



14 November 2023

**METAROCK GROUP LIMITED (ASX: MYE)
EXECUTIVE CHAIR & CEO ADDRESS TO 2023 AGM**

I am honoured and excited to join Metarock Group as Executive Chair and to be able to present to shareholders at the Annual General Meeting.

Metarock is a diverse and wide-spread business with people at operations in four States of Australia. As I have travelled around NSW and Queensland to meet as many people in the Mastermyne and PYBAR families, I am struck by the commitment to 'Keep On' making our workplaces safe. I give you my personal commitment to focus on the safety performance throughout Metarock. I assure you I am well aware of the risks involved in underground mining, where I spent my formative years as a mineworker and supervisor/manager in various roles. I also believe that we can create a safe place to work underground by effectively addressing risks and teaching our people. Education and training will always remain essential and important, as will effective supervision and leadership always—Keeping It Real.

Notwithstanding the significance of the financial losses the company recorded in the 2023 financial year, I am heartened to see the improvements in safety and financial results starting to show. We recently published our quarterly report for the end of September 2023 and the underlying EBITDA and underlying cashflow performance demonstrate that our four key businesses, Mastermyne, PYBAR, Mynesight, and Wilson Mining, are all fundamentally sound businesses. Unfortunately, last year they experienced a period where multiple adverse situations were realised almost concurrently. Without the impact of these difficult and onerous contract situations, the Board, and management, are cautiously optimistic and firmly confident in our ability to restore the company's long term profitability.

I particularly would like to thank Jeff Whiteman who joined Metarock in late November 2022 as our Chief Financial Officer. Jeff has shepherded the company through a very difficult time, taking up the reins as Interim CEO in June 2023 along the way, and implemented a turnaround plan to steady the business. I will shortly hand the microphone to Jeff who will describe our safety and financial performance in more detail.

I also thank Matt Latimore and the M Resources group, who as part of the turnaround plan for Metarock, made a substantial equity investment that assisted to stabilise the company. As we move forward we can look forward to taking advantage of the growth opportunities coming up in our exciting industry.

I am very pleased to report that both Mastermyne and PYBAR have been successfully in winning new contracting works in NSW and Tasmania respectively that are material and



substantial. The details were recently shared on the ASX platform. I also share that our Mynesight business has captured new business in the last three months from CQ University, Ok Tedi, and a number of coal mines, and Wilson Mining has been very successful supporting the longwall operations of many of our clients to assist with ground consolidation activities.

The outlook for further new underground work over the next 12 months is very strong, both from existing clients, and also potential new clients with soon to be developed underground mines clearly in their planned business initiatives. I believe there will be at least 3-4 new underground coal mines, and at least 3 new mines in the metalliferous space, all developed in the next 2-3 years. I was also excited to find at PYBAR that we are constructing raise bore shafts at the Kidston Pumped Hydro project near Cairns – a great renewables project! I am keen to see PYBAR is participating in possible developments of underground mines of the future for the critical minerals industry in Australia, all needed to support the energy transition process with renewable energy and electric cars a clear focus.

I sincerely thank the other members of your Board of Directors. We have a board that understands the gravitas of our responsibility to shareholders that will strive to deliver returns in a safe and responsible way. I also thank our key customers and clients, and I trust that their trust will be maintained and earned over the next couple of years.

Special thanks go to our key managers and supervisors and all our employees – I keep reiterating that Metarock is a people business more than anything, and the interaction and support for each other within the business is what drives great and safe performance and enables us to 'Keep On' keeping on, and 'Keep Safe'.



INTERIM CEO ADDRESS

Thank you, Jon and good afternoon, everyone.

The 2022 AGM held just under a year ago was my first day with Metarock Group. Looking back, we have certainly been on a challenging journey. However, I am pleased to be standing here, confident in the knowledge that the Company is now in a far better position.

Regaining stability

The first half of the financial year was impacted by a number of legacy challenges, most notably, the two whole of mine projects and certain underperforming PYBAR projects, capped by further losses from a client entering administration in October 2022. Further, the business was still grappling with the aftermath of the dual tragedies through which two of our work colleagues sadly lost their lives.

It was imperative that a robust turnaround plan be devised and effected without delay. This plan was articulated by Christmas 2022 and each milestone has since been steadily achieved.

The planned recapitalisation of the group, was achieved via a \$25 million placement to the M Resources Group in May 2023, together with a material reduction in debt which had peaked at \$126 million at 31 December, including over \$20 million owed to the ATO. Net debt at 30 September 2023 was \$50 million lower at \$76 million and the ATO will be fully repaid this month.

Further, we have extended our Westpac working capital facilities through to September 2024.

Elevating Safety Performance

Even more important than our financial reset has been our safety reset. Here, the key indicators are trending positively. There is more work to be done and, in this regard, Metarock has commenced an integrated, group-wide program with the core theme of 'Elevating Safety Performance'. We are already seeing benefits from this approach and are pleased that some of our major clients are similarly aligned and actively engaging with us on a deeper level.

Financial performance

Evidence of the group's financial challenges is reflected in the Loss After Tax for the year of \$74 million, despite delivering revenue of \$514 million, 14% up on the prior year.

The result is very much a story of two halves. The first half generated normalised EBITDA of \$8.8 million, impacted by operating losses on legacy projects including Crinum and



Thalanga. On a statutory basis, the first half was also impacted by a \$25 million impairment in relation to intangible assets that arose on the acquisition of PYBAR.

The second half achieved normalised EBITDA of \$29.7 million, supported by high demand for Wilson's products.

Necessary to achieving the recapitalisation noted earlier, was the exit from certain contracts to close out contingent liabilities and position the group for positive earnings going forward. These actions are reflected in the second half earnings, with this favourable trend continuing in the current year, resulting in first quarter EBITDA of \$12.9 million.

Focused on our core businesses

Today, Metarock is focused on: its core businesses of Mastermyne and PYBAR, Wilson Mining and Mynesight; and delivering a safe environment for our employees and quality outcomes for our clients. Whilst competition for skilled people is stiff, and the sector is dealing with rising costs, we are seeing continued demand for our services, supported by favourable market tailwinds.

With the refocus on core business and elimination of distractions from legacy issues, our people are once again fully engaged and committed to the success of our projects and clients. Our brands are well known and respected by many in the industry, providing a competitive edge in seeking to attract and retain the best.

Looking ahead

We can look into the future with confidence. For the balance of the current year, we have a strong order book and an enviable portfolio of projects.

Climate change responses and the carbon transition will drive changes to all sectors. Metarock is well positioned for this transition with Mastermyne playing a key role in metallurgical coal, essential for the production of wind turbines, solar panels and electric vehicles. PYBAR is engaged in its first renewable energy project and critical minerals opportunities are adding to its pipeline.

Closing remarks

We remain focused on providing a safe and rewarding careers for our people, and we will continue to deliver industry leading service and products to our clients.

We will seek opportunities to invest and grow, but we will apply the lessons learnt to ensure that we remain a stable, well managed industry participant for years to come.

In closing, I would like to thank our whole team across the Group, including Mastermyne, PYBAR, Wilson Mining and Mynesight, together with our valued clients, our lenders and you, our shareholders, for your ongoing support of Metarock Group.

Thank you.



Approved for distribution by the Board of Directors of Metarock Group Limited.

Further information:

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