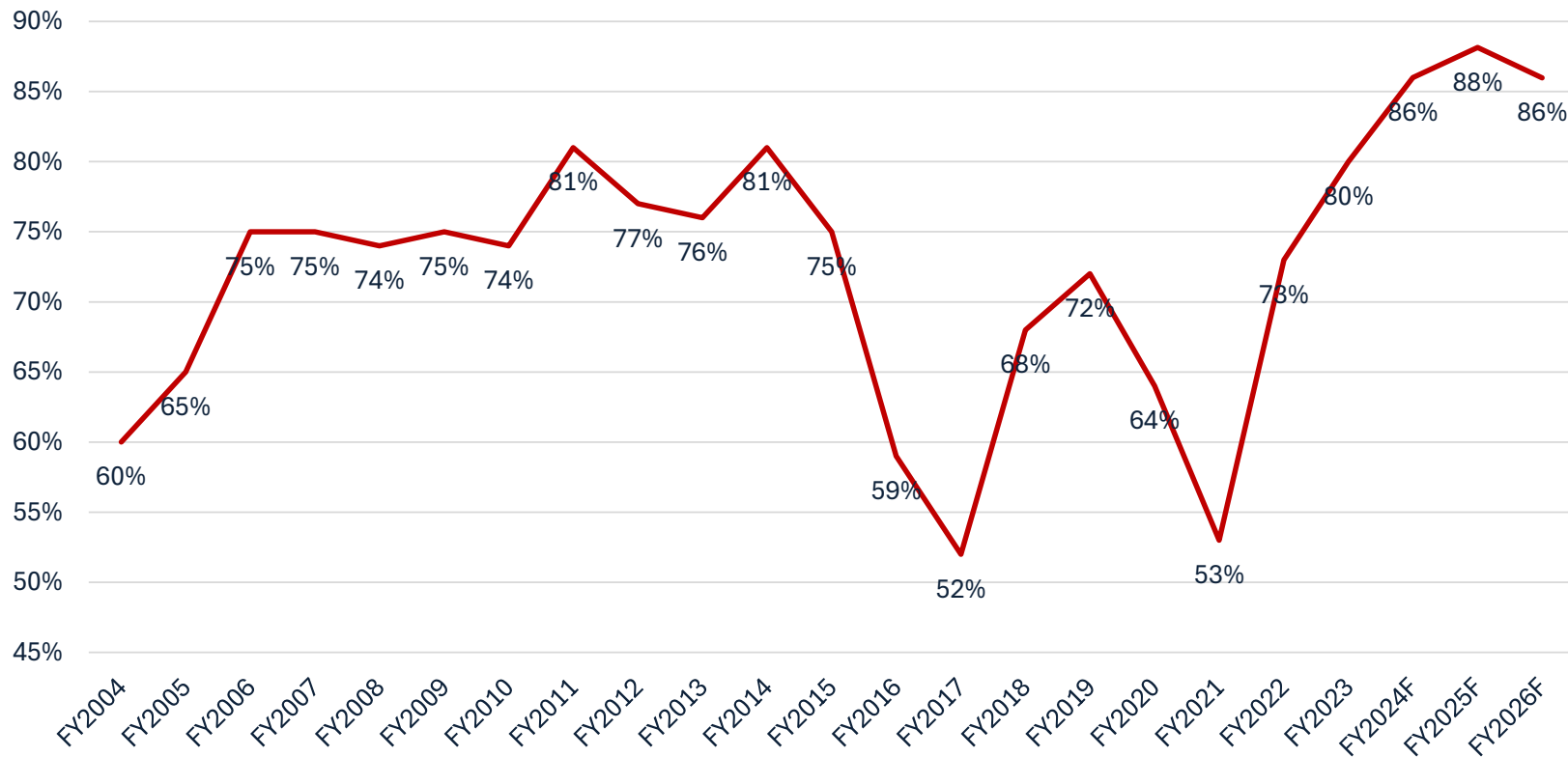
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1 Commonwealth Lane, #09-16, ONE Commonwealth, Singapore 149544 T +65 6327 4606 M [valuations@m3marine.com.sg](mailto:valuations@m3marine.com.sg) W [www.m3marine.com.sg](http://www.m3marine.com.sg)

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# MMA FLEET REVIEW

# 7. MMA HISTORICAL FLEET UTILISATION



Source: M3 Marine

- Fleet global Utilisation are as per total fleet recorded in annual reports.
- M3 foresees this continuing at historic highs for the foreseeable future due to high demand and supply constraints.

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## 8. CHARTER RATE DEVELOPMENT



- 2025 & 2026 rate appreciation is guidance from M3 basis on what we perceive in the market and looking at commentary from peer brokers and actual charters.
- In addition to increase in dayrates from 'core' demand, we are also witnessing crossover of PSVs and AHTs now undertaking subsea, ROV and light diving work scopes due a tightening of supplies in those sectors.
- It is also noteworthy that some of MMA's fleet are currently on contract thus, vessels may not benefit from potential increase in rates.

## 9. MMA FLEET REPLACEMENT VALUE



| VESSEL NAME     | TYPE | BUILT | BUILT LOCATION | BHP / DWT  | DP | ACQUIRED DATE | M3 OPINION ON NEWBUILD REPLACEMENT VALUE (USD) |
|-----------------|------|-------|----------------|------------|----|---------------|--|
| MMA Brewster    | PSV  | 2016  | Vietnam        | 4,215 T    | 2  | Apr 2016      | \$ 45,000,000 - \$ 55,000,000                  |
| Mermaid Cove    | AHT  | 2013  | Singapore      | 5,620 BHP  | 2  | Mar 2013      | \$ 20,000,000 - \$ 30,000,000                  |
| MMA Inscription | PSV  | 2013  | China          | 5,123 T    | 2  | May 2013      | \$ 40,000,000 - \$ 50,000,000                  |
| MMA Leeuwin     | PSV  | 2013  | Singapore      | 4,000 T    | 2  | Feb 2014      | \$ 40,000,000 - \$ 50,000,000                  |
| MMA Plover      | PSV  | 2015  | Vietnam        | 4,215 T    | 2  | Jan 2016      | \$ 45,000,000 - \$ 55,000,000                  |
| MMA Coral       | AHTS | 2011  | Indonesia      | 8,000 BHP  | 2  | Jun 2014      | \$ 25,000,000 - \$ 35,000,000                  |
| MMA Valour      | PSV  | 2013  | Indonesia      | 4,500 T    | 2  | Jun 2014      | \$ 30,000,000 - \$ 40,000,000                  |
| MMA Vision      | AHTS | 2009  | Indonesia      | 8,000 BHP  | 2  | Jun 2010      | \$ 25,000,000 - \$ 35,000,000                  |
| MMA Majestic    | AHTS | 2014  | Indonesia      | 12,070 BHP | 2  | Sep 2014      | \$ 40,000,000 - \$ 50,000,000                  |
| MMA Monarch     | AHTS | 2009  | Singapore      | 12,069 BHP | 2  | Jun 2014      | \$ 40,000,000 - \$ 50,000,000                  |
| MMA Pride       | MPSV | 2013  | Indonesia      | 5,150 BHP  | 2  | Jun 2014      | \$ 35,000,000 - \$ 45,000,000                  |

## 9. MMA FLEET REPLACEMENT VALUE



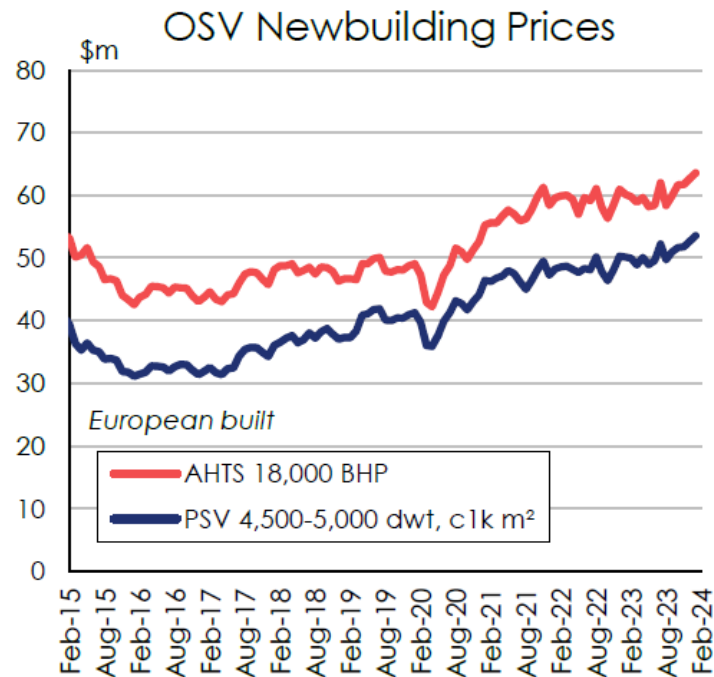
| VESSEL NAME       | TYPE    | BUILT | BUILT LOCATION | BHP / DWT  | DP | ACQUIRED DATE | M3 OPINION ON NEWBUILD REPLACEMENT VALUE (USD) |
|-------------------|---------|-------|----------------|------------|----|---------------|--|
| MMA Privilege     | MPSV    | 2015  | Indonesia      | 10,455 BHP | 2  | Mar 2016      | \$ 45,000,000 - \$ 55,000,000                  |
| MMA Pinnacle      | ROV SOV | 2015  | Indonesia      | 13,174 BHP | 2  | Dec 2016      | \$ 75,000,000 - \$ 85,000,000                  |
| MMA Prestige      | ROV SOV | 2015  | Indonesia      | 13,174 BHP | 2  | Nov 2016      | \$ 75,000,000 - \$ 85,000,000                  |
| MMA Vigilant      | ROV SOV | 2013  | Indonesia      | 8,047 BHP  | 2  | Jun 2014      | \$ 35,000,000 - \$ 45,000,000                  |
| Mermaid Searcher  | MPSV    | 2008  | China          | 3,200 BHP  | 2  | Dec 2008      | \$ 13,000,000 - \$ 17,000,000                  |
| Offshore Solution | MPSV    | 2016  | Netherlands    | 2,250 kW   | -  | Nov 2023      | \$ 25,000,000 - \$ 35,000,000                  |

- Newbuild Replacement Costs are for vessels to be built outside of China.
- All vessels quoted will be future proofed and allows for alternate fuels, electrification (diesel electric plus batteries) and a reduction in carbon footprint.
- There has been a considerable increase in replacement costs (see next slide)

# 9. MMA FLEET REPLACEMENT VALUE



## COMMENTARY



Source: Clarksons, M3 Marine (Mar 2024)

- Since the lows 2017 Newbuild (replacement) costs have increased considerably even with the slight downtick during Covid 19.
- From the OSV Newbuilding Prices chart (left), you can see for two specific vessel types built in Europe - Large PSV newbuild pricing has increased by ~70% and large AHTS pricing by ~50% since the lows of 2017.
- However, it is generally accepted that outside of China, Newbuild (replacement) costs have increased by an order of magnitude of 40-45% across the board.
- Newbuild pricing will continue to increase given the strangle hold on supply caused by lack of shipyard availability, technical obsolescence (what fuel?) and financial limitations posed by banks / financiers.

# 10. FUTURE ENERGY MARKET OUTLOOK



- The OSV markets remain strong and will be sustainable for the medium outlook in terms of utilisation, charter rates and values.
- Developments in renewable energy increases OSV demands and are expected to continue to rise on the back of supply constraints – decline in growth of hydrocarbons or energy transitions may soften pricing and utilisation.
- The OSV supply side constraints will persist due lack of shipyard space, technical demands and financial support from banks / financiers.
- The possible entry of newbuilds may moderate market pricing as supply/demand balance equalises .
- OSV positivity is set to extend beyond 2025 with Global ‘real’ utilisation expected to remain at levels of 80% and above.



**Annexure B**  
**Scheme**

## Scheme of Arrangement

between

**MMA Offshore Limited**  
ACN 083 185 693  
(MMA)

and

### Scheme Participants

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**This scheme of arrangement** is made under section 411 of the *Corporations Act 2001* (Cth)

between **MMA Offshore Limited** ACN 083 185 693 of Level 10, 12 The Esplanade, Perth WA 6000 (**MMA**)  
and the **Scheme Participants**

## **1 Defined terms & interpretation**

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### **1.1 Defined terms**

In this Scheme, except where the context otherwise requires:

**ADI** means an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

**ASX Operating Rules** means the official operating rules of ASX.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Business Day** means a business day as defined in the Listing Rules.

**CGT Withholding Amount** has the meaning given to that term in clause 7.8.

**CHES** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement.

**CHES Holding** has the meaning given in the ASX Settlement Rules.

**Commissioner of Taxation** means the Australian Commissioner of Taxation.

**Condition Precedent** means a condition precedent to the Scheme in clause 3.1 of the Scheme Implementation Deed.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Cyan and MMA.

**Cyan** means Cyan MMA Holdings Pty Limited (ACN 675 840 196) of Level 12, 680 George Street, Sydney NSW 2000.

**Deed Poll** means the deed poll to be executed by Cyan in the form of the deed poll contained in Schedule 5 to the Scheme Implementation Deed, or in such other form as agreed in writing between MMA and Cyan.

**Effective** means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Encumbrance** means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, right of first refusal and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

**End Date** means whichever one of the following applies:

- (a) if the FIRB Condition Precedent has been satisfied by 5:00pm on the second Business Day prior to the date that is six months after the Execution Date, the date which is six months after the Execution Date;
- (b) if the FIRB Condition Precedent has not been satisfied by 5:00pm on the second Business Day prior to the date that is six months after the Execution Date and the FIRB Condition Precedent is still capable of satisfaction at such time, the date which is seven months after the Execution Date; or
- (c) if the FIRB Condition Precedent has not been satisfied by 5:00pm on the second Business Day prior to the date that is seven months after the Execution Date and the FIRB Condition Precedent is still capable of satisfaction at such time, the date which is eight months after the Execution Date.

**Execution Date** means the date of the Scheme Implementation Deed.

**FIRB Condition Precedent** has the meaning given to that term in the Scheme Implementation Deed.

**Foreign Corporate Regulatory Authority** means the Singaporean Accounting and Corporate Regulatory Authority, the Taiwanese Financial Supervisory Commission and the Malaysian Companies Commission of Malaysia.

**Immediately Available Funds** means by immediate electronic funds transfer or other form of cleared funds acceptable to MMA.

**Implementation** means the implementation of this Scheme, in accordance with its terms, after this Scheme becomes Effective.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date agreed to in writing by MMA and Cyan.

**Issuer Sponsored Holding** has the meaning given in the ASX Settlement Rules.

**Listing Rules** means the official listing rules of the ASX.

**MMA Group** means MMA and its Subsidiaries.

**Performance Right** means a performance right issued by MMA under employee incentive arrangements (or similar) of the MMA Group to, subject to the terms of that performance right, acquire a Share.

**Record Date** means 5:00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as ASX requires or that Cyan and MMA may agree in writing.

**Registered Address** means, in relation to a Scheme Participant, the address of that Scheme Participant shown in the Share Register as at the Record Date.

**Regulatory Authority** includes:

- (a) a foreign or Australian government or governmental, semi-governmental, administrative, fiscal, tax or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute;
- (d) any applicable securities commission or stock or securities exchange;

- (e) in particular, ASX, ASIC, FIRB, the Takeovers Panel and Foreign Corporate Regulatory Authorities; and
- (f) any authorised representative of any of the above.

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act between MMA and the Scheme Participants, as set out in this document, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by MMA and Cyan.

**Scheme Consideration** means the consideration to be provided by Cyan to each Scheme Participant for the transfer of each Scheme Share under the Scheme, being \$2.60 per Scheme Share.

**Scheme Implementation Deed** means the scheme implementation deed entered into between Cyan and MMA dated 24 March 2024, with respect to the Scheme and associated matters.

**Scheme Meeting** means the meeting of Shareholders ordered by the Court to be convened in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any meeting convened following any adjournment or postponement of that meeting.

**Scheme Order** means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable and subject to clause 7.10, section 411(6) of the Corporations Act) in relation to the Scheme.

**Scheme Participant** means a Shareholder recorded in the Share Register as holding one or more Scheme Shares as at the Record Date.

**Scheme Shares** means all of the Shares on issue on the Record Date.

**Scheme Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer for all Scheme Shares.

**Second Court Date** means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the first day on which the adjourned application is heard or scheduled to be heard.

**Second Court Hearing** means the hearing at which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the hearing at which the adjourned application is heard.

**Share** means a fully paid ordinary share in the capital of MMA.

**Share Register** means the register of holders of Shares maintained by or on behalf of MMA in accordance with the Corporations Act.

**Share Registry** means Automic Pty Ltd ACN 152 260 814, or any replacement share registry services provider to MMA.

**Shareholder** means a person who is registered in the Share Register as the holder of one or more Shares, from time to time.

**Subdivision 14-D** has the meaning given to that term in clause 7.8.

**Subsidiary** has the meaning given to that term in section 9 of the Corporations Act.

**Takeovers Panel** means the Australian Takeovers Panel.

## 1.2 Interpretation

In this Scheme:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this Scheme, and a reference to this Scheme includes any schedule;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, dollar, Australian dollar or \$ is to Australian currency;
- (f) a reference to time is to Perth, Western Australia time, unless otherwise noted;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (k) a word or expression defined in the Corporations Act and not otherwise defined in this Scheme has the meaning given to it in the Corporations Act;
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Scheme or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day unless otherwise required by the Corporations Act or the Listing Rules.

## 2 Conditions precedent

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### 2.1 Conditions precedent

This Scheme is conditional upon, and will have no force or effect unless and until, each of the following conditions precedent are satisfied:

- (a) all of the Conditions Precedent having been satisfied or (if permitted) waived (other than the condition in clause 3.1(c) (Court Approval of Scheme) of the Scheme Implementation Deed), in each case in accordance with the Scheme Implementation Deed;

- (b) as at 8:00am on the Second Court Date, the Scheme Implementation Deed not having been terminated in accordance with its terms;
- (c) as at 8:00am on the Second Court Date, the Deed Poll not having been terminated in accordance with its terms;
- (d) approval of the Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act having been obtained and, if applicable, MMA and Cyan having both consented to (in accordance with clause 7.10) any modification made or required by the Court under section 411(6) of the Corporations Act;
- (e) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and consented to by both MMA and Cyan (in accordance with clause 7.10) having been satisfied or waived (if any); and
- (f) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order on or before the End Date (or any later date MMA and Cyan agree in writing in accordance with the Scheme Implementation Deed).

## 2.2 Certificates

- (a) At the Second Court Hearing, each of MMA and Cyan must provide a certificate to the Court confirming (in respect of matters within their knowledge) whether or not all the conditions in clauses 2.1(a), 2.1(b) and 2.1(c) have been satisfied or waived as at 8:00am on the Second Court Date.
- (b) The certificate referred to in this clause 2.2 will constitute conclusive evidence of whether the conditions in clauses 2.1(a), 2.1(b) and 2.1(c) have been satisfied or waived.

## 3 The Scheme

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### 3.1 Effective Date

Subject to clauses 2 and 3.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### 3.2 End Date

Without limiting any rights under the Scheme Implementation Deed, this Scheme will lapse and be of no further force or effect (and each of MMA and Cyan are released from any obligations and any liability in connection with this Scheme or the Deed Poll) if:

- (a) the Effective Date has not occurred on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll are terminated in accordance with their respective terms,

unless MMA and Cyan otherwise agree in writing (and, if required, as approved by the Court).

## 4 Implementation of the Scheme

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### 4.1 Lodgement of Scheme Order with ASIC

If the conditions precedent set out in clause 2.1 of this Scheme (other than the condition precedent in clause 2.1(f) of this Scheme) are satisfied, MMA must lodge with ASIC in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order as soon as possible after the Court makes that Scheme Order and in any event by 5:00pm on the first Business Day after the date on which the Court makes that Scheme Order (or such later time agreed in writing by MMA and Cyan).



## 4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the Scheme having become Effective, the provision of the Scheme Consideration in accordance with clause 5 and Cyan having provided MMA with written confirmation of the provision of those funds, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Cyan, without the need for any further act by any Scheme Participant (other than acts performed by MMA or its directors, officers and secretaries as agent and attorney of the Scheme Participants under clauses 7.1, 7.2 and 7.3 or otherwise), by:
  - (i) MMA delivering to Cyan a duly completed registrable Scheme Transfer, duly executed on behalf of the Scheme Participants (being the transferors) by MMA as agent and attorney of the Scheme Participants; and
  - (ii) Cyan duly executing that Scheme Transfer as transferee, attending to the stamping of the Scheme Transfer (if required) and delivering it to MMA for registration; and
- (b) MMA, immediately after receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), must attend to registration of the Scheme Transfer and enter, or procure the entry of, the name of Cyan in the Share Register as holder of all the Scheme Shares transferred to Cyan in accordance with this Scheme.

## 4.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration of the transfer of the Scheme Shares to Cyan, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of the Scheme Shares held by them on the Record Date in accordance with clause 5 of this Scheme.

# 5 Scheme Consideration

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## 5.1 Scheme Consideration

On the Implementation Date, Cyan must provide the Scheme Consideration to each Scheme Participant in accordance with this clause 5.

## 5.2 Provision of Scheme Consideration

- (a) Cyan must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in Immediately Available Funds an amount (in Australian currency) equal to the aggregate amount of the Scheme Consideration payable to all Scheme Participants into an Australian dollar denominated trust account (with an ADI) operated by MMA (or, if notified in writing by MMA to Cyan, operated by the Share Registry) as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Cyan's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.2(a), MMA must pay (or procure the payment) to each Scheme Participant, from the trust account referred to in clause 5.2(a), such amount of cash as is due to that Scheme Participant as Scheme Consideration in respect of all of that Scheme Participant's Scheme Shares.
- (c) The obligations of MMA under clause 5.2(b) will be satisfied by MMA (in its absolute discretion, and despite an election referred to in clause 5.2(c)(i) or authority referred to in clause 5.2(c)(ii) made or given by the Scheme Participant):
  - (i) if a Scheme Participant has, before the Record Date, made a valid election in accordance with the requirements of the Share Registry to receive dividend

payments from MMA by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

- (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to MMA; or
- (iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Participant by prepaid ordinary post (or, if the Scheme Participant's Registered Address is outside Australia, by pre-paid airmail post) to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.3).
- (d) To the extent that, following satisfaction of MMA's obligations and Scheme Participants' rights under clauses 5.2(c), there is a surplus in the amount held by MMA as trustee for the Scheme Participants in the trust account referred to in this clause 5.2, that surplus (less bank fees and other charges) must be paid by MMA to Cyan as soon as practicable.

### 5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the Scheme Consideration is payable to the joint holders and any cheque required to be sent to Scheme Participants under this Scheme will be made payable to the joint holders (as applicable) and sent to either (at the sole discretion of MMA) the Registered Address of the holder whose name appears first in the Share Register on the Record Date or to the Registered Address of the joint holders on the Record Date; and
- (b) any other document required to be sent under this Scheme will be sent to either (at the sole discretion of MMA) the Registered Address of the holder whose name appears first in the Share Register on the Record Date or to the Registered Address of the joint holders on the Record Date.

### 5.4 Orders of a court or other Regulatory Authority

- (a) If MMA (or the Share Registry) or Cyan receives written notice of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:
  - (i) requires payment to be provided to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with clause 5.2 of this Scheme, then MMA must procure that payment is made in accordance with that order or direction; or
  - (ii) prevents MMA from dispatching payment to any particular Scheme Participant in accordance with clause 5.2 of this Scheme, or the payment is otherwise prohibited by applicable law, MMA will retain an amount, in Australian currency, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration, until such time as payment in accordance with clause 5.2 of this Scheme is permitted by that (or another) order or direction or otherwise permitted by law.
- (b) To the extent that amounts are so paid or withheld in accordance with clause 5.4(a), such paid or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such payment or withholding was made, provided that such paid or withheld amounts are actually remitted as required by that clause.

## 5.5 Unclaimed monies

- (a) MMA may cancel a cheque issued under this clause 5 if the cheque:
  - (i) is returned to MMA; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Participant to MMA (or the Share Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), MMA must reissue a cheque that was previously cancelled under this clause 5.5.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

## 6 Dealings in Scheme Shares

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### 6.1 Determination of Scheme Participants

To establish the identity of Scheme Participants, dealings in Scheme Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Share Register is kept,

and for the purpose of establishing the persons who are Scheme Participants, MMA must not accept for registration, nor recognise for any purpose (except a transfer to Cyan under this Scheme and any subsequent transfer by Cyan or its successors in title), any transfer or transmission application or other request (in each case) received after the Record Date, or received by the Record Date but not in registrable or actionable form, as appropriate.

### 6.2 Share Register

MMA must register any registrable transmission applications or transfers of the Scheme Shares that MMA received in accordance with clause 6.1 by the Record Date provided that, to avoid doubt, nothing in this clause 6.2 requires MMA to register a transfer that would result in a Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (for the purposes of this clause, a 'marketable parcel' has the meaning given to that term in the procedures of the ASX Operating Rules).

### 6.3 No disposals after Record Date

If this Scheme becomes Effective, each Scheme Participant, and any person claiming through that Scheme Participant, must not dispose of or transfer, or purport or agree to dispose of or transfer, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will be void and of no legal effect whatsoever and MMA is entitled to disregard any such disposal, transfer or purported disposal or transfer.

### 6.4 Maintenance of Share Register

For the purpose of determining entitlements to the Scheme Consideration, MMA must maintain, or procure the maintenance of, the Share Register in accordance with the provisions

of this clause 6 until the Scheme Consideration has been paid to the Scheme Participants. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

#### **6.5 Effect of Holding Statements**

All statements of holding in respect of Scheme Shares (other than statements of holding in favour of Cyan) will cease to have effect after the Record Date as documents of title (or evidence thereof) in respect of those Scheme Shares and, after the Record Date, each entry in respect of Scheme Shares current at that date on the Share Register (other than entries on the Share Register in respect of Cyan) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

#### **6.6 Details of Scheme Participants**

As soon as possible after the Record Date, and in any event within two Business Days after the Record Date, MMA must provide to Cyan (or procure the provision to Cyan of) details of the names, registered addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Share Register on the Record Date.

#### **6.7 Quotation of Shares**

- (a) After the Court makes the orders under section 411(4)(b) of the Corporations Act approving the Scheme, MMA must apply to ASX to suspend trading on ASX of the Shares with effect from the close of trading on ASX on the Effective Date.
- (b) On a date after the Implementation Date to be agreed with Cyan, MMA must apply to ASX to have MMA removed from the official list of ASX, and quotation of Shares on ASX terminated.

### **7 General Scheme provisions**

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#### **7.1 Scheme Participant's agreements and consents**

Each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares as at the Implementation Date, to Cyan in accordance with the terms of this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by, or resulting from, this Scheme (if any); and
- (c) acknowledges and agrees to MMA and Cyan doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

in each case without the need for any further act by that Scheme Participant.

#### **7.2 Warranty by Scheme Participants**

Each Scheme Participant is taken to have warranted to MMA and Cyan on the Implementation Date, and to have appointed and authorised MMA as its attorney and agent to warrant to Cyan on the Implementation Date, that:

- (a) all Scheme Shares held by that Scheme Participant (including any rights and entitlements attaching to those Scheme Shares as at the Implementation Date) which are transferred to Cyan under the Scheme will, as at the date of the transfer, be fully paid and free from:

- (i) all Encumbrances and interests of third parties of any kind, whether legal or otherwise; and
- (ii) restrictions on transfer of any kind; and
- (b) the Scheme Participant has full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares as at the Implementation Date) to Cyan under the Scheme (and MMA undertakes that it will provide such warranty to Cyan as agent and attorney of each Scheme Participant); and
- (c) the Scheme Participant has no existing right to be issued any Shares, Performance Rights or any other MMA equity securities (and MMA undertakes that it will provide such warranty to Cyan as agent and attorney of each Scheme Participant).

### 7.3 Authority given to MMA

- (a) On this Scheme becoming Effective, each Scheme Participant, without the need for any further act, is deemed to have irrevocably appointed MMA and each of MMA's directors, officers and secretaries (jointly and severally) as its attorney and agent for the purposes of:
  - (i) enforcing the Deed Poll against Cyan, and MMA undertakes in favour of each Scheme Participant to enforce the Deed Poll against Cyan on behalf of and as agent and attorney for each Scheme Participant;
  - (ii) in the case of Scheme Shares in a CHESS Holding:
    - (A) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules so as to transfer the Scheme Shares held by the Scheme Participant from the CHESS sub-register of MMA to the issuer sponsored sub-register operated by MMA or the Share Registry at any time after Cyan has provided the Scheme Consideration which is due to Scheme Participants under this Scheme; and
    - (B) completing and signing on behalf of Scheme Participants any required form of transfer of Scheme Shares;
  - (iii) in the case of Scheme Shares registered in the issuer sponsored sub-register operated by MMA or the Share Registry, completing and signing on behalf of Scheme Participants any required form of transfer; and
  - (iv) doing all things and executing any agreements, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) as contemplated by clause 4.2.
- (b) MMA:
  - (i) accepts the appointment under clause 7.3(a); and
  - (ii) as attorney and agent of each Scheme Participant, may sub delegate its functions, authorities or powers under this clause 7.3 to all or any of its directors, officers and secretaries (jointly, severally or jointly and severally).

### 7.4 Further assurances

Each Scheme Participant and MMA will do all things and execute all deeds, instruments, transfers or other documents as may be necessary and desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.

## 7.5 Scheme binding

This Scheme binds MMA and all Scheme Participants from time to time (including, to avoid doubt, those who do not attend the Scheme Meeting and those who do not vote at that meeting or who vote against this Scheme) and, to the extent of any inconsistency overrides the constitution of MMA.

## 7.6 Beneficial entitlement to Scheme Shares

Immediately upon the provision of the aggregate amount of the Scheme Consideration for the Scheme Shares as contemplated by clause 5 of this Scheme:

- (a) Cyan will be beneficially entitled to the Scheme Shares transferred to it under this Scheme, pending registration by MMA of Cyan in the Share Register as the holder of all the Scheme Shares; and
- (b) to the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares as at the Implementation Date) transferred under this Scheme to Cyan will, at the time of transfer to Cyan, vest in Cyan free from all:
  - (i) Encumbrances and interests of third parties of any kind, whether legal or otherwise; and
  - (ii) restrictions on transfer of any kind.

## 7.7 Appointment of Cyan as agent, attorney and sole proxy in respect of Scheme Shares

- (a) Immediately upon the provision of the aggregate amount of the Scheme Consideration for the Scheme Shares as contemplated by clause 5 of this Scheme, on and from the Implementation Date and until registration by MMA of Cyan in the Share Register as the holder of all the Scheme Shares, each Scheme Participant, without the need for any further act by that Scheme Participant:
  - (i) is deemed to have irrevocably appointed Cyan as attorney and agent (and directs Cyan in each capacity) solely to appoint any director, officer, secretary or agent nominated by Cyan as its sole proxy and, where applicable, its corporate representative to attend shareholder meetings of MMA, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Participant and sign any shareholders resolution of MMA (whether in person, by proxy or by corporate representative);
  - (ii) undertakes not to attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than pursuant to clause 7.7(a)(i);
  - (iii) must take all other actions in the capacity of a registered holder of Scheme Shares as Cyan reasonably directs; and
  - (iv) acknowledges and agrees that, in exercising the powers conferred by clause 7.7(a)(i), Cyan and any director, officer, secretary or agent nominated by Cyan under that clause may act in the best interests of Cyan as the intended registered holder of the Scheme Shares.

## 7.8 Withholding

If Cyan is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay an amount to the Commissioner of Taxation under section 14-200 in Subdivision 14-D (**CGT Withholding Amount**) in respect of the acquisition of Scheme Shares from certain Scheme Participants under this Scheme, then Cyan:

- (a) is permitted to deduct the relevant CGT Withholding Amount from the Scheme Consideration paid to those Scheme Participants, and (as referred to in clause 7.8(c)) remit such amounts to the Commissioner of Taxation;



- (b) will not be obliged to increase the aggregate sum paid to Scheme Participants by the amount of the deduction in respect of any CGT Withholding Amount and the net aggregate sum payable to those Scheme Participants shall be taken to be in full and final satisfaction of Cyan's obligation to pay the Scheme Consideration to those Scheme Participants; and
- (c) must pay any such CGT Withholding Amount to the Commissioner of Taxation within the time required by law and, if requested in writing by the relevant Scheme Participant, must provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Participant.

## 7.9 Notices

- (a) Where a notice, transfer, transmission application or other communication referred to in this Scheme is sent by post to MMA, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at MMA's registered office or at the office of the Share Registry.
- (b) The accidental omission to give notice of the Scheme Meeting to any Shareholders, or the non-receipt of such a notice by any Shareholders, will not, unless ordered by the Court, invalidate the Scheme Meeting, this Scheme or the proceedings at the Scheme Meeting.

## 7.10 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act:

- (a) MMA may, by its counsel on behalf of all persons concerned, consent to such conditions or alterations to this Scheme; and
- (b) each Scheme Participant agrees to any such conditions or alterations which counsel for MMA has consented to,

provided Cyan has, in its sole and absolute discretion, consented to those conditions or alterations in writing.

## 7.11 Stamp Duty

Cyan:

- (a) will pay all duty (including stamp duty) and any related fines, penalties and interest in respect of this Scheme and the Deed Poll (including the acquisition or transfer of Scheme Shares pursuant to this Scheme), the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnifies each Scheme Participant against any liability arising from failure to comply with clause 7.11(a).

## 7.12 No liability when acting in good faith

Each Scheme Participant agrees that neither MMA or Cyan nor any of their respective directors, officers, secretaries or employees is liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

## 7.13 Governing Law

- (a) This Scheme is governed by and will be construed according to the laws of New South Wales.

- (b) Each party irrevocably:
  - (i) submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
  - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within clause 7.13(b)(i).



## **Annexure C**

### **Deed Poll**

## Deed Poll

**Cyan MMA Holdings Pty Limited**  
(ACN 675 840 196)

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By **Cyan MMA Holdings Pty Limited** (ACN 675 840 196) of Level 12, 680 George Street, Sydney NSW 2000 (**Cyan**)

In favour of Each Scheme Participant

## Recitals

- A Cyan and MMA Offshore Limited (ACN 083 185 693) (**MMA**) have entered into the Scheme Implementation Deed.
- B In the Scheme Implementation Deed, Cyan agreed to make this Deed Poll.
- C Cyan is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Participants that it will observe and perform obligations and actions contemplated of it under the Scheme Implementation Deed and the Scheme.

**Now it is covenanted and agreed** as follows:

## 1 Definitions and interpretation

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### 1.1 Definitions

In this Deed Poll:

- (a) **First Court Date** means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard;
- (b) **Insolvency Event** means in relation to a person:
- (i) **(insolvency official)** the appointment of an Insolvency Official to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
  - (ii) **(arrangements)** the entry by the person into a compromise or arrangement with its creditors generally;
  - (iii) **(winding up)** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
  - (iv) **(suspends payments)** the person suspends or threatens to suspend payment of its debts as and when they become due;
  - (v) **(ceasing business)** the person no longer carries on any business;
  - (vi) **(insolvency)** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act, or other law applicable to such person;
  - (vii) **(deregistration)** the person being deregistered (or equivalent) as a company or otherwise dissolved;

- (viii) **(deed of company arrangement)** the person executing a deed of company arrangement;
- (ix) **(person as trustee or partner)** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
  - (A) a breach of trust or obligation as partner by the person;
  - (B) the person acting outside the scope of its powers as trustee or partner;
  - (C) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability; or
  - (D) the assets of the trust or partnership being insufficient to discharge the liability; or
- (x) **(analogous events)** anything analogous to those set out in any of paragraphs (i) to (ix) (inclusive) occurs in relation to the person under the laws of a foreign jurisdiction;
- (c) **Insolvency Official** means a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law);
- (d) **MMA** has the meaning given to that term in Recital A;
- (e) **Related Body Corporate** has the meaning given to that term in the Corporations Act;
- (f) **Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act between MMA and the Scheme Participants in respect of all Scheme Shares, the form of which is contained in Schedule 1 of this Deed Poll (as amended by MMA and Cyan in writing from time to time), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by MMA and Cyan;
- (g) **Scheme Implementation Deed** means the scheme implementation deed entered into between Cyan and MMA dated 24 March 2024, with respect to the Scheme and associated matters; and
- (h) unless the context requires otherwise, terms defined in the Scheme have the same meaning when used in this Deed Poll.

## 1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this Deed Poll as if set out in full in this Deed Poll, except that references to 'this Scheme' in that clause are to be read as references to 'this Deed Poll'.

## 2 Nature of Deed Poll

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Cyan acknowledges and agrees that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and

- (b) under the Scheme, each Scheme Participant irrevocably appoints MMA and each of MMA's directors, officers and secretaries (jointly and severally) as its agent and attorney to enforce this Deed Poll against Cyan.

### **3 Condition and termination**

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#### **3.1 Condition**

The obligations of Cyan under clause 4 are subject to the Scheme becoming Effective.

#### **3.2 Termination**

The obligations of Cyan to Scheme Participants under this Deed Poll will automatically terminate and, subject to clause 3.3, the terms of this Deed Poll will be of no further force or effect, if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date,

unless Cyan and MMA otherwise agree in writing (and, if required, as approved by the Court).

#### **3.3 Consequences of termination**

If this Deed Poll is terminated under clause 3.2, then in addition, and without prejudice to any other rights, powers or remedies available to them:

- (a) Cyan is released from its obligations to further perform this Deed Poll, except those obligations under clause 7.5; and
- (b) each Scheme Participant retains the rights, powers and remedies which that Scheme Participant has against Cyan in respect of any breach of this Deed Poll which occurs before this Deed Poll is terminated.

### **4 Scheme obligations**

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Subject to clause 3, Cyan covenants and undertakes in favour of each Scheme Participant to:

- (a) provide the Scheme Consideration to each Scheme Participant in accordance with the terms of the Scheme; and
- (b) perform all other obligations and actions attributed to Cyan under the Scheme and comply with the Scheme, and do all acts and things necessary or desirable on its part to give full effect to the Scheme, as if Cyan were a party to the Scheme.

### **5 Representations and warranties**

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Cyan represents and warrants in favour of each Scheme Participant that:

- (a) Cyan is a corporation validly existing under the laws of the place of its incorporation;
- (b) Cyan has the corporate power and capacity to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) Cyan has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken and will continue to take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

- (d) this Deed Poll is valid and binding on Cyan and enforceable against Cyan in accordance with its terms;
- (e) the execution and performance by Cyan of this Deed Poll does not and will not violate, conflict with, or result in any breach of or default under:
  - (i) any term or provision of any of Cyan's constituent or constating documents;
  - (ii) any writ, order or injunction, judgment, law, rule or regulation to which Cyan is a party or subject or by which it is bound; or
  - (iii) any other document which is binding on Cyan or on any of its assets; and
- (f) Cyan is not subject to, or affected by, an Insolvency Event.

## **6 Continuing obligations**

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This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Cyan having fully performed its obligations under this Deed Poll; or
- (b) termination of this Deed Poll under clause 3.2.

## **7 General**

---

### **7.1 Amendment**

A provision of this Deed Poll may not be varied, altered or otherwise amended:

- (a) before the First Court Date, unless the variation, alteration or other amendment is agreed to in writing by MMA and Cyan (which agreement may be given or withheld without reference to, or approval by, any Shareholder); or
- (b) on or after the First Court Date, unless the variation, alteration or other amendment is agreed to in writing by MMA and Cyan (which agreement may be given or withheld without reference to, or approval by, any Shareholder), and the Court indicates that the amendment would not of itself preclude approval of the Scheme,

in which event Cyan must promptly enter into a further deed poll in favour of each Scheme Participant giving effect to that variation, alteration or other amendment.

### **7.2 Waiver**

- (a) Neither a Scheme Participant nor Cyan waives a right, power or remedy under or in connection with this Deed Poll if it fails to exercise, partially exercises or delays in exercising the right, power or remedy.
- (b) A single or partial exercise by a Scheme Participant or Cyan of a right, power or remedy under or in connection with this Deed Poll does not prevent another or further exercise of that or another right, power or remedy.
- (c) A right, power or remedy of a Scheme Participant or Cyan under or in connection with this Deed Poll may not be treated as waived unless it is waived by that Scheme Participant or Cyan in writing, signed by that Scheme Participant or Cyan (as applicable).
- (d) Cyan may not rely on any conduct of another person as a defence to the exercise of a right, power or remedy by that other person.

### 7.3 Cumulative rights, powers and remedies

The rights, powers and remedies of Cyan and each Scheme Participant under this Deed Poll are cumulative, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

### 7.4 Assignment

- (a) The rights and obligations of Cyan and each Scheme Participant under this Deed Poll are personal. They cannot be assigned, encumbered, charged or otherwise dealt with and no person may attempt, or purport, to do so without the prior written consent of Cyan and MMA.
- (b) Any purported assignment, encumbrance, charge or other dealing, or other action, in contravention of clause 7.4(a) is invalid.

### 7.5 Expenses and duty

Cyan:

- (a) must pay all duty (including stamp duty) and any related fines, penalties and interest in respect of the Scheme and this Deed Poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to the Scheme and this Deed Poll; and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate each Scheme Participant for, any liability arising from any failure to comply with clause 7.5(a).

### 7.6 Further action

Cyan must, at its own expense, do all things necessary or expedient to be done by it to give full effect to this Deed Poll and the transactions contemplated by it, and to implement the Scheme.

### 7.7 Governing law

- (a) This Deed Poll is governed by the law in force in New South Wales.
- (b) Cyan irrevocably:
  - (i) submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, and the courts competent to determine appeals from those courts, with respect to any proceedings arising out of or in connection with this Deed Poll; and
  - (ii) waives any objection to the venue of any proceedings in these courts on the basis that the process has been brought in an inconvenient forum.

## 8 Notices

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### 8.1 Manner of giving notice

Any notice or other communication to be given to Cyan under this Deed Poll must be in writing (which includes email) and may be delivered or sent by hand or email to Cyan as follows:

|           |   |
|-----------|---|
| Address   | Level 12, 680 George Street, Sydney NSW 2000          |
| Email     | JC@serayapartners.com; kangyu.chia@cyanrenewables.com |
| Attention | James Chern and Kangyu Chia                           |



With a copy to: noah.obradvoic@allens.com.au;  
katherine.tsatsaklas@allens.com.au

or at any such other address or email address notified for this purpose by Cyan to MMA.

## 8.2 When notice given

Any notice or other communication to Cyan under this Deed Poll is deemed to have been given:

- (a) if delivered by hand, on the date of delivery; or
- (b) if sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent,

but if the notice or other communication would otherwise be taken to be received after 5:00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9:00am on the next day that is not a Saturday, Sunday or public holiday.

## 8.3 Proof of service

In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system, as the case may be.

**Schedule 1 – Scheme**

**Executed and delivered as a deed poll**

**Executed by Cyan MMA Holdings Pty**

**Limited** ACN 675 840 196 in accordance with  
section 127 of the *Corporations Act 2001* (Cth):

[REDACTED]

Sole Director

[REDACTED]

Name of Sole Director  
BLOCK LETTERS

Annexure D  
Notice of Scheme Meeting



A C N 0 8 3 1 8 5 6 9 3

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**NOTICE OF SCHEME MEETING**

**A Scheme Meeting of MMA Offshore Limited will be held at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia on Monday, 1 July 2024 commencing at 9:00am (AWST).**

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*This Notice, the accompanying Explanatory Memorandum and the Scheme Booklet should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their financial adviser, accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter, please contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday between 9:00am and 5:00pm (AEST).***

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.**

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## MMA OFFSHORE LIMITED

ACN 083 185 693

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### NOTICE OF SCHEME MEETING

By an order of the Federal Court of Australia (**Court**) made on 24 May 2024 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of fully paid ordinary shares in MMA Offshore Limited ACN 083 185 693 (**MMA** or the **Company**) will be held at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia on Monday, 1 July 2024 at 9:00am (AWST) (**Scheme Meeting**).

The Court has also directed that Mr Hedley Roost act as chairman of the Scheme Meeting or failing him Mr Ian MacIver, and has directed the chairman to report the results of the Scheme Meeting to the Court.

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modifications or conditions required by the Court and consented to in writing by Cyan MMA Holdings Pty Limited ACN 675 840 196 (**Cyan**) and the Company) a scheme of arrangement proposed to be made between MMA and its Shareholders (**Scheme**).

To enable you to make an informed voting decision, important information on the Scheme is detailed in the booklet of which this Notice forms part (**Scheme Booklet**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in this Scheme Booklet.

Unless otherwise defined, capitalised terms used in this Notice have the same meaning as given in Section 10 of the Scheme Booklet.

### AGENDA

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#### 1. Resolution 1 – Approval of the Scheme

To consider and, if thought fit, to pass (with or without amendment) the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

*"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between MMA and the holders of its ordinary shares as contained in and more particularly detailed in the Scheme Booklet of which the Notice convening this meeting forms part, is approved, and the Directors of MMA are authorised to agree to such alterations or conditions as are thought fit by the Court and consented to in writing by Cyan and MMA, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions."*

**BY ORDER OF THE COURT AND THE BOARD**



Tim Muirhead  
**Company Secretary**

Dated: 27 May 2024

## **EXPLANATORY MEMORANDUM**

---

### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Scheme Meeting to be held at The ANZAC Club WA, 28 St Georges Terrace, Perth WA 6000, Australia on 1 July 2024 at 9:00am (AWST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice and the Scheme Booklet. The purpose of the Scheme Booklet is to provide information to Shareholders in deciding whether or not to vote in favour of the Resolution detailed in the Notice.

A copy of the Scheme is set out in Annexure B of the Scheme Booklet.

A Proxy Form is located at the end of this Explanatory Memorandum.

Any changes to the Scheme Meeting will be communicated to Shareholders electronically via the Company's ASX platform.

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### **2. Required Voting Majorities**

In order for the Scheme to become Effective, (in addition to requiring the satisfaction or waiver of the other conditions of the Scheme detailed in Section 4.5 of the Scheme Booklet) the Resolution detailed in the Notice must be passed at a meeting by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting (whether in person or by proxy, attorney or, in the case of corporate Shareholders, a corporate representative) at the Scheme Meeting; and
- (b) at least 75% of the votes cast on the Resolution at the Scheme Meeting by Shareholders present and voting (whether in person or by proxy, attorney or, in the case of corporate Shareholders, a corporate representative) at the Scheme Meeting.

The Court has the discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the Resolution but not by a majority in number of Shareholders present and voting at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll rather than by a show of hands.

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### **3. Court Approval**

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alteration or conditions required by the Court) is subject to approval of the Court. If the Resolution proposed at the Scheme Meeting is approved by the requisite majorities, and the other relevant conditions of the Scheme (other than approval by the Court) are satisfied, or waived, by the time required under the Scheme, MMA intends to apply to the Court for the necessary orders to give effect to the Scheme.

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### **4. Action to be taken by Shareholders**

Shareholders should read the Notice (including this Explanatory Memorandum) and the remainder of the Scheme Booklet carefully before deciding how to vote on the Resolution.

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### **5. Entitlement to Vote**

The time for determining eligibility to vote at the Scheme Meeting is 9:00am (AWST) on 29 June 2024. Only those Shareholders entered on the MMA Share Register at that time will be entitled to participate in and vote at the Scheme Meeting (whether in person or by proxy, attorney or, in the case of corporate Shareholders, a corporate representative). Share transfers registered after

that time will be disregarded in determining voting entitlements at the Scheme Meeting. The remaining comments in this Explanatory Memorandum are addressed to Shareholders entitled to attend and vote at the Scheme Meeting.

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## 6. How to Vote

The business of the Scheme Meeting affects your shareholding and your vote is important.

Shareholders entitled to vote at the Scheme Meeting can vote:

- (a) by attending the Scheme Meeting physically and voting in person;
- (b) by appointing an attorney to attend the Scheme Meeting and vote on their behalf, or, in the case of corporate Shareholders, a corporate representative to attend the Scheme Meeting and vote on its behalf;
- (c) by lodging a direct vote online as detailed in this Notice; or
- (d) by appointing a proxy to attend the Scheme Meeting and vote on their behalf, using the Proxy Form accompanying this Notice.

A personalised Proxy Form accompanies this Notice. The Proxy Form contains full details of how to appoint persons and how to sign and lodge the Proxy Form.

To be valid, Proxy Forms or direct votes must be received by 9:00am (AWST) on 29 June 2024.

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## 7. Voting in Person

To vote in person, attend the Scheme Meeting on the date and at the place detailed above. The Scheme Meeting will commence at 9:00am (AWST).

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Scheme Meeting to allow for registration for the Scheme Meeting. The meeting registration form for the Scheme Meeting is the Proxy Form included with this Notice.

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## 8. Direct Voting

- (a) A direct vote will enable Shareholders to vote on the Resolution prior to the Scheme Meeting, without needing to attend the meeting or appoint a proxy.
- (b) Please note that a Shareholder who has cast a direct vote may attend the Scheme Meeting, but their attendance will cancel the direct vote unless they indicate otherwise at the Scheme Meeting.
- (c) The Company encourages Shareholders to register their direct voting online at <https://investor.automic.com.au/#/loginsah> by no later than 9:00am (AWST) on 29 June 2024. Lodging your vote online is a simple, secure and efficient method of providing your instruction.

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## 9. Proxies

You can appoint a proxy online or by completing and returning to MMA the enclosed Proxy Form for the Scheme Meeting. Completed Proxy Forms must be completed and received by the Company by 9:00am (AWST) on 29 June 2024, being no later than 48 hours before commencement of the Scheme Meeting by one of the following methods (or as otherwise specified on the Proxy Form):

- (a) **Online at:**

<https://investor.automic.com.au/#/loginsah> and follow the instructions provided. You will need your SRN or HIN, and the Postcode as shown on your Proxy Form.

You will be taken to have signed the Proxy Form if you lodge your proxy in accordance with the instructions on the website. Please read the instructions for online proxy submission carefully before you lodge your proxy.

- (b) **Mail to:**

Automic Pty Ltd  
GPO BOX 5193

- (c) **Email to:**  
[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

If you are entitled to attend and cast a vote at the Scheme Meeting, you may appoint a proxy. If you are entitled to attend and cast two or more votes at the Scheme Meeting, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Shareholder's behalf on a poll and the Shares the subject of the proxy appointment will not be counted in computing the requisite majorities.

If you return your Proxy Form:

- (a) without identifying a proxy on it, you will be taken to have appointed the Chairman as your proxy to vote on your behalf at the Scheme Meeting; or
- (b) with a proxy identified on it but your proxy does not attend or participate in the Scheme Meeting, the Chairman of the meeting will act in place of your nominated proxy. In this circumstance the Chairman must vote in accordance with any directions on your Proxy Form.

The Chairman intends to vote all valid undirected proxies in favour of the Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders. If there is a change in how the Chairman intends to vote undirected proxies, MMA will make an announcement to ASX.

If you appoint a proxy but attend the Scheme Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Scheme Meeting will be suspended while you are present. Otherwise, a proxy will have the right to vote on the Resolution (to the extent of their valid appointment) and also to speak at the Scheme Meeting.

A Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the Shareholder or by his, her or its attorney duly authorised in writing or, if the Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at the Share Registry by 9:00am (AWST) on 29 June 2024 or with the chairman of the Scheme Meeting on the day of, and prior to the start of, the Scheme Meeting. A Shareholder may also revoke a proxy in any other manner permitted by law.

If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with section 250D of the Corporations Act) to exercise its powers as proxy at the Scheme Meeting in accordance with section 10 below.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Share Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to the Share Registry).

If you hold Shares jointly with one or more other persons, each joint holder should sign the Proxy Form.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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## 10. Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The appointment must comply with the requirements of section 250D of the Corporations Act. Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution. A corporate Shareholder should obtain an 'Appointment of Corporate Representative' form from the Share



Registry (accessible at [www.automic.com.au](http://www.automic.com.au)) and complete the provided form in accordance with its instructions.

The 'Appointment of Corporate Representative' form should be provided to the Company no later than by 9:00am (AWST) on 1 July 2024. This form must be delivered by posting it in the reply paid envelope provided (for use in Australia), or via email to [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au).

If an 'Appointment of Corporate Representative' form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed form unless the power of attorney or other authority has previously been received by the Share Registry.

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## **11. Powers of Attorney**

If a Shareholder wishes to appoint an attorney, that Shareholder will need to provide the Company with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Scheme Meeting at least 48 hours prior to the commencement of the Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept.

Any original or a certified copy of a power of attorney should be provided to the Company no later than by 9:00am (AWST) on 29 June 2024. The original or certified copy of a power of attorney must be delivered by posting it in the reply paid envelope provided (for use in Australia), or via email to [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au).

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## **12. Joint Holders**

In the case of Shares held by joint holders, only one of the joint holders is entitled to vote. If voting in person at the Scheme Meeting, joint holders will be registered with only one voting card. If attending individually where joint holders seek to vote multiple times, only the vote of the holder whose name appears first on the MMA Share Register will be counted. If voting by proxy:

- (a) the Proxy Form must be signed by all the joint holders; and
- (b) the most recent Proxy Form will supersede all previously lodged Proxy Forms.

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## **13. Further Information**

If you have any questions, please contact the MMA Shareholder Information Line on 1300 148 339 (from within Australia) and +61 2 9066 4059 (from outside Australia) Monday to Friday between 9:00am and 5:00pm (AEST).

## SCHEDULE 1 – DEFINITIONS

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In the Notice, words importing the singular include the plural and vice versa.

**AEST** means Australian Eastern Standard Time.

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

**AWST** means Australian Western Standard Time.

**Board** means the board of Directors of the Company.

**Chairman** means the person appointed to chair the Scheme Meeting convened by the Notice.

**Company** or **MMA** means MMA Offshore Limited (ACN 083 185 693).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** has the meaning given to that term in the introductory paragraph of the Notice.

**Cyan** means Cyan MMA Holdings Pty Limited (ACN 675 840 196).

**Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice.

**MMA Share Register** means the register of holders of MMA Shares maintained by or on behalf of MMA in accordance with the Corporations Act.

**MMA Shareholder Information Line** means the Shareholder information service with respect to the Scheme operated by or on behalf of MMA.

**Notice** means this notice of the Scheme Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means the resolution proposed pursuant to the Notice.

**Scheme** has the meaning given to that term in the introductory page of the Notice.

**Scheme Booklet** has the meaning given to that term in the introductory page of the Notice.

**Scheme Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automic Pty Ltd (ACN 152 260 814), which is the share registry services provider to MMA.

**Shareholder** means a person who is registered in the MMA Share Register as the holder of one or more Shares, from time to time.

## CORPORATE DIRECTORY

### Directors

**Ian MacIver** – Independent Non-Executive Chairman  
**David Ross** – Managing Director and CEO  
**Chiang Gnee Heng** – Independent Non-Executive Director  
**Susan Murphy AO** – Independent Non-Executive Director  
**Sally Langer** – Independent Non-Executive Director

### Chief Financial Officer

**David Cavanagh**

### Company Secretary and Executive General Manager Legal

**Tim Muirhead**

### Corporate Office

Level 10, 12-14 The Esplanade  
Perth WA 6000

Tel: +61 8 9431 7431

Website: [www.mmaoffshore.com](http://www.mmaoffshore.com)

### Stock Exchange Listing

ASX Code: **MRM**

### Legal Advisers

**Thomson Geer**  
Level 29, Central Park Tower  
152-158 St Georges Terrace  
Perth WA 6000  
Tel: +61 8 9404 9100

### Financial Advisers

**Rothschild & Co Australia Limited**  
Level 34, 88 Phillip Street  
Sydney NSW 2000

**Barrenjoey Advisory Pty Limited**  
Quay Quarter Tower, Level 19  
50 Bridge Street  
Sydney NSW 2000

### Tax Advisers

**PricewaterhouseCoopers**  
Brookfield Place,  
125 St Georges Terrace  
Perth WA 6000

### Share Registry

**Automatic**  
Level 5, 191 St Georges Terrace  
Perth WA 6000

### Independent Expert

**BDO Corporate Finance (WA) Pty Ltd**  
Mia Yellagonga Tower 2  
Level 9, 5 Spring St  
Perth WA 6000

### Independent Technical Expert

**M3 Marine Valuations Pte Ltd**  
1 Commonwealth Lane, #09-16, ONE  
Commonwealth, Singapore 149544



**MMA**  
OFFSHORE

**MMAOFFSHORE.COM**

# Proxy Form

If you are attending the Scheme Meeting in person, please bring this with you for Shareholder registration.

This Proxy Form should be read along with the remainder of the Scheme Booklet issued by MMA Offshore Limited ACN 083 185 693 (**MMA or Company**) (which contains the Notice of Scheme Meeting) (**Scheme Booklet**) that accompanies this Proxy Form. Unless the contrary intention appears, capitalised terms used but not defined in this Proxy Form have the defined meanings set out in Annexure D of the Scheme Booklet. Your proxy voting instruction must be received by 09.00am (AWST) on Saturday, 29 June 2024, being not later than 48 hours before the commencement of the Scheme Meeting. Any proxy voting instructions received after that time will not be valid for the scheduled Scheme Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Scheme Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Scheme Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the Chair of the Scheme Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Scheme Meeting will be voted according to the instructions set out in this Proxy Form, including if the Resolution is connected directly or indirectly with the remuneration of key management personnel.

### STEP 2 - VOTES ON ITEM OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite the item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the item by inserting the percentage or number of Shares you wish to vote in the appropriate box. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses. If you mark more than one box on the item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Forms together. If you require an additional Proxy Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Scheme Meeting, Proxy Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

