



26 November 2024

METAROCK GROUP LIMITED (ASX CODE: MYE) CHAIR & CEO ADDRESS TO 2024 AGM

It is a privilege to address you today as we reflect on our achievements over the past year and look forward to the opportunities and challenges that lie ahead.

This time a year ago, our then Executive Chair's message to shareholders was that the Board and management are cautiously optimistic and confident in our ability to restore the Company's long term profitability.

Overall, this past year Metarock has made significant progress in restoring the Company and positioning it for long term success.

At a strategic level, the Board determined that the Company simply did not have a large enough balance sheet to sustain operations in both hard rock and soft rock mining. Accordingly, in May 2024, Metarock successfully sold the PYBAR business, with funds generated used to retire debt, leaving the Company in a net cash position.

At an operational level, your Company saw ongoing improvements in safety, financial and operating discipline, governance and performance.

Pleasingly, the strategic and operational progress achieved through FY2024 resulted in a record comprehensive profit for the year, backed by a significant improvement in operating cashflow, and strengthening of the balance sheet. Your company finished FY2024 with positive net cash. Our MD & CEO, Jeff Whiteman, will expand on the strategic and operational outcomes when he addresses the meeting in a few moments.

With the sale of PYBAR completed and the balance sheet strengthened, your Board and management have been able to shift their focus to the future.

Post the sale of PYBAR, Metarock has returned to its core Mastermyne roots – being a specialist underground coal mining services business, leveraging its deep experience in development, ventilation, secondary support, outbye and ancillary services, knitted together with the Wilson Mining polymeric strata control products and Mynesight training. Reflecting this strategy, there is a resolution before shareholders today to revert the Company's name back to Mastermyne Group Limited.

While your Board and management remain confident in the global macro trends that support Australia's position as a leading exporter of metallurgical and thermal coal, our industry is not without short and medium term challenges that may have flow on impacts to our Company.

By ways of example, the ownership of a number of our current and prospective client mines either has recently changed, or is in the process of change. The ignition event at the



Grosvenor mine in June 2024 had a direct impact on Mastermyne staffing levels at the Grosvenor mine. Change can create both opportunity and risk – what it certainly does create is uncertainty, and headwinds of this nature are a feature of doing business. Your Board is focused on strengthening your Company’s operational and strategic resilience to both deal with and thrive in this evolving environment.

While your Board believes that Metarock’s restored balance sheet and ownership structure has set our Company in an enviable position to take advantage of the current situation and environment, your Board has to date elected to refrain from providing a return to shareholders. However, recognizing that your company is now in a substantially stronger position, we today advise that it is the Board’s intention to resume the payment of interim and final dividends, commencing with the release of the company’s FY2025 half year results in February. The resumption and amount of dividend payments will be subject to ongoing profitability, but at this stage the Board anticipates announcing an FY2025 interim dividend of approximately 0.5 cents per share.

The Board trusts that shareholders will appreciate that this conservative strategy positions the Company to both (1) adopt a firmer approach to challenges to optimise the outcome; and (2) have the balance sheet capacity to take advantage of opportunities as and when they may eventuate.

Today, post the sale of PYBAR and with improved and more disciplined operational performance from the Mastermyne businesses, Metarock is a smaller more focused and more profitable company. Accordingly, in October of 2024 our Executive Chairman, Jon Romcke, stepped down from his role and retired from the Board. The Board thanks Jon for his service and wishes him well.

To close, on behalf of the Board, I would like to acknowledge the considerable contribution of Jeff, his Senior Leadership Team and all Mastermyne personnel this past year. I would also like to thank our shareholders for your support through what has been a challenging time for our company. I would now like to introduce our Managing Director and CEO, Jeff Whiteman, to address the meeting.



CEO & MD address AGM

Thank you Peter.

Good afternoon everyone, thank you for joining us today and taking an interest in the Company.

This week, I celebrate my second anniversary with Metarock and reflect on the journey that the Company has travelled in that time and the substantially different position and future that we now look forward to.

FY24 Financial Performance

We have spoken much about the turnaround plan initiated in December 2022 as our debt load peaked. During FY24, the turnaround plan been successfully concluded with a return to profitable operations and delivery of a \$21 million net cash position by the year end. Notably, the team also delivered a record profit in the context of the Company's 28 year history, including when looking solely at the Continuing Operations. This impressive milestone was achieved through a targeted focus on core capabilities and projects, avoiding loss making projects and a collaborative, client focused approach across the Company.

Continuing operations are represented by the Mastermyne segment which comprises Mastermyne Contracting, Wilson Mining, Products & Consumables and Mynesight. Whilst revenue fell compared to FY23 due to the exit from the two legacy whole of mine projects, underlying revenue growth of 10% was encouraging, as was the \$52 million improvement in NPAT.

The divestment of PYBAR late in FY24 not only contributed materially to achieving our net cash position, but has also significantly reduced the Company's capex requirements going forward. It is also worth highlighting that the \$115 million improvement in our net (debt)/cash position arose due to improved operating cashflows as well as proceeds from the sale of PYBAR and non-core assets.

At 30 June 2024, the Company had a forward order book valued at \$280 million, of which \$155 million relates to FY25. Since year end, our Mastermyne contracts with Anglo American SMC have been extended to April 2025 to broadly align with the current sale process for that business, two of our Narrabri contracts have been extended and we have executed a contract for services at Peabody's new Centurion Mine. Combined, these contracts provide the Company with a strong foundation for FY25 and beyond.

FY24 Operational Highlights

Operationally, Mastermyne and PYBAR achieved a number of milestones in the year in terms of both safety and production. Leveraging the strong synergies between Mastermyne Contracting and our two products focused business units, Wilson Mining and Products & Consumables had a very active year, underpinned by particularly strong demand for Wilson Mining's strata control products across numerous mine sites in



Queensland and NSW. Our Mynesight training business is also proving its strong strategic fit with Mastermyne in an industry where competition for people remains stiff.

Additionally, we overcame some significant challenges, the most notable arising as a consequence of the Grosvenor Mine ignition event, which occurred immediately before the year end and resulted in the suspension of our normal services at that project. Pleasingly, we were able to retain or redeploy over half of our Grosvenor workforce.

Elevating Safety Performance

Elevating Safety Performance continues to be the Company's highest priority project, with a heightened focus on behavioural awareness and project leadership training, to enable achievement of our goal of Zero Life Changing Events.

We have made good progress during the year with a lower TRIFR and reduced severity of incident outcomes, however, recent industry events are a stark reminder that there is still work to do.

FY25 Strategic Priorities

The majority of the past two years have been preoccupied with the execution of the turnaround plan. With the latter completed in May with the sale of PYBAR, the Company has since been seeking to generate organic growth through expanding and diversifying our client base, crystallising the numerous opportunities in our \$1.4 billion pipeline.

In addition to a strong focus on seeking to understand our clients' challenges and present innovative solutions, we are also looking internally to make our business more streamlined and efficient to enhance our competitiveness.

Finally, given the dynamic nature of the sector and our major shareholder's extensive network, we are regularly presented with acquisition opportunities, which we evaluate based on their strategic merits including fit with our core capabilities.

Outlook

As global energy transition and decarbonisation actions continue to evolve, it is evident that the demand for metallurgical coal will remain strong for the foreseeable future, whilst thermal coal demand globally is also expected to persist. Although coal prices, being subject to commodity markets, will continue to fluctuate, we have a positive view on sustained demand for the Company's services and products.

FY25 revenues and profitability have been adversely impacted by the suspension of the Grosvenor services and the early closure of the Integra Mine, both timed around August 2024. However, with its strong order book and pipeline, coupled with a reinvigorated business model, Metarock is well positioned going forward into FY26 and beyond.



Closing remarks

With our focus firmly back on our core brands and activities, our goal is to deliver irreplaceable performance for our clients together with safe and rewarding careers for our people.

I would like to thank the whole Metarock team, including our former colleagues at PYBAR, for their remarkable effort and resilience in delivering the outstanding results above. I also thank our valued clients and you, our shareholders, for your ongoing support of Metarock Group.

Thank you and I will now hand back to Peter to progress the formal part of the meeting.

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

Andrew Ritter, Company Secretary

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