MMA OFFSHORE

Transforming the way marine services are delivered

Annual Report 2023

Our Locations

Acknowledgement of Country

MMA Offshore acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present and extend this respect to all Aboriginal and Torres Strait Islander peoples today and to Indigenous peoples around the world.

19
Vessels

1100+
Employees across the globe

0.26
TRCF per million hours worked

Contents

About **Us**

MMA Offshore is a leading provider of marine and subsea services globally.

With our fleet of modern offshore vessels and our marine, subsea and project logistics expertise, we deliver pioneering blue solutions to support energy and offshore renewables projects, governments and coastal infrastructure around the world.

Whether delivered as a singular solution, or an end-to-end integrated project – we partner closely with our clients to provide innovative, fit for purpose solutions to solve the most demanding marine challenges.

Headquartered in Perth, Western Australia, MMA has a global presence, with offices in Singapore, Taiwan, Malaysia, Dubai and the United Kingdom.

We pride ourselves on the world class safety, quality and reliability of our operations, underpinned by our Target 365 safety culture which strives for "a Perfect Day, Every Day".

Our **Purpose**

We **Believe**

We believe marine resources should be developed sustainably.

What We Do

We are a pioneering marine services business.

Why We Matter

We solve the most demanding marine challenges.

Where We Want To Be

We want to transform the way marine services are delivered.

Our **Principles**

Smarter Together

Only by working together can we solve the biggest problems.

Do What's Right, Not What's Easy

We have the courage to do the right thing, even when it's hard.

Think Bigger

We embrace big ideas and challenge ourselves to achieve big goals.

Fail Fast & Learn

We back ourselves to innovate and support each other through the process.

Create Tomorrow

The future we want is up to us to create.

Our **Services**

We partner closely with our clients to provide **innovative marine and offshore solutions.**

Vessel **Services**

With over 30 years' experience in delivering offshore solutions to the world's energy markets, MMA's fleet comprises 19 offshore vessels capable of executing the most challenging marine work scopes. Incorporating state-of-the-art technology and a track record of proven reliability, our fleet is also supported by a global pool of over 900 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
- IMR, ROV, dive and survey support
- Vessel management and technical services

Subsea **Services**

At the forefront of the latest in subsea technology, MMA's comprehensive range of subsea services encompasses a diverse array of solutions designed to meet market needs. From advanced surveying and engineering to ROV operations and environmental solutions, we provide the skills and equipment to execute the most complex subsea projects.

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
- Coastal erosion control

Project **Logistics**

MMA has earned a strong reputation for managing complex marine logistics requirements for large projects around the world. With a bespoke approach, we partner with our clients to develop innovative and market leading marine solutions. Our experienced team has worked in many of the world's most challenging and remote environments, consistently delivering projects with outstanding safety and environmental performance.

MMA's project logistics services include:

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

Our **Markets**

We deliver pioneering blue solutions to support **energy and offshore renewables projects, governments and coastal infrastructure around the world.**

Offshore **Wind**

With a proven track record as a trusted partner for the world's leading offshore wind developers, MMA delivers tailored and comprehensive support at every stage of wind farm development. From delivering vessel support and field preparation investigations to working with our clients to implement innovative marine habitat protection solutions, our global support team is experienced in meeting the unique requirements of the renewable energy market.

Oil **& Gas**

Servicing all phases of the oil and gas lifecycle, MMA has over 30 years' experience in supporting oil and gas projects around the world. Leveraging our extensive experience, we can package our suite of vessel, subsea and project logistics solutions into a single tailored approach for our clients. Combined with our versatile fleet of vessels, modern subsea technology and technical expertise, our ability to service the oil and gas market is unmatched.

Government **& Defence**

Well-regarded for our operational excellence in delivering services to government and defence agencies, MMA is a trusted partner in meeting the unique requirements of these critical sectors. 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 training services to defence and government organisations on an ongoing basis. Utilising our extensive in-house technical expertise, MMA has the capability to effectively support defence and government programs.

Coasts, Ports **& Reefs**

As a marine services provider, MMA is dedicated to protecting the delicate marine environments in which we operate, as well as partnering with our clients to deliver this vision. Our team's globally-recognised approach of combining engineering with nature seeks to deliver innovative and sustainable solutions to ports and coastal infrastructure. Through our suite of stabilisation, grouting, coastal erosion and engineered reef products, our solutions are engineered to strengthen at-risk coastal regions, maximise marine habitats and support optimal operations for our clients.

2023
Year in Review

FY2023 was a milestone year in terms of **returning the Company to a position of strength from which to grow.**

Revenue
$308.3m
↑ 9%

EBITDA
$69.3m
↑ 115%

NPAT[1]
$127.7m
↑ 278%

Cash at Bank
$106.3m
↑ 44%

Operating EBIT
$29.9m
↑ 2,200%

EPS
$0.35
↑ 275%

Operating Cash Flow
$50.5m
↑ 233%

NTA per Share
$1.30
↑ 37%

[1] Including asset impairment reversal and profit on sale of assets.

Chairman's **Report**

Ian Macliver
Chairman

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

Earnings before Interest Tax, Depreciation and Amortisation ("EBITDA") for the year were $69.3 million, a 115% improvement on FY2022.

MMA reported strong cash flow generation with operating cash flow of $50.5 million, up 233% on the prior year.

FY2023 was also a significant year for MMA in terms of Balance Sheet improvement. Following the completion of our non-core asset sales program which included the sale of our Batam shipyard facility, we finished the year with Cash at Bank of $106.3 million and Total Debt of $91.6 million placing the Company in a $14.7 million Net Cash position.

In addition, the improving market conditions have positively impacted vessel values resulting in an $80.3 million reversal of previous years' vessel impairments increasing the book value of our fleet to $431 million at 30 June 2023.

Whilst our existing debt facilities were not due to expire until early 2025, our improved leverage metrics placed us in a strong position for exploring refinancing alternatives to optimise our capital structure. Subsequent to the end of the financial year, we entered into an agreement to refinance our debt, replacing our amortising term loan facility with a $120 million revolving debt facility which can be drawn down and repaid as required providing significantly increased flexibility for the Company going forward.

With our new debt facility and the Company generating strong free cash flows, capital management remains a key consideration as the Company explores a range of growth opportunities whilst evaluating our capacity to improve returns to shareholders.

During the year, we reaffirmed the Company's growth strategy which is focused on extracting the maximum value from current market conditions in our core markets, whilst diversifying into new growth sectors such as offshore wind, government and defence and environmental services.

Pleasingly, all of our key markets are seeing positive momentum at present.

Oil and gas activity has seen a strong recovery due to persistent energy security and supply chain challenges. Greenfield project sanctioning activity has surged with over US$420 billion in new offshore projects now expected to be sanctioned in the next five years and $150 billion in our key operating regions.

The offshore wind sector also continues to grow rapidly with more than 4,600 turbines to be installed in South East Asia by 2031. The offshore wind market in Australia is also gathering momentum albeit at the early stages of development.

Both of these industries are driving stronger demand for our vessels and subsea services where we are seeing a marked improvement in utilisation and rates.

A key part of our strategy has been to further develop our integrated services by packaging our subsea services onboard our vessels to capture a greater part of the value chain and further embed us with our clients. Having acquired the Subsea business in 2019, we are now starting to gain traction with our integrated services and delivered 10 integrated projects during FY2023 including a $30 million construction scope in Qatar, our largest integrated project to date, as well as several projects in the offshore wind sector. We will continue to drive our integrated services strategy which significantly improves the overall returns on our assets deployed.

Our diversification strategy is progressing well, and we derived 30% of our revenue from new markets during the year including 24% from offshore wind and 4% from services to government and defence.

From a sustainability perspective, approximately 60% of our revenue is now derived from non-oil sources and we expect the percentage of oil related revenue to continue to decline over time, whilst gas will remain a critical transitional energy source as renewables capacity is being developed globally.

Revenue from offshore wind grew from 9% of revenue in FY2022 to 24% of revenue in FY2023 and continues to be a major focus for the business, delivering on both our growth and sustainability goals. We continued to be active on several developments in Taiwan and completed our first project in South Korea during the year opening up a new and growing market for MMA.

We continued to generate revenue from the government and defence sector, predominantly through our involvement in the HydroScheme Industry Partnership Program ("HIPP"). We also conducted an autonomous underwater vehicle ("AUV") project for the Department of Defence during the year using state of the art autonomous underwater surveying technology. With an extensive future program of survey works planned around Australia as well as an increased focus on defence in general, we are focused on growing this part of the business and see increasing opportunities to support the government and defence sector with our maritime expertise. Subsequent to the end of the financial year, we secured an $80 million government contract to manage the vessel RV Investigator on behalf of the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") which represents a significant milestone in growing this part of our business.

We also see tremendous potential for our new environmental and stabilisation business with multiple applications for our artificial reefs to be used to combat coastal erosion, enhance marine habitats and to sustainably decommission oil and gas infrastructure through our rigs to reef service offering. We also see potential for collaboration with offshore wind developers to use our reefs for environmental enhancement.

During FY2023, we installed two new reefs in Tasmania, and we are collaborating on research into wave attenuating reefs with the University of Western Australia. We also secured our largest pipe clamping mattress project, a revolutionary and more sustainable technology for pipeline stabilisation which MMA has developed in conjunction with Shell and has the exclusive distribution rights for.

As a business, we are passionate about sustainability and transforming our business along with the energy transition. We have made visible progress on our sustainability strategy over the past three years with multiple initiatives being progressed within both the environmental and social areas. Whilst there is currently no commercially available alternative to diesel for our vessel fleet, we are currently working on several operational efficiency initiatives to reduce fuel usage across the fleet. We are also making good headway on our strategy to increase our share of revenue from offshore wind in support of the global energy transition. Our environmental solutions are significantly contributing to the health of our oceans, and we are proud to be at the forefront of innovation in that area. We have also contributed to several community initiatives over the past year which has the dual impact of benefiting the community whilst increasing employee engagement and morale through participation in worthy causes. I encourage you to read our 2023 Sustainability Report which is included in this Annual Report.

The health and wellbeing of our people is core to who we are at MMA. We are acutely aware of the risks associated with operating in the offshore industry and we work tirelessly to embed a culture of safety across the business. Pleasingly, we maintained our world class safety performance during the year with a TRCF of 0.26. I am also proud to say that we were recently awarded the 2022 Safety Award from the International Marine Contractors Association ("IMCA") for our Target 365 Leadership Engagement Program, our latest initiative to foster a positive safety culture within the business.

I would like to conclude by thanking my fellow Board members for their valuable stewardship of the business during the year, paying a special mention to Peter Kennan who resigned from the Board in April 2023. Peter made a significant contribution to MMA during his tenure which saw the business successfully navigating an extremely challenging period in the offshore industry and we wish him all the best.

I would also like to take the opportunity to thank MMA's senior leadership team and all MMA's employees around the world for their contribution to the business and their commitment and hard work which is sincerely appreciated.

Having come through the challenges of the pandemic, repaired our Balance Sheet and diversified our earnings base, we now find ourselves positioned for growth across all of our key markets. I sincerely look forward to FY2024 and to delivering ongoing positive returns for our shareholders.

Ian Macliver
Chairman

Pleasingly, all of MMA's key markets are seeing **positive momentum at present.**

Managing Director's **Report**

David Ross
Managing Director

FY2023 was a positive year for the Company with improved market conditions translating into significantly higher profitability.

MMA reported FY2023 Revenue of $308.3 million, up 9% on the prior year. EBITDA for the year was $69.3 million, up 115% on the prior year.

The disproportionate increase in EBITDA was the result of increased rates and utilisation, improved project delivery, a higher weighting of international revenue, an increase in the number of integrated work scopes delivered and the reduced impact of COVID-19 on our cost base.

MMA generated operating cash flow of $50.5 million, up 233% on the prior year and we closed the financial year with cash at bank of $106.3 million.

Market conditions continued to improve throughout the financial year with visibly increased demand for our vessels and subsea services and tighter vessel availability driving rates progressively higher.

Market Conditions

After a challenging and prolonged industry downturn which commenced in late 2014, we are seeing a return to more positive market conditions for the offshore industry.

Energy security issues together with the impact of years of underinvestment have resulted in an uptick in investment in drilling and oil and gas project developments.

Projected offshore oil and gas sanctioning activity has increased significantly with an estimated US$424 billion in new projects expected to be sanctioned globally over the next five years and US$153 billion in MMA's key operating regions.

The oil price has come down from its high of US$110 in June 2022 but has consistently stayed above US$70 per barrel over the course of the year, a price at which investment returns on most offshore projects remain attractive.

Offshore wind activity continues to grow exponentially with over 4,600 turbines to be installed and US$125 billion expected to be spent on offshore wind farm developments in Asia and Australia between 2024 and 2031. As a vessel and subsea services intensive activity, offshore wind is expected to drive significant additional demand for MMA's vessels and services over the coming years.

With strong activity being experienced in both oil and gas and offshore wind, the offshore vessel market has tightened significantly over the past 12 months, which has driven vessel utilisation and rates higher and increased demand for our subsea and integrated services.

With very few newbuild vessels on order and most of the remaining commercially viable stacked fleet already reactivated, vessel supply is limited and is expected to continue to result in tight market conditions over the medium term.

Strategy

MMA's strategy continues to be focused on extracting the maximum return from our core business, leveraging the current recovery in oil and gas investment whilst continuing to aggressively diversify and grow our presence into new markets such as offshore wind, government and defence and environmental services creating a sustainable business for the future.

The recent recovery in the oil and gas market has illustrated the operating leverage within our business in an improving market with higher utilisation and margins translating to a significant increase in earnings from our core business.

Our strategy to move from a pure vessel operator to a marine services provider is beginning to drive higher returns with the subsea business, which was acquired in November 2019, making a solid contribution to earnings during the FY2023 financial year as well as enhancing vessel utilisation through several integrated work scopes. The subsea business has also been instrumental in our diversification strategy, providing MMA with early inroads into the offshore wind and government and defence sectors.

A key strategic focus is to grow our integrated services offering where we mobilise our vessels with subsea equipment and personnel to deliver integrated project solutions. This strategy enables MMA to capture an increased proportion of the value chain whilst delivering a more efficient solution for our clients. The strategy is beginning to bear fruit with several integrated projects completed during FY2023 including the successful delivery of a major subsea pipeline project in Qatar significantly enhancing our track record as an integrated contractor.

Our diversification strategy is progressing well with the Company generating 30% of revenue outside of our traditional oil and gas markets during the year, including 24% from offshore wind and the remaining 6% from government and defence and other services. We also completed the integration of our Environmental and Stabilisation business, which was acquired in July 2022, opening up further new growth markets for MMA in artificial reefs, coastal erosion protection and wind farm ecology, further broadening our service offering and aligning with our environmental and sustainability objectives.

Sustainability / ESG

Sustainability is integral to our overall strategy and purpose as an organisation and we are committed to growing our business in a sustainable and ethical way.

Several key initiatives have been progressed over the course of the financial year to support our environmental, social and governance objectives.

These include further developing our decarbonisation and fuel efficiency initiatives, increasing our percentage of revenue from offshore wind and contributing to the health of our oceans through our reefs and coastal erosion services.

A comprehensive overview of our environmental, social and governance strategy and initiatives can be found in our 2023 Sustainability Report which is published as an integral part of this Annual Report.

Balance Sheet

FY2023 was a milestone year in terms of repairing MMA's Balance Sheet and returning the Company to a position of strength from which to grow.

MMA completed its asset sales program during the year with the Batam Supply Base sale settling in December 2022, together with two vessels sold during the period. Total proceeds were $34.9 million which resulted in a profit on sale of assets totalling $25.1 million.

As at 30 June 2023, MMA had Cash at Bank of $106.3 million, up from $73.9 million at 30 June 2022. MMA's Total Debt (Bank Debt plus lease liabilities) was $91.6 million, down from $125.0 million at June 2022 and Net Cash (Cash less Total Debt) was $14.7 million up from a Net Debt position of $(51.1) million at June 2022.

MMA's key leverage ratios (Net Debt / EBITDA and Net Debt to Property Plant and Equipment) were effectively zero at 30 June 2023, placing MMA in a strong position from which to review and optimise its capital structure.

Subsequent to the end of the financial year we entered into an agreement to refinance our debt, replacing our amortising term loan facility with a A$120 million revolving debt facility which can be drawn down and repaid as required providing significantly increased flexibility for the Company going forward.

The Company will have available capacity under the new facility of A$120 million providing ample liquidity for the business going forward.

With our new debt facility and the Company generating strong free cash flows, capital management remains a key consideration as the Company explores a range of growth opportunities whilst evaluating our capacity to improve returns to shareholders.

2023 Highlights

$69.3m
EBITDA
↑ 115%

80%
Utilisation across the total fleet with rates improving

Progressing diversification strategy
30% of revenue from offshore wind, defence and other marine services

Growing Integrated Services
~$100m Revenue
↑ 96% on prior year

Balance Sheet repair completed
New debt facility to provide flexibility and liquidity

Outlook
Continuing strengthening market outlook through FY2024 and beyond

Operational Update

Vessel Services

Vessel revenue for the year was $232.4 million, up 31% on FY2022. Vessel EBITDA was $71.0 million up 108% as a result of stronger operating conditions experienced during FY2023.

EBITDA margins were higher than the prior year due to the reduced impact of COVID-19 which had a material impact on FY2022 operating costs together with an increased weighting of international charters during FY2023 (with the differential in crew costs distorting the overall margin percentage).

Average utilisation for the year across the fleet was 80%, up from 73% in FY2022. Utilisation on some of our larger vessels was particularly strong which has been a major driver of the improvement in earnings. MPSV utilisation was 83% up from 60%, PSV utilisation was 87% up from 74% and AHTS utilisation was 82% up from 69% with the larger AHTS vessels achieving solid utilisation throughout the year. We have also seen a strong firming in day rates, which has also directly improved our bottom line.

As at 30 June 2023, 50% of available vessel days for FY2024 were contracted, increasing to 58% taking into account highly probable contract awards and extension periods. This compares to 49% and 60% at the same time last year. On a revenue basis, 45% of our forecast revenue is already under contract for FY2024, (63% including highly probable) as compared to 58% and 70% at the same time last year.

MMA's vessels were active on a range of projects during the year across oil and gas and offshore wind.

The MMA Plover and MMA Brewster continued on longer term contracts supporting INPEX with production support and drilling operations for the Ichthys LNG field in Australia's North West.

The Mermaid Cove continued supporting Woodside's North West Shelf operations on a three-year contract. As part of the contract, MMA is collaborating with Woodside using the Cove as a pilot vessel for a number of decarbonisation initiatives. This has included the installation of digital fuel monitoring software and sensors onboard the vessel and the application of an alternative lower drag hull coating during the vessel's recent docking to measure the subsequent reduction in fuel usage.

The MMA Vision supported OMV New Zealand on a three-year contract and in September 2022 was joined by the MMA Leeuwin which was mobilised to New Zealand to support OMV on a nine month drilling campaign, solidifying our position in the New Zealand market.

We also secured our first long-term contract in the Bass Strait during FY2023 with the MMA Coral securing a 12-month contract plus options with Beach Energy.

The MMA Privilege continued on her long-term contract providing accommodation and walk-to-work services for a FPSO operation in Côte d'Ivoire.

Activity in Asia was stronger during FY2023 as the impacts of COVID-19 dissipated and we managed to secure utilisation for a number of our vessels through the traditionally quieter South East Asian monsoon period.

Three vessels, the MMA Valour, MMA Vigilant and MMA Monarch, completed a seismic node survey in India together with MMA's subsea division securing utilisation for these vessels from October 2022 through to March 2023.

The MMA Majestic, one of our large AHTS vessels, operated in Malaysia for the year achieving full utilisation, a pleasing development given activity in Malaysia was minimal during the pandemic.

The MMA Pinnacle in conjunction with our subsea division supported a key offshore construction scope in Qatar with multiple contract extensions taking the project through the first half and into February 2023.

MMA's vessels supported a number of offshore wind developments in Taiwan during the year including the MMA Crystal which now operates under Taiwanese flag and is chartered via our Taiwanese subsidiary, MMA Global Aqua. The MMA Crystal is fitted with an integrated ROV, survey spread and A-Frame and completed a number of wind farm support scopes during the year including cable trenching and survey support services.

The outlook for the vessel business is looking **positive with market conditions buoyant.**

The MMA Pinnacle mobilised from Singapore to Taiwan in March 2023 to support Seaway 7 on a range of work scopes such as cable installation, ROV and survey operations in conjunction with MMA's subsea division.

The MMA Pride and MMA Prestige also supported wind projects with the MMA Prestige operating for the entire year in Taiwan supporting two separate wind farm developments.

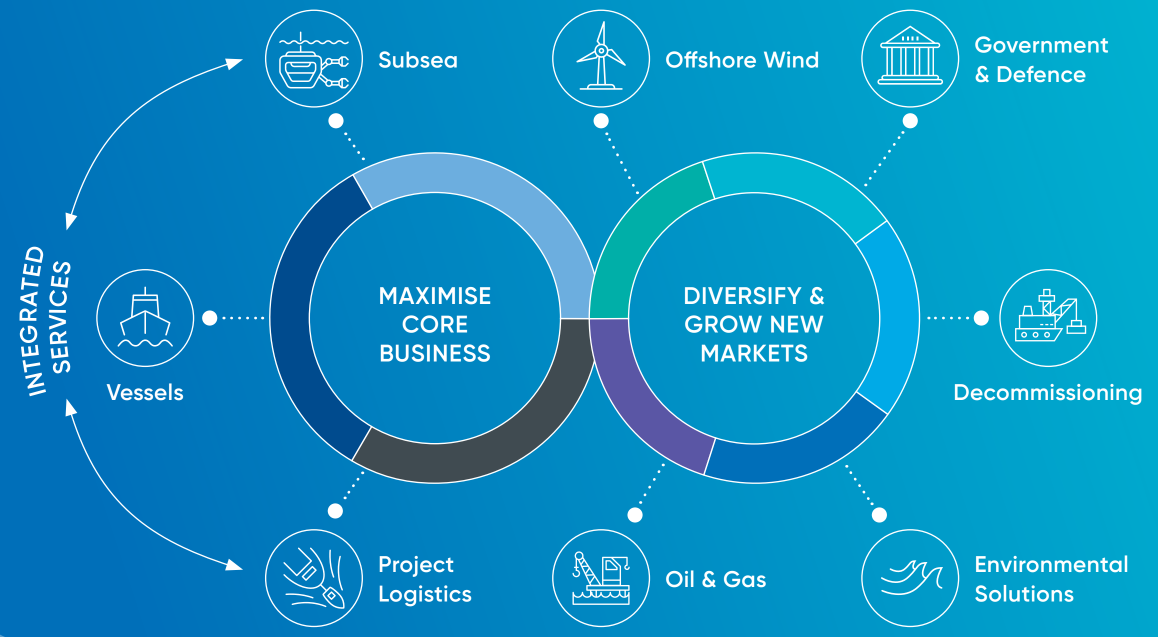
The Mermaid Searcher supported the Australian Government Department of Defence's HydroScheme Industry Partnership Program ("HIPP") Cape Leeuwin survey project between December 2022 and March 2023, making it the first HIPP scope conducted on one of our own vessels to date.

To supplement our owned fleet, we entered into a bareboat charter arrangement for an additional platform supply vessel, the ASL Harmony. The charter is for a minimum of 12 months and up to four years at MMA's option providing additional fleet capacity without the capital outlay. The vessel is currently being reactivated and is expected to join the fleet in the first quarter of FY2024.

The outlook for the vessel business is looking positive with market conditions buoyant and a shortage of available vessels in the market driving utilisation and rates higher.

With a relatively fixed cost base at current utilisation levels, there is further operating leverage in the MMA fleet with higher rates and utilisation translating directly to the bottom line.

Growth Strategy



Subsea Services

Subsea revenue was $110.5 million for the year up 56% and subsea EBITDA was $9.5 million up almost 300% on the previous financial year.

The business continues to see the benefit of improvements made to business and operational processes which has translated into enhanced operational and financial performance for the division.

Our integrated services offering is also gaining traction with several integrated projects completed during the year, significantly contributing to the improved financial result for the subsea business. During FY2023, we successfully completed our largest integrated services project to date, supporting a major pipeline installation campaign in Qatar. This project utilised one of MMA's larger vessels, the MMA Pinnacle, over a period of eight months, completing the project successfully and without incident or downtime in challenging operating conditions due to the high temperatures in Qatar. This project illustrates MMA's capability and capacity to deliver complex subsea projects and growing this part of the business remains a key element of our strategy.

Survey activity continues to be busy with MMA delivering survey services to clients across offshore wind, oil and gas and government and defence during the year.

Within the offshore wind sector, MMA completed its first offshore wind survey scope in South Korea enabling MMA to build some early networks in country. South Korea is expected to generate significant future demand as offshore wind developments ramp up, and is a major future focus area for MMA.

We also completed several offshore wind survey projects in Taiwan through our local entity MMA Global Aqua and with our locally flagged vessel, the MMA Crystal, which is fitted with a suite of subsea equipment and permanently located in Taiwan.

MMA is also positioning itself to be a leading service provider to the Australian offshore wind industry with initial survey activity expected to commence over the coming 12 months.

Within the oil and gas sector, MMA continues to be active on rig positioning surveys with Woodside in Senegal and INPEX in Australia. Rig positioning activity overall was slightly down on the prior year due to reduced drilling activity by Santos, one of our key clients.

We also continued to provide inspection, maintenance and repair services including ROV work scopes onboard the MMA Pride in Brunei and the MMA Coral in the Bass Strait. MMA recently entered into a lease agreement with a third-party ROV provider to bolster our internal ROV fleet to meet increasing demand whilst preserving our capital.

MMA continues to support the Australian Government Department of Defence through its involvement in the HydroScheme Industry Partnership Program ("HIPP"). During the financial year, we successfully completed the Cape Leeuwin region survey in the South West of Australia, utilising the Mermaid Searcher as the survey vessel. The project was successfully delivered notwithstanding challenging weather and sea conditions.

MMA also delivered an autonomous underwater vehicle ("AUV") project to the Australian Government during the year.

Environmental and stabilisation services had a quieter year with a number of projects delayed. The environmental and stabilisation business, which was acquired in July 2022, is now fully integrated within MMA's subsea division and solidifies our position in the subsea stabilisation market as well as bringing a number of exciting new capabilities under our subsea environmental and stabilisation service offering.

Pleasingly, we were recently awarded a large Pipe Clamping Mattress ("PCM") project for the Yellowtail Project in Guyana. PCMs are a revolutionary pipeline walking solution for the offshore oil and gas industry significantly reducing materials, logistics and installation time in comparison to more traditional stabilisation methods. MMA in conjunction with Shell developed the PCM and is focused on marketing this technology to the wider industry under an exclusive distribution agreement.

As part of our environmental services offering, MMA installed two artificial reefs during the year in Tasmania. The projects involved the installation of 318 reef modules over a an eight-hectare area of seabed with the reefs expected to significantly enhance marine life in the area over time. MMA is looking at several opportunities for reefs to be installed for coastal erosion, fisheries enhancement and repurposing of retired oil and gas assets. Integrated reef solutions are also being explored with wind farm developers.

The United Kingdom business had a busy year with several projects being completed including a decommissioning work scope for OMV in New Zealand as well as several subsea engineering, assembly and testing and fabrication projects.

The macro-outlook for the subsea business is positive with strong activity levels being experienced across all of our service areas.

Access to skilled personnel continues to be the greatest challenge across the industry at present.

Project Logistics

The project logistics division had a quieter year with no major offshore projects being undertaken in Australia during the year.

Project logistics revenue for the year was $3.6 million, down from $60.3 million in the prior year. The division generated a slight EBITDA loss of $(0.1) million, down from a positive $2.1 million in the prior year.

Whilst project activity was low during FY2023, activity is looking stronger for FY2024 with the business tendering several opportunities in Australia and the wider Asian region. We are also monitoring the situation in Mozambique with Total reportedly preparing to restart its Mozambique LNG Project.

Going into FY2024, MMA has been awarded a decommissioning scope by Heerema for the Enfield Project which is expected to commence in the second quarter of FY2024. The project logistics division is ideally placed to support decommissioning works which are expected to accelerate in the coming years.

Major challenges facing the project logistics business include project schedule movements and lower availability of assets, (both tugs and barges) in the broader market.

The Batam Shipyard facility was sold in December 2022 with MMA moving the majority of its land-based logistics requirements to a third-party facility in Singapore. MMA continues to retain a portion of waterfront area and laydown at Batam under the sale agreement with WASCO.

Activity in the project logistics segment is naturally variable and dependent on project activity. Whilst activity was soft in Australia during FY2023 as expected, the longer-term outlook for project logistics requirements in MMA's key regions is relatively strong, with a number of large oil and gas projects flagged for development between FY2024 to FY2026. Decommissioning projects are also expected to take place in the same timeframe with project logistics being a key component of decommissioning offshore infrastructure. Similarly, the outlook for offshore wind is strong and will be a key focus area for the projects logistics group into the future.

The macro-outlook for the subsea business is positive with strong activity levels being experienced across all of our service areas.

We continue to live our Target 365 philosophy **and belief that a Perfect Day is possible 365 days a year.**

Health & Safety

Keeping our people safe and healthy remains fundamental to how we operate at MMA.

With the World Health Organization ("WHO") recently declaring the COVID-19 pandemic officially over, MMA has de-escalated many of its COVID-specific protocols, however we continue to take a risk-based approach to protecting the health and safety of our workforce.

We have also retained some of the flexible working arrangements introduced during COVID-19 to promote overall wellbeing.

During FY2023, we maintained our world class safety performance with a Total Recordable Case Frequency ("TRCF") per million hours worked of 0.26, significantly better than the 2022 offshore marine industry average of 1.45 as measured by the International Marine Contractors Association ("IMCA").

We continue to live our Target 365 philosophy and belief that a Perfect Day is possible 365 days a year. During the year we refreshed our Target 365 training and introduced an improved Target 365 Leadership Engagement Program recognising that engagement levels had reduced due to the pandemic. Pleasingly, our leadership engagement program has been very successful with over 177 engagements by management across the business during the year. The program also won the 2022 IMCA Safety Award with key insights presented at the annual IMCA Safety Conference in Amsterdam. Having face-to-face interactions is key to building a culture of safety and wellbeing within the organisation and we look forward to continuing to improve in this area.

Notwithstanding our strong safety performance, we operate in challenging industries and strive for continuous improvement and a relentless focus on ensuring our people remain safe each and every day.

Outlook for FY2024

We move into FY2024 in a strong position with a clear strategy, positive momentum across our key markets and a solid balance sheet and flexible capital structure in place.

The current expectation is for continued strengthening market conditions driven by demand from both the oil and gas and offshore wind industries. Vessel supply is expected to remain constrained with few newbuilds in the pipeline and limited remaining vessels available for reactivation.

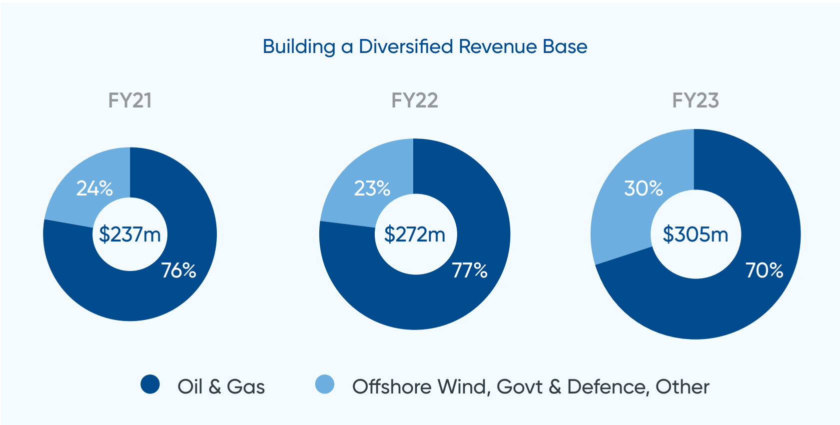
Overall, we expect a continuing strengthening market outlook through FY2024 and beyond with continued improvement in earnings for FY2024.

David Ross
Managing Director

Sustainability Report **2023**

Sustainability **Report**

Sustainability continues to be at the core of MMA's purpose and is integral to our overall strategy to grow the business sustainably into the future.



Our core belief that "marine resources should be developed sustainably" drives our strategic direction as we continue to transform our business along with the global energy transition.

Whilst our traditional markets of oil and gas will continue to be an important revenue source for the business for some time, we are focused on diversifying our 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.

Pleasingly, offshore wind represented 24% of our total revenue during FY2023 and we expect this to grow over time.

Our environmental and stabilisation business, which was acquired in July 2022, is now fully integrated and we are excited to be able to contribute to the improvement of our coastlines and marine habitats through our artificial reefs and coastal erosion solutions. We also see significant opportunity to incorporate our reefs into new wind farm developments to enhance the marine ecology around these large-scale developments.

MMA is also ideally positioned to support the decommissioning of oil and gas infrastructure and has experience in converting decommissioned structures into artificial reefs, significantly enhancing the ecological outcomes of these projects.

MMA's ESG strategy continues to be focused on the following key elements:

Environment – how MMA performs as a steward of nature.

Social – how MMA manages its relationships with employees, suppliers, customers and the community.

Governance – how MMA is governed.

During FY2023, we made significant progress across a range of initiatives within our ESG strategy.

SUSTAINABLE DEVELOPMENT GOALS

MMA's key ESG initiatives are aligned with several of the United Nations Sustainable Development Goals, which address the key challenges currently faced globally.

MMA is focused on Goals 3, 5, 7, 8, 10, 12, 13 and 14 which are the most relevant to our operations.

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER

ESG **Strategy**

Environment

Environmental Management Systems
Environmental regulations and conventions, waste management and pollution prevention

Emissions Reduction
Developing strategies and initiatives to reduce emissions across our operations

Supporting the Energy Transition
Diversifying our services to support the development of offshore wind

Supporting Healthy Oceans
Engineered reefs, coastal erosion prevention, marine habitat enhancement

Social

Employee Health and Safety
Target 365 culture, Critical Controls, Safety Management System

Employee Wellbeing
Employee engagement, EAP, mental health, flexible working, parental support

Training and Development
Employee support and training

Diversity and Inclusion
Awareness and inclusion events, measurable objectives

Community Support
Community sponsorship, philanthropy and volunteering

Indigenous Engagement
Indigenous training programs, collaboration initiatives

Governance

Corporate Governance Standards
Compliant with ASX 4th Edition Corporate Governance Principles

Code of Conduct
Focus on working legally, ethically and safely, Group Whistleblower Policy

Anti-Bribery and Corruption
Zero-tolerance approach

Human Rights
Modern Slavery Statement, Maritime Labour Convention

We believe **marine resources should be developed sustainably.**

Environment

Environmental Management Systems

MMA believes that marine resources should be developed sustainably and has a robust suite of management systems and associated programs to support that aim.

Our ISO 14001 certified Integrated Business Management System provides the foundation and key operational processes to ensure we go about our day-to-day operations with a focus on minimising our environmental impact. These processes are regularly reviewed, assessed and audited to ensure our level of compliance never wavers.

We are proud to report that once again MMA had no non-compliance against industry standards and regulations and no adverse or reportable environmental incidents during FY2023.

Environmental Regulations & Conventions

As a marine and subsea service provider, MMA operates in a highly regulated industry and is committed to 100% compliance with all applicable international regulations and conventions to ensure we continue to protect the marine environments in which we operate.

These include:

- International Convention for the Prevention of Pollution from Ships (MARPOL 73/78);
- Technical Code on Control of Emission of Nitrogen Oxides from Marine Diesel Engines;
- MARPOL Chapter IV – Regulations on Energy Efficiency for Ships – Collection and Reporting of Ship Fuel Consumption Data for >5000 GRT Vessels;
- International Ballast Water Management and Performance Standard (D-2);
- Biofouling management applies to All Vessels in line with MEPC.207(62); and
- Inventory Hazardous Materials ("IHM") Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 certification in place, allowing for efficient ship recycling when needed.

In addition to those regulated standards, MMA remains abreast of upcoming changes in the regulatory environment and is focused on implementing systems and processes to ensure that regulatory change transitions are smooth and compliance is never compromised.

The Energy Efficiency Existing Ship Index ("EEXI") is a measure introduced by the International Maritime Organization ("IMO") with the aim to reduce the greenhouse gas emissions of existing ships. The EEXI is a measure related to the technical design of a ship, which requires vessel owners to assess and demonstrate the energy efficiency of their vessels. Although the EEXI regulation currently does not apply to the vessels within MMA's fleet, we are proactively implementing internal systems that will facilitate future compliance and robust reporting capability.

Waste Management

MMA is committed to the responsible management of waste generated as a result of our operations which includes both waste minimisation and waste recycling programs. A dedicated 'Waste Management Working Group' has been established which is led by the Executive General Manager Risk and reports to MMA's ESG Steering Committee. This working group is dedicated to establishing waste management strategies across all our operations with a number of programs underway including waste recycling, elimination of single use plastics onboard our vessel fleet and supply chain improvements.

The waste recycling program ensures that both our onshore facilities and vessels have the ability to segregate and recycle waste. This is supported by a robust compliance program that ensures end-to-end management, providing comfort that our waste recycling initiatives are in fact making a difference. MMA's waste management and recycling program is extensive and includes wastepaper and cardboard, plastics, glass, e-waste and hazardous items.

The elimination of single use water bottles will be a significant step forward for MMA once fully implemented. Potable water systems had previously been trialled onboard a select number of vessels, however due to the systems being incompatible with the vessel operating environment and a discontinuation of supplier maintenance support, this trial was halted. MMA is currently investigating alternative vendors with the aim of progressively installing potable water systems across the fleet.

We have embarked on a comprehensive fleet digitalisation program to **harness emerging technologies and data analytics to drive efficiencies and minimise our environmental footprint.**

Management of Adverse Environmental Events

MMA has stringent controls in place to mitigate the risk of adverse environmental events such as spills.

Our marine operations are conducted in accordance with approved procedures which are regularly reviewed and revised to ensure they capture operational improvements and regulatory changes. All vessel crew are appropriately trained and have a robust understanding of these processes and are empowered to call a 'Stop to the Job' if risks or changes are identified that have the ability to negatively impact the environment.

During FY2023, MMA recorded three minor environmental spill events, however due to the small volumes and preparedness processes, these did not result in any release to the environment, were contained and addressed with no negative environmental impact.

MMA's vessel fleet operates in multiple geographical locations and as such, effective and compliant ballast water management is critical to ensuring we do not cause biodiversity incidents that have the ability to impact the delicate balance of our ocean ecosystem. In accordance with the IMO's Ballast Water Management Convention (D-2 Standard) we have a change management program in place to ensure compliance is effectively managed to mitigate ballast water management incidents and maintain compliance with the Standard. Having taken into consideration the nature of our operations, four vessels within our fleet have converted closed loop ballast water management systems, completely mitigating the requirement to conduct ballast water exchange at sea, two vessels have approved exemptions to the Standard due to their limited area of operation and a portion of our fleet are currently in planning to have D-2 compliant systems fitted in accordance with their International Oil Pollution Prevention ("IOPP") expiry dates. The remainder of the fleet is D-2 compliant with approved ballast water management systems fitted.

Emissions Reduction

In support of our overarching ESG strategy, MMA has established a Decarbonisation Working Group which is actively working on operational efficiencies, new technologies and changes in processes to reduce the emissions from our operations.

As our emissions predominantly stem from the CO_2 emitted by our vessels burning Marine Gas Oil ("MGO"), a low-sulphur marine fuel, this is our primary area of focus. MMA utilises MGO in comparison to Heavy Fuel Oil ("HFO") which is utilised by the majority of the shipping industry, and as such, our fuel burn in comparison has a much lower level of carbon emissions.

To effectively address and fulfil our commitment towards further reducing our emissions, we have developed a comprehensive decarbonisation strategy with a focus on fuel efficiency initiatives until such a time as alternative fuels for vessels are available. Significant progress has been made with this strategy over the past year, specifically in the following areas.

Digitalisation

Digital transformation is a crucial enabler of our decarbonisation strategy, and we have embarked on a comprehensive fleet digitalisation program to harness emerging technologies and data analytics to drive efficiencies and minimise our environmental footprint. Through this program, we will equip all our vessels with the technology required to optimise efficiency and sustainability, to provide further transparency for our clients and to enhance the welfare of our crews.

As a preliminary step towards digitalisation and as a key enabler for operational improvements, we undertook a substantial upgrade of our Daily Vessel Reports ("DVR") in late 2022. These reports, completed by the vessel staff on a daily basis to record operational vessel data, have undergone a comprehensive review. The enhanced DVR now incorporates a detailed breakdown of activities, engine and fuel usage, cargo information, crew and passenger details, HSE KPIs and other metrics. By incorporating automations, we have ensured the data is readily available onshore for further analysis and sharing with our clients. A range of reports and dashboards have been developed to facilitate analysis, particularly in support of our operational improvement efforts.

Operational Improvements

Our digitalisation program will include the installation of advanced sensors and monitoring systems, enabling real-time data on fuel consumption, emissions and operations performance. This data will be integrated into data analytics platforms to facilitate continuous monitoring, analysis and informed decision-making.

The acquisition and accessibility of fuel consumption patterns allows us to establish baselines from which operational improvements can be identified and efficiency gains implemented. Detailed data on fuel consumption, engine load and trim relative to the vessel's operating profile will allow us to optimise the engine configurations used, determine the optimal trim and speed and maximise fuel economy in different operating modes. We will then outline and implement best practices for vessel operations, emphasising fuel-efficient navigation, maintenance and onboard practices. This approach will yield substantial fuel savings.

As a pilot trial, MMA has successfully installed a digitised fuel monitoring system onboard one of our OSVs, the Mermaid Cove. We collaborated closely with a Singapore-based technology partner, Brightree, who specialise in providing accurate real-time measurement and monitoring of fuel consumption, as well as real-time asset tracking. This system allows detailed and accurate monitoring of fuel consumption for each engine across the vessel's various operating modes, with instant remote access to the data and associated reporting dashboards. We will also be exploring the integration of voyage planning technology, which considers factors such as tides or weather, to further enhance fuel efficiency.

Another critical aspect of optimising the fuel efficiency of our vessels is hull condition. A hull covered in marine growth will have a significantly higher drag coefficient, resulting in loss of speed or increased fuel consumption to maintain the same speed. We are therefore rolling out hull initiatives to our fleet, including the application of top-grade anti-fouling treatments, which offer a reduced/slower rate of fouling, and are looking to carry out mid-docking cycle hull and blade cleans.

Team Engagement Campaigns

We firmly believe that engaging our vessel team members is vital to achieving our sustainability goals. To foster engagement and a culture of environmental stewardship and energy-conscious decision-making among our marine staff, we are conducting annual engagement campaigns. These campaigns serve as a platform for sharing our initiatives and findings with the crew, while simultaneously gathering their feedback and ideas. We will also establish regular communication channels to share updates, success stories and challenges related to decarbonisation, as well as implement an incentive program to encourage and reward innovative ideas and initiatives.

New Technologies

MMA's Decarbonisation Working Group is closely monitoring the advancements in applicable technologies including alternative fuels, hull cleaning technology and battery technologies. We actively participate in relevant forums to ensure we remain up to date with the latest relevant technological advances.

In order to assess the viability of promising technologies, we are conducting desktop studies which will be followed by onboard trials where feasible. The objective is to identify effective technologies that can be implemented to reduce our carbon footprint.

MMA has dedicated extensive efforts to researching the potential benefits of Energy Storage System ("ESS") battery technology onboard our vessels. However, based on our operational profiles and the current available technology, the associated benefits have not yet justified its adoption as a practical option. Nonetheless, we will periodically reassess the value of implementing this technology onboard our vessels.

When renewing our fleet, the incorporation of alternative fuel technology will be a key driver in our investment decisions, to support our drive to reduce our fleet's carbon footprint. Significant research and trials have been conducted in recent years, in particular by the major marine engine manufacturers, around adapting engine technology to the use of alternative fuels such as methanol, ammonia and hydrogen. However, at this stage there are still no readily available engines which can run on one of these alternative fuels, nor regional availability of the fuels. Until a specific alternative fuel reaches a sufficient level of technological maturity and is determined to be the optimal alternative fuel for our type of marine operations, with secure availability, MMA is not in a position to utilise alternative fuels in our current fleet. This consideration will however be pivotal for any future newbuild vessel. In the meantime, we are however exploring the utilisation of biofuels as a temporary drop-in fuel, once their availability reaches a point where it becomes a viable option.

MMA remains steadfast in our commitment to decarbonisation and sustainability. Over the past year, significant progress has been achieved through our decarbonisation strategy and we will continue to leverage technology, innovation and collaboration to reduce our carbon footprint while upholding the highest standards of safety, efficiency and reliability in our operations.

FY2023 Emissions

MMA has calculated its emissions for its global operations for the financial year ended 30 June 2023 with its Scope 1, Scope 2 and Scope 3 emissions outlined below.

Scope 1 reflects MMA's direct fuel use and associated emissions while our vessels are off-hire and fuel is under MMA's operational control. Typically, once MMA's vessels have been contracted, fuel comes under the client's operational control and emissions are classified as Scope 3. Vessels used in our subsea survey operations are classified as either Scope 1 or Scope 3 based on the scope of work and operational control test.

Vessel emissions are calculated based on the fuel used as recorded on the Daily Vessel Reports with the appropriate emissions factor applied. The other key emissions sources are electricity, oil and gas used to power our premises and emissions related to travel. These are calculated using the source data provided from suppliers with appropriate regional emissions factors applied.

Fuel burn and total emissions are correlated with vessel utilisation, with fuel use considerably higher when vessels are working. To facilitate a comparison over time, we have used "available vessel days" as a normalisation factor to calculate emissions intensity for MMA's owned fleet as the fleet size and utilisation fluctuates.

MMA's overall emissions for FY2023 decreased by 10% in comparison to FY2022. The primary reason for the reduction in emissions was fewer owned and chartered vessels in the fleet in comparison to the prior year.

Scope 1 emissions reduced consistent with the higher utilisation of our vessels, with Scope 1 reflecting the fuel usage when vessels are not under charter.

Scope 2 emissions reduced due to the divestment of our Batam Supply Base as well as a number of leased facilities being shut down or subleased.

Scope 3 emissions increased reflecting the higher percentage of days our vessels were on charter.

Total emissions per available vessel day increased due to the higher vessel utilisation which increased from 73% in FY2022 to 80% in FY2023, whilst total emissions per utilised vessel day decreased slightly from the prior year.

Emissions intensity is highly dependent on the nature and location of the work, the distances required to be travelled and the modes of operation while the vessel is working, limiting the insights to be gained from a simple emissions intensity ratio. During FY2023, vessels operated between the Middle East, Africa, Asia and Australia.

The work being carried out by our decarbonisation team will provide greater insights into our emissions intensity at various modes of operation and enable us to work with our clients (who generally direct our operations) to optimise fuel burn and ultimately reduce our overall emissions.

Total Emissions ($ktCO_2$-e)	FY2023	FY2022	FY2021	FY2020
Scope 1	9.4	32.8	21.2	18.0
Scope 2	0.2	1.4	1.2	1.5
Scope 3	117.6	107.2	98.7	132.9
TOTALS	127.2	141.4	121.1	152.4

Emissions Intensity	FY2023	FY2022	FY2021	FY2020
Total Emissions / Available vessel days	19.2	15.6	11.9	14.4
Total Emissions / Utilised vessel days	23.9	24.5	21.6	21.5

Supporting the Energy Transition

Offshore Wind

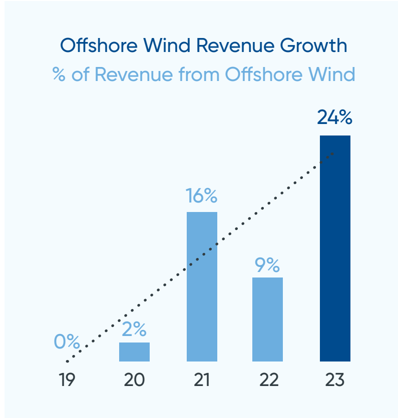
MMA is focused on growing its revenue from sectors such as offshore wind, utilising our skills and assets to facilitate the global energy transition.

During FY2023, we increased our share of revenue from offshore wind from 9% to 24% and remain focused on increasing this percentage over time.

We had several vessels working the offshore wind market in Taiwan during the year including three of our larger vessels – the MMA Pride, MMA Prestige and MMA Pinnacle. Our subsea division was also active with a number of geophysical survey scopes conducted during the year. Pleasingly, we completed our first project in South Korea opening up a new market for MMA with significant development forecast over the coming years.

Momentum is also building in the Australian offshore wind market. Following a change of government, Australia has committed to significantly increasing its renewable energy capacity by 2030 and has commenced the licencing process for six designated offshore wind zones around Australia. This has led to a swathe of potential Australian projects totalling up to 45GW in capacity being announced, reflecting the strong momentum in the industry. Whilst the Australian offshore wind industry is in its infancy, site feasibility studies will require significant seabed mapping and geotechnical survey work which MMA is ideally positioned to provide.

We will continue to focus on growing this part of our business with the longer-term aim of continuing to increase our revenue from supporting clean energy developments.



Supporting Healthy Oceans

As a marine services company, MMA is passionate about enabling the ocean communities in which we operate to thrive, above and below the waterline. In FY2023, we continued our pioneering work in ecosystem engineering with projects in Tasmania, the North Sea and Western Australia whilst supporting research with leading institutes.

Enhancing Offshore Wind

During FY2023, MMA collaborated with DEME Group to deploy a prototype reef off the Belgian coast, exploring the benefits of incorporating engineered reef substrates into the North Sea's wind parks. The massive scale of these offshore wind parks presents a unique opportunity for operators to create multifunctional ecosystems that benefit multiple users and the environments within which they coexist.

Contributing to Coastal Resilience

Fringing reefs act as natural barriers, reducing the energy of incoming waves before they reach the shore. Engineered fringing reefs can be designed to enhance this wave attenuation effect. By absorbing and dissipating wave energy, they help protect the shoreline from erosion and minimise the impact of storm surges.

MMA is making an important contribution to improving coastal resilience through our long-term collaboration with the University of Western Australia ("UWA"), which has resulted in a multi-year research program into working with nature solutions for coastal erosion control. With co-funding from MMA and the Australian Research Council, UWA researchers have made a number of advances in the design of fringing reefs, mimicking natural reefs which attenuate wave energy.

Researchers have been investigating the benefits of the coral canopy, seagrass and dune restoration in combination with engineered fringing reefs to establish resilient shorelines for our coastal communities.

Building on our 2022 installation of a wave attenuating reef off C.Y. O'Connor Beach situated along the coastline of Perth, Western Australia, the Australian Government's Coastal and Estuarine Risk Mitigation Program is co-funding the second stage of the reef development with the City of Cockburn. Early engineering and project planning is currently underway with installation planned for later in 2023. The C.Y. O'Connor project will be monitored over a three-year period by UWA to gauge the success of coastal erosion mitigation, serving as a valuable example for national and international government and commercial organisations.

We see MMA's attenuating reef designs as a potential scalable solution to combat the erosion of our coastlines globally as a result of rising sea levels and more frequent extreme weather events as a result of climate change.

Enhancing Australian Fisheries

Artificial Reef Installations, Tasmania

During FY2023, MMA installed two new artificial reefs in Tasmania – one off Bruny Island and the other at Turners Beach on the north coast. The reefs, the first of their kind in Tasmania, consisted of a total of 318 reef modules across a total area of eight hectares of seabed. Over time we expect the reef to be colonised with marine organisms similar to the surrounding rock reef habitats, as well as the establishment of a new resident fish population including species such as snapper, morwong and yellowtail kingfish.

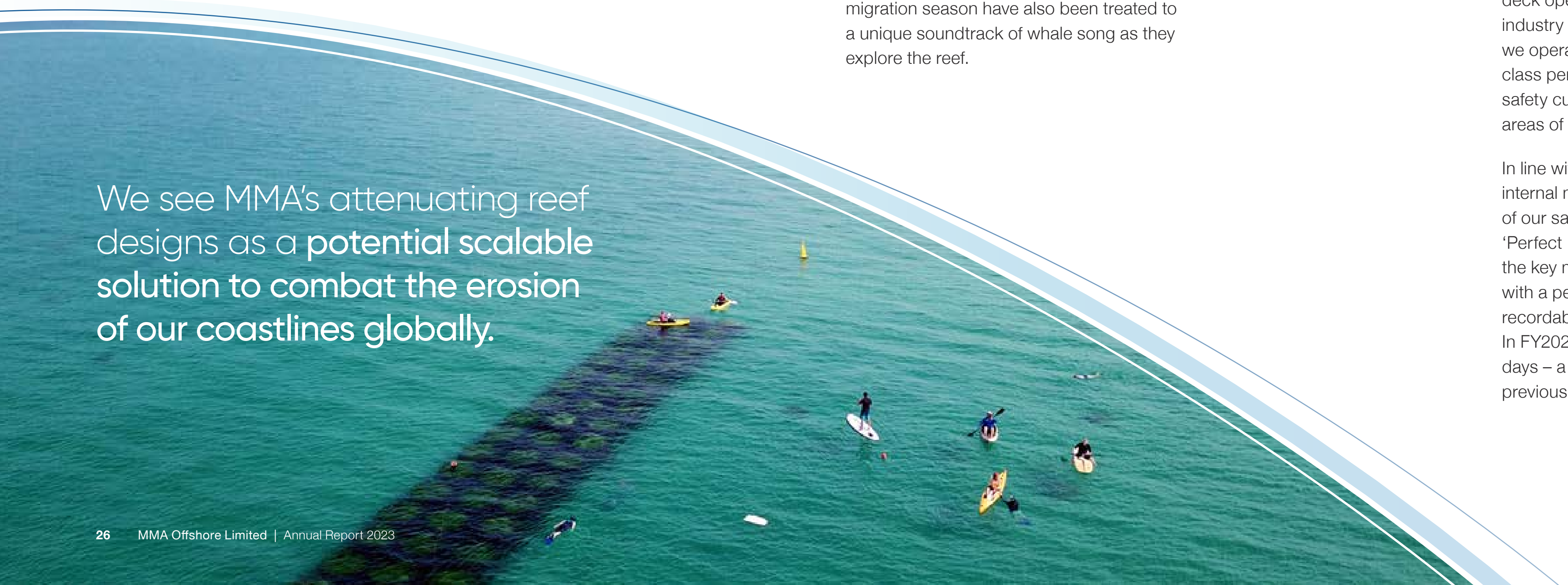
King Reef, Exmouth

Recently commissioned underwater photography of the King Reef site in Exmouth showed a plethora of coral and fish species have inhabited the reef in the five years since the reef was installed.

King Reef was designed and installed by MMA as an innovative 'rigs to reef' concept using decommissioned oil and gas infrastructure to create a significant new marine habitat. The resounding success of this project should provide further opportunities for MMA to partner with the oil and gas industry on future projects to sustainably decommission infrastructure for the benefit of our oceans and communities.

Tourism & Marine Habitat Creation

The Wonder Reef on Australia's Gold Coast has been installed for just over 12 months and is exceeding expectations as both a dive attraction and ecosystem. Some of the new marine species on the reef include large Queensland groupers that have made the site their home. Divers during the whale migration season have also been treated to a unique soundtrack of whale song as they explore the reef.



We see MMA's attenuating reef designs as a **potential scalable solution to combat the erosion of our coastlines globally.**

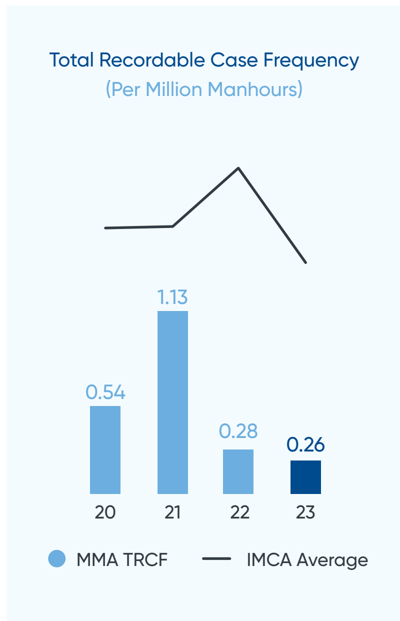
Social

Employee Health & Safety

At MMA, we protect and prioritise the health, safety and wellbeing of our people. This commitment is at the heart of our Target 365 philosophy to achieve "a Perfect Day, Every Day," and serves as the guiding principle that shapes our operations, practices and policies.

In FY2023, MMA's Total Recordable Case Frequency ("TRCF") was 0.26, a slight improvement on the previous year. We recorded one medical treatment case which occurred during routine subsea back deck operations. When compared to our industry peers and the industries in which we operate, our TRCF demonstrates world-class performance and is evidence that our safety culture is thoroughly embedded in all areas of our operations.

In line with MMA's Target 365 program, an internal measure utilised as an assessment of our safety performance is our number of 'Perfect Days' achieved. 'Perfect Days' are the key metric of our Target 365 program, with a perfect day being a day free of recordable injuries or material incidents. In FY2023, we achieved 347 (95%) perfect days – a slight improvement on the previous year.



However, MMA recognises that such measures are lagging indicators of performance and as such, a considerable focus is placed on our leading indicators, HSEQ programs and initiatives and ongoing leadership engagements. During FY2023, the following initiatives and improvements were delivered and continue to positively contribute to maintaining our strong safety focus and performance.

Target 365 Leadership Engagement Program Refresh

MMA's Target 365 Leadership Engagement Program has been developed to promote and facilitate active engagements by MMA's leadership group with the broader MMA workforce. This program ensures transparent accountability throughout the peer group and fosters a culture of responsibility and oversight, from the Managing Director downwards. Engagement targets are agreed by all, engagement tasks and activities are visible to all within the program and performance against those targets is visibly managed. The conduct of active leadership engagements has positively contributed to MMA's safety performance whilst also supporting MMA as an employer of choice and one that is recognised for its investment in the development and recognition of its employees. During FY2023, MMA's Target 365 Leadership Engagement Program was also announced as a joint winner of the International Marine Contractors Association ("IMCA") Safety Awards.

MMA is dedicated to enhancing not only our internal health and safety processes **but also those throughout the industry.**

Target 365 Rewards & Recognition Program

This newly introduced program has been developed to recognise individuals whose safety behaviours model those of our Target 365 culture. The program provides our employees with a platform in which to recognise both themselves and their peers for Target 365 aligned safety behaviours, positive safety contributions and initiatives which improve the overall safety of our operations. Reward recipients receive a monetary reward for themselves and donate an equal amount to a registered charity of their choice which positively reinforces MMA's commitment to supporting the communities in which we operate. Reward recipients are also recognised via the HSEQ Newsletter, MMA Intranet, digital communications channels and via a presentation within their workgroups.

HSEQ Communication Enhancements

The development of comprehensive monthly HSEQ reports has provided the operational management group with current and valuable HSEQ information enabling them to rapidly respond to and address any potential concerns or issues, as well as allowing for real time recognition of positive performance. In addition to the enhanced monthly HSEQ reports, the HSEQ team have implemented a quarterly HSEQ Bulletin, providing a platform to communicate HSEQ initiatives, successes, Target 365 Reward recipients as well as a general summary of HSEQ performance. Operational groups are encouraged to contribute to the bulletin which has been well-received.

HSEQ & Operational Partnerships

Collaborative working relationships are crucial to delivering sustainable results, and this is recognised by MMA through the increased focus on developing valuable partnerships between the MMA HSEQ team and the operational management groups. MMA is cognisant that success is only achieved when everyone is committed to the same goal, working collaboratively and supporting each other. This is the model that MMA has adopted in relation to the working arrangements between our HSEQ team and that of their operational counterparts. Working alongside the operational group, the HSEQ team provide valuable assistance day-to-day in increasing our safety standards, solving challenges using a risk-based approach and continuing to drive our Target 365 ethos.

Incident Investigation Program Review

A new incident investigation methodology has been introduced known as Incident Cause Analysis Method ("ICAM"). ICAM is a holistic safety investigation analysis method which allows MMA to identify both local failures that contributed to an incident whilst not ignoring potential failures in the broader operations that need to be assessed and remedial actions developed. ICAM training has been provided to key MMA stakeholders and the process embedded in MMA's Integrated Business Management System.

Contribution to the Industry

MMA is dedicated to enhancing not only our internal health and safety processes but also those throughout the industry. We actively participate as a member of various industry organisations that strive to foster a robust safety culture. As part of these industry organisations, operational safety improvements in which MMA plays an active role include:

- DP Working Group (Safer Together) – MMA's Executive General Manager Vessel Services sits on this committee which is focused on facilitating the sharing of lessons learnt, collaboration amongst industry experts and recommendations for changes to industry guidance and standards;
- Safe Decks Group (Safer Together) – development of a refresher training package for all offshore crew involved in the loading, carrying and discharge of cargo to offshore facilities in Australia; and
- IMCA HSSE Core Committee – MMA's Executive General Manager Risk sits on this committee which is focused on delivering a number of initiatives and improvements including safety promotional campaigns based on industry trends, gap analysis on safety parameters between the traditional oil and gas market versus renewables markets and developing guidance on crew mental health.

Continuous Improvement

In addition to identified health and safety initiatives and focus areas, MMA continues to drive improvements through the continual improvement of our HSEQ systems and processes. Highlights for the year included:

- ISO 9001, 14001 and 45001 certification renewal across MMA's global operations;
- Improvement of navigational safety via the fleetwide implementation of Electronic Chart Display and Information Systems ("ECDIS");
- A Subsea Safety Conference which provided the opportunity for the HSEQ team to work with subsea operational personnel on safety initiatives and provide greater awareness on our systems and processes;
- Increased focus on mental health including the introduction of "Mental Health First Aid" training provided;
- Engagement of an internal Health and Wellbeing Coordinator, increasing our ability to generate and promote health and wellbeing campaigns and effectively manage any workplace injuries or illnesses;
- Integration of MMA's Purpose and Principles into the core of all HSEQ engagements with the MMA workforce; and
- Joint winner of the 2022 IMCA Safety Awards for MMA's Target 365 Leadership Engagement Program.

Employee Wellbeing

Our objective at MMA is to cultivate a diverse, engaging and high-performance workplace that prioritises the wellbeing of our employees, enabling them to achieve their full potential.

We are committed to establishing a healthy, safe and inclusive work environment, free from any form of harassment or bullying, that values the input of every employee, fostering a deep sense of belonging and ensuring fair, respectful and dignified treatment for all. Our aim is to cultivate a workplace culture where individuals feel not only encouraged but also safe to speak up and share their thoughts, ideas and concerns.

MMA continues to promote employee wellbeing across the business through a range of measures, including:

- A culture of transparent communication including regular Managing Director town hall meetings and Q&A sessions, employee-led lunch and learn presentations and a range of regularly updated internal communications channels;
- A calendar of regular employee engagement events providing opportunities for fostering professional networking, social connections and a sense of belonging, including conferences, community volunteering and social activities;
- Flexible working arrangements to facilitate personal and family commitments, including a Working from Home policy for office-based staff;
- Generous parental support and flexibility on return-to-work arrangements to facilitate ongoing participation;
- A Mental Health Policy enabling staff to use personal leave for mental health reasons;
- An employee assistance program which provides counselling and wellbeing resources to our staff globally 24/7; and
- A Code of Conduct which outlines MMA's Purpose, Principles and expected behaviours.

Crew Engagement

MMA recognises the importance of maintaining consistent and meaningful engagement with our offshore crew, who often face limited opportunities to connect with the broader organisation due to the nature of their work at sea.

In line with our commitment to foster strong relationships and open lines of communication, we organised a crew conference in June 2023, held in Perth, Western Australia. This event brought together a key group of MMA's vessel masters, chief engineers and ratings, creating an invaluable platform for them to actively participate in insightful discussions on a wide range of key topics. Facilitated by members of our senior and executive leadership teams, the conference not only served as an informative and collaborative forum, but was also a valuable face-to-face networking opportunity, allowing our crew members to connect and build relationships with their peers.

By providing these in-person platforms for engagement, we are able to focus on the wellbeing of our vessel crew, ensuring that their voices are heard, valued and integrated into our organisation.

Training & Development

Employee Support & Training

At MMA, we are committed to unlocking the full potential of each of our team members by making strategic investments in their ongoing development. By providing our people with the resources, support and opportunities to enhance their skills and expertise, we empower them to elevate their career progression to new heights. This not only benefits our employees individually, but also equips our business with a highly skilled and motivated team who are capable of successfully executing our clients' most complex marine projects.

Over the course of FY2023, MMA's employees and contractors completed a total of 13,457 individual training outcomes.

By prioritising the growth and advancement of our people, we ensure that MMA remains at the forefront of delivering exceptional marine solutions that exceed client expectations and drive long-term success.

Industry Support

MMA Offshore Hydrographic Surveying Scholarship

MMA is proud to support the development of the next generation of hydrographic surveyors through the MMA Offshore Hydrographic Surveying Scholarship, established in conjunction with Curtin University, Western Australia.

The scholarship, now in its second year, provides Bachelor of Surveying (Honours) students in their final year of study at Curtin University with a monetary contribution towards their educational related expenses as well as the potential for hands-on work experience, alongside MMA's team of experienced surveyors.

The scholarship also provides students with the potential for employment with MMA post-graduation. With a shortage of skilled hydrographic surveyors in Australia, it is critical to foster the growth of Australia's hydrographic surveying industry by offering students support, career pathways and real-world exposure to projects.

Singapore Internships

Over recent years, MMA has hosted interns from a number of Singapore-based universities including Nanyang Technological University, Singapore Polytechnic and Ngee Ann Polytechnic, and organisations such as the Singapore Maritime Foundation.

Initially beginning with one intern in our Chartering department in 2019, the program has now expanded significantly with MMA having hosted 12 interns to date across a wide range of departments, including subsea, finance, procurement and crewing. Our teams are proud to nurture the next generation of maritime professionals and they willingly share their invaluable experience with the students.

Furthermore, as part of our commitment to fostering talent within the maritime industry, MMA offers pathways for students towards future employment with the Company upon their graduation. This initiative not only benefits the students by providing promising career prospects, but also contributes to the continuous growth and sustainability of the maritime sector in Singapore.

Career Events

During FY2023, MMA participated in a number of industry events in order to promote careers in the maritime industry.

Fremantle Maritime Day

In October 2022, MMA took part in the annual Maritime Day industry event held in Fremantle, Western Australia. As a vibrant community festival that celebrates the maritime industry, this event offered MMA a valuable platform to connect with the local community and initiate meaningful conversations about marine career opportunities. By participating in this event, MMA demonstrated our commitment to fostering connections with stakeholders, promoting career prospects and building a strong presence within the communities in which we operate.

Australian Maritime College Careers Expo

Additionally, in March 2023, MMA participated in the annual Australian Maritime College Careers Expo held in Tasmania. This event served as an excellent opportunity to connect with graduates and aspiring professionals, providing valuable insights into the diverse range of marine career paths available within MMA. By targeting young marine professionals at events like these, MMA aims to inspire and guide the next generation towards rewarding careers in the maritime industry.

Future Engineers Program

During October 2022, MMA was proud to share an insight into ocean-based STEM careers through the Subsea Energy Australia Wise Future Engineers Program. 30 girls from schools across Perth joined our team on site to learn from MMA's engineers and had the unique opportunity to cast five MMA artificial reef modules which will be donated to the popular local Coogee Maritime Trail – one of the world's largest living harbour projects, created by MMA.

Diversity & Inclusion

With over 1,100 global employees with different experiences, backgrounds and perspectives, MMA takes pride in our strong commitment to diversity and inclusion.

Recognising the importance of equality and inclusion in the workplace, MMA actively works towards creating an environment where all employees are empowered to thrive and succeed.

In order to drive diversity and inclusion objectives at all levels across the Company, MMA has a well-established Diversity and Inclusion Committee. The Committee has a pivotal role in promoting and maintaining an inclusive environment across the organisation, through the establishment and monitoring of the Company's strategic objectives.

MMA also places great importance on ensuring fairness and equality in our remuneration practices, with regular reviews conducted to guarantee that every employee is compensated fairly, appropriately and without bias.

Diversity Measurable Objectives

Annually, MMA develops a set of Diversity Measurable Objectives, including targets for female participation in technical, senior management and executive management positions as well as on our Board of Directors.

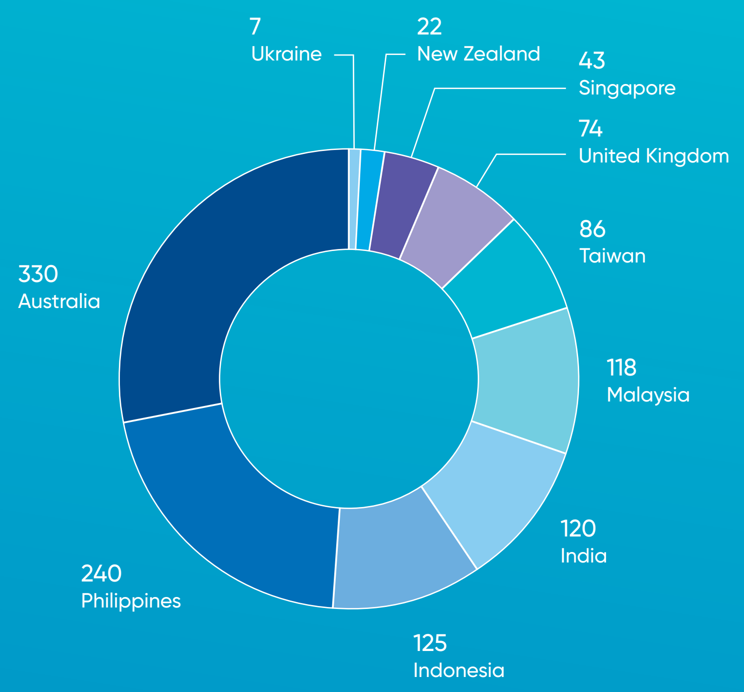
MMA's percentage of women employed at an executive leadership level was 28.6% in FY2023, compared to 33.3% in FY2022. Additionally, MMA's Board of Directors percentage has increased, with 40% female Board representation in FY2023, compared to 33.3% in FY2022.

We are targeting 30% female representation at the senior management level by June 2025, from 17.4% currently. This will be achieved through a range of HR strategies encompassing recruitment, training and development and career path initiatives.

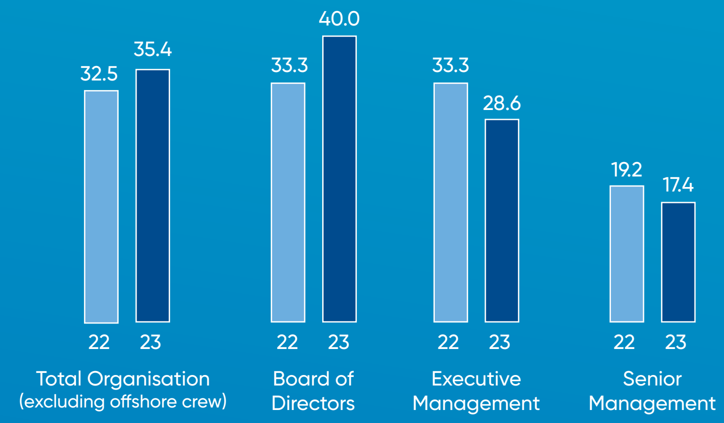
MMA is also targeting increased female representation in technical positions to assist with developing the pipeline for senior management roles.

As at the date of this report, MMA had 12% of technical positions represented by women as a result of proactive recruitment practices during the year.

Employee Nationalities - Top 10



% of Women Employed



Diversity & Inclusion Events Program

Fostering a greater appreciation and understanding of the diverse cultures and experiences within our business, as well as diversity issues more broadly, remains a key focus for MMA's Diversity and Inclusion Committee.

A cornerstone of this effort is our formal Diversity and Inclusion Events Program, which has been in place since 2020. These events have proven to be instrumental in developing a deeper appreciation and understanding for diversity amongst our employees, and we continue to hold these activities in order to foster an inclusive culture across our business.

During FY2023, MMA employees came together to recognise a range of events including a special 'Diversity at MMA' initiative focusing on diversity more broadly at MMA, Lunar New Year, International Women's Day, Ramadan and Eid al-Fitr, International Day for Women in Maritime, National Reconciliation Week and NAIDOC Week.

Diversity at MMA

From December 2022 to January 2023, MMA's Diversity and Inclusion Committee held an engagement campaign with our workforce aimed at recognising the broad spectrum of diversity across our business. This period of engagement included a photo competition where we asked our team members to share a photo submission which best represented the concepts of diversity, inclusion or belonging. Receiving submissions from MMA team members all over the world, the competition acted as a celebration of the individuals and teams across our business and highlighted the ways in which all levels of the organisation work towards fostering inclusivity.

Lunar New Year

In January 2023, our Perth and Singapore offices joined in the celebration of the Lunar New Year, marking the arrival of the Year of the Rabbit. As part of the festivities, our offices were adorned with customary decorations, and our teams respectively gathered to share a meal to commemorate the holiday.

International Women's Day

In celebration of International Women's Day on 8 March 2023, MMA's Diversity and Inclusion Committee held a dedicated event at MMA's head office in Perth which was live-streamed and recorded to share with our global offices. The event featured a special presentation from guest speaker, MMA Non-Executive Director Sally Langer, who shared her perspectives on the 2023 theme "Embrace Equity", as well as her career journey and experience on the boards of some of Western Australia's top organisations. Additionally, MMA sponsored several employees to attend International Women's Day functions, where our team heard from inspiring individuals across the Western Australian community.

We believe in creating a positive and lasting impact that **benefits both our organisation and the communities we support.**

Ramadan & Eid al-Fitr

Throughout March to April 2023, MMA's Diversity and Inclusion Committee recognised the Muslim tradition of Ramadan. To foster a greater understanding of the challenges of fasting during Ramadan and the holiday as a whole, the Committee facilitated an informative video interview which featured an MMA team member who graciously shared their personal experiences and family traditions associated with Ramadan and Eid al-Fitr. This conversation was shared through the Company's internal communications channels, allowing the broader workforce to gain unique insights into the cultural significance of this observance. To celebrate Eid al-Fitr, celebratory lunches featuring traditional cuisines were held at our Perth and Singapore offices, with members of MMA's Board of Directors and Executive Management Team in attendance. Our Singapore office staff wore festive dress for the event and a number of staff shared with colleagues their personal experiences of what Ramadan means to them.

International Day for Women in Maritime

On 18 May 2023, MMA celebrated the International Maritime Organization ("IMO") event, the International Day for Women in Maritime. In celebration of the day, MMA collaborated with the Women's International Shipping and Trading Association ("WISTA") Australia to sponsor a networking and panel speaking event to bring together members of Perth's broad maritime community. Additionally, two members of MMA's Diversity and Inclusion Committee represented MMA by participating in the panel and moderating the event. Aligning with the 2023 theme 'Mobilising networks for gender equality', the event highlighted the importance of building strong networks and partnerships to drive meaningful progress.

National Reconciliation Week

From 27 May to 3 June 2023, MMA recognised National Reconciliation Week, taking the opportunity to support our workforce in learning more about the rich cultures, histories and contributions of Aboriginal and Torres Strait Islander peoples and to deepen our collective understandings. In support of the event, MMA participated in the 2023 Perth Street Banner Project which displayed sponsored banners in support of reconciliation in prominent locations across Western Australia. MMA's Perth team also joined in on the 2023 Walk for Reconciliation through Kaarta Koomba (Kings Park), which provided our team with the opportunity to engage in a range of cultural immersion activities.

NAIDOC Week

During the period from Reconciliation Week in June 2023 to NAIDOC Week in July 2023, the Committee organised a charity raffle with prizes offering staff the opportunity to engage with Indigenous food, products and culture. All funds raised were provided to the Polly Farmer Foundation to support local Indigenous students' education.

In addition, we coordinated a native food inspired morning tea facilitated by All Good Grub, a Perth-based, Indigenous-owned catering business. This provided a unique experience for our staff, with many team members able to try native ingredients for the first time. During the morning tea, we also premiered a short film documenting MMA's partnership between the Undalup Association (the Wadandi Traditional Owner group for the South West region of Western Australia), the University of Western Australia and Australian Hydrographic Office which took place through a recent HydroScheme Industry Partnership Program ("HIPP") project.

To close out the week, we also hosted a cultural awareness training session facilitated by the Waalitj Foundation. This provided valuable learning opportunities for our staff, fostering their understanding of the traditions, challenges and contributions of Aboriginal and Torres Strait Islander peoples. By hosting this experience for our team, we were able to equip them with the knowledge and skills to positively contribute to the wellbeing of the communities in which we operate.

Seeds for Snapper

Taking place in December 2022, MMA was proud to partner with OzFish, to sponsor their Seeds for Snapper project in Cockburn Sound in Western Australia.

Seeds for Snapper is a community-driven seagrass restoration program by fishing conservation charity, OzFish.

Seagrass meadows are an important nursery ground for countless fish and species of marine life, as well as help to stabilise the sand which protects coastlines from erosion. Seagrass fruits once per year and most seeds are washed ashore or far out to sea, where they cannot germinate. The Seeds for Snapper project aims to both harvest and spread seagrass seeds in areas where they are more likely to thrive.

MMA staff participated in a volunteering day which saw our team diving to harvest seagrass seeds, sorting seeds and bagging them to be dispersed on the seabed.

MMA was also proud to sponsor a community seeding event at MMA's wave attenuating reef at C.Y. O'Connor Beach, with over 250,000 seeds dispersed by the local community. The seeds will regenerate the seagrass meadow encouraging a thriving marine habitat and further contributing to coastal erosion mitigation.

MMA was proud to sponsor and help raise broader community awareness for this important environmental initiative.

Community Support

MMA is dedicated to supporting the communities in which we operate.

During FY2023, MMA and its employees raised more than $31,800 and volunteered more than 100 hours for local charities, community groups and not-for-profit organisations around the world.

Department of Fire and Emergency Services

With bushfires regularly affecting our local Western Australian communities, MMA is proud to support employees in volunteering for the Government of Western Australia's Department of Fire and Emergency Services ("DFES") through the provision of flexible working arrangements. In October 2022, MMA was nominated by one of our participating employees in the Volunteer Employer Recognition Awards ("VERA"), which acknowledges businesses that go above and beyond to enable their staff to respond to emergencies during work hours.

MSWA Ocean Ride

In November 2022, 20 MMA cyclists participated in the MSWA Ocean Ride in Perth, collectively cycling over 1,500km in support of Western Australians with neurological conditions. The event brought together multiple team members from across MMA, who proudly raised a total of $8,630 for MSWA, placing MMA in seventh place on the overall team fundraising leader board.

Movember

Throughout November 2022, MMA's vessel crew on the MMA Vision came together to take part in Movember, with an aim to raise much-needed funds for men's mental health. The crew rapidly surpassed their original goal of $1,000 and ultimately raised $2,080 for the cause.

Christmas Food Donation Drives

Now in our third year, our teams in Perth, Singapore and Aberdeen were proud to participate in our annual Christmas food donation drive, donating food and essential goods to local food bank charities. Our staff's contributions supported those who may have otherwise gone without on Christmas Day, with donations provided to Foodbank Western Australia in Perth, the Humanitarian Organization for Migration Economics in Singapore and Community Food Initiatives North East ("CFINE") in the UK.

Target 365 Rewards

During January 2023, MMA relaunched its Target 365 Safety Rewards Program whereby individuals who demonstrate exceptional safety performance are provided with the opportunity to donate monetary rewards to registered charities. In the final quarters of FY2023, seven Target 365 Safety Awards winners were selected and donated their Target 365 rewards to a range of global charities including the Fred Hollows Foundation, the Kidney Foundation of the Philippines and Camp Quality.

Run for a Reason

In May 2023, 24 of our Perth team members took part in the HBF Run for a Reason by running, jogging and walking for a good cause. Our team proudly raised over $5,000 for the Cancer Council Western Australia.

Charity Morning Teas

Throughout the year, MMA's Perth office held several charity morning teas in order to raise donations for employee-nominated charitable organisations, with MMA matching all amounts raised. During FY2023, MMA and our staff supported a range of organisations such as the Starlight Children's Foundation, the Royal Flying Doctor Service and the Royal Children's Hospital Research Foundation.

Blood Donations

Members of MMA's Perth team coordinate a regular group of blood, plasma and platelets donors, each who contribute critical, live-saving sources to the Australian Red Cross on a regular basis. During FY2023, MMA's team made 26 donations, equating to a total of 78 lives saved.

Indigenous Engagement

MMA maintains a steadfast commitment to establishing and fostering relationships and partnerships with the Indigenous communities and Traditional Owners in our operational areas. We recognise the significance of these connections and strive to foster mutual understanding, respect and collaboration. Through our ongoing engagement, we aim to contribute positively to the wellbeing and prosperity of the communities in which we operate, and to honour and respect their connection to the land and waters.

Indigenous Procurement

MMA is a member of Supply Nation and endeavours to procure goods and services where possible from Indigenous enterprises.

Indigenous Training Programs

MMA continues to provide training opportunities to Indigenous trainees. Indigenous trainees are engaged on our modern PSV vessels operating out of Darwin and Broome, with candidates completing face-to-face training within the TAFE system. Trainees then go on to complete qualifying sea time, gaining critical work skills and experience over a period of 16 months.

MMA is dedicated to supporting **the communities in which we operate.**

Mapping together on Wadandi Sea Country

During June 2022, MMA was contracted by the Australian Government Department of Defence through the HydroScheme Industry Partnership Program ("HIPP") to undertake a hydrographic survey of the Cape Leeuwin area, located off the coast of Western Australia and covering an area of approximately 421 nautical square miles.

Prior to the project beginning in December 2022, MMA collaborated with the Undalup Association and the Wadandi Traditional Custodian group in the South West of Western Australia. The Wadandi People (Saltwater People) are the Traditional Owners of this part of the South West. The significant coastal areas are important to the Wadandi people and their connection to land and sea through songs, stories, spirituality and cultural lore (learning and knowledge of tradition).

With a mutual desire to protect, manage and monitor the ecologically and culturally sensitive marine environment in which the project was to take place, a partnership was developed between MMA, the Wadandi-led project team and researchers from the University of Western Australia ("UWA") to provide cultural guidance throughout the HIPP hydrographic survey. MMA shared relevant extracts of the captured imagery of the seabed to the Wadandi People in order to inform the broader community about the cultural value and significance of the Sea Country.

MMA also worked with local filmmaker, Seabird Films, to produce a short film documenting the partnership which was premiered at the 2023 Australian Marine Sciences Association ("AMSA") conference held in Queensland during NAIDOC Week in July 2023.

Through the partnership with the Undalup Association and UWA, MMA was able to highlight not only the value that the HIPP brings in achieving the Australian Hydrographic Office's obligations under the Navigational Safety Act, but the value that the data can bring to the regions in which they are undertaken. MMA was proud to demonstrate the importance of engaging local communities and collaboration with Traditional Owners.

Governance

MMA is committed to a high level of corporate governance and promoting a culture that values trust, co-operation and mutual respect. At MMA, we believe that high standards of corporate governance are paramount for sustainable long-term performance and value creation.

MMA complies with the 4th Edition of the Australian Securities Exchange's Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition ASX Recommendations).

Code of Conduct

MMA's Code of Conduct has undergone an update to incorporate MMA's newly articulated Purpose, Principles and behaviours charter.

MMA's Code of Conduct sets the standards of behaviour that is expected of its directors, employees, officers and contractors who perform work for MMA and places a strong focus on working legally, ethically and safely.

We encourage the reporting of unlawful and unethical behaviour, actively promote and monitor compliance with the Code of Conduct and protect those who report breaches in good faith.

Under MMA's Group Whistleblower Policy, whistleblowers are protected from any disadvantage, prejudice or victimisation for reporting any breaches of the Policy or the Corporations Act.

Anti-Bribery & Anti-Corruption

MMA has a zero-tolerance approach towards bribery and corrupt conduct. The Company has an Anti-Bribery and Anti-Corruption Policy for preventing the offering or acceptance of bribes and other unlawful or unethical payments or inducements and applies to all persons associated with MMA, including directors, employees, contractors, representatives and agents. Any breach of this policy will be regarded as serious misconduct. During FY2023, MMA had no known incidents of bribery or corruption.

Further details of the Company's Corporate Governance Policies, including the Anti-Bribery and Anti-Corruption Policy are available on the Corporate Governance page of MMA's website at: mmaoffshore.com/investor-centre/corporate-governance.

Modern Slavery

Whilst MMA does not operate in any of the 'high risk' modern slavery industries, MMA acknowledges that modern slavery is prevalent in a global economy and is committed to minimising the risk of modern slavery issues inadvertently being present in our supply chain.

MMA has a range policies and processes in place that mitigate the risks of slavery and human trafficking occurring within MMA's operations and in its supply chain.

MMA monitors and reviews the effectiveness of these policies and procedures and how well these have been implemented across the business through both internal and external audit regimes.

All of MMA's offshore operations are carried out in accordance with the Maritime Labour Convention 2006 ("MLC") which provides minimum standards and regulations relating to employment, working and living conditions of seafarers.

MMA has developed a strong supply chain and network of suppliers and subcontractors to support its operations and where possible will endeavour to source products and services from selected suppliers or contractors local to the area of operation. As part of the selection process, MMA conducts counter-party due diligence on prospective suppliers and contractors. MMA's Standard Procurement Terms and Conditions also require contractors and suppliers to comply with modern slavery legislation. Where third-party terms and conditions are used, MMA will also endeavour to include similar provisions into its contracts.

MMA's 2023 Modern Slavery Statement can be reviewed on the Australian Government's Modern Slavery Register at: modernslaveryregister.gov.au.

Risk

MMA recognises that risk is an inherent part of its business. Effectively identifying and managing risk is critical to MMA's success.

MMA's Integrated Business Management System ("IBMS") documents the risk management framework that MMA applies to ensure that a comprehensive approach to the identification, assessment and treatment of risk is taken. The risk framework is aligned to ISO 31000 (2018), the international standard for risk management.

This section describes (in no order of significance) the material risks that have been identified and are being managed for the Company to deliver on its objectives. It is not intended to be all encompassing, nor is any of the information intended to be taken as a statement of fact. These risks can be affected by a variety of factors which can, in turn, impact the Company's performance.

Risks Relating to our Operations

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

Operational risks include (but are not limited to):

- Health and safety incidents;
- Epidemics/pandemics;
- Loss of key customers/contracts;
- Failure by customers to pay for services;
- Equipment damage, technical failures, or human error;
- Industrial relations issues including strikes;
- Capsizing, sinking, grounding, collisions, fires and explosions, piracy, vessel seizures or arrests and acts of terrorism;
- Environmental pollution, contamination, and other related accidents;
- Regulatory and legislative non-compliance;
- Cyber security attacks;
- Kidnap and ransom;
- Fraud and theft;
- Increases in input costs;
- Failure to attract and retain qualified personnel or loss of key personnel; and
- Contractual assumptions of risk.

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 our reputation and legal and regulatory action, including fines.

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

We employ a number of well executed controls to manage these risks, including, but not limited to, appropriate insurance coverage, hazard and risk management processes, crisis management processes, certified health safety and quality systems and audits, information and security management systems and mitigation strategies, planned maintenance programs, compliance programs, tender and contract management processes, access to in-house and external legal expertise, industrial relations strategies, emergency preparedness and contingency plans, preferred supplier and subcontractor processes, counterparty risk assessments and a host of engineering and operational controls.

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.

The Company aims to mitigate the impact of lower offshore investment and lower offshore activity by:

- Diversifying its service offering into a range of market sectors including oil and gas, offshore wind, government and defence and environmental services;
- Expanding its service offering to include subsea and project logistics services;
- Diversifying its contract portfolio across the exploration, construction and production phases and by providing maintenance/repair and decommissioning services; and
- Diversifying its geographic footprint across several key regional areas.

The Competitive Landscape

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 seeks to manage this risk by:

- Having a clear strategic plan, including an ongoing review of its asset mix and capability to meet market demand;
- Having a clear regional strategy to position the Company in the most advantageous areas to operate;
- Providing an integrated marine and subsea service to clients; and
- Expanding its service offering into the growing offshore wind sector.

Geopolitical, Government & Regulatory Risk Factors

Our international operations are subject to challenging geopolitical risks in varying degrees.

Changes in the geopolitical climate in our 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 may be required to form joint ventures in some countries in order to access the local offshore energy markets. Joint ventures may introduce a higher level of operational, financial and counterparty risk. The prevalence of bribery and/or corruption in some foreign jurisdictions also limits MMA's ability to operate in these areas.

MMA's strategic plan considers such risks and operationally we risk assess market areas and clients regularly to limit negative and optimise positive impacts.

A comprehensive Anti-Bribery and Anti-Corruption Policy, Code of Conduct and Group Whistleblower Policy have been implemented and are continually monitored to assist in combatting these risks.

Risks Relating to our Indebtedness

Any material reduction in profitability may increase the risk of the Company failing to comply with the covenants associated with its Banking Facilities.

MMA seeks to manage these risks through proactively engaging with its lenders and the wider debt markets as well as actively monitoring earnings and cash flows to forecast covenant compliance.

Access to Capital

Maintaining, replacing and growing our vessel fleet subject to the Company's prevailing strategy at the time may require significant capital investment which may require additional debt or equity funding.

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

To mitigate these risks MMA has a well-established investor relations program and strong relationships and track record within the equity capital markets. MMA will also have significant capacity under its new debt facility which is being extended through to August 2027.

An additional risk mitigation strategy is the deliberate diversification of revenue away from the hydrocarbon industry. As MMA continues to increase its percentage of revenue from sectors such as renewables, government and defence and environmental services, access to capital markets increases from both debt and equity sources as MMA plays a part in the global energy transition.

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 natural hedge for our activities. MMA also has a combination of Australian Dollar and US Dollar debt. Adverse movements in these currencies may result in a negative impact on MMA's earnings.

MMA's treasury policy and contract management processes further mitigate this risk. The Board also considers from time to time whether to manage currency fluctuation risk through appropriate hedging.

Cyber Security

MMA utilises sophisticated technology to deliver high quality services in conjunction with interfaces with third party information technology systems. Instances of cyber-attacks has the potential to cause disruption and/or financial and reputational damage to the Company.

MMA has implemented a comprehensive Information and Security Management System to proactively identify, monitor and mitigate information security vulnerabilities, threats and risks in order to protect MMA, its employees, customers, assets and data.

The Company cyber response is governed by an Information and Communications Technology ("ICT") Steering Committee which compromises ICT experts, access to external expertise and Executive Management representatives.

Climate Change & ESG

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

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

The transition to an alternate marine fuel technology, which is still under investigation, will also affect MMA's fleet when the technology is developed and marine assets transition to lower emissions fuel sources.

MMA views climate change and the energy transition as both a risk and an opportunity. MMA has diversified its service offering into the rapidly growing offshore wind market in order to support the energy transition and this remains a key focus going forward.

MMA is committed to operating its business in a sustainable manner and has a comprehensive ESG strategy led by a member of the Executive Leadership team, with regular reporting to the Board of Directors.

Board of Directors

Mr Ian Alexander Macliver

Chairman – Appointed 28 January 2021

Ian was appointed as a Director of the Company on 20 January 2020 and as Chairman of the Company on 28 January 2021.

Ian is currently the Chairman of Grange Consulting Group and Grange Capital Partners. 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.

His experience covers all areas of corporate activity including capital raisings, acquisitions, divestments, takeovers, business and strategic planning and debt and equity reconstructions.

Ian is currently a Non-Executive Director of Sheffield Resources Limited which is listed on the Australian Securities Exchange, and an Alternate Director of Wright Prospecting Pty Ltd.

Ian was previously Chairman of Western Areas Limited, and a Non-Executive Director of both Otto Energy Limited and Mount Gibson Iron Limited.

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.

Ian is a member of both the Company's Audit and Risk Committee and the Company's Nomination and Remuneration Committee.

Mr David Colin Ross

Managing Director – Appointed 13 January 2020

David was appointed as CEO of the Company on 1 July 2019 and subsequently as Managing Director of the Company on 13 January 2020.

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.

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.

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.

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.

As Managing Director of MMA, David is responsible for the financial and operational performance of all of the Company's business lines.

Mr Chiang Gnee Heng

Non-Executive Director – Appointed 5 July 2012

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.

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.

Chiang Gnee is a Director of MMA Offshore Asia Pte Ltd (Singapore) and a majority of its subsidiaries in Singapore and Malaysia.

Chiang Gnee is Chair of the Company's Nomination and Remuneration Committee.

Ms Susan Murphy AO

Non-Executive Director – Appointed 30 April 2021

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.

After leaving Clough in 2004, she joined the Water Corporation of Western Australia as the General Manager of Planning and Infrastructure, before being appointed as Chief Executive Officer in 2008, a role she held for over a decade.

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.

Sue is currently a Non-Executive Director of Monadelphous Group Limited, RemSense Technologies Limited, The West Australian Treasury Corporation, and the UWA Business School and serves as Pro Chancellor of the University of Western Australia.

Sue is Chair of the Company's Audit and Risk Committee and a member of the Company's Nomination and Remuneration Committee.

Ms Sally Langer

Non-Executive Director – Appointed 6 May 2021

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.

Prior to that, Sally was a Director at international recruitment firm Michael Page and a Chartered Accountant at accounting and consulting firm Arthur Andersen.

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.

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.

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.

Sally is a member of both the Company's Audit and Risk Committee and the Company's Nomination and Remuneration Committee.

Corporate **Governance**

Corporate Governance

The Board of Directors ("Board") of MMA Offshore Limited ("Company" or "MMA") is responsible for the corporate governance of the consolidated entity. The Board is a strong advocate of good corporate governance.

Compliance with Australian Corporate Governance Standards

The Board believes that the Company follows the 4th edition of the Corporate Governance Principles and Recommendations ("4th Edition ASX Principles") set by the ASX Corporate Governance Council, or where it does not, has sound reasons for not doing so as explained in the Company's Corporate Governance Statement.

Access to Corporate Governance Statement

The Company's Corporate Governance Statement which outlines the Company's corporate governance policies and practices for the year ended 30 June 2023, can be found on the Company's website at www.mmaoffshore.com/investor-centre/corporate-governance.

The Company's Corporate Governance Statement is current as at 28 August 2023 and has been approved by the Board.

ASX Corporate Governance Council Recommendations Checklist

ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the 4th Edition ASX Principles and the reason for any departure from the 4th Edition ASX Principles.

The table below lists each of the 4th Edition ASX Principles and the Company's assessment of its compliance with these for the year ended 30 June 2023. The Company's Corporate Governance Statement and Annual Report set out in greater detail the Company's assessment of its compliance with the 4th Edition ASX Principles.

4th Edition ASX Corporate Governance Principles and Recommendations			Comply
Principle 1: Lay solid foundations for management and oversight			
1.1	A listed entity should have and disclose a board charter setting out:		
	(a)	the respective roles and responsibilities of its board and management; and	Yes
	(b)	those matters expressly reserved to the board and those delegated to management.	Yes
1.2	A listed entity should:		
	(a)	undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and	Yes
	(b)	provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		Yes
1.5	A listed entity should:		
	(a)	have and disclose a diversity policy;	Yes
	(b)	through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and	Yes
	(c)	disclose in relation to each reporting period:	
		(1) the measurable objectives set for that period to achieve gender diversity;	Yes
		(2) the entity's progress towards achieving those objectives; and	Yes
		(3) either:	
		A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or	Yes
		B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes

4th Edition ASX Corporate Governance Principles and Recommendations			Comply
Principle 1: Lay solid foundations for management and oversight (continued)			
1.6	A listed entity should:		
	(a)	have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Yes
	(b)	disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes
1.7	A listed entity should:		
	(a)	have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and	Yes
	(b)	disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes
Principle 2: Structure the board to be effective and add value			
2.1	The board of a listed entity should:		
	(a)	have a nomination committee which:	Yes
		(1) has at least three members, a majority of whom are independent directors; and	Yes
		(2) is chaired by an independent director,	Yes
		and disclose:	
		(3) the charter of the committee;	Yes
		(4) the members of the committee; and.	Yes
		(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.		Yes
2.3	A listed entity should disclose:		
	(a)	the names of the directors considered by the board to be independent directors;	Yes
	(b)	if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and	N/A
	(c)	the length of service of each director.	Yes
2.4	A majority of the board of a listed entity should be independent directors.		Yes
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		Yes
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.		Yes

4th Edition ASX Corporate Governance Principles and Recommendations			Comply
Principle 3: Instil a culture of acting lawfully, ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.		Yes
3.2	A listed entity should:		
	(a)	have and disclose a code of conduct for its directors, senior executives and employees; and	Yes
	(b)	ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes
3.3	A listed entity should:		
	(a)	have and disclose a whistleblower policy; and	Yes
	(b)	ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes
3.4	A listed entity should:		
	(a)	have and disclose an anti-bribery and corruption policy; and	Yes
	(b)	ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes
Principle 4: Safeguard the integrity of corporate reports			
4.1	The board of a listed entity should:		
	(a)	have an audit committee which:	Yes
		(1) has a least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Yes
		(2) is chaired by an independent director who is not the chair of the board,	Yes
		and disclose:	
		(3) the charter of the committee;	Yes
		(4) the relevant qualifications and experience of the members of committee; and	Yes
		(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		Yes
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.		Yes
Principle 5: Make timely and balanced disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.		Yes
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.		Yes
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.		Yes

4th Edition ASX Corporate Governance Principles and Recommendations			Comply
Principle 6: Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.		Yes
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.		Yes
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.		Yes
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.		Yes
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		Yes
Principle 7: Recognise and manage risk			
7.1	The board of a listed entity should:		
	(a)	have a committee or committees to oversee risk, each of which:	Yes
		(1) has at least three members, a majority of whom are independent directors; and	Yes
		(2) is chaired by an independent director,	Yes
		and disclose:	
		(3) the charter of the committee;	Yes
		(4) the members of the committee; and	Yes
		(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes
7.2	The board or a committee of the board should:		
	(a)	review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and	Yes
	(b)	disclose, in relation to each reporting period, whether such a review has taken place.	Yes
7.3	A listed entity should disclose:		
	(a)	if it has an internal audit function, how the function is structured and what role it performs.	Yes
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.		Yes
Principle 8: Remunerate fairly and responsibly			
8.1	The board of a listed entity should:		
	(a)	have a remuneration committee which:	Yes
		(1) has at least three members, a majority of whom are independent directors; and	Yes
		(2) is chaired by an independent director,	Yes
		and disclose:	
		(3) the charter of the committee;	Yes
		(4) the members of the committee; and	Yes
		(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		Yes
8.3	A listed entity which has an equity-based remuneration scheme should:		
	(a)	have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	Yes
	(b)	disclose that policy or a summary of it.	Yes

Directors' **Report**

The Directors of MMA Offshore Limited ("Company" or "MMA") present their Directors' Report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2023.

Directors

The names and particulars of the current Company's Directors in office are set out on pages 40 to 41 (including their qualifications, experience and special responsibilities). These Directors held office during the whole of the financial year and since the end of the financial year.

Mr Peter Kennan resigned as a Non-Executive Director of the Company on 19 April 2023.

Directorships of Other Listed Companies

Directorships of other listed companies held by the Directors in the three years immediately before and since the end of the financial year are as follows:

Name	Company	Period of Directorship
Mr I Macliver	Sheffield Resources Limited	Since August 2019
	Western Areas Limited	October 2011- June 2022
	Otto Energy Limited	January 2004 – November 2019
Ms S Murphy	Monadelphous Group Limited	Since June 2019
	RemSense Technologies Limited	Since May 2023
Ms S Langer	Northern Star Resources Limited	Since February 2021
	Sandfire Resources Limited	Since July 2020
	Gold Corporation/The Perth Mint	Since February 2021
	Saracen Mineral Holdings Limited	May 2020 - February 2022

Directors' Shareholdings

The following table sets out each current Director's relevant interest in the securities of the Company as at the date of this report:

Directors	Fully paid ordinary shares direct	Fully paid ordinary shares indirect	Performance rights direct
Mr I Macliver	-	100,000	-
Mr D Ross	457,234	190,758	7,649,560
Mr C G Heng	83,157	-	-
Ms S Murphy	199,200	-	-
Ms S Langer	-	-	-

The Directors do not have any interests in shares, options or rights of any related body corporate of the Company as at the date of this report.

Remuneration of Key Management Personnel

Information about the remuneration of key management personnel is set out in the Remuneration Report section of this Directors' Report on pages 55 to 57. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (i.e. the MMA group), directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Rights Granted to Directors and Senior Management

During and since the end of the financial year, an aggregate of 3,753,504 performance rights were granted to the Managing Director and to the five highest remunerated senior officers of the Company as part of their remuneration:

Name	Number of rights granted	Issuing entity	Number of ordinary shares under rights
Mr D Ross	1,610,375	MMA Offshore Limited	1,610,375
Mr D Cavanagh	618,710	MMA Offshore Limited	618,710
Mr T Muirhead	338,272	MMA Offshore Limited	338,272
Mr S Edgar	481,755	MMA Offshore Limited	481,755
Mr T Radic	480,819	MMA Offshore Limited	480,819
Ms D Garreffa	223,573	MMA Offshore Limited	223,573

Company Secretary

Tim Muirhead was appointed as Company Secretary on 10 January 2022 and held the position at the end of the financial year.

Tim is an Australian qualified lawyer and Fellow of the Governance Institute of Australia with over fifteen years' experience in the provision of corporate and commercial and maritime legal advice as well as advice on matters of governance and compliance.

Tim joined the Company's legal team in November 2009. Prior to joining the Company, Tim commenced his career as a corporate lawyer at a top tier Australian law firm, where he gained exposure to a broad range of corporate and commercial transactions. Tim has also been Senior Legal Counsel at another large ASX listed entity.

Tim holds a Bachelor of Science and Bachelor of Law (with distinction) from the University of Western Australia and a Graduate Diploma of Applied Corporate Governance and Risk Management from the Governance Institute of Australia.

Principal Activities

The principal activities and operations of the consolidated entity during the financial year were the provision of vessels, subsea and project services to the offshore energy, renewables, and wider maritime industries.

There were no significant changes in the nature of the activities of the consolidated entity during the financial year.

Review of Operations

A review of the operations of the consolidated entity during the financial year and the results of those operations are set out in the Chairman's Address and the Managing Director's Report on pages 10-18.

Changes in State of Affairs

The Chairman's Address and the Managing Director's Report (on pages 10-18) set out a number of matters which have had a significant effect on the state of affairs of the consolidated entity. Other than those matters, there was no significant change in the state of affairs of the consolidated entity.

Subsequent Events

The Company entered into a new finance facility with a debt limit of $130M on a non-amortising revolving basis, being A$120M revolving loan facility and A$10M of letter of credit facility. Further details of the new finance facility can be found in the announcement released to the ASX on 10 August 2023.

The Company secured a government contract to manage the vessel RV Investigator on behalf of the CSIRO. The contract is for a period of 4 years (with 2 x 3-year options) and is anticipated to generate approximately $80M in revenue across the firm period. Further details of the new contract can be found in the announcement released to the ASX on 25 August 2023.

Future Developments

In general terms, the Chairman's Address and the Managing Director's Report (on pages 10-18) give an indication of likely developments and the expected results of those operations.

Environmental Regulations

The Company continues to conduct its operations within the parameters of all applicable statutory and subsidiary legislative requirements. There were no known reportable or adverse environmental events for the year ended 30 June 2023.

Dividends

In respect of the financial year ended 30 June 2023 the Directors determined to not pay a dividend in order to maintain sufficient capital to take advantage of growth opportunities and retain the flexibility required to operate in our industry.

Unissued Shares under Rights

Details of unissued shares under rights as at the date of this report are:

Issuing entity	Number of unissued shares under rights	Class of shares	Exercise price of rights $	Vesting date of rights	Notes
MMA Offshore Limited	1,170,356	Ordinary	0.00	1 July 2023	(a)
MMA Offshore Limited	440,129	Ordinary	0.00	1 July 2023	(b)
MMA Offshore Limited	4,616,666	Ordinary	0.00	1 Nov 2023	(c)
MMA Offshore Limited	1,750,001	Ordinary	0.00	31 Dec 2023	(d)
MMA Offshore Limited	1,518,829	Ordinary	0.00	1 July 2024	(e)
MMA Offshore Limited	2,050,414	Ordinary	0.00	1 July 2024	(e)
MMA Offshore Limited	2,925,366	Ordinary	0.00	1 July 2025	(f)

(a) **2020 LTI Performance Rights -** These performance rights vested on 1 July 2023 and have a two-year exercise period to 1 July 2025 (being the expiry date of the performance rights).

(b) **2022 STI Performance Rights -** These performance rights vested on 1 July 2023 and have a two-year exercise period to 1 November 2025 (being the expiry date of the performance rights).

(c) **2020 MD & CFO LTI Performance Rights -** These performance rights vest on 1 November 2023 subject to the performance criteria as detailed in note 5.2 and have a two-year exercise period to 1 November 2025 (being the expiry date of the performance rights).

(d) **2022 Senior Management Retention Performance Rights -** These performance rights vest on 31 December 2023 subject to the employee remaining an employee of the Company (or a subsidiary of the Company) as of 31 December 2023. Vested performance rights have a two-year exercise period to 31 December 2025 (being the expiry date of the performance rights).

(e) **2021 LTI Performance Rights -** These performance rights vest on 1 July 2024 subject to the performance criteria as detailed in note 5.2 and have a two-year exercise period to 1 July 2026 (being the expiry date of the performance rights).

(f) **FY2023 LTI Performance Rights -** These performance rights vest on 1 July 2025 subject to the performance criteria as detailed in note 5.2 and have a two-year exercise period to 1 July 2027 (being the expiry date of the performance rights).

The holders of these performance rights do not have the right, by virtue of the issue of the performance right, to participate in any share issue of the Company.

Shares Issued on Vesting of Rights

- On 5 September 2022, a total of 1,655,164 shares were issued following the vesting of performance rights from the 2019 LTI and 2021 STI; and
- On 11 July 2023, a total of 6,279,135 shares were issued following the vesting of performance rights from the 2020 LTI and 2022 STI.

Insurance and Indemnification of Directors and Officers

During the financial year, the Company paid a premium in respect of a Director's & Officers insurance policy for the Directors and executive officers (including the Company Secretary and former directors) of the Company and of any related body corporate of the Company. The policy provides coverage against liability incurred by individuals acting in their capacity as a Director, Company Secretary or Executive Officer of the Company to the extent permitted by the Corporations Act 2001 (Cth). The relevant contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company's Constitution requires the Company, so far as permitted under applicable law and to the extent the person is not otherwise indemnified, to indemnify each officer of the Company (including former directors) and its wholly owned subsidiaries, and may indemnify its auditors, against a liability incurred as such by an officer or auditor to any person (other than the Company or a related body corporate) including a liability incurred as a result of appointment or nomination by the Company or subsidiary as trustee or as an officer of another corporation, unless the liability arises out of conduct involving a lack of good faith. The Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors of the Company and the Company Secretary and the director of its wholly owned subsidiaries in terms of the indemnity provided under the Company's Constitution.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against any liability incurred in acting in their capacity as such an officer of the Company.

No indemnity payment has been made under any of the documents referred to above during or since the end of the financial year.

Indemnification of Auditors

The Company's external auditor for the 2023 financial year was Grant Thornton Audit Pty Ltd (**Grant Thornton**).

The Company has agreed with Grant Thornton, as part of its terms of engagement, to indemnify Grant Thornton against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from the wilful misconduct or fraudulent act or omission by Grant Thornton.

During the financial year:

- The Company has not paid, or agreed to pay, any premium in relation to any insurance for Grant Thornton or a body corporate related to Grant Thornton;
- No indemnity payment has been made under any of the documents referred to above during or since the end of the financial year; and
- There were no officers of the Company who were former partners or directors of Grant Thornton, whilst Grant Thornton conducted audits of the Company.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a director or Committee member). During the financial year, eight Board meetings, three Audit and Risk Committee meetings and three Nomination and Remuneration Committee meetings were held.

	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
Name	Held	Attended	Held	Attended	Held	Attended
Mr I Macliver	8	8	3	3	3	3
Mr D Ross	8	8	3	3	3	3
Mr CG Heng	8	8	3	3	3	3
Ms S Murphy	8	8	3	3	3	3
Ms S Langer	8	7	3	3	3	3
Mr P Kennan(1)	8	6	3	2	3	1

(1) Mr Kennan resigned as non-executive director on 19 April 2023.

Proceedings on Behalf of the Company

No proceedings have been brought on behalf of the Company, nor has any application been made in respect of the Company, under section 237 of the Corporations Act 2001 (Cth).

Non-Audit Services

During the year, Grant Thornton provided non-audit services related to the Company's tax compliance in jurisdictions outside Australia. Grant Thornton were paid $8,240 in respect of those non-audit services.

During the year, the Company paid Grant Thornton $513,223 for the provision of audit services.

The Directors are satisfied that the provision of non-audit services during the year by the external auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

The Directors are of the opinion that the services as disclosed in note 5.5 to the Financial Statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 62 of this Annual Report.

Rounding Off of Amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report (audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2023.

The Company's Remuneration Report for the 2022 financial year was adopted at the Company's 2022 Annual General Meeting (held on 9 November 2022) with a clear majority of 193,829,493 votes in favour of the motion (representing 94.14% of the votes received).

The Company's key management personnel are those persons who have authority and responsibility for planning, directing, and controlling the activities of the consolidated entity, either directly or indirectly, including any Director (whether executive or otherwise) of the consolidated entity.

The prescribed details for each person covered by this Remuneration Report are detailed below under the following headings:

- Key Management Personnel;
- Remuneration Policy;
- Relationship between the Remuneration Policy and Company Performance;
- Remuneration of Key Management Personnel; and
- Key Terms of Employment Contracts.

Key Management Personnel

The Directors and key management personnel of the consolidated entity during the whole of the financial year and since the end of the financial year were:

Executive Director	Non-Executive Directors
Mr D Ross (Managing Director/CEO)	Mr I Macliver (Chairman)
	Mr C G Heng
	Ms S Murphy
	Ms S Langer

Executive Key Management Personnel
Mr D Cavanagh (Chief Financial Officer)
Mr T Muirhead (Executive General Manager Legal/Company Secretary)

Mr Peter Kennan resigned as a Non-Executive Director of the Company on 19 April 2023.

Remuneration Policy

The Nomination and Remuneration Committee is delegated responsibility by the Board for reviewing the remuneration packages of all Directors and key management personnel on an annual basis and making recommendations to the Board in this regard. The specific responsibilities of the Committee are set out in the Committee's Charter, which can be found on the Corporate Governance page of our website at www.mmaoffshore.com/investor-centre/corporate-governance.

The Company seeks to structure its remuneration to ensure it is market competitive and can attract, retain, and reward key personnel for delivering on the Company's strategy and creating value for shareholders. Remuneration packages are reviewed annually having regard to employment market conditions and comparable industry salaries. The performance of the Company and specific experience and performance of the individual personnel are also considered.

From time to time the Committee engages independent remuneration consultants to provide recommendations in relation to remuneration of Non-Executive Directors and senior management. Whilst no remuneration recommendations were received for the 2023 financial year, the Committee determined it would engage remuneration consultants for the 2024 financial year, the outcome of which will be reported in the 2024 Annual Report.

Having regard to the overall performance of the Company and the current market conditions, the key remuneration outcomes for the Company's Non-Executive Directors and key management personnel in the 2023 financial year are set out below.

Remuneration of Non-Executive Directors

The maximum aggregate fee pool for Non-Executive Directors (which is subject to shareholder approval) is currently set at $950,000 per annum (as approved by shareholders at the Company's Annual General Meeting on 22 November 2012). Non-Executive Directors' fees (inclusive of superannuation) are included within this aggregate fee pool.

Non-Executive Directors are paid fixed fees set at levels which reflect both the responsibilities of, and time commitments required from each Non-Executive Director to discharge their duties. Non-Executive Directors' fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board committee duties, and are in line with the market. In order to preserve their independence, Non-Executive Directors do not receive performance-based remuneration. Other than statutory superannuation, Directors are not entitled to retirement allowances.

During the reporting period the Non-Executive Directors' schedule of fees was reviewed to standardise fees paid for duties on the Board and Committees. This resulted in minor adjustments to the fees of the existing Non-Executive Directors (which are outlined in the table titled "*Key Management Personnel Remuneration*" set out in this report).

During the financial year the Board implemented the following Non-Executive Directors' Fee policy for the financial year (inclusive of superannuation):

Position	Annual Fee
Board Chair Fee	$80,000
Board Director Fee	$80,500
Committee Chair Fee	$9,850
Committee Member Fee	$9,850 (per Committee)
Director of MMA Offshore Asia Pte Ltd and its subsidiaries (on account of additional responsibilities and time commitments involved in relation to this position). This fee is currently paid to Mr Heng.	$9,850

Remuneration of Managing Director and Executive Key Management Personnel

The remuneration of the Managing Director and executive key management personnel has three components, being, a Fixed Annual Remuneration (FAR), Short-Term Incentive (STIP) and Long-Term Incentive (LTIP). Details of these components are set out below:

No.	Remuneration Component	Details
1.	Fixed Annual Remuneration (FAR)	• The FAR comprises of base salary and superannuation. • In setting the FAR, consideration is given to current market rates and industry benchmarking against appropriate comparator groups (including the median market rates within the sector and industry peers), current market conditions, Company performance and individual performance. • For the 2023 financial year the Managing Director and other executive key management personnel received a 4% increase in their FAR having regard to market conditions and inflation (with CPI rising 6.1% over the 12 months to June 2022 (ABS Release 27/07/22)).
2.	Short-term Incentive (STIP)	• The STIP is an "at-risk" component of remuneration designed to reward management for achieving financial and safety targets over a 12-month period. • The targets are set by the Board to align management's interests with those of the shareholders, with the intention of increasing shareholder value. • The invitation to participate in the STIP is at the absolute discretion of the Board and is subject to such conditions which the Board may prescribe from time to time. *FY2023 STIP* • The Board issued an FY2023 STIP to the Managing Director, executive key management personnel and other senior managers for the 2023 financial year. The FY2023 STIP was payable either in cash or shares at the absolute discretion of the Board (subject to targets being achieved). • At the Company's 2022 Annual General Meeting the Company's Shareholders approved (by a clear majority) the issue of up to 647,751 FY2023 STIP Performance Rights to the Managing Director (subject to the targets being achieved and the Board exercising its discretion to issue the FY2023 STIP in shares). As disclosed in the Explanatory Memorandum to the Notice of Meeting, the Company prescribed a value of $0.578 for each FY2023 STIP performance right – being the 30-day volume weighted average price of the Company's shares up to the commencement of the performance period for the FY2023 STIP (being 1 July 2022). • The performance criteria for the FY2023 STIP related to: – Group EBIT Targets (80% weighting) - set ensure that the remuneration of key management personnel is directly linked to the achievement of positive financial returns for the business; and – Group Safety Targets (20% weighting) - set to ensure that key management personnel continue to prioritise safety in all aspects of the Company's operations and business. • Pleasingly the Group Safety Targets were achieved and further, given the Company's solid performance for the 2023 financial year, the Group EBIT targets were exceeded. As a result the executive key management personnel achieved the maximum FY2023 STIP entitlement. • Having exercised its discretion, the Board has decided that for the Managing Director and executive key management personnel the FY2023 STIP would take the form of performance rights (which are not yet issued) which will convert into an ordinary, fully paid shares in the Company upon completion of an additional 12-months of service by the participant (i.e. they will vest on 1 July 2024). The Board considered that the deferred vesting of these performance rights provides the Company with an additional retention benefit with respect to the key management personnel.
3.	Long-term Incentive Plans (LTIP)	• The LTIP is an "at-risk" component of remuneration designed to reward performance against the achievement of key performance targets over a three-year period. • The LTIP also aims to retain and suitably incentivise executives, as well as aligning their long-term interests with those of shareholders. • Under the LTIP the Company grants performance rights, which (subject to achievement of the specified performance targets set by the Board) vest and convert into ordinary, fully paid shares in the Company.

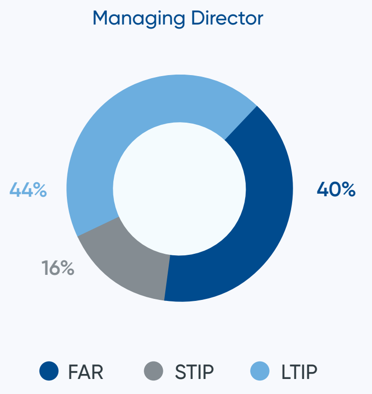
No.	Remuneration Component	Details
3.	Long-term Incentive Plans (LTIP)	*FY2023 LTIP Performance Rights* • The Board issued an FY2023 LTIP for the Managing Director and key management personnel for the 2023 financial year. • At the Company's 2022 Annual General Meeting the Company's Shareholders approved (by a clear majority) the issue of up to 1,170,246 FY2023 LTIP Performance Rights to the Managing Director (subject to the targets being achieved). • The FY2023 LTIP Performance Rights have a 3-year performance period (beginning on 1 July 2022 and ending on 30 June 2025). • Each performance right converts to an ordinary, fully paid share in the Company upon vesting. • As disclosed in the Explanatory Memorandum to the Notice of Meeting, the Company prescribed a value of $0.58 for each FY2023 LTIP performance right contingent upon retention and a value of $0.354 for each FY2023 LTIP performance right contingent upon the share price hurdle. This is the fair value of the performance rights at the beginning of the FY2023 LTIP performance period (1 July 2022) as calculated by an independent valuation firm. • For the Managing Director and other key management personnel, the FY2023 LTIP Performance Rights performance criteria are set out in the table below:

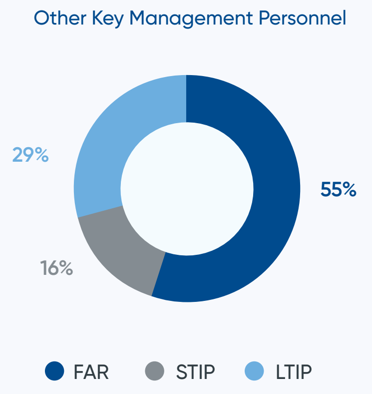
LTIP Performance Criteria (Percentage of LTIP Subject to Performance Criteria)	Performance Criteria Targets
Share Price Target (87%)	**0% vesting** if Company's share price is less than $0.75 at the end of the LTIP Performance Period. **60% vesting** if Company's share price is equal to $0.75 at the end of the LTIP Performance Period. **Pro-rata vesting** (on a straight-line basis) if Company's share price is greater than $0.75 but less than $1.05 at the end of the LTIP Performance Period. **100% vesting** if Company's share price is $1.05 or greater at the end of the LTIP Performance Period.
Retention Criteria (13%)	**100% vesting** if the employee remains employed by the Company (or a wholly owned subsidiary of the Company) on 30 June 2025

		Managing Director Retention Incentive • The retention of key personnel has become a significant issue facing the Company. This is largely due to the extremely competitive employment market conditions being experienced in both Australia and internationally. Within Western Australia, the Company competes for personnel against the mining industry which continues to attract professionals away from other sectors with lucrative remuneration and retention packages. The Company was directly impacted by this during the 2022 financial year losing two of its executive leadership team to the mining sector. • In order to mitigate against the disruption that can result from key personnel turnover, the Board felt it appropriate to introduce a retention incentive package for the Managing Director in order to incentivise the Managing Director to remain with the Company and further deliver on the Company's strategy. • At the Company's 2022 Annual General Meeting the Company's Shareholders approved (by a clear majority) the issue of up to 628,188 Retention Incentive Performance Rights to the Managing Director (subject to the retention condition being met and the Board exercising its discretion to issue the retention incentive in shares). As disclosed in the Explanatory Memorandum to the Notice of Meeting, the Company prescribed a value of $0.596 for each retention performance right – being the 30-day volume weighted average price of the Company's shares up to the date the Board resolved to issue the retention performance rights to Mr Ross. • As the Shareholders have approved the issue of performance rights, the retention incentive is payable either in cash or performance rights (up to a maximum of 628,188) at the Board's discretion if the Managing Director remains employed by the Company (or a wholly owned subsidiary of the Company) on 31 December 2023. • Each performance right converts into an ordinary, fully paid share in the Company upon vesting.

Allocation of Executive Remuneration between Fixed and Variable Remuneration

The allocation of total executive remuneration between fixed and variable remuneration for the 2023 financial year was as follows:





Relationship between the Remuneration Policy and Company Performance

The table below summarises information about the Company's earnings for the 2023 financial year and the Company's earnings and year end share price movements for the five years to 30 June 2023. The Company's performance is a key consideration for the Nomination and Remuneration Committee when setting remuneration packages.

	30 June 2023 $'000	30 June 2022 $'000	30 June 2021 $'000	30 June 2020 $'000	30 June 2019 $'000
Revenue	308,265	283,766	237,507	273,011	239,259
Net profit/(loss) before tax	130,493	34,860	3,362[2]	(93,657)[2]	(35,879)[2]
Net profit/(loss) after tax	127,695	33,830	2,391	(94,187)	(37,373)
Share price at start of the year	$0.56	$0.425	$0.065	$0.18	$0.25
Share price at end of the year	$1.15	$0.56	$0.425[3]	$0.065	$0.18
Interim dividend	0cps	0cps	0cps	0cps	0cps
Final dividend	0cps	0cps	0cps	0cps	0cps
Basic earnings per share	34.80cps	9.21cps	0.87cps	(10.44cps)	(4.36cps)
Diluted earnings per share	32.90cps	8.91cps	0.86cps	(10.44cps)	(4.36cps)
3-year compound annual TSR[1]	27%	(32%)	(45%)	(24%)	(16%)

(1) TSR comprises share price growth and dividends.

(2) There was an impairment reversal against the carrying value of the Company's assets as at 30 June 2023 of $80.3 million [2022: $35.3 million impairment reversal; 2021: nil; 2020: $57.7 million impairment charge; 2019: $10.4 million impairment charge].

(3) The share price at the end of the year is post the 1-for-10 share consolidation effected by the Company on 11 February 2021.

Remuneration of Key Management Personnel

In this Annual Report remuneration outcomes are presented based on the requirements of accounting standards (which has the benefit of being readily comparable with other companies) rather than the actual "take-home" pay received by key management personnel (being cash, other benefits and the value of equity vesting during the relevant financial year).

An example of this includes LTIP awards which are recognised and accounted for over the performance period (three years) based on their assessed value when originally granted to the executive. This may be significantly different to their value, if and when the incentive vests to that executive.

The following tables disclose:

(A) The actual remuneration of the Directors and other key management personnel of the Company for the 2023 financial year (i.e. the actual "take-home" pay received by key management personnel for the 2023 financial year); and

(B) The statutory presentation of the remuneration of the Directors and other key management personnel of the Company for the 2023 financial year and for the previous financial year based on the requirements of accounting standards.

(A) Key Management Personnel Remuneration (Actual)

	Short-term employee benefits			Post-employment benefits			Share based payments	Total
2023	Salary & fees $	Cash Bonus $	Non-monetary $	Superannuation $	Termination $	Annual/Long Service Leave Payout $	Rights[1] $	$
Directors								
Mr I Macliver	163,028	-	-	17,118	-	-	-	180,146
Mr D Ross	722,400	-	-	25,246	-	-	198,260	945,906
Mr P Kennan[2]	84,743	-	-	-	-	-	-	84,743
Mr CG Heng	113,404	-	-	6,889	-	-	-	120,293
Ms S Murphy	99,576	-	-	10,455	-	-	-	110,031
Ms S Langer	95,422	-	-	4,759	-	-	-	100,181
Key Management Personnel								
Mr D Cavanagh	393,077	-	-	27,500	-	-	99,608	520,185
Mr T Muirhead	296,631	-	-	25,246	-	-	27,200	349,077
Total	1,968,281	-	-	117,213	-	-	325,068	2,410,563

(1) The value of the rights vested to key management personnel as part of their remuneration is calculated as at the vesting date using the market price at date of vesting.

(2) Mr P Kennan resigned as a Non-Executive Director on 19 April 2023.

(B) Key Management Personnel Remuneration (Statutory Presentation)

2023	Short-term employee benefits Salary & fees $	STIP[2] $	Non-monetary[2] $	Post-employment benefits Superannuation $	Termination $	Annual/Long Service Leave Payout $	LTIP Share based payments Rights[1] $	Total $
Directors								
Mr I Macliver	163,028	-	-	17,118	-	-	-	180,146
Mr D Ross	722,400	314,397	-	25,246	-	12,481	848,663	1,923,187
Mr P Kennan[3]	84,743	-	-	-	-	-	-	84,743
Mr CG Heng	113,404	-	-	6,889	-	-	-	120,293
Ms S Murphy	99,576	-	-	10,455	-	-	-	110,031
Ms S Langer	95,422	-	-	4,759	-	-	-	100,181
Key Management Personnel								
Mr D Cavanagh	393,077	147,441	-	27,500	-	19,561	313,573	901,152
Mr T Muirhead	296,631	80,612	-	25,246	-	14,578	97,270	514,422
Total	1,968,281	542,450	-	117,213	-	46,620	1,259,506	3,934,070

2022	Short-term employee benefits Salary & fees $	STIP[2] $	Non-monetary $	Post-employment benefits Superannuation $	Termination $	Annual/Long Service Leave $	LTIP Share based payments Rights[1] $	Total $
Directors								
Mr I Macliver	163,636	-	-	16,364	-	-	-	180,000
Mr D Ross	623,468	192,710	14,197	15,138	-	10,644	290,439	1,146,596
Mr P Kennan[3]	100,127	-	-	-	-	-	-	100,127
Mr CG Heng	111,491	-	-	7,258	-	-	-	118,749
Ms S Murphy	99,983	-	-	9,998	-	-	-	109,981
Ms S Langer	91,024	-	-	9,102	-	-	-	100,126
Key Management Personnel								
Mr D Cavanagh	381,603	100,749	-	27,500	-	-	140,919	650,771
Mr D Roberts[4]	190,594	-	6,723	13,416	-	3,101	(47,338)	166,496
Mr T Muirhead[4]	136,560	63,880	-	10,606	-	-	32,299	243,345
Total	1,898,486	357,339	20,920	109,382	-	13,745	416,319	2,816,191

(1) The value of the rights granted to key management personnel as part of their remuneration is calculated as at the grant date using the Monte Carlo method. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from the grant date to the vesting date (i.e. three years).

(2) STIP amounts are paid through performance rights.

(3) Mr P Kennan resigned as a Non-Executive Director on 19 April 2023.

(4) Mr D Roberts ceased to be Company Secretary on 10 January 2022; Mr T Muirhead was appointed as Company Secretary on 10 January 2022.

The table below sets out the relative proportions of the elements of statutory remuneration of key management personnel that are linked to performance:

	Fixed Remuneration 2023	Fixed Remuneration 2022	Remuneration linked to Performance 2023	Remuneration linked to Performance 2022
Non-Executive Directors				
Mr I Macliver	100%	100%	0%	0%
Mr CG Heng	100%	100%	0%	0%
Mr P Kennan[1]	100%	100%	0%	0%
Ms S Murphy	100%	100%	0%	0%
Ms S Langer	100%	100%	0%	0%
Executive Directors				
Mr D Ross	40%	58%	60%	42%
Key Management Personnel				
Mr D Cavanagh	49%	63%	51%	37%
Mr T Muirhead	65%	60%	35%	40%

(1) Mr P Kennan resigned as a Non-Executive Director on 19 April 2023.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

During the financial year, the following rights schemes were in existence:

Series	Number issued	Grant date	Vesting date	Exercise price $	Fair value at grant date $	Expiry date (for vested rights)
2019 Senior Management LTI Performance Rights (a)	1,846,954	29 Nov 2020	1 Jul 2022	0.00	0.16	1 Jul 2024
2019 Managing Director LTI Performance Rights (a)	351,145	21 Nov 2019	Did not vest	0.00	0.16	1 Jul 2024
2020 Senior Management LTI Performance Rights (MD and CFO) (b)	1,758,356	28 Jan 2021	1 Jul 2023	0.00	0.14	1 Jul 2025
2020 Senior Management LTI Performance Rights (b)	4,905,329	28 Jan 2021	1 Jul 2023	0.00	0.20	1 Jul 2025
2020 MD & CFO LTI Performance Rights (c)	4,616,666	28 Jan 2021	1 Nov 2023	0.00	0.17	1 Nov 2025
2021 Staff STI Performance Rights (d)	329,000	30 Sept 2021	1 July 2022	0.00	0.38	1 July 2024
2021 Senior Management STI Performance Rights (e)	1,297,904	24 Sept 2021	1 July 2022	0.00	0.38	1 July 2024
2021 MD STI Performance Rights (f)	172,400	10 Nov 2021	1 July 2022	0.00	0.38	1 July 2024
2021 MD LTI Performance Rights (g)	1,518,829	10 Nov 2021	1 July 2024	0.00	0.20	1 July 2026
2021 Executive Management LTI Performance Rights (h)	2,050,414	23 Dec 2021	1 July 2024	0.00	0.23	1 July 2026
2022 Senior Management Retention Performance Rights (i)	1,750,001	30 May 2022	31 Dec 2023	0.00	0.56	31 Dec 2025
2022 Senior Management STI Performance Rights (j)	3,032,591	25 Nov 2022	1 July 2023	0.00	0.578	1 July 2025
FY2023 Senior Management LTI Performance Rights (k)	2,925,366	25 Nov 2022	1 July 2025	0.00	0.517	1 July 2027

(a) **2019 Senior Management and MD LTI Performance Rights;** On 1 July 2022, 133,993 of these performance rights vested and were converted into ordinary shares in the Company. The remaining performance rights lapsed.

(b) **2020 Senior Management LTI Performance Rights;** On 1 July 2023, 4,857,029 of these performance rights vested. 470,947 performance rights did not vest and lapsed. On 11 July 2023, 3,686,673 of the vested performance rights were converted into ordinary shares in the Company. The outstanding vested performance rights must be converted to ordinary shares in the Company within a two-year period from the vesting date (i.e. by 1 July 2025) or such other time as determined by the Board in its sole and absolute discretion.

(c) **2020 MD & CFO LTI Performance Rights;** In accordance with the terms of the MMA Offshore Limited Performance Rights Plan – 2020 (issued by the Board on 4 March 2021 and as approved by the shareholders at the Company's Annual General Meeting on 28 January 2021) the number of Retention Incentive Performance Rights which vest in favour of the Managing Director and Chief Financial Officer on 1 November 2023 will depend on the Company achieving the Share Price Target as set out in note 5.2 of the Financial Statements (70% weighting) and the Retention Criteria (30% weighting) as set out in note 5.2 of the Financial Statements. Any vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 1 November 2025) or such other time as determined by the Board in its sole and absolute discretion.

(d) **2021 Staff STI Equity Performance Rights;** On 1 July 2022, 284,256 of these performance rights vested and were converted into ordinary shares in the Company. The remaining performance rights lapsed.

(e) **2021 Senior Management STI Performance Rights;** On 1 July 2022, 1,236,915 of these performance rights vested and were converted into ordinary shares in the Company. The remaining performance rights lapsed.

(f) **2021 Managing Director STI Performance Rights;** On 1 July 2022, 172,400 of these performance rights vested and were converted into ordinary shares in the Company (as approved by the Shareholders at the Company's Annual General Meeting on 10 November 2021).

(g) **2021 Managing Director LTI Performance Rights;** In accordance with the terms of the MMA Offshore Limited Performance Rights Plan – 2021 (as approved by the shareholders at the Company's Annual General Meeting on 10 November 2021) the number of LTIP Performance Rights which will vest in favour of the Managing Director on 1 July 2024 will depend on the Share Price Target (100% weighting) as set out in note 5.2 of the Financial Statements. Any vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 1 July 2026) or such other time as determined by the Board in its sole and absolute discretion.

(h) **2021 Executive Management LTI Performance Rights;** In accordance with the terms of the MMA Offshore Limited Performance Rights Plan – 2021 (as approved by the shareholders at the Company's Annual General Meeting on 10 November 2021) the number of 2021 Executive Management LTIP Performance Rights which vest in favour of the Key Management Personnel and other Senior Managers on 1 July 2024 will depend on the Company achieving the Share Price Target (70% weighting) and the Retention Criteria (30% weighting) as set out in note 5.2 of the Financial Statements. Any vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 1 July 2026) or such other time as determined by the Board in its sole and absolute discretion.

(i) **2022 Senior Management Retention Performance Rights;** In accordance with the terms of the MMA Offshore Limited Performance Rights Plan – 2021 (as approved by the shareholders at the Company's Annual General Meeting on 10 November 2021) the Retention Incentive Performance Rights were issued to motivate and retain senior management personnel within the Company. The Performance Rights only vest in favour of an employee who remains employed by the Company or a wholly owned subsidiary of the Company on 31 December 2023 (100% Retention Criteria). Any vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 31 December 2025) or such other time as determined by the Board in its sole and absolute discretion.

(j) **2022 Senior Management STI Performance Rights;** On 1 July 2023, 3,032,591 of these performance rights vested. On 11 July 2023, 2,592,462 of the vested performance rights were converted into ordinary shares in the Company. The outstanding vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 1 July 2025) or such other time as determined by the Board in its sole and absolute discretion.

(k) **FY2023 Senior Management LTI Performance Rights;** In accordance with the terms of the MMA Offshore Limited Performance Rights Plan – 2022 (as approved by the shareholders at the Company's Annual General Meeting on 9 November 2022) the number of 2023 Senior Management LTIP Performance Rights which vest in favour of the Key Management Personnel and other Senior Managers on 1 July 2025 will depend on the Company achieving the Share Price Target (80% weighting) and the Retention Criteria (20% weighting) as set out in note 5.2 of the Financial Statements. Any vested performance rights must be exercised within a two-year period from the vesting date (i.e. by 1 July 2027) or such other time as determined by the Board in its sole and absolute discretion.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

The following share-based payments were granted as compensation to the Managing Director and key management personnel during the current financial year:

Name	Series	Grant Date	Number granted	Number vested[1]	% of grant vested	% of grant forfeited	% of compensation for the year consisting of share-based payment
Mr D Ross	2022 STIP 2023 LTIP	25 Nov 2022 25 Nov 2022	440,129 1,170,246	0	0	0	60%
Mr D Cavanagh	2022 STIP 2023 LTIP	25 Nov 2022 25 Nov 2022	234,723 383,987	0	0	0	51%
Mr T Muirhead	2022 STIP 2023 LTIP	25 Nov 2022 25 Nov 2022	128,332 209,940	0	0	0	34.6%

[1] The 2022 STIP performance rights vested after the 2023 financial year on 1 July 2023.

During the financial year, the following key management personnel exercised performance rights that were granted to them as part of their compensation. Each performance rights converted to one ordinary share in the MMA Offshore Limited.

Name	Number of performance rights exercised	Number of ordinary shares of the Company issued	Amount paid
Mr D Ross	172,400	172,400	nil
Mr D Cavanagh	86,616	86,616	nil
Mr T Muirhead	23,652	23,652	nil

The following table summarises the value of performance rights to key management personnel which were granted or vested during the financial year as part of their remuneration:

Name	Value of rights granted at grant date $	Value of rights vested at vesting date $
Mr D Ross	1,135,314	198,260
Mr D Cavanagh	436,191	99,608
Mr T Muirhead	238,482	27,200

The following table summarises the performance rights that lapsed during the financial year in relation to performance rights granted to key management personnel as part of their remuneration:

Name	Financial year in which performance rights were granted	No. of performance rights which lapsed during the current year
Mr D Ross	2019	351,145
Mr D Cavanagh	2019	170,800
Mr T Muirhead	2019	28,195

Director and Key Management Personnel Equity Holdings

Details of the fully paid ordinary shares of the Company held by Directors and key management personnel are as follows:

2023	Balance at 1 July 2022	Granted as compensation	Received on vesting of Performance Rights	Net other change	Balance at 30 June 2023	Balance held nominally
Mr I Macliver	100,000	-	-	-	100,000	-
Mr CG Heng	83,157	-	-	-	83,157	-
Ms S Murphy	100,000	-	-	99,200	199,200	-
Ms S Langer	-	-	-	-	-	-
Mr P Kennan[1]	29,706,815	-	-	(29,706,815)	-	-
Mr D Ross	475,593	-	172,400	-	647,993	-
Mr D Cavanagh	6,521	-	86,616	(43,308)	49,829	-
Mr T Muirhead	-	-	23,652	(11,826)	11,826	-

[1] Mr P Kennan resigned as Non-Executive Director on 19 April 2023.

2022	Balance at 1 July 2021	Granted as compensation	Received on vesting of Performance Rights	Net other change	Balance at 30 June 2022	Balance held nominally
Mr I Macliver	100,000	-	-	-	100,000	-
Mr CG Heng	83,157	-	-	-	83,157	-
Ms S Murphy	-	-	-	100,000	100,000	-
Ms S Langer	-	-	-	-	-	-
Mr P Kennan[1]	29,706,815	-	-	-	29,706,815	29,706,815
Mr D Ross	475,593	-	-	-	475,593	-
Mr D Cavanagh	6,521	-	-	-	6,521	-
Mr T Muirhead[2]	-	-	-	-	-	-

[1] Mr P Kennan resigned as Non-Executive Director on 19 April 2023.

[2] Appointed as Company Secretary on 10 January 2022.

The Company has policy requiring Non-Executive Directors to accumulate a minimum shareholding in the Company. Directors are expected to accumulate (over a period of five years from their appointment date) shares in the Company equal in value to the annual fees payable by the Company to the Non-Executive Director (excluding committee fees). Notwithstanding the minimum holding expectation, the policy is not intended to financially disadvantage Non-Executive Directors and it is recognised that exceptional circumstances may require Non-Executive Directors to sell and hold less than the minimum requirement from time to time.

Details of the performance rights held by key management personnel are as follows:

2023 KMP	Balance at 1 July 2022	Granted as compensation	Exercised	Net other change (lapsed)	Balance at 30 June 2023	Vested and exercisable	Vested but not exercisable	Rights vested during year
Mr D Ross	6,562,730	1,610,375	(172,400)	(351,145)	7,649,560	-	-	172,400
Mr D Cavanagh	3,054,939	618,710	(86,616)	(170,800)	3,416,233	-	-	86,616
Mr T Muirhead	543,209	338,272	(23,652)	(28,195)	829,634	-	-	23,652

2022 KMP	Balance at 1 July 2021	Granted as compensation	Exercised	Net other change (lapsed)	Balance at 30 June 2022	Vested and exercisable	Vested but not exercisable	Rights vested during year
Mr D Ross	5,031,527	1,691,229	-	(160,026)	6,562,730	-	-	-
Mr D Cavanagh	2,132,949	1,029,473	-	(107,483)	3,054,939	-	-	-
Mr T Muirhead[1]	-	370,029	-	-	543,209	-	-	-

[1] Appointed as Company Secretary on 10 January 2022.

All performance rights issued to key management personnel during the financial year were made in accordance with the terms of the respective employee performance rights plans.

Further details of the share-based payment arrangements during the 2023 and 2022 financial years are contained in note 5.2 of the Financial Statements.

Share Trading Restrictions

The Company's Share Trading Policy requires key management personnel and other designated employees to obtain written approval before dealing in the Company's shares and prohibits any trading during restricted periods. Any breach of the Share Trading Policy is taken seriously by the Company and may be subject to disciplinary action, including possible termination of a person's employment or appointment. A copy of the Company's Share Trading Policy can be found on the Corporate Governance page of the Company's website at www.mmaoffshore.com/investor-centre/corporate-governance.

Key Terms of Employment Contracts

As at the date of this report, the Managing Director and other key management personnel are all employed by the Company under an employment contract, none of which are of fixed-term duration.

These employment contracts may be terminated by either party giving the required notice and subject to termination payments as detailed in the table below:

Name	Termination notice period	Termination benefits payable
Mr D Ross	6 months	Yes[1]
Mr D Cavanagh	24 weeks	Yes[2]
Mr T Muirhead	12 weeks	No

[1] If the employee is made redundant because of a material diminution in the nature and level of responsibilities or functions of the employee's position including, without limitation, through a change in control of the Company, the employee will be entitled to an aggregate payment equivalent to the maximum amount that may be paid to the employee under the Corporations Act and ASX Listing Rules without prior shareholder approval.

[2] If the employee is made redundant because of a material diminution in the nature and level of responsibilities or functions of the employee's position including, without limitation, through a change in control of the Company, the employee will be entitled to a payment equal to 0.5 times the Fixed Annual Remuneration in the relevant year (excluding any short-term incentives or long-term incentives).

Under these employment contracts, the remuneration package for the Managing Director and other key management personnel consists of an annual base salary and statutory superannuation contributions. Participation in the Company's incentive schemes is at the absolute discretion of the Board.

Loans to Key Management Personnel

There were no loans to key management personnel during the 2023 financial year.

Other transactions with Key Management Personnel

There were no other transactions with key management personnel during the 2023 financial year.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act* 2001 (Cth).

On behalf of the Directors,

Ian Macliver
Chairman
Perth, 28 August 2023

Grant Thornton Audit Pty Ltd
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Perth WA 6000
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Auditor's Independence Declaration

To the Directors of MMA Offshore Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of MMA Offshore Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner - Audit & Assurance

Perth, 28 August 2023

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Independent Auditor's Report

To the Members of MMA Offshore Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of MMA Offshore Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Impairment reversal of Vessel Cash Generating Unit – refer to Note 3.6	
The Group's vessel fleet valuation is a significant component of property, plant, and equipment. The Group report the vessel fleet as a separate Cash-Generating Unit (CGU) that is recognised at fair value. Historically, poor market conditions resulted in significant impairments. With recent improvements in market conditions identified, impairment reversals have been recognised based on valuations of the vessels as prepared by management's independent experts. Management engaged an external expert to determine the fair value of each vessel held by the Group. The valuation process included an en bloc discount that reduces the fair value of a vessel to reflect the amount which would be achieved if the fleet was disposed of in a single transaction. The above process requires Management to consider estimates and judgements to reach a conclusion on the fair value ascribed to the Group's vessels. The valuation is considered a key audit matter to the value of vessels reported and significant estimates and judgements applied by management applying the fair value less cost of disposal (FVLCOD) method. Our procedures focused on evaluation of the following estimates and judgements: • determination of the appropriateness of the GCU assessment; • the fair value approach utilised for each vessel; • the application of an 'en bloc' discount to the vessel fleet; and • the determination that the FVLCOD value was in excess of the Value in Use (VIU), therefore the most appropriate valuation technique to be applied. The above process requires Management to consider estimates and apply judgement to reach a conclusion.	Our procedures included, amongst others: • Performing walkthroughs on the processes and controls surrounding the evaluation of the recoverability of the Vessel CGU; • Assessing Management's indicators of impairment in accordance with AASB 136 *Impairment of Assets*, and reviewing the supporting information from internal and external sources; • Assessing Management's determination of the Vessel as a single CGU; • Discussing with the external experts engaged by Management over the methodology used in the valuation and the en bloc discount, including assessing the experts' competency and objectivity; • Reviewing the external valuation to assess the appropriateness of the methodology and the assumptions used; • Comparing actual and prior year sales prices of vessels, including en bloc discount and selling costs, as well as similar vessels sale from other companies during the reporting period to evaluate the reasonableness of the external valuation; • Obtaining management's reconciliation of the vessels, review for any unusual items and reconciliation to the general ledger; • Assessing Management's determination of the recoverable value of the Vessel CGU when applying the VIU; • Engaging with our auditor's Corporate Finance experts to assist in reviewing the reasonableness of the impairment model inputs and assumptions used, especially the WACC and overall completeness of the model; • Inquiring Management in relation to forecasting assumptions within the VIU model and comparing to approved budgets, as well as corroboration of the growth rate to secured contracts and review of announcements; • Challenging Management's ability to forecast in performing a lookback analysis of prior year projected revenue to actuals; • Performing sensitivity analysis on key assumptions, such as revenue, growth rates and discount rates to ensure there is appropriate headroom; and • Reviewing the appropriateness of related disclosures within the financial statements.

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Carrying value of the Subsea Cash Generating Unit – refer to Note 3.6	
In accordance with AASB 136 *Impairment of Assets*, Management completed an impairment assessment at balance date for the Subsea Cash Generating Unit (CGU). Management prepares a VIU model to estimate the recoverable amount of the Subsea CGU. A VIU assessment involves a combination of estimates and judgements including: • Determination of cash inflows and outflows; • Discount rate; and • Terminal value. This area is a key audit matter due to the estimates and judgements required specific valuation expertise and analysis.	Our procedures included, amongst others: • Performing walkthroughs on the processes and controls surrounding the evaluation of the recoverability of the Subsea CGU; • Assessing Management's determination of the recoverable of the Subsea CGU when applying the VIU; • Inquiring Management in relation to forecasting assumptions within the VIU model and comparing to approved budgets, as well as corroboration of the growth rate to secured contracts and review of market announcements; • Challenging Management's ability to forecast in performing a look-back analysis of prior year projected revenue to actuals; • Performing sensitivity analysis on key assumptions, such as revenue, growth rates and discount rates to ensure there is appropriate headroom; and • Reviewing the appropriateness of related disclosures within the financial statements.
Revenue recognition and related costs – refer to Note 2.2	
Given the nature and timing of revenue contracts, and the associated contract liabilities, Management judgement is required in determining when revenue over time is recognised in accordance with AASB 15 *Revenue from Contracts with Customers.* There is also an increased risk in the accuracy of revenue recognition due to the estimates and judgements within contracts in relation to estimates to complete. The Group record revenue from multiple streams that have separate and distinct elements relating to revenue recognition and processes. We have separately reviewed individual revenue stream which have been divided into the following categories consistent to our understanding: • Vessels; • Subsea; and • Project logistics. This area is a key audit matter due to the level of estimation and management judgement required to determine the revenue recognised from each contract.	Our procedures included, amongst others: • Understanding and documenting the design of internal controls and their operational effectiveness over revenue recognition process through testing a sample for each revenue stream; • Involving our IT Specialist team to review and understand the IT environment's processes and information processing; • Reviewing a sample of contracts for vessels and subsea streams and underlying obligations to consider and evaluate the key inputs required to determine revenue recognition; • Reviewing sales recorded near period end and performing specific tests of cut-off for "open" project revenue for subsea as at 30 June 2023 in line with AASB 15; • Challenging Management's estimates regarding timing and recoverability of revenue are appropriate; and • Assessing the adequacy of the Group's AASB 15 disclosures in the financial statements.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 50 to 61 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of MMA Offshore Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 28 August 2023

Directors' **Declaration**

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached Financial Statements are in compliance with International Financial Reporting Standards, as stated in note 1.1 to the Financial Statements;

(c) in the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001 (Cth).

At the date of this declaration, the Company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company, which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in note 1.2 to the Financial Statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001 (Cth).

On behalf of the Directors,

Ian Macliver
Chairman
Perth, 28 August 2023

Financial Report 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended of 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue	2.2	308,265	283,766
Finance income		1,886	82
Gain on disposal of shipyard	3.17	22,919	-
Other income	2.3	3,084	4,948
Share of results of associate	3.7	(1,284)	(248)
Vessel expenses		(175,205)	(149,940)
Subsea expenses		(84,081)	(65,667)
Project Logistics expenses		(3,324)	(56,954)
Administration expenses		(15,359)	(10,048)
Impairment reversal	3.6	80,337	35,304
Finance costs	2.3	(6,745)	(6,383)
Profit before tax		130,493	34,860
Income tax expense	2.5	(2,798)	(1,030)
Profit for the Year		127,695	33,830
Other Comprehensive Income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		12,288	21,228
Gain/(Loss) on hedge of net investment in a foreign operation		(1,679)	(4,920)
Foreign exchange differences reclassified to profit or loss	3.17	(1,305)	-
Other comprehensive income for the year, net of tax		9,304	16,308
Total comprehensive income for the Year		136,999	50,138
Profit/(loss) for the year attributable to:			
Equity holders of the parent		127,814	33,393
Non-controlling interests	4.3	(119)	437
		127,695	33,830
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		137,100	49,712
Non-controlling interests	4.3	(101)	426
		136,999	50,138

		Cents Per Share	Cents Per Share
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders of the parent	2.4	34.80	9.29
Diluted, profit for the year attributable to ordinary equity holders of the parent	2.4	32.90	8.91

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 $'000	2022 $'000
Current Assets			
Cash and cash equivalents	3.1	106,346	73,864
Trade and other receivables	3.2	84,190	63,536
Inventories	3.3	2,170	1,696
Prepayments		4,538	8,166
Total Current Assets		197,244	147,262
Non-Current Assets			
Property, plant and equipment	3.4	431,442	370,338
Right-of-use assets	3.5	9,722	9,520
Investment in associate	3.7	480	1,782
Loan to associate	3.8	5,687	6,515
Intangibles	3.9	6,302	560
Total Non-Current Assets		453,633	388,715
Total Assets		650,877	535,977
Current Liabilities			
Trade and other payables	3.10	53,408	43,136
Contract liabilities	3.11	5,175	12,256
Borrowings	3.12	5,500	12,500
Lease liabilities	3.13	4,842	3,055
Provisions	3.14	12,191	14,431
Current tax liabilities		2,628	305
Total Current Liabilities		83,744	85,683
Non-Current Liabilities			
Borrowings	3.12	75,818	102,919
Lease liabilities	3.13	5,263	6,455
Provisions	3.14	63	31
Deferred tax liabilities	3.15	144	140
Total Non-Current Liabilities		81,288	109,545
Total Liabilities		165,032	195,228
Net Assets		485,845	340,749
Equity			
Issued capital	4.1	746,615	742,265
Reserves	4.2	154,270	141,484
Accumulated losses		(415,317)	(543,377)
Equity attributable to equity holders of the parent		485,568	340,372
Non-controlling interest	4.3	277	377
Total Equity		485,845	340,749

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended of 30 June 2023

Year Ended 30 June 2023	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Equity Holders of Parent $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 July 2022	742,265	4,787	(61,431)	198,128	(543,377)	340,372	377	340,749
Profit for the year	-	-	-	-	127,814	127,814	(119)	127,695
Other comprehensive income/(loss) for the year	-	-	(1,679)	10,719	246	9,286	18	9,304
Total Comprehensive Income/(Loss) for the Year	-	-	(1,679)	10,719	128,060	137,100	(101)	136,999
Subcon acquisition – share issue	4,350	-	-	-	-	4,350	-	4,350
Recognition of share-based payments	-	3,746	-	-	-	3,746	-	3,746
Balance at 30 June 2023	746,615	8,533	(63,110)	208,847	(415,317)	485,568	277	485,845

Year Ended 30 June 2022	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Equity Holders of Parent $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 July 2021	742,247	3,949	(56,511)	176,667	(576,548)	289,804	(207)	289,597
Profit for the year	-	-	-	-	33,393	33,393	437	33,830
Other comprehensive income/(loss) for the year	-	-	(4,920)	21,461	(222)	16,319	(11)	16,308
Total Comprehensive Income/(Loss) for the Year	-	-	(4,920)	21,461	33,171	49,712	426	50,138
Share issue costs	18	-	-	-	-	18	-	18
Recognition of share-based payments	-	838	-	-	-	838	-	838
Transactions with non-controlling interest	-	-	-	-	-	-	158	158
Balance at 30 June 2022	742,265	4,787	(61,431)	198,128	(543,377)	340,372	377	340,749

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended of 30 June 2023

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Receipts from customers		296,210	292,128
Government grants received		66	176
Interest received		1,618	83
Payments to suppliers and employees		(240,260)	(260,070)
Provisional payment under arbitration award		-	(10,520)
Income tax paid		(389)	(599)
Interest and other costs of finance paid		(6,745)	(6,040)
Net Cash Provided by Operating Activities	3.1	50,500	15,158
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(18,396)	(12,751)
Proceeds from sale of property, plant and equipment		14,618	2,423
Proceeds from sale of assets classified as held for sale		-	36,112
Instalment received in advance for disposal of shipyard	3.17	-	2,173
Proceeds from disposal of shipyard, net of cash disposed	3.17	20,252	-
Deposit paid for business combination	3.16	-	(4,200)
Cash acquired in business combination	3.16	1,600	-
Investment in associate		-	(2,075)
Loan to associate		-	(6,515)
Dividend received from associate		-	45
Loan repayments from associate		830	-
Net Cash Provided by Investing Activities		18,904	15,212
Cash Flows from Financing Activities			
Repayment of borrowings	3.12	(35,567)	(53,001)
New facility borrowing costs	3.12	(215)	-
Repayment of lease liabilities	3.13	(4,728)	(3,862)
Net Cash Used in Financing Activities		(40,510)	(56,863)
Net increase/(decrease) in cash and cash equivalents		28,894	(26,493)
Cash and cash equivalents at the beginning of the financial year		73,864	96,226
Effects of exchange rate changes on the balance of cash held in foreign currencies		3,588	4,131
Cash and Cash Equivalents at the End of the Financial Year		106,346	73,864

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. General Notes

MMA Offshore Limited (MMA or the Company) is a for profit, listed public company incorporated in Australia. Its shares are traded on the Australian Securities Exchange. The Group comprises of MMA and its subsidiaries.

1.1 Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted. Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at reporting date are translated at the exchange rate prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise except for certain hedging transactions and translation of foreign operations as described in note 4.2.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with this Corporations Instrument, amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

1.2 Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of expected credit losses – refer note 3.2

Impairment of non-current assets – refer note 3.6

Provisions – refer note 3.14

Tax losses – note 3.15

2. Financial Performance

2.1 Segment Information

An operating segment is a component of a group that engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM, Board of Directors) for the purposes of resource allocation and assessment of segment performance. Information regarding the Group's operating segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Information reported to the Board of Directors is focused on the category of services provided through the Groups operating activities.

The group's reportable segments are:

- Vessel Services – provision of specialised offshore support vessels; and
- Subsea Services – services to companies operating in subsea environments including inspection, maintenance and repair; and
- Project Logistics – project management of large marine spreads and complex marine logistics.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Vessel Services	Subsea Services	Project Logistics	Eliminations	Consolidated
	2023 $'000	2023 $'000	2023 $'000	2023 $'000	2023 $'000
Revenue					
External sales	212,743	92,335	3,187	-	308,265
Inter-segment sales	19,610	18,131	458	(38,199)	-
Total revenue	232,353	110,466	3,645	(38,199)	308,265

Inter-segment sales are charged at prevailing market prices.

Result					
Segment profit before impairment	37,538	8,254	(137)	-	45,655
Share of results of associate	-	(1,284)	-	-	(1,284)
Impairment reversal	80,337	-	-	-	80,337
Segment profit after impairment	117,875	6,970	(137)	-	124,708
Finance income					1,886
Other income and expenses					26,003
Administration expenses					(15,359)
Finance costs					(6,745)
Profit for the year before income tax					130,493

2. Financial Performance (continued)

2.1 Segment Information (continued)

	Vessels Services	Subsea Services	Project Logistics	Eliminations	Consolidated
	2022 $'000	2022 $'000	2022 $'000	2022 $'000	2022 $'000
Revenue					
External sales	140,611	66,365	58,756	-	265,732
External sales – Assets classified as held for sale	18,034	-	-	-	18,034
Inter-segment sales	18,685	4,421	1,529	(24,635)	-
Total revenue	177,330	70,786	60,285	(24,635)	283,766

Inter-segment sales are charged at prevailing market prices.

Result					
Segment profit before impairment	8,705	698	1,802	-	11,205
Share of results of associate	-	(248)	-	-	(248)
Impairment reversal/(charge)	35,326	(22)	-	-	35,304
Segment profit after impairment	44,031	428	1,802	-	46,261
Finance income					82
Other income					4,948
Administration expenses					(10,048)
Finance costs					(6,383)
Profit for the year before income tax					34,860

Segment profit/(loss) represents the profit/(loss) earned by the Vessels, Subsea Services and Project Logistics segments without allocation of finance income, other income, administration costs, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment Assets

The following is an analysis of the Group's assets by reportable segment:

	2023 $'000	2022 $'000
Vessel Services	479,562	402,108
Subsea Services	52,718	33,725
Project Logistics	106	7,379
Unallocated assets	118,491	92,765
Total	650,877	535,977

For the purposes of monitoring segment performance and allocating resources to a segment, all assets are allocated to a reportable segment other than cash and central administration assets.

2. Financial Performance (continued)

2.1 Segment Information (continued)

Other Segment Information

	Depreciation and amortisation		Additions to non-current assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Vessel Services	33,498	25,528	20,865	10,492
Subsea Services	2,571	1,942	2,188	1,718
Project Logistics	34	275	-	-
Unallocated assets	3,316	3,236	938	542
Total	39,419	30,981	23,991	12,752

Impairment reversals

In addition to the depreciation charges reported above, the Group also recognised impairment reversals/(charge) (see note 3.6) in respect of vessels and other assets as set out below:

	2023 $'000	2022 $'000
Vessels held for continuing operations	80,337	35,435
Vessels classified as held for sale	-	(109)
Subsea Service assets classified as held for sale	-	(22)
Total	80,337	35,304

Geographical information

The Group is based in two principal geographical areas – Australia (country of domicile) and Singapore. However, vessel services, subsea services and project logistics are provided around the world including Australia, South East Asia, Middle East/Africa, Europe and other locations.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed in the following table:

	Revenue from external customers		Non-current assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Australia/ New Zealand	115,976	170,963	104,898	103,796
South East Asia	102,453	69,463	345,719	282,242
Middle East/ Africa	60,894	21,215	-	-
Europe	15,520	22,125	3,016	2,677
Other	13,422	-	-	-
Total	308,265	283,766	453,633	388,715

For the purposes of monitoring segment performance and allocating resources to a segment, all assets are allocated to reportable segments other than cash and central administration assets.

Information about major customers for continuing operations

Included in vessel revenues there are approximately $33.4 million (2022: $32.5 million) which arose from sales to the Group's largest customer, revenues of approximately $31.2 million (2022: $3.36 million) which arose from sales to the Group's second largest customer and revenues of approximately $26.7 million (2022: $3.23 million) which arose from sales to the Group's third largest customer.

2. Financial Performance (continued)

2.2 Revenue from contracts with customers

Disaggregation of revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major markets.

	Vessels Services	Subsea Services	Project Logistics	Consolidated
	2023 $'000	2023 $'000	2023 $'000	2023 $'000
Recognised over time:				
Oil and Gas	145,329	65,130	1,964	212,423
Renewables	57,270	14,450	-	71,720
Government and Defence	13	11,085	-	11,098
Other	6,684	1,670	1,223	9,577
	209,296	92,335	3,187	304,818
Recognised at a point in time:				
Fuel sales	3,447	-	-	3,447
Total revenue	212,743	92,335	3,187	308,265

	Vessels Services	Subsea Services	Project Logistics	Consolidated
	2022 $'000	2022 $'000	2022 $'000	2022 $'000
Recognised over time:				
Oil and Gas	120,641	37,093	51,863	209,597
Renewables	16,697	8,176	-	24,873
Government and Defence	819	13,723	-	14,542
Other	13,790	7,373	2,155	23,318
	151,947	66,365	54,018	272,330
Recognised at a point in time:				
Fuel sales	6,698	-	4,738	11,436
Total revenue	158,645	66,365	58,756	283,766

The disaggregation of revenue categories have been amended this reporting period to now reflect the major markets where the group is focussing its service offering.

Each of the markets is subject to different economic factors and the shift in the global energy sector from fossil fuels to renewables represents an important distinction for the Group. In addition, the provision of services to Government and Defence departments is a growing part of the business.

2. Financial Performance (continued)

2.2 Revenue from contracts with customers (continued)

Recognition and Measurement

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from Vessel Services

Revenue from vessel services is an integrated service representing a single performance obligation, except for fuel sales, through the provision of a fully operational vessel, including crew, to customers for their use.

The services provided and recognition of revenue related to these services is:

- Vessel charter: Vessels are contracted on a rate per day. Revenue is recognised over the period of time based on the number of days the customer utilises the vessel.
- Mobilisation: some contracts require a vessel to be modified and/or relocated to meet the requirements of the contract with the customer paying an additional lump sum amount. These are not a separate performance obligation and as such we defer the lump sum fee as a Contract Liability (note 3.11) and recognise the revenue on a straight line basis over the term of the contract.

  Costs associated with the mobilisations are deferred as Prepayments and amortised to Vessel Expenses over the same period as the revenue.
- Fuel sales: Under some contracts, the customer will purchase the fuel on board the vessel at contract commencement. The revenue is recognised at the point in time of sale.

Revenue from Subsea Services

Revenue from subsea services is derived from providing a variety of services to companies operating in subsea environments including surveys, fabrication, inspection, maintenance and repair of facilities and equipment. The services provided in each contract are all integrated and represent single performance obligations.

The services provided and recognition of revenue related to these services is:

- Provision of equipment, personnel and materials: These are contracted on a set rate per day. Revenue is recognised over the period of time based on the number of days the customer utilises the services provided.
- Lump sum contracts (Survey and Fabrication): Some contracts for these services are provided under lump sum contracts. Revenue is recognised over time based on a percentage of completion to reflect the progress on the contract. In estimating the percentage of completion, the costs incurred as a proportion of expected total costs are considered a reasonable basis for measuring progress through the contract and used to calculate the percentage of completion.

  Any lump sum invoices are initially capitalised and recognised as Contract Liabilities (note 3.11) with revenue then recognised based on the calculated percentage of completion.

Revenue from Project Logistics

Revenue from Project Logistics relates to project management of large marine spreads and complex marine logistics. Revenue is recognised on the same basis as Vessel Services.

2. Financial Performance (continued)

2.3 Other Income and Expenses

	2023 $'000	2022 $'000
Profit for the year has been arrived at after recognising the following specific amounts:		
Other income and expenses:		
Government grants	66	176
Other gains and losses:		
Net foreign exchange gains/(losses)	60	(63)
Profit on disposal of property, plant and equipment	2,209	156
Profit on disposal of assets classified as held for sale	-	4,375
Other	749	304
Total	3,084	4,948
Depreciation and amortisation:		
Leasehold buildings and improvements	230	241
Vessels	31,989	25,406
Plant and equipment	2,388	1,996
Computer Software	213	213
Right-of-use assets	4,599	3,125
Total	39,419	30,981
Impairment and loss allowance charges:		
Loss allowance on trade receivables	95	3,692
Reversal of loss allowance on trade receivable recovery	(1,477)	-
Impairment reversal recognised on vessel services cash generating unit	(80,337)	(35,326)
Impairment charge recognised on subsea services cash generating unit	-	22
Employee benefits:		
Post-employment benefits:		
Defined contribution plans	7,547	9,027
Share based payments:		
Equity settled share based payments	3,746	838
Other employee benefits	127,334	114,741
Total	138,627	124,606
Finance Costs		
Interest on borrowings	6,196	6,022
Interest on lease liabilities	527	343
Other	22	18
Total	6,745	6,383

2. Financial Performance (continued)

2.4 Earnings per Share

The calculation of basic earnings per share is based on the following:

	2023 $'000	2022 $'000
Profit for the year	127,814	33,393

	2023 No.'000	2022 No.'000
Weighted average number of ordinary shares	367,284	359,328

The calculation of diluted earnings per share is based on the following:

	2023 $'000	2022 $'000
Profit for the year	127,814	33,393

	2023 No.'000	2022 No.'000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	367,284	359,328
Effect of dilutive potential ordinary shares	21,222	15,418
Weighted average number of ordinary shares used for purpose of diluted earnings per share	388,506	374,746

2. Financial Performance (continued)

2.5 Income Taxes

	2023 $'000	2022 $'000
Income tax recognised in profit or loss		
Tax expense comprises:		
Current tax expense in respect of the current year	2,741	466
Deferred tax	4	84
Adjustment recognised in the current year in relation to tax provisions of prior years	53	480
Total income tax expense	2,798	1,030
The income tax expense for the year can be reconciled to accounting profit as follows:		
Profit before tax	130,493	34,860
Income tax expense calculated at 30%	39,148	10,458
Effect of revenue that is exempt from taxation	(19,180)	(4,307)
Effect of expenses that are not deductible in determining taxable profit	1,199	1,906
Effect of tax deductible items not included in accounting profit	(161)	-
Effect of foreign income taxable in Australia	2,499	1,183
Effect of tax losses utilised	(17,651)	(1,980)
Effect of unused tax losses and temporary differences not recognised as deferred tax assets	(2,494)	(6,845)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(615)	135
	2,745	550
Adjustment recognised in the current year in relation to tax provisions of prior years	53	480
Total income tax expense	2,798	1,030

The tax rate used for the reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year in certain jurisdictions. Taxable profit differs from profit as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

2.6 Dividends Provided for or Paid

No dividends have been provided for or paid during the current year.

	2023 $'000	2022 $'000
Adjusted franking account balance	47,589	47,589

3. Assets and Liabilities

3.1 Cash and cash equivalents

Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks.

	2023 $'000	2022 $'000
Cash and cash equivalents	106,346	73,864

Reconciliation of profit for the year to net cash flows from operating activities		
Profit for the year	127,695	33,830
Depreciation of non-current assets	39,419	30,981
Impairment reversal of non-current assets	(80,337)	(35,304)
Gain on sale of property, plant and equipment	(25,128)	(156)
Gain on sale of assets classified as held for sale	-	(4,375)
Unrealised foreign exchange (gain)/loss	(60)	63
Loss allowance on trade receivables	1,382	3,692
Equity settled share-based payment	3,746	838
Interest expense – leases	-	349
Share of results of associate	1,284	248
Debt restructure costs	215	-
Change in net assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(24,585)	(14,756)
(Increase)/Decrease in prepayments	3,627	(4,487)
(Increase)/Decrease in inventories	(474)	995
Increase/(Decrease) in current tax balances	2,857	(937)
Increase/(Decrease) in provisions	(2,272)	(8,787)
Increase/(Decrease) in trade and other payables	10,274	6,905
Increase/(Decrease) in contract liabilities	(7,081)	6,934
Increase/(Decrease) in deferred tax liabilities	5	85
Effect of foreign exchange on net assets and liabilities	(67)	(960)
Net cash flows provided by operating activities	50,500	15,158

3. Assets and Liabilities (continued)

3.2 Trade and Other Receivables

	2023 $'000	2022 $'000
Trade receivables	82,582	59,306
Allowance for expected credit losses	(2,436)	(3,678)
Other receivables (i)	4,044	7,908
Total	84,190	63,536

(i) In 2022 Other receivables included an amount of $4.2 million paid as a deposit for the acquisition of the Subcon business. This transaction settled during 2023 and the deposit applied as part of settlement. Refer to note 3.16 for further details.

The credit period for customers is negotiated individually on a case by case basis. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past rendering of services.

The Group writes off a trade receivable when there is information indicating that the debtor is in significant financial difficulty and there is no realistic prospect of recovery. Subsequent recoveries of amounts previously written off are credited against the allowance account.

The Group measures the allowance for expected credit losses for trade receivables at an amount equal to lifetime expected credit losses ("ECL") using the simplified approach where

1. ECL's are collectively estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to geographic region, general economic conditions and an assessment of current and forecast conditions at reporting date. This has resulted in ECL's being applied to debtors aged over 60 days in our international business.
2. In cases where there is specific information available, the ECL assessment is adjusted for factors that are specific to the debtor including their financial capacity to make payment, discussions with the debtor on the status of the receivable and any other information relevant to the assessment of the recoverability.

The ageing of trade receivables to which these measures were applied were:

	Current $'000	Over 30 days $'000	Over 60 days $'000	Over 90 days $'000	Total $'000
Trade receivables	65,016	5,461	2,148	9,957	82,582

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in AASB 9:

	Collectively Assessed $'000	Individually Assessed $'000	Total $'000
Balance as at 1 July 2022	25	3,653	3,678
Transfer to credit-impaired	43	52	95
Amounts recovered	(26)	(1,451)	(1,477)
Foreign exchange gains and losses	-	140	140
Balance as at 30 June 2023	42	2,394	2,436

3.3 Inventories

	2023 $'000	2022 $'000
Fuel – at cost	1,973	1,125
Consumables	184	483
Work in progress	13	88
Total	2,170	1,696

Inventories are stated at the lower of cost or net realisable value.

3. Assets and Liabilities (continued)

3.4 Property, Plant and Equipment

	Buildings and Improvements at cost $'000	Vessels at cost $'000	Plant and Equipment at cost $'000	Total $'000
Year ended 30 June 2022				
At 1 July 2021				
Gross carrying amount	15,370	654,494	19,397	689,261
Accumulated depreciation and impairment loss	(13,640)	(330,874)	(11,348)	(355,862)
Carrying amount	1,730	323,620	8,049	333,399
Additions	43	7,998	2,492	10,533
Disposals	(670)	(766)	(826)	(2,262)
Reclassified from held for sale	-	1,508	-	1,508
Depreciation	(241)	(25,406)	(1,996)	(27,643)
Impairment reversal recognised in profit and loss	-	35,435	-	35,435
Effect of foreign currency exchange differences	47	19,179	142	19,368
Total movement	(821)	37,948	(188)	36,939
Balance at 30 June 2022				
Gross carrying amount	6,926	710,863	19,673	737,462
Accumulated depreciation and impairment loss	(6,017)	(349,295)	(11,812)	(367,124)
Carrying amount	909	361,568	7,861	370,338
Year ended 30 June 2023				
At 1 July 2022				
Carrying amount	909	361,568	7,861	370,338
Additions	-	16,380	2,017	18,397
Disposals	(557)	(12,409)	(93)	(13,059)
Depreciation	(230)	(31,989)	(2,389)	(34,608)
Impairment reversal recognised in profit and loss	-	80,337	-	80,337
Acquisition through business combination	-	-	352	352
Effect of foreign currency exchange differences	6	9,209	470	9,685
Total movement	(781)	61,528	357	61,104
Balance at 30 June 2023				
Gross carrying amount	586	716,540	21,916	739,042
Accumulated depreciation and impairment loss	(458)	(293,444)	(13,698)	(307,600)
Carrying amount	128	423,096	8,218	431,442

Leasehold buildings and improvements, vessels and plant and equipment are stated at cost less, where applicable, accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the item.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Buildings and improvements are depreciated over the period of the lease or estimated useful life using the straight-line method on the following bases,

Leasehold building & improvements	10%
Vessels	4%
Vessel refits	20%
Plant & equipment	5%-100%

Items are derecognised upon disposal when the recipient obtains control. Any gain or loss on derecognition, calculated as the difference between net disposal proceeds and carrying amount of the asset, is included in the statement of profit and loss when derecognised.

3. Assets and Liabilities (continued)

3.5 Right-of-use assets	Buildings and Improvements at cost $'000	Vessels at cost $'000	Plant and Equipment at cost $'000	Total $'000
Year ended 30 June 2022				
At 1 July 2021				
Gross carrying amount	17,137	3,125	1,273	21,535
Accumulated depreciation	(7,718)	(3,089)	(790)	(11,597)
Carrying amount	9,419	36	483	9,938
Additions	2,942	-	-	2,942
Depreciation	(2,892)	(59)	(174)	(3,124)
Other	(24)	23	(234)	(235)
Total movement	26	(36)	(408)	(418)
Balance at 30 June 2022				
Gross carrying amount	15,270	1,400	235	16,904
Accumulated depreciation	(5,825)	(1,400)	(159)	(7,384)
Carrying amount	9,445	-	75	9,520
Year ended 30 June 2023				
At 1 July 2022				
Opening carrying amount	9,445	-	75	9,520
Additions	1,578	4,423	18	6,019
Acquisition through business combination	848	-	-	848
Disposal	(2,155)	(6)	(7)	(2,168)
Depreciation	(3,097)	(1,458)	(44)	(4,599)
Other	25	91	(15)	102
Total movement	(2,801)	3,050	(47)	202
Balance at 30 June 2023				
Gross carrying amount	13,402	4,521	54	17,977
Accumulated depreciation	(6,758)	(1,471)	(26)	(8,255)
Carrying amount	6,644	3,050	28	9,722

Right-of-use assets are recognised at the commencement date of the lease, and initially measured at cost less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost includes amount of lease liabilities recognised, initial direct costs incurred, expected make good costs, and lease payments made at or before commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight line basis, over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment assessed in accordance with the Group's impairment policy, and any impairment loss is recognised in the income statement.

The Group leases several assets including

- Subsea and operating premises at Welshpool, Australia which expires 30 April 2025, with an option to extend two x five-year terms.
- Current head office premises in Perth which expires 30 November 2026, with an option to extend for one x five years.
- Vessel bareboat charters with lease terms of one to two years.

3. Assets and Liabilities (continued)

3.5 Right-of-use assets (continued)

Amounts recognised in profit and loss	2023 $'000	2022 $'000
Depreciation expense on right-of-use assets	4,599	3,125
Interest expense on lease liabilities	527	343
Income from sub-leasing right-of-use assets	1,622	2,634

3.6 Impairment of Non-current assets

In previous years, the Group has performed a review of non-current asset values at each reporting period and whenever events occur or changes in circumstances indicate that the carrying amount of an asset group may be impaired. This year, the review date was changed and the assessment performed as at 31 May 2023. Management have determined that the market conditions for our business has not changed between the date of impairment assessment and 30 June 2023. Market conditions are monitored for indications of impairment for all of the Group's operating assets and where such indications are identified, a formal impairment assessment is performed.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment testing

The carrying amount of the net assets of the Group was greater than the Company's market capitalisation which was an indicator of impairment at 31 May 2023. As a result, the Group assessed the recoverable amounts of the Vessels, Subsea and Project Logistics Cash-Generating Units ('CGU').

The assessment resulted in the following impairment reversals/(charges) included in profit or loss:

			Impairment reversal/(charge)	
Segment/CGU	Class of asset	Method	2023 $'000	2022 $'000
Vessels	Property, Plant & Equipment	FVLCOD	80,337	35,435
Vessels	Assets classified as held for sale	FVLCOD	-	(109)
Subsea	Assets classified as held for sale	FVLCOD	-	(22)
Total			80,337	35,304

The inputs used in deriving the recoverable amount of each CGU is categorised in accordance within the following levels of the fair value hierarchy:

CGU	Level 3(i) $'000	Recoverable Amount $'000
Vessels	434,821	434,821

(i) Level 3 inputs are unobservable inputs used to measure fair value. In our Vessels calculations, the inputs used are based on both observable (vessel sales market) and unobservable (en bloc discount) market data prepared by an independent valuation consultant. Due to the unobservable market data and internal valuation components of the valuations, the inputs are considered Level 3.

Inputs in determining the classification level within the fair value hierarchy are reassessed at each reporting period as part of the impairment process. The inputs used within calculations are assessed and discussed internally to determine the extent to which they can be compared to observable market information and classified accordingly.

3. Assets and Liabilities (continued)

3.6 Impairment of Non-Current Assets (continued)

Industry Conditions

This financial year has seen improvements in overall market conditions in which the Group operates.

During the year the brent oil price has traded in a range between from USD 106/bbl in June 2022 to USD 75/bbl, at 30 June 2023. While the price has been relatively stable, the more recent decrease reflects the relative uncertainty about future growth rates globally on the back of rising interest rates coupled with the fear of recession in the United States and Chinese economies. Stronger Chinese oil demand, on the back of eased COVID restrictions, together with OPEC production target cuts, which have been extended out to 2024, have partially offset the growth uncertainty.

The overall market conditions in which the Group operates have continued to improve during the period. Offshore vessel activity and rates have continued to improve throughout the Group's markets. In addition, the redeployment of vessels to the Middle East market has tightened supply in South East Asia. Newbuild ordering is expected to remain limited by persistent difficulties in future proofing vessels, particularly with appropriate green technologies. Access to finance and increased pricing also remain challenges to potential newbuild projects. The offshore renewables market also continues to gather pace with significant projects committed requiring offshore support services.

Vessels

The recoverable amount of the core vessels was determined using a market-based approach, reflecting the value which could be expected to be realised through the disposal of the vessels, in an orderly market, on an "as is where is" basis between a willing buyer and willing seller.

An independent valuation of the fleet was undertaken by a specialist marine valuation consultancy and shipbroking company. In preparing their valuation report, some of the factors they considered include the current market conditions in which the vessels operate, a review of recent market sales of similar vessels, consideration of the specification and earnings potential of each vessel and the inherent value and replacement cost of each vessel. As a result of the improving market conditions discussed above, the vessel valuation report reflected increases in values, leading to a partial reversal of prior year impairments.

A key input into the recoverable amount of the CGU was the application of a discount to the independent vessel valuation to reflect the amount which would be achieved if the core fleet was disposed of in one single transaction. The Directors have decreased this discount to 5.0% for the current period from 15% at 30 June 2022 and 10% at 31 December 2022. The independent valuer decreased the expected range this year and the adopted rate is at the mid point of the range specified. The decrease in the discount is also consistent with the expectation disclosed in previous financial reports.

The following factors were taken into account by the board in adopting this value:

- offshore market indexes indicating increases of rates to the highest levels for seven years
- despite a softening of the oil price during the year, the 2022 calendar year had the highest yearly average price since 2014
- increasing global utilisation rates
- increasing global demand
- continued decline in the number of vessels laid up
- market evidence of increasing offshore vessel sales in 2023
- the adopted % being within the range provided by the independent valuer
- all of the above have been evidenced by the achievement of higher utilisation and day rates for the Group's vessels during the year.

Consistent with previous periods, selling costs are also assumed to be 2% (2022: 2%) of the vessel sales value.

3. Assets and Liabilities (continued)

3.6 Impairment of Non-Current Assets (continued)

Key assumptions and sensitivity

The Fair Value Less Cost of Disposal (FVLCOD) method requires an estimate of the current market value of the assets and the costs that would be associated with a disposal of the assets. In estimating the current market value of the assets, the Group engaged experienced and qualified valuers to perform valuations. Estimates have also been made on the discount to the independent vessel valuation to reflect the amount which would be achieved if the fleet was disposed of in one single transaction, plus the selling costs associated with the sale.

The following provides information on the assumptions made in determining the fair value of the vessels and resulting reversal of impairment, together with a sensitivity analysis showing the potential impact on the vessel fair value based on the movement (increase or decrease) in the assumption.

Assumption	Rate used	Sensitivity movement	Change in carrying value $'000
En bloc discount	5.0%	2.5%	3,288
Selling costs	2.0%	0.5%	637

Subsea

To assess the recoverable amount of the Subsea CGU, a Value in Use (ViU) assessment was performed using five year cash flows and a terminal value.

There were no material changes in the underlying assumptions used from the assessment as at 30 June 2022, except for expected future cashflows being updated to reflect recent budgets for financial years 2024 to 2026. In determining the forecast revenues and operating expenses, consideration has been given to the following:

- current and potential new contracts for the Subsea business
- current and expected tendering activities
- expected Subsea services activity in the region
- cost of running the business including labour and overheads
- project work has been budgeted by applying estimated gross margins, based on historical results, to the estimated revenues of projects
- in assessing future revenues, potential projects are identified with estimates of their total revenue. A likelihood of success % is then applied to the revenue to reflect a risk weighted likely revenue amount

During the year, the Group acquired the Subcon business (note 3.16) and has assessed the assets, including goodwill, to form part of the Subsea cash generating unit.

A discount rate of 11.56% (2022: 11.33%) has been used for ViU assessments.

In the budget approved by the board, forecast revenues have been increased for the FY24 to FY26 years to reflect the improving market conditions. 2% revenue growth in FY27 and FY28 has been assumed, with terminal year growth of 2% (2022: 2%) reflecting a long term inflation rate assumption for all of these years. This rate is also applied to operating expenditures.

3. Assets and Liabilities (continued)

3.6 Impairment of Non-Current Assets (continued)

Key assumptions and sensitivity

The recoverable value of the Subsea assets in the current year was assessed using a ViU approach.

The estimation of future cashflows has been prepared based on approved group budgets with estimates and assumptions regarding future revenue growth rates, operating margins and discount rates.

The following provides information on the assumptions made in determining the recoverable value of the assets, together with a sensitivity analysis showing the potential impact on the carrying value based on the movement (increase or decrease) in the relevant estimate or assumption.

Assumption	Rate used	Sensitivity movement	Increase/(Decrease) in recoverable value $'000
Discount rate	11.56%	+0.5%	(5,502)
		-0.5%	6,116
Terminal year growth rate	2.0%	+0.5%	4,196
		-0.5%	(3,778)

The Subsea CGU has significant head room and application of any of these sensitivities would not result in impairment.

Project Logistics

To assess the recoverable amount of the Project Logistics CGU, a ViU assessment was performed using five year cash flows and a terminal value.

The CGU has non-current assets of nil value. All other assets relate to working capital for day to day operations.

In determining the forecast revenues and operating expenses, consideration has been given to the following:

- current and potential new contracts for the Project Logistics business
- current and expected tendering activities
- expected Project Logistics services activity in the region
- cost of running the business including labour and overheads
- project work was budgeted by applying estimated gross margins, based on historical results to estimated revenues of projects
- in assessing future revenues, potential projects are identified with estimates of their total revenue. A likelihood of success % is then applied to the revenue to reflect a risk weighted likely revenue amount
- future revenues also include additional stretch amounts for expected future opportunities not yet specifically identified

A discount rate of 11.56% (2022: 11.33%) has been used for ViU assessments.

Total carrying value of the CGU is $-1.0m being net working capital resulting in low sensitivity to changes in assumptions.

Notes to the Financial Statements
For the year ended of 30 June 2023

3. Assets and Liabilities (continued)

3.7 Investment in Associate

In November 2021, the Group acquired a 49.9% interest in Global Aqua Survey (GAS) Ltd, a subsea company operating in Taiwan. The consideration for the investment was 42.5 million New Taiwan dollars (A$2.1m). The investment is accounted for using the equity method in these consolidated financial statements.

Name of Associate	Principal Activity	Principal place of business	Proportion of ownership interest and voting rights held by group 2023	2022
MMA Global Aqua Survey Ltd (GAS)	Subsea	Taiwan	49.90%	49.90%

Summarised financial information in respect of the associate is set out below:

	2023 $'000	2022 $'000
Financial position:		
Current assets	9,121	4,878
Non-current assets	3,148	9,272
Current liabilities	(11,426)	(6,098)
Non-current liabilities	(359)	(5,453)
Net assets	484	2,599
Group's share of associate net assets - 49.9%	242	1,296
Goodwill	238	486
Group's carrying amount of the investment	480	1,782
Financial performance:		
Total revenue	2,907	721
Total loss before tax for the year	(2,573)	(496)
Group's share of associate loss before tax	(1,284)	(248)
Group's share of associate income tax expense	-	-
Group's share of associate loss after tax	(1,284)	(248)

3.8 Loan to associate

In 2022 a USD 4.25 million loan was made to our associate company, MMA Global Aqua Survey Ltd for the purchase of a vessel from the Group. The loan is for 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 outstanding balance of the loan at the end of the year is A$5.3 million (2022: A$6.1 million)

In addition, a working capital loan was provided during 2022 to the value of A$0.4 million. The loan has not yet been repaid while the business arranges a finance facility in its own name. No interest is payable on the loan.

3. Assets and Liabilities (continued)

3.9 Intangibles assets and goodwill

	Goodwill $'000	Software $'000	Total $'000
Year ended 30 June 2022			
At 1 July 2021			
Gross carrying amount	110	3,159	3,269
Accumulated amortisation	-	(2,504)	(2,504)
Carrying amount	110	655	765
Amortisation	-	(212)	(212)
Other	7	-	7
Total movement	7	(212)	(205)
Balance at 30 June 2022			
Gross carrying amount	117	3,159	3,276
Accumulated amortisation	-	(2,716)	(2,716)
Carrying amount	117	443	560
Year ended 30 June 2023			
At 1 July 2022			
Opening carrying amount	117	443	560
Acquisition through business combination (note 3.16)	5,959	-	5,959
Amortisation	-	(213)	(213)
Other	(3)	-	(3)
Total movement	5,956	(213)	5,743
Balance at 30 June 2023			
Gross carrying amount	6,073	3,159	9,232
Accumulated amortisation	-	(2,929)	(2,929)
Carrying amount	6,073	230	6,302

For impairment testing, goodwill acquired through the Subcon acquisition is all allocated to the Subsea cash generating unit. Refer to notes 3.16 for information about the acquisition and note 3.6 for impairment testing process and results.

3.10 Trade and Other Payables

	2023 $'000	2022 $'000
Trade payables	10,967	12,086
Other payables and accruals	41,358	30,090
Goods and services tax payable	1,083	960
Total	53,408	43,136

The average credit period on purchases of all goods is 30 - 45 days. The Group monitors payments to ensure that payables are generally paid within the credit time frame.

3. Assets and Liabilities (continued)

3.11 Contract liabilities

	2023 $'000	2022 $'000
Vessel mobilisation	3,434	6,731
Lump sum contracts	1,741	3,352
Instalment received in advance for disposal of subsidiaries	-	2,173
Total	5,175	12,256

3.12 Borrowings

	2023 $'000	2022 $'000
Secured – at amortised cost		
Opening balance	115,419	163,500
Repayment of loan	(35,567)	(53,001)
Foreign exchange movement	1,681	4,920
New facility borrowing costs	(215)	-
Balance at end of financial year	81,318	115,419
Current	5,500	12,500
Non current	75,818	102,919
Total	81,318	115,419

Summary of borrowing arrangements:

The amounts owing under the facility comprises an A$ amount of $33.8 million and a US$ amount of $31.8 million.

The facility expires in January 2025 with the outstanding balance payable in full. The scheduled repayments prior to expiry are A$5.5 million in June 2024 and A$7.5 million in December 2024.

Repayments totalling $35.6 million were made during the year. Including $22.5 million from the disposal of the Batam Shipyard and $13.0 million from the sale of vessels.

During the year, the interest rate payable was a base rate (LIBOR for US$ denominated loans, BBSY for A$ denominated loans) plus a margin calculated by reference to the groups leverage ratio.

As a result of the phasing out of LIBOR, a facility agreement amendment was signed on 12 July 2023 revising the reference point for the base rate applicable to US$ denominated loans to Term SOFR (effective from 31 July 2023). This change is not expected to have any material effect on the loan amount, classification of the loan or the covenants other than a change in reference rate.

The Facility is fully secured by fixed and floating charges given by certain controlled entities within the Group, registered ship mortgages over a number of vessels owned by certain controlled entities and real property mortgages.

The US$31.8m component of the facility was designated as a hedge of a net investment in a foreign operation and the resulting foreign exchange movements of $1.7m (2022: $4.9m) are therefore included in Other Comprehensive Income as 'Gain/loss on hedge of net investment in a foreign operation' offsetting the foreign exchange movements in the US$ denominated entities in 'Exchange differences on translation of foreign operations'.

Available borrowing facilities	2023 $'000	2022 $'000
Secured loan facilities with various maturity dates through to 2025 and which may be extended by mutual agreement:		
Amount used	81,533	115,419
Amount unused	-	-
Total	81,533	115,419

There is no re-draw available on the existing facilities.

Refer to note 5.10 for details of the new syndicated debt facility announced on 10 August 2023.

3. Assets and Liabilities (continued)

3.13 Lease liabilities	2023 $'000	2022 $'000
Opening Balance	9,510	10,137
Additions	5,498	2,930
Repayments	(5,255)	(3,862)
Interest expense	527	343
Net currency exchange differences	(175)	(38)
Balance at end of financial year	10,105	9,510
Current	4,842	3,055
Non-current	5,263	6,455
Total	10,105	9,510
Maturity analysis:		
Year 1	4,809	3,055
Year 2	4,287	2,992
Year 3	1,016	2,610
Year 4	526	1,012
Year 5	-	508
	10,638	10,177
Less: unearned interest	(533)	(667)
Balance at end of the year	10,105	9,510

Refer to note 3.5 Right-of-Use Assets for further detail of current leases.

Lease liabilities are recognised by the Group at Commencement date of the lease. These are measured at the present value of lease payments to be made over lease term. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts payable to return the leased asset to makegood condition.

In calculating the present value of lease payment, the Group uses its incremental borrowing rate (IBR) at lease commencement date, where the interest rate implicit in the lease is not readily determinable. After commencement date, the liability is increased to reflect the accretion of interest and reduced for lease payments repaid. The carrying amount of lease liabilities are remeasured if there is a substantial modification, either in the change in lease term or change in lease payments or change in the assessment to purchase the underlying asset.

The Group applies short-term lease recognition exemptions to its short-term leases, which are defined as those leases that have a lease term of 12 months or less from the commencement date. It applies the lease of low-value assets recognition exemption to leases considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight line over the lease term.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

3. Assets and Liabilities (continued)

3.14 Provisions	2023 $'000	2022 $'000
Current		
Ongoing legal claims	1,956	2,064
Employee benefits – annual leave	4,954	6,370
Employee benefits – long service leave	5,281	5,997
Total	12,191	14,431
Non-current		
Employee benefits – long service leave	63	31

As disclosed in the 2021 and 2022 annual reports, a final arbitration award was made against a wholly owned subsidiary of MMA on 22 June 2021.

MMA appealed that decision to the High Court of Singapore but on 26 June 2023 were advised the appeal was dismissed. As a result, a final payment of S$1.5 million was made on 3 July 2023. After receipt of formal notification, final settlement of costs will also be made.

Significant Estimates

In the current year, the Group has a total provision of $2.0 million (2021: $2.1 million) for the settlement of the legal claim. This amount has been estimated by the directors as a possible outflow that may be required to settle this legal claim.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is performed.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. Assets and Liabilities (continued)

3.15 Deferred Tax Balances

Deferred tax assets/(liabilities) arise from the following:

Year ended 30 June 2023	Opening Balance $'000	Recognised in Profit or Loss $'000	Closing Balance $'000
Gross deferred tax liabilities:			
Property, plant and equipment	(34,544)	(15,067)	(49,611)
Inventory	(90)	(158)	(248)
Receivables	3	(393)	(390)
Other	(22)	1,058	1,036
	(34,653)	(14,560)	(49,213)
Gross deferred tax assets:			
Provisions	4,088	1,480	5,568
Unused tax losses and credits	28,470	13,481	41,951
Other	1,955	(405)	1,550
	34,513	14,556	49,069
Total	(140)	(4)	(144)

Year ended 30 June 2022			
Gross deferred tax liabilities:			
Property, plant and equipment	(27,469)	(7,075)	(34,544)
Inventory	(154)	64	(90)
Receivables	3	-	3
Other	(1,662)	1,640	(22)
	(29,281)	(5,371)	(34,653)
Gross deferred tax assets:			
Provisions	2,024	2,064	4,088
Unused tax losses and credits	24,585	3,885	28,470
Other	2,616	(661)	1,955
	29,225	5,287	34,513
Total	(56)	(84)	(140)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period(s) in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. Assets and Liabilities (continued)

3.15 Deferred Tax Balances (continued)

Unrecognised deferred tax assets	2023 $'000	2022 $'000
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses (revenue in nature)	38,367	53,809
Tax losses (capital in nature)	19,034	19,034

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, MMA Offshore Ltd and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if any entity should leave the tax consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Key source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has $38,367,000 (2022: $53,809,000) of unrecognised deferred tax assets relating to tax losses carried forward. These losses relate to subsidiaries that have been incurring tax losses in previous years during the downturn in the industry, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

3.16 Acquisition of Business

On 28 July 2022, the Group acquired 100% of Subcon International Pty Ltd.

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

The acquisition is strongly aligned with the Group strategy to extend and diversify our service offering in a sustainable manner. It enhances our service offering to our existing oil & gas and offshore wind markets by combining our capability, whilst Subcon also bring a number of new solutions to expand our reach into coastal erosion management and the tourism sectors.

Consideration Transferred	$'000
Issued capital (7,131,940 shares) in MMA Offshore Ltd	4,350
Cash (deposit paid June 2022)	4,200
	8,550

The number of the ordinary shares issued as part of the consideration paid was determined based on the Volume Weighted Average Price for the 60 days prior to completion of $0.589. The market value of the shares at completion date was $0.61.

3. Assets and Liabilities (continued)

3.16 Acquisition of business (continued)

Assets acquired and liabilities assumed at the date of acquisition	$'000
Current assets	
Cash	1,600
Trade and other receivables	1,286
Inventories	5
Current tax asset	600
Other	530
Non-current assets	
Property, plant and equipment	352
Right of use asset	848
Current liabilities	
Trade and other payables	(1,327)
Employee entitlements	(357)
Lease liabilities	(126)
Non-Current liabilities	
Lease liabilities	(820)
Total identifiable assets acquired and liabilities assumed	2,591
Goodwill arising on acquisition	5,959
Purchase consideration transferred	8,550

The gross contractual value of receivables acquired was $1.3 million, with the full fair value amount expected to be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The goodwill reflects the alignment with the Group's strategy. Benefits include an enhance capability to service our existing markets through the combination of service offerings, access to new markets through the range of innovative solutions including oil and gas decommissioning through Subcon's rigs to reef offering. In addition the acquisition also provides benefits of market consolidation through the combination of the MMA's existing subsea stabilisation offerings with Subcon.

None of the goodwill recognised is expected to be deductible for income tax purposes.

During the reporting period after acquisition, the business contributed $7.0 million revenue and $0.3 million net loss after tax to the Group.

3.17 Disposal of shipyard

On 1 December 2022, the Group completed the sale of the shipyard facility in Batam, Indonesia. The details of the sale were:

Consideration Transferred	$'000
Cash	24,363
Cash disposed	(1,888)
Other net assets disposed	(861)
Gain on sale before reclassification of foreign currency translation reserve	21,614
Reclassification of foreign currency translation reserve	1,305
Gain on sale	22,919

$2.2 million of the cash consideration was received during the 2022 financial year.

During the reporting period prior to disposal, the business contributed $1.2 million revenue and $0.5 million net profit after tax to the Group.

Notes to the Financial Statements
For the year ended of 30 June 2023

4. Capital Structure

4.1 Issued Capital

Fully Paid Ordinary Shares	2023 No.'000	2023 $'000	2022 No.'000	2022 $'000
Balance at beginning of financial year	359,328	742,265	359,328	742,247
Issue of shares	8,787	4,350	-	-
Share issue costs	-	-	-	18
Balance at end of financial year	368,115	746,615	359,328	742,265

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share Rights

As at 30 June 2023, executives and employees held rights over 21,221,843 ordinary shares (2022: 20,596,998).

Share rights granted under the employee share rights plans carry no right to dividends and no voting rights.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

4.2 Reserves

	2023 $'000	2022 $'000
Employee equity settled benefits	8,533	4,787
Hedging	(63,110)	(61,431)
Foreign currency translation	208,847	198,128
Balance at end of financial year	154,270	141,484

The employee equity settled benefits reserve arises on the grant of share rights to executives and employees under the Company's share rights plans. Amounts are transferred out of the reserve and into issued capital when the rights vest or expire.

The hedging reserve is used to record gains and losses on hedges designated as cash flow hedges including hedges of net investments in a foreign operation. Gains and losses accumulated in the hedge reserve are taken to the profit or loss when the hedged transaction impacts the profit or loss, or is included as an adjustment to the initial carrying amount of the hedged item. For a net investment in a foreign operation any gains and losses are taken to profit or loss on disposal of the foreign operation.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian Dollars.

The assets and liabilities of the Group's foreign operations are translated into Australian Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised through other comprehensive income and recognised in equity.

On the disposal of the foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

4. Capital Structure (continued)

4.3 Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

MMA Global Projects Pte. Ltd	2023 $'000	2022 $'000
Current Assets	2,446	9,518
Non-current Assets	-	96
Current Liabilities	(867)	(3,946)
Non-current Liabilities	(187)	(3,731)
Net assets	1,392	1,937
Equity attributable to owners of the Company	1,115	1,560
Non-controlling interests	277	377
Revenue	2,041	16,569
Expenses	(2,555)	(14,378)
Profit/(loss) for the year	(514)	2,191
Profit/(loss) attributable to owners of the Company	(395)	1,754
Profit/(loss) attributable to the non-controlling interests	(119)	437
Profit/(loss) for the year	(514)	2,191
Total comprehensive income attributable to owners of the Company	(413)	1,765
Total comprehensive income attributable to the non-controlling interests	(101)	426
Total comprehensive income for the year	(514)	2,191
Net cash inflow/(outflow) from operating activities	1,494	1,785
Net cash inflow/(outflow) from investing activities	-	-
Net cash inflow/(outflow) from financing activities	(3,446)	-
Net cash inflow/(outflow)	(1,952)	1,785
Non-controlling interest at beginning of year	377	(207)
Share of profit/(loss) for the year	(119)	437
Other	19	147
Non-controlling interest at end of year	277	377

No dividends were paid to the non-controlling interests in 2023 (2022: nil).

The non-controlling interest has a 20% ownership interest in the entity and 20% of the voting rights.

4. Capital Structure (continued)

4.4 Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the 2022 financial year.

The capital structure of the Group consists of net debt (borrowings as detailed in note 3.12 offset by cash at bank balances) and equity of the Group (comprising issued capital and reserves as detailed in notes 4.1 and 4.2 and accumulated losses).

The Group is not subject to any externally imposed capital requirements other than normal banking requirements and has complied with all banking facility covenants.

Based on recommendations of management and the Board, the Group will balance its overall capital structure through new share issues as well as the establishment of new borrowing facilities or repayment of existing facilities. The Group uses its leverage ratio (measured as debt to property plant & equipment) to manage its capital. The ratio is monitored on a monthly basis by the Board and management.

Leverage Ratio

The leverage ratio at the end of the reporting period was as follows:

	2023 $'000	2022 $'000
Debt (i)	81,318	115,419
Cash and cash equivalents	(106,346)	(73,864)
Net (assets)/debt	(25,028)	41,555
Property, plant & equipment (ii)	431,442	370,338
Leverage ratio	(6%)	11%

(i) Debt is defined as gross long and short-term borrowings, as detailed in note 3.12.

(ii) Property, plant and equipment includes all fixed assets owned by the group, as detailed in note 3.4.

5. Other Notes

5.1 Commitments for Expenditure

Capital expenditure commitments	2023 $'000	2022 $'000
Plant and Equipment	169	398
Vessels	1,663	2,458
Total	1,832	2,856

5.2 Share Based Payments

Share rights incentive plans

The Group has established ownership based compensation plans whereby executives and employees of the Group have been issued rights over ordinary shares of MMA Offshore Limited.

Upon exercise, each share right, converts into one ordinary share of MMA Offshore Limited. No amounts are paid or are payable by the recipient on receipt of the rights. The rights carry no entitlement to dividends and no voting rights. Holders of rights do not have the entitlement, by virtue of the right, to participate in any share issue of the Company. The rights may be exercised at any time from their vesting date to the date of their expiry. The rights are not quoted on the ASX.

The following share based payment arrangements were in existence during the current reporting period:

Series		Number issued	Grant Date	Expiry Date	Exercise price $	Fair Value at Grant date $
(1)	Issued 8 June 2020	1,846,954	29 Nov 2019	1 Jul 2024	0.00	0.16
(2)	Issued 8 June 2020	351,145	21 Nov 2019	1 Jul 2024	0.00	0.16
(3)	Issued 29 April 2021	1,758,356	28 Jan 2021	1 Jul 2025	0.00	0.14
(4)	Issued 29 April 2021	4,905,329	28 Jan 2021	1 Jul 2025	0.00	0.20
(5)	Issued 29 April 2021	4,616,666	28 Jan 2021	1 Nov 2025	0.00	0.17
(6)	Issued 30 September 2021	329,000	30 Sep 2021	1 Jul 2024	0.00	0.38
(7)	Issued 24 September 2021	1,297,904	24 Sep 2021	1 Jul 2024	0.00	0.38
(8)	Issued 10 November 2021	172,400	10 Nov 2021	1 Jul 2024	0.00	0.38
(9)	Issued 10 November 2021	1,518,829	10 Nov 2021	1 Jul 2026	0.00	0.20
(10)	Issued 23 December 2021	2,050,414	23 Dec 2021	1 Jul 2026	0.00	0.23
(11)	Issued 30 May 2022	1,750,001	30 May 2022	31 Dec 2025	0.00	0.56
(12)	Issued 25 November 2022	3,032,591	25 Nov 2022	1 Jul 2025	0.00	0.58
(13)	Issued 25 November 2022	2,925,366	25 Nov 2022	1 Jul 2027	0.00	0.52

2020 Issues

Performance Rights issued during the 2020 financial year as part of Series 1 and 2 to executives and employees were subject to achievement of a number of vesting targets. In addition vesting was also subject to the employee remaining employed by the Group on 30 June 2022.

For Key Management Personnel, 50% of the rights were subject to achieving a return on assets of greater than 10% at the end of the 3 year vesting period and the remaining 50% were subject to the Company's Total Shareholder Return percentile ranking relative to a selected Peer Group over the three-year vesting period.

For other employees, 40% of the rights were subject to achieving a return on assets of greater than 10% at the end of the three year vesting period, 20% relate to a retention hurdle with the participant required to be employed by the Group at the end of the three year vesting period and the remaining 40% were subject to the Company's Total Shareholder Return percentile ranking relative to a selected Peer Group over the three-year vesting period.

None of Key Management Personnel or Managing Director performance rights (totalling 1,158,730) vested on 1 July 2022 and these performance rights lapsed. The Board has determined that for senior managers who achieved the retention hurdle the performance rights vested and therefore 133,993 of the performance rights vested on 1 July 2022 will be converted to ordinary shares.

5. Other Notes (continued)

5.2 Share Based Payments (continued)

2021 Issues

Performance Rights issued during the 2021 financial year as part of Series 3,4 and 5 to executives and employees are subject to achievement of a number of vesting targets. In addition vesting was subject to the employee remaining employed by the Group on 30 June 2023.

For the Series 3 issue to Key Management Personnel, the number of rights vesting are subject to the company share price reaching a minimum level of $0.65, with pro rata vesting on a straight line basis up to 100% vesting if the share price is $0.96 or higher. On 1 July 2023, all of these rights vested.

For the Series 4 issue to other employees, 30% relate to a retention hurdle with the participant required to be employed by the Group at the end of the three year vesting period and the remaining 70% are subject to the same share price hurdle as Series 3. On 1 July 2023, 3,098,673 of these rights vested.

For the Series 5 issue to Key Management Personnel, 30% relate to a retention hurdle with the participant required to be employed by the Group at the end of the three year vesting period and the remaining 70% vests if the share price is larger than or equal to $0.90.

2022 Issues

Performance Rights issued during the 2022 financial year as part of Series 6 to 11 to executives and employees are subject to achievement of a number of vesting targets.

The Series 6, 7 and 8 issues were short term incentive plans for the 2021 financial year. Performance conditions were met at 30 June 2021 with vesting subject to the employee remaining employed by the Group on 30 June 2022. These all vested at 30 June 2022.

For the Series 9 issue to Key Management Personnel, the number of rights vesting are subject to the company share price reaching a minimum level of $0.65, with pro rata vesting on a straight line basis up to 100% vesting if the share price is $0.96 or higher with the participant required to be employed by the Group at the end of the three year vesting period.

For the Series 10 issue to other employees, 30% relate to a retention hurdle, with the participant required to be employed by the Group at the end of the three year vesting period and the remaining 70% are subject to the same share price hurdle as Series 9.

The Series 11 issue is a Key Management Personnel retention plans and only vest subject to the employee remaining employed by the Group on 31 December 2023.

2023 Issues

Performance Rights issued during the 2023 financial year as part of Series 12 and 13 to executives and employees are subject to achievement of a number of vesting targets.

The Series 12 issue were short term incentive plans for the 2022 financial year. Performance conditions were met at 30 June 2022 with vesting subject to the employee remaining employed by the Group on 30 June 2023. These all vested at 30 June 2023.

For the Series 13 issue to Key Management Personnel, the number of rights vesting are subject to the company share price reaching a minimum level of $0.75, with pro rata vesting on a straight line basis up to 100% vesting if the share price is $1.05 or higher and the participant required to be employed by the Group at the end of the three year vesting period.

Please refer to the Remuneration Report on pages 50 to 61 for further details of Performance Rights issued to executives and employees.

5. Other Notes (continued)

5.2 Share Based Payments (continued)

Fair value of share rights granted during the year

The weighted average fair value of rights issued during the year are detailed in the above table.

Equity settled share based payments to employees are measured at fair value of the equity instrument at grant date.

The fair value of the rights issued during the year in Series 12, were based on the share price at the date of issuing, when all vesting conditions had been met.

The rights in Series 13 were valued using the Monte Carlo simulation model.

The following shows the inputs into the valuation model for the rights granted during the year:

Inputs into the model	Series 13
Grant date share price	$0.73
Exercise price	$0.00
Expected volatility	55%
Life of rights	2.64 years
Dividend yield	Nil
Risk free rate	3.31%

Expected volatility of 55.0% is based on analysis of the Companies historical daily share price movement prior to the Grant Date. As a result of the short-term increase in historical volatility caused by the onset of COVID in February to April 2020, these months have been excluded from our analysis.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustment to the employee equity settled benefits reserve.

Movement in share rights during the period

The following reconciles the outstanding share rights at the beginning and end of the financial year:

	2023		2022	
Employee Share Right Plans	Number of rights	Weighted average exercise price $	Number of rights	Weighted average exercise price $
Balance at the beginning of the financial year	20,596,998	0.00	14,799,157	0.00
Issued during the financial year	5,957,957	0.00	7,118,548	0.00
Exercised during the financial year	(1,655,164)	0.00	-	-
Lapsed during the financial year	(3,677,948)	0.00	(1,320,707)	0.00
Balance at the end of the financial year	21,221,843	0.00	20,596,998	0.00
Exercisable at end of the financial year	-	0.00	-	-

5. Other Notes (continued)

5.2 Share Based Payments (continued)

Share rights outstanding at the end of the year

The following share rights were outstanding at the end of the financial year:

Series	Number	Exercise price $	Expiry Date
(3) Issued 29 April 2021	1,758,356	0.00	1 July 2025
(4) Issued 29 April 2021	3,569,620	0.00	1 July 2025
(5) Issued 29 April 2021	4,616,666	0.00	1 Nov 2025
(9) Issued 10 November 2021	1,518,829	0.00	1 July 2026
(10) Issued 23 December 2021	2,050,414	0.00	1 July 2026
(11) Issued 30 May 2022	1,750,001	0.00	31 Dec 2025
(12) Issued 25 November 2022	3,032,591	0.00	1 July 2025
(13) Issued 25 November 2022	2,925,366	0.00	1 July 2027
Total	21,221,843		

5.3 Key Management Personnel Compensation

Please refer to the Remuneration Report for details of key management personnel.

The aggregate compensation made to the Directors and other key management personnel of the Company and the Group is set out below:

	2023 $	2022 $
Short-term employee benefits	2,510,730	2,276,746
Post-employment benefits	117,213	109,382
Other long-term benefits	46,620	13,744
Share based payments	1,259,506	416,319
Total	3,934,069	2,816,191

5.4 Related Party Transactions

The immediate parent and ultimate controlling party of the Group is MMA Offshore Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Trading transactions with associate

During the year, the Group entities entered into the following trading transactions with MMA Global Aqua Co Ltd that are not members of the Group:

	Sale of Goods		Purchase of Goods	
	2023 $	2022 $	2023 $	2022 $
Associate	4,802,028	-	1,596,324	917,444

5. Other Notes (continued)

5.4 Related Party Transactions (continued)

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related party		Amounts owed to related party	
	2023 $	2022 $	2023 $	2022 $
Associate	3,512,539	-	55,671	-

Sales and purchases of services to and from related parties were made at normal commercial rates.

Amounts outstanding were unsecured and were settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of amounts owed by related parties.

There were no outstanding balances due from related parties that are not members of the Group (2022: Nil)

Other related party transactions and loan to associate

In the comparative year, a Group entity disposed of a vessel to a 100% owned subsidiary of an associate company, MMA Global Aqua Co Ltd for USD 5.0 million.

As part of the sale, a Group entity also provided a loan to fund a portion of the sale. The loan value is USD 4.25 million with a five year term and interest charged at 4.8% per annum and is to be repaid with 60 equal monthly repayments.

The outstanding balance of the loan at the end of the year is A$5.7 million (2022: A$6.5 million).

The loan is secured with a registered mortgage over the vessel.

Other transactions that occurred during the financial year between entities in the wholly owned Group were the charter of vessels and subsea services. These are all provided at commercial rates.

5.5 Remuneration of Auditors

	2023 $	2022 $
Auditor and related network firms*		
Audit or review of financial reports:		
- Group	280,134(i)	278,865
- Subsidiaries and joint operations	260,873	338,262
	541,007	617,127
Tax compliance services	8,240	-
	549,247	617,127

(i) Includes an amount of $27,784 paid to Deloitte for file review.

The Group appointed Grant Thornton as its new auditor with effect from 9 November 2022, replacing Deloitte. The amounts for 2022 were paid to Deloitte.

Following a detailed review by the Audit and Risk Committee of the nature of the non-audit services provided by the external auditor during the year, the Board has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth) and that the auditor's independence has not been compromised.

Notes to the Financial Statements
For the year ended of 30 June 2023

5. Other Notes (continued)

5.6 Subsidiaries

The Group's material subsidiaries at the end of the reporting period are as follows:

	Note	Country of Incorporation	Ownership Interest 2023 %	Ownership Interest 2022 %
Parent Entity				
MMA Offshore Limited	(i)	Australia		
Subsidiaries				
MMA Offshore Vessel Operations Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Charters Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Supply Base Pty Ltd	(ii) (iii) (vi)	Australia	-	100
MMA Offshore Asia Pte Ltd		Singapore	100	100
MMA Subsea Services Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Vessel Holdings Pte Ltd	(ii)	Singapore	100	100
MMA Offshore Malaysia Sdn Bhd		Malaysia	100	100
MMA Offshore Shipyard and Engineering Services Pte Ltd		Singapore	100	100
Airia Jaya Marine (S) Pte Ltd		Singapore	100	100
MMA Offshore Asia Vessel Operations Pte Ltd		Singapore	100	100
JSE Offshore Shipping Pte Ltd		Singapore	100	100
PT Jaya Asiatic Shipyard	(iv)	Indonesia	-	100
MMA Subsea Services Pte Ltd		Singapore	100	100
MMA Subsea Engineering Services Pte Ltd	(vi)	Singapore	-	100
Neptune Asset Integrity Services Pty Ltd	(ii) (iii)	Australia	100	100
Neptune Subsea Engineering Pty Ltd	(ii) (iii)	Australia	100	100
Neptune Geomatics Pty Ltd	(ii) (iii)	Australia	100	100
Neptune Subsea Stabilisation Pty Ltd	(ii) (iii)	Australia	100	100
Neptune Diving Services Pty Ltd	(ii) (iii)	Australia	100	100
Neptune Offshore Services (PNG) Ltd		PNG	100	100
MMA Subsea Stabilisation Pte Ltd		Singapore	100	100
MMA Marine Pacific Pte Ltd		Singapore	100	100
Neptune Subsea Engineering Ltd		UK	100	100
Neptune Offshore Services Ltd		UK	100	100
Neptune Subsea Inc		USA	100	100
MMA Global Projects Pte Ltd		Singapore	80	80
Premium Project Services Pte Ltd		Singapore	100	100
B&R Marine Pte Ltd		Singapore	100	100
Premium Project Services Middle East LLC	(vi)	UAE	-	100
MMA Offshore Services Malaysia Sdn Bhd		Malaysia	30	30
MMA Clean Energy Co Ltd		Taiwan	100	100
Subcon International Pty Ltd	(ii) (v)	Australia	100	-
Subcon Technologies Pty Ltd	(ii) (v)	Australia	100	-
Subcon Construction Equipment Pty Ltd	(v) (vi)	Australia	-	-
Subcon Technologies Pte Ltd	(v)	Singapore	100	-
Subcon Netherlands B.V.	(v)	Netherlands	100	-
Subcon Europe N.V	(v)	Belgium	100	-

(i) MMA Offshore Limited is the ultimate holding company and head entity within the tax consolidated group.

(ii) These companies are members of the tax consolidated group at 30 June 2023.

(iii) Pursuant to ASIC Corporations (Wholly – owned Companies) Instrument 2016/785, relief has been granted to these wholly owned controlled entities from the Corporations Law requirements for preparation, audit and lodgment of the financial report. As a condition of the Class Order, MMA Offshore Limited and the controlled entities entered into a Deed of Cross Guarantee on 15 February 2012 which was updated on 8 November 2019.

(iv) Disposed of as part of the sale of the Batam shipyard and associated companies in December 2022.

(v) Acquisition of Subcon group and associated companies in July 2022.

(vi) These dormant companies were deregistered during the year.

5. Other Notes (continued)

5.6 Subsidiaries (continued)

The consolidated statements of comprehensive income and financial position of entities which are party to the deed of cross guarantee are as follows:

Statement of Comprehensive Income	2023 $'000	2022 $'000
Revenue	126,627	182,057
Finance income	633	21
Other losses	(1,534)	(5,546)
Vessel expenses	(93,527)	(103,731)
Subsea expenses	(39,980)	(42,794)
Project Logistics expenses	(642)	(41,787)
Administrative expenses	(7,873)	(3,170)
Impairment reversal	15,497	35,303
Finance costs	(6,431)	(6,317)
Profit/(loss) before income tax expense	(7,230)	14,036
Income tax expense	(1,226)	(478)
Profit/(loss) for the Year	(8,456)	13,558
Total Comprehensive Income/(loss) for the year	(8,456)	13,558

Statement of Financial Position		
Current Assets		
Cash and cash equivalents	7,784	37,277
Trade and other receivables	61,549	54,031
Inventories	887	369
Prepayments	2,247	1,619
Total Current Assets	72,467	93,296
Non-Current Assets		
Other financial assets	235,624	231,892
Property, plant and equipment	95,972	98,267
Right-of-use assets	3,994	5,720
Total Non-Current Assets	335,590	335,879
Total Assets	408,057	429,175
Current Liabilities		
Trade and other payables	77,929	61,893
Contract liabilities	848	193
Borrowings	5,500	12,500
Lease liabilities	2,614	-
Provisions	9,354	11,554
Current tax liabilities	1,211	454
Total Current Liabilities	97,456	86,594
Non-Current Liabilities		
Borrowings	75,818	102,919
Lease liabilities	2,005	6,524
Total Non-Current Liabilities	77,823	109,443
Total Liabilities	175,279	196,037
Net Assets	232,778	233,138
Equity		
Issued capital	746,635	742,285
Reserves	8,533	4,787
Accumulated losses	(522,390)	(513,934)
Total Equity	232,778	233,138
Accumulated losses		
Accumulated losses at beginning of the financial year	(513,934)	(527,492)
Net profit/(loss)	(8,456)	13,558
Accumulated losses at end of the financial year	(522,390)	(513,934)

5. Other Notes (continued)

5.6 Subsidiaries (continued)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by NCI		Profit/ (loss) allocated to NCI for the year		Non-controlling interests	
		2023 %	2022 %	2023 $'000	2022 $'000	2023 $'000	2022 $'000
MMA Global Projects Pte Ltd	Singapore	20	20	(119)	437	277	377

The Group owns 80 percent of the equity shares of MMA Global Projects Pte Ltd and has the power to appoint and remove the directors of the company. Therefore, the directors of the Group concluded that the Group has control over MMA Global Projects Pte Ltd, and the company is consolidated in these financial statements.

5.7 Parent Company Information

Statement of Financial Position	2023 $'000	2022 $'000
Assets		
Current Assets	1,477	17,760
Non-Current Assets	570,749	445,373
Total Assets	572,226	463,133
Liabilities		
Current liabilities	5,520	12,517
Non-current liabilities	80,861	107,962
Total liabilities	86,381	120,479
Net Assets	485,845	342,654
Equity		
Issued capital	746,635	742,285
Accumulated losses	(375,052)	(513,893)
Profit reserve - 2016	114,122	114,122
Employee equity settled benefits reserve	140	140
Total Equity	485,845	342,654
Financial Performance		
Profit for the year	138,841	53,056
Other comprehensive gain	-	-
Total comprehensive gain	138,841	53,056
Guarantees provided under the deed of cross guarantee	88,898	75,558
Commitments for the acquisition of property, plant and equipment by the parent entity	-	-

5. Other Notes (continued)

5.8 Financial Instruments

Categories of Financial Instruments	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	106,346	73,864
Trade and other receivables	84,190	63,536
Loan to associate	5,687	6,515
Financial liabilities		
Trade and other payables	52,325	38,018
Lease liabilities	10,105	9,510
Borrowings	81,318	115,419

The Group's treasury function includes the management of the Group's financial assets and commitments including ensuring adequate procedures and controls are in place to manage financial risks. These risks include market risk (including currency and interest rate risk) credit risk and liquidity risk.

A Treasury Policy has been approved by the Board and provides guidelines for conducting treasury activities. Compliance with this Policy is monitored through internal audit procedures and subsequent reporting to the Audit and Risk Committee.

The Group seeks to minimise the effects of these risks, by using, where considered appropriate, derivative financial instruments to hedge these risk exposures. The allowable financial derivatives and conditions for their use are documented in the Treasury Policy. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where required, the Group can enter into a range of derivative financial instruments to manage its exposure to these risks.

At a Group level, these market risks are managed through sensitivity analysis. There is no change in the manner in which these risks are managed and measured in the current year.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts, when it is considered appropriate.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year are as follows:

	Liabilities		Assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
US Dollars	70,543	63,063	146,621	62,091
Singapore Dollars	1,651	1,705	1,622	2,072
British Pound Sterling	2,794	2,902	5,812	8,555
Malaysian Ringgits	287	103	3,780	7,837
New Zealand Dollars	1,645	963	1,566	2,229
Other	1,318	107	1,490	2,661

5. Other Notes (continued)

5.8 Financial Instruments (continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars (USD), Singapore Dollars (SGD), British Pound Sterling (GBP), Malaysian Ringgits (MYR) and New Zealand Dollars (NZD).

The following table details the Group's sensitivity to a 10% increase in the Australian Dollar against the relevant foreign currencies. The 10% sensitivity represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian Dollar against the relevant currency, there would be an equal and opposite impact on the profit or equity.

	Profit or Loss		Equity (i)	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
US Dollar	(584)	(912)	(6,332)	1,000
Singapore Dollar	7	45	(4)	(78)
British Pound Sterling	3	2	(277)	(516)
Malaysian Ringgit	-	-	(318)	(703)
New Zealand Dollar	7	(115)	-	-

(i) The USD impact relates to the translation from the functional currencies of the Group's foreign entities into Australian Dollars.

Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds primarily at floating interest rates. The risk is managed by the Group by the use of interest rate derivatives when considered appropriate. Hedging activities are evaluated regularly to align with interest rate views ensuring the most cost-effective hedging strategies are applied, if required. At this point in the interest rate cycle the Group is unhedged.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher / lower and all other variables were held constant, the impact on the net profit of the Group would be a decrease / increase in net profit of $815,319 (2022: decrease / increase by $1,154,188). The decrease in the exposure to interest rates on its variable borrowings is attributable to the $36m reduction in the loan facility during the current financial year.

5. Other Notes (continued)

5.8 Financial Instruments (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit worthiness of each customer is assessed to ensure minimal default risk. The Group's exposures to its counterparties are continuously monitored by management. Where appropriate, the Group obtains guarantees from customers. Cash terms, advance payments or letters of credit are requested from customers of lower credit standing.

Trade receivables consist of a large number of customers spread across the offshore oil and gas exploration, development and production industries, renewables industries, governments and defence, and across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

Debtor concentration risk is low with the top three customers of the Group making up only 27% (2022:28%) of the total debtor balance. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on the three largest receivables is managed through regular meetings with the customers, on-going contractual arrangements and regular receipts for the balances outstanding.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The table below details the credit quality of the Group's financial assets.

	Note	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables (i)	3.2	Lifetime ECL (simplified approach)	82,582	(2,436)	80,146

(i) For trade receivables, the Group has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL (refer to note 3.2).

Liquidity risk management

The Group manages liquidity risk by maintaining adequate cash reserves, borrowing facilities, continuously monitoring forecast and actual cash flows and managing credit terms with customers and suppliers.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from current interest rates at the end of the reporting period.

	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000
30 June 2023						
Trade & other payables		41,576	2,647	2,971	-	47,194
Borrowings	7.78	539	1,060	10,244	79,489	91,332
Leases	4.68	401	801	3,608	5,295	10,105
Total		42,516	4,508	16,823	84,784	148,631
30 June 2022						
Trade & other payables		28,770	8,721	527	-	38,018
Borrowings	5.38	496	1,038	17,016	111,070	129,620
Leases	4.01	255	541	2,259	7,223	10,278
Total		29,521	10,300	19,802	118,293	177,916

5. Other Notes (continued)

5.8 Financial Instruments (continued)

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000
30 June 2023						
Trade & other receivables		67,193	7,619	7,719	1,659	84,190
Cash & cash equivalents	3.76	106,681	-	-	-	106,681
Loan to associate	4.80	120	240	1,078	4,313	5,751
Total		173,994	7,859	8,797	5,972	196,622
30 June 2022						
Trade & other receivables		51,610	6,818	4,407	953	63,788
Cash & cash equivalents	0.29	73,882	-	-	-	73,882
Loan to associate	4.80	115	231	1,041	5,549	6,936
Total		125,607	7,049	5,448	6,502	144,606

Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

5.9 Contingent Liabilities

Guarantees given to third parties in respect of dealings, are in the normal course of business. Total amount of the guarantee facility is $20.0 million (2022: $20.0 million) with total drawn amounts of $2.2 million (2022: $2.0 million).

5. Other Notes (continued)

5.10 Events After the Reporting Period

Other than described below, there has not been any matter or circumstance that occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

On 10 August 2023 the Group refinanced its borrowings and entered into a new syndicated debt facility. The facility is subject to conditions precedent to draw down on standard market terms.

The new facility is provided by a syndicate of three banks with the following key terms:

- Four year facility expiring in August 2027
- $120.0m AUD revolving loan facility
- $10.0m uncommitted letter of credit facility
- No amortisation over the life of the loan
- The facility can be drawn down in both AUD and USD currencies
- Customary covenants are in place
- The interest rate payable is a base rate (Term SOFR for US$ denominated loans, BBSY for A$ denominated loans plus a margin)

The revolver facility allows MMA to minimise interest payments whilst maintaining liquidity.

5.11 Other Accounting Policies

Adoption of New and Revised Accounting Standards and Interpretations

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in the company's 2022 annual financial report.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year. None of these had a material impact on the entity or information to be disclosed.

Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

New or revised requirement	Description	Effective
AASB 2020-1	Classification of Liabilities as Current or Non current	1 January 2023
AASB 2021-2 Disclosure of Accounting Polices and Definition of Accounting Estimates	AASB 7 Financial Instruments	1 January 2023
	AASB 101 Presentation of Financial Statements	
	AASB 108 Accounting Policies	
	AASB 134 Interim Financial Reporting	
	AASB Practice Statement 2 Making Materiality Judgements	
AASB 2021-5	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2014-10	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	1 January 2025

The amendments to the individual Standards may be applied early, separately from the amendments to the other Standards, where feasible.

The directors of the Company do not anticipate that the amendments will have a material impact on the Group but may change the disclosure of accounting policies included in the financial statements.

Ordinary Share Capital (as at 16 August 2023)

374,394,475 fully paid ordinary shares are held by 4003 individual shareholders. All issued ordinary shares carry one vote per share.

Substantial shareholders (as at 16 August 2023)	Number of Shares	% of Issued Capital
Thorney Opportunities Ltd	42,671,801	11.40
Halom Investments Pte Ltd	29,248,195	7.81
Wilson Asset Management Group	23,739,332	6.34
Total	95,659,328	25.55

Distribution of Holders of Ordinary Shares (as at 16 August 2023)

Size of Holding	Number of ordinary shareholders
1 to 1,000	649
1,001 to 5,000	1,694
5,001 to 10,000	609
10,001 to 100,000	881
100,001 and over	170
Total	4,003

Twenty Largest Shareholders (as at 16 August 2023)

		Number of Shares	% of Issued Capital
1	CITICORP NOMINEES PTY LIMITED	64,837,482	17.32%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	62,277,541	16.63%
3	UBS NOMINEES PTY LTD	47,368,020	12.65%
4	NATIONAL NOMINEES LIMITED	35,755,765	9.55%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	23,978,334	6.40%
6	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	13,204,163	3.53%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,451,621	1.72%
8	BLOSSOMVALE INVESTMENTS PTE LTD	5,887,840	1.57%
9	BNP PARIBAS NOMS(NZ) LTD <DRP>	5,290,310	1.41%
10	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	3,770,339	1.01%
11	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	3,556,610	0.95%
12	HISHENK PTY LTD	3,000,000	0.80%
13	MATTINA INVESTMENTS PTY LTD	2,987,845	0.80%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,924,747	0.78%
15	SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	2,770,433	0.74%
16	WILLOUGHBY CAPITAL PTY LTD <WILLOUGHBY CAPITAL A/C>	2,400,000	0.64%
17	ORPHEO PTY LIMITED <THE ERIC LUCAS A/C>	2,303,666	0.62%
18	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	2,203,477	0.59%
19	BNP PARIBAS NOMS PTY LTD <DRP>	2,117,520	0.57%
20	MR JOHN PATERSON	2,075,000	0.55%
Total		295,160,713	78.83%

Additional Securities Exchange Information

For the year ended of 30 June 2023

Unquoted Rights (as at 16 August 2023)

14,471,761 unlisted rights held by 19 individual rights holders.

Distribution of Holders of unquoted Performance Rights (as at 16 August 2023)

Size of Holding	Number of performance right holders
1 to 1,000	-
1,001 to 5,000	-
5,001 to 10,000	-
10,001 to 100,000	500,001
100,001 and over	13,971,760
Total	14,471,761

Unmarketable Parcels (as at 16 August 2023)

The number of holders holding less than a marketable parcel of the Company's shares is as follows:

Minimum Parcel Size	Number of ordinary shareholders	Number of shares
372	222	21,857

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of shareholders, all ordinary shares carry one vote per share (on a show of hands or a poll) and each shareholder entitled to vote may vote in person or by proxy. The performance rights do not carry any right to vote.

Other

As at the date of this report 7,131,940 of the company's securities are subject to voluntary escrow expiring on 28 July 2024.

The Company does not have a current on-market buy-back.

There are no securities approved for the purposes of item 7 section 611 of the Corporations Act which have not yet completed.

No securities were purchased on-market for the purposes of an employee incentive scheme during the reporting period.

Shareholder Enquiries

Shareholders can obtain information about their shareholding by contacting the Company's share registry, and all registers of securities, registers of depositary receipts and other facilities for registration or transfer are kept at:

Automic Pty Ltd

Registered Address: Level 5, 126 Phillip Street, Sydney NSW 2000
Postal Address: GPO Box 5193, Sydney NSW 2001

Enquiries:
(within Australia) 1300 288 664
(outside Australia) +61 2 9698 5414
hello@automic.com.au
https://www.automicgroup.com.au/

Change of Address

Shareholders should notify the share registry immediately if there is a change to their registered address.

Stock Exchange Listing

Shares in MMA Offshore Limited are listed on the Australian Securities Exchange with the code MRM.

The Company's securities are not listed on any other stock exchange.

Publications

The Annual Report is the main source of information for shareholders.

Corporate Directory

Directors

Ian Macliver
Chairman

David Ross
Managing Director

Chiang Gnee Heng
Non-Executive Director

Susan Murphy AO
Non-Executive Director

Sally Langer
Non-Executive Director

Company Secretary

Tim Muirhead

Registered Office

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PERTH WA 6000

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Auditors

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Solicitors

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