



<b>Company</b>	MMA Offshore Limited
<b>Code</b>	MRM
<b>Meeting</b>	AGM
<b>Date</b>	28 January 2021
<b>Venue</b>	QV1 Conference Centre (Theatrette), Level 2 QV1 Building, 250 St Georges Terrace, Perth WA Webcast (recording available)
<b>Monitor</b>	Geoff Corrick

<b>Number attendees at meeting</b>	14 shareholders plus 8 visitors – as provided by the company
<b>Number of holdings represented by ASA</b>	21
<b>Value of proxies</b>	\$68 628
<b>Number of shares represented by ASA</b>	1.96m (0.0005% of issued shares)
<b>Market capitalisation</b>	\$126m – on day of meeting
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting</b>	Yes, with Dylan Roberts (Company Secretary) and Tim Muirhead (Senior Legal Counsel)

## Strategic course set against headwinds

The meeting was uncontroversial, with all resolutions passed on a poll with more than 99% of voted shares in favour. There were significant abstentions of about 9% on resolution 1, adoption of the remuneration report and of 22% on resolution 8, ratification of the issue of placement shares, the latter presumably because of voting exclusions on participants in the issue.

There is a recording of the meeting webcast at <https://www.openbriefing.com/OB/4086.aspx>. Major items during the meeting are noted with the webcast time in the following discussion. Questioners (two only) used a microphone so can be heard clearly.

The Chair, Andrew Edwards, retired from the board at the end of the meeting, and before the start of the formal business he asked his proposed successor, Ian Macliver to say a few words about himself (at 3m 54s). Mr Macliver also took the opportunity to thank Mr Edwards for his 11 years service to the board, the last three as Chair.

Mr Edwards gave his last chairman's address (at 8m 20s) with key points including the effect of the COVID-19 pandemic and the declining oil price seeing a decline in offshore oil and gas activity as exploration activities were deferred, but all production support projects have continued. Important steps forward were taken with the purchase and integration of Neptune Marine which has enabled an expansion of services and extended vessel usage. He was pleased with the pro-rata equity raising held since the end of the reporting year. As mentioned in the voting intentions the company made 4000 telephone calls resulting in a 62% take-up of entitlements.

The Managing Director followed with an excellent address (at 16m 55s) covering all aspects of the company's work. COVID-19 has been particularly challenging with multinational crews and different jurisdictions in which vessels are working but so far they have remained free of infections. The EBITDA for FY2020 at \$43m continued the steady improvement of the last three years, but the guidance for FY2021 is a reduction to a range of \$30m - \$35m. It was emphasised that oil and gas projects have generally been deferred not cancelled. The company strategy is to provide specialised services with up-to-date vessels, and avoid contracts where vessels are a commodity in a very competitive market. The Neptune acquisition has become a new subsea business division and allows a broader service offering. For example doing survey work for the Australian Navy. For both these presentations shareholders were asked to hold questions until after the formal business.

For the first item of business, consideration of accounts and reports (from 43m 50s), the Chair had a written question from a shareholder about whether the auditors had prepared a CO<sub>2</sub> emissions statement. The reply was that it was not in the auditors remit and that MRM was not of the size where reporting was required. However the company was always working to reduce emissions as part of good operating procedures. We asked a similar question about the lack of mention of climate change anywhere in the annual report and whether this would be included among the risks in future reporting. The Chair answered that service work in the gas industry would continue to be a big part of the business for some years, but also they are monitoring the evolving situation and will be looking out for opportunities. He noted that debt providers and rating agencies were supporting emissions reduction activities. The MD's address earlier covered increasing work in installation and servicing of offshore wind turbines. Currently three vessels are engaged in such work in Taiwan. The half year report (released 22 Feb 2021) notes that 20% of revenue now comes from non oil and gas activities and the strategy includes increasing this proportion.

We also spoke in support of the election of Ian Macliver (resolution 4) following his appointment in February 2020. We have dealt with Mr Macliver over recent years while monitoring Western Areas Limited and have found him to be well engaged with shareholder issues.

Our final comments were in support of the performance rights plan (resolution 5). This meets most of the ASA guidelines except for a three year performance period. We were persuaded by the board's wish to have key personnel with significant shareholding sooner rather than later after a number of difficult years in which no LTIs have been granted. Performance hurdles include absolute share price gains.

There were no other questions during the formal business. The only question on general matters was from a shareholder asking what the nature of the company's base in Aberdeen was. The MD replied that there are three sites - a service base for vessels, an engineering design office and an engineering workshop. Much of the work is repair and maintenance of ageing undersea equipment for oil and gas producers in the North Sea.

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