FULL YEAR FINANCIAL RESULTS

For year ended 30 June 2022

25 AUGUST 2022

Disclaimer

Forward looking statements

This release contains certain forward looking statements and forecasts, including in relation to possible or assumed future performance, costs, dividends, rates, prices, revenue, potential growth of MLG Oz Limited, industry growth or other trend projections.

Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of MLG Oz Limited. Actual results and developments may differ materially from those expressed or implied by these forward looking statements, depending on a variety of factors.

Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

ABOUT MLG

Long term sustainable partner of choice

FOUNDER LED BUSINESS
[>50% ownership]

ASX LISTED:
[ASX:MLG]

INTEGRATED SERVICE OFFERING
[26 sites throughout Western Australia and Northern Territory]

HIGH QUALITY CLIENT BASE
[circa 85% Gold, 10% Iron Ore, 5% Other Metals]

STRATEGICALLY LOCATED QUARRIES
[100% Owned]

LARGE SCALE FLEET
[>150 Trucks, >500 Trailers/Dollies, >100 Loaders, 5 Crushing and Screening plants]

OUR WAY
OF DOING BUSINESS

SAFETY AND ENVIRONMENT
This is our number one priority, it underlines every activity we undertake.

INTEGRITY & TRUST
Being honest, fair and ethical in the way we work.

PERFORMANCE
Optimising assets and people to ensure competitive efficiency.

CUSTOMER SERVICE
We employ the right people and deliver exceptional service.

CONTINUOUS IMPROVEMENT
We deliver first class performance with value and always look to be better.

TEAMWORK
We view our customers as partners and focus on building long-term relationships.

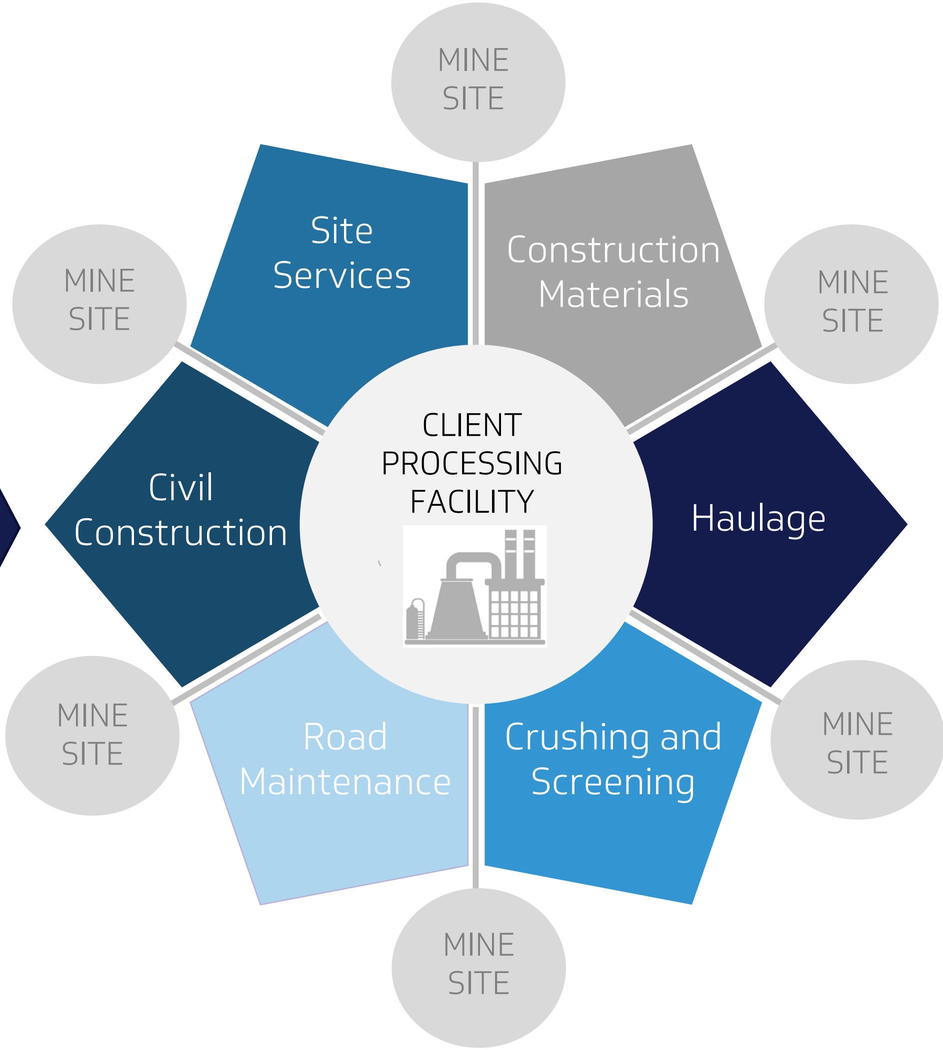
LEADERSHIP, PASSION AND COURAGE
We are passionate about leading change. We deliver and perform with enthusiasm, energy and conviction.

INTEGRATED SERVICES MODEL

Contract tenor typically 2-3 years with commercial terms and conditions and specific scope of work

QUARRY ASSETS

LARGE FLEET



BENEFIT OF INTEGRATED MODEL

- Single service provider
- Single contractual management touch point
- Reduced duplication (single workshop, shared equipment)
- Processing facilities typically long life
- Haulage can be adjusted to changing mine plans
- Builds long term client relationship

+ Contractual capital protection clauses negotiated when projects require large capital outlay

OUR OPERATIONS AND REACH

CURRENT ACTIVITY

●	Bulk Haulage & Site Services	17
●	Crushing & Screening	6
●	Offices	2
●	Quarries	1
●	Screening	3

20 YEARS OF OPERATION

656 EMPLOYEES

26 SITES IN NT AND WA

PILBARA

1 Roy Hill
25 Christmas Creek

NORTHERN TERRITORY

2 Granites

MURCHISON

3 Mount Magnet

GOLDFIELDS

4 Agnew
5 Bald Hill
6 Cane Grass
7 Davyhurst
8 Eight Mile
9 Gruyere
10 Granny Smith
11 Jonah Bore
12 Jundee
13 Kalgoorlie Bulk
14 Kalgoorlie HQ
15 Kanowna Belle
16 Kundana
17 Leonora
18 Paddington
19 St Ives
20 Tarmoola

WHEATBELT

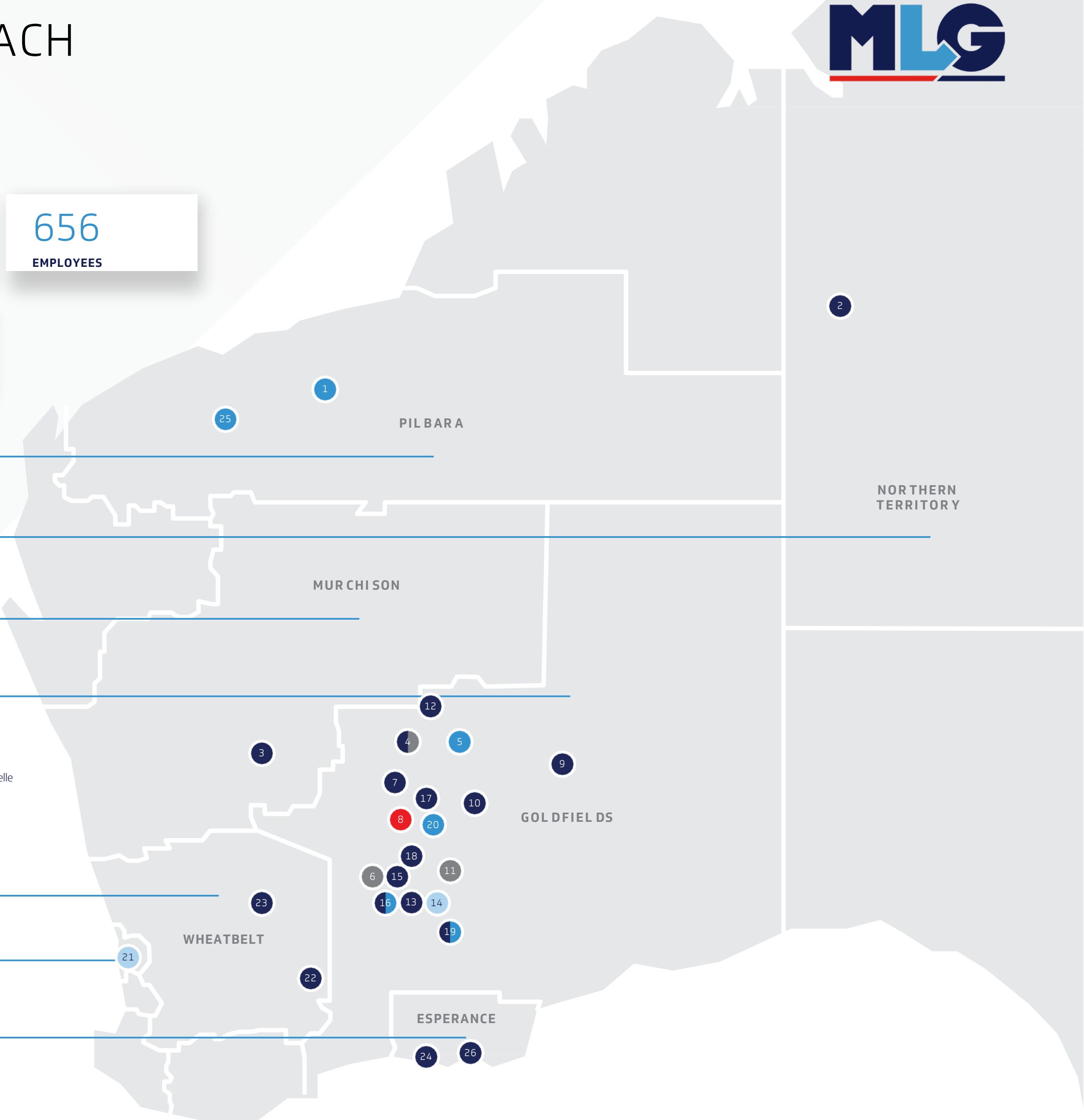
22 Cosmic Boy
23 Edna May

PERTH

21 Perth Corporate

ESPERANCE

24 Esperance
26 Ravensthorpe



SUSTAINABLE OPERATIONS CONNECTED WITH OUR COMMUNITY

GOVERNANCE

- Industry recognised board
- High employee ownership
- People centric culture
- Health and safety primary value
- High investment in leading edge safety systems
- Long term relationships built on integrity and ethics

ENVIRONMENTAL

- Electrification
- Environmental Management Systems
- Water Usage
- Waste management
- Energy Efficiency

JANUS ELECTRIC

SOCIAL

- Community Support
- Indigenous engagement
- Health and Wellbeing
- Pay and Performance
- Diversity
- Employee retention

STRONG REVENUE GROWTH WITH LABOUR CONSTRAINING PROFIT

Unprecedented demand constrained by labour market and margin pressures

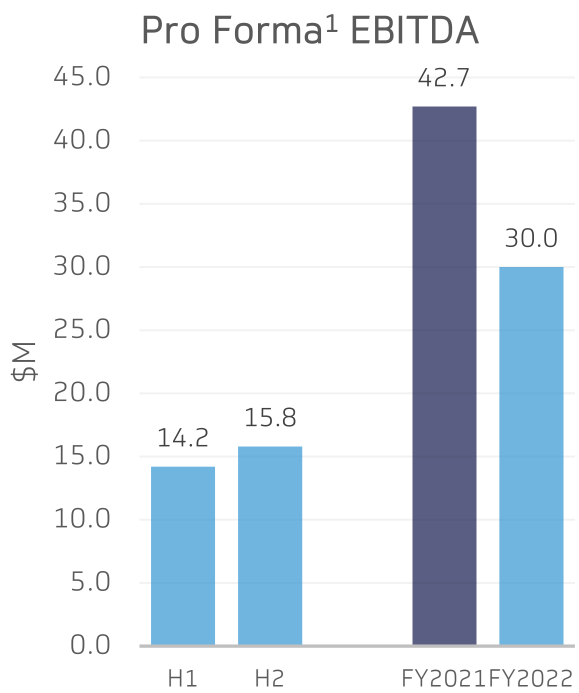
Statutory Revenue
$289.8m ↑
($257.8m FY21)

EBITDA
$30.0m ↓
($42.7m FY21)

Capex
$55.8m ↑
($41.1m FY21)

Statutory NPAT
$4.8m ↓
($12.5m FY21)

Full Year Dividend
Nil
(1.71c FY21)



- Strong revenue growth
  - Greater scope of works across existing clients
  - Growth from project wins
  - Higher billing rates
- Constrained labour market restricting profitability
  - Limited availability of road train drivers
  - Absenteeism from Covid 19
  - High turnover across industry
- Stronger second half
  - Higher billing rates across clients
  - Ramp up of new projects
  - May performance constrained by unseasonal weather event
  - June experienced lower crushing volumes (client related)
- Margins below our historic norm
  - Higher costs (Labour, parts, fuel)
  - Rise and fall lag effect from rapid cost changes

[1] *Adjusted for effect of new accounting standards (AASB9, AASB15 and AASB16), public company costs, and interest costs to reflect impact of proceeds from the offer, and offsets fuel tax credit revenue and other income against Costs of sales*

OPERATIONAL PERFORMANCE

Strong underlying demand for MLG services constrained by labour market conditions

OUR PEOPLE

- Greater investment in recruitment
- Retention difficult in industry as demand intensifies
- Strengthened management team
  - New COO – Mark Hatfield
  - Re-aligned executive leadership (Operations, Safety, Commercial, Financial)
- Established regional management structure
- High focus on values

OUR CLIENTS

- Very high demand for services
- Significant growth opportunities with existing clients
- Have selectively reduced some client exposure
- Priority on sustainability of projects and profitability
- Greater frequency of rise and fall reviews
- Margins have been variable due to cost pressures and rise and fall lag
- Fuel price volatility continues to be challenging

OPERATIONAL PERFORMANCE

Productivity below historic performance with capacity for higher margins

OUR EQUIPMENT

- High capex spend in FY2022 ($55.8m)
  - strategic orders to mitigate supply chain delay
  - new projects commenced in FY2022 (Paddington, Davyhurst, Evolution, Red5)
  - Higher sustainable capex required for larger fleet
- Current fleet has available capacity
  - Labour market (lack of drivers and operators)
  - Fleet pending new project growth in FY2023

OUR MARGINS

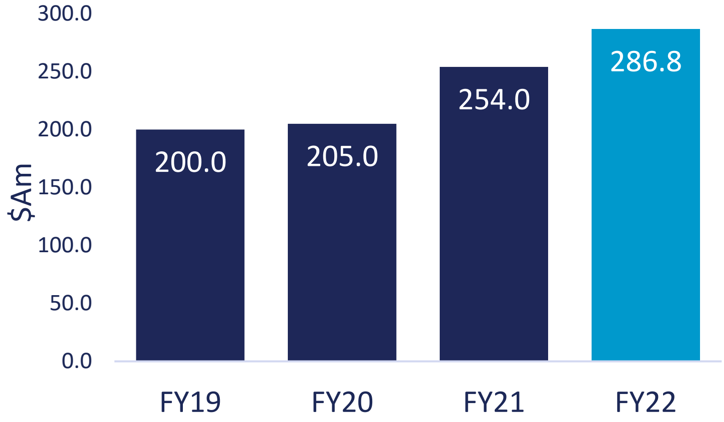
- Productivity of labour force below historic performance levels (turnover, absenteeism, high demand across industry)
- Underperforming sites a key focus – Rates and operational efficiency
- Clients supporting targeted site bonuses to attract and retain skills
- Costs have risen rapidly – offset by rise and fall but some lag
- Have selectively reduced some client exposure where margins unachievable
- Large profit opportunity as margins improve

FINANCIAL PERFORMANCE

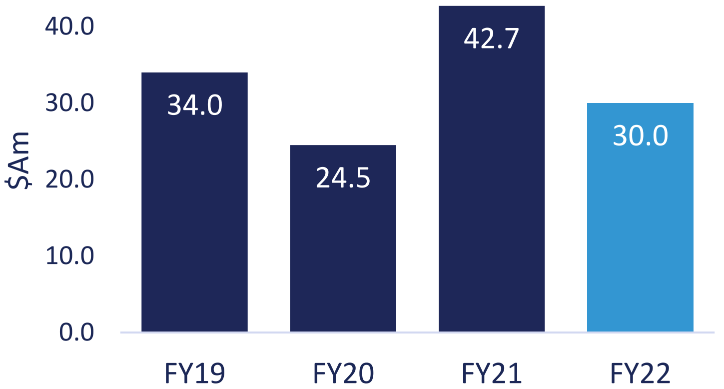
FINANCIAL PERFORMANCE – FY2022

Strong growth in revenue but margins remain well below historic norms

Pro forma[1] revenue



Pro forma[1] EBITDA



FY2022 FINANCIAL PERFORMANCE

$000's	Notes	Pro Forma Actual FY21	Pro Forma Actual FY22
Revenue			
Mine Site Services and Bulk Haulage		191,818	252,006
Crushing and Screening		55,478	27,523
Export Logistics		6,720	7,312
Fuel Tax Credits	2	-	-
Other Income	2	-	-
Total revenue		254,016	286,841
Costs of sales		(196,313)	(242,452)
Gross profit		**57,703**	44,389
General and administration		(14,984)	(14,345)
EBITDA		42,719	30,044
Depreciation	3	(18,519)	(21,300)
EBIT		**24,200**	8,744
Margins			
EBITDA		16.8%	10.5%
EBIT		9.5%	3.0%

Notes:

1. Adjusted for effect of new accounting standards (AASB9, AASB15 and AASB16), public company costs, and interest costs to reflect impact of proceeds from the offer

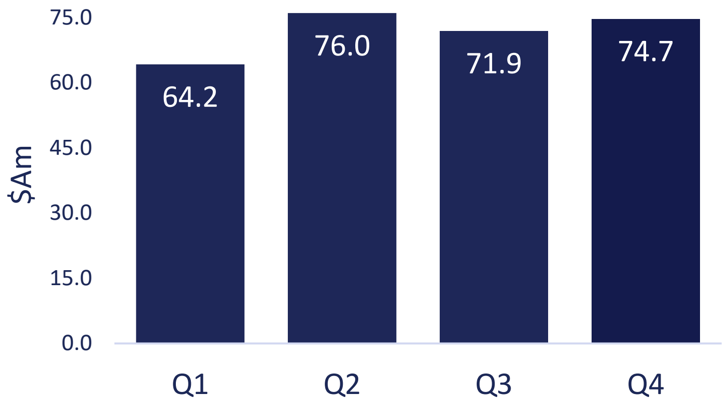
2. Pro Forma offsets fuel tax credit revenue and other income against Costs of sales

3. Includes impairment of the Fixed Plants at the Fortescue's Christmas Creek site in Actual and Pro Forma Actual FY21

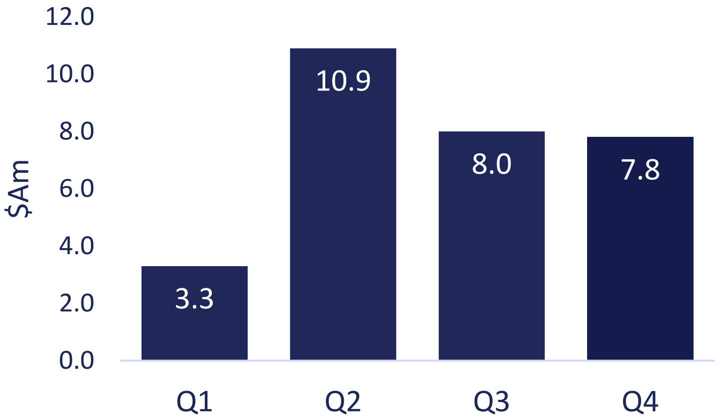
QUARTERLY RUN RATE – FY2022

Improved second half as rate increases mitigate cost escalation, despite material weather events in H2

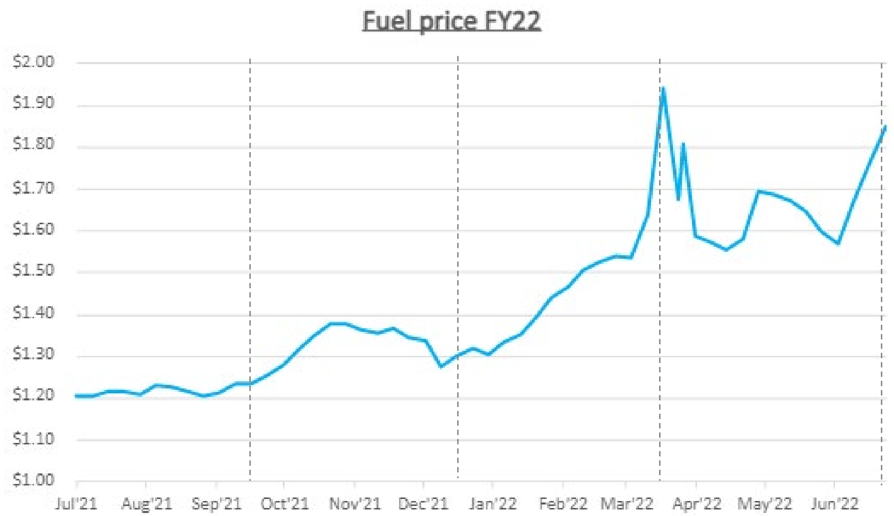
Pro forma[1] revenue



Pro forma[1] EBITDA



- First quarter trading performance reflects rapid escalation of costs set against historic billing rates
- Repricing of rates has improved revenue run rate
- Labour constraints restricting margins through H2
- Continued cost escalation in H2, particularly Fuel
- Stable earnings in H2
- Focus on margin improvement to increase run rate through FY2023



Notes: 1. Pro Forma offsets fuel tax credit revenue and other income against Costs of sales

CASHFLOW AND CAPITAL EXPENDITURE

Pre-ordered equipment has resulted in high capex spend in FY2022 to support growth

- First quarter trading performance restricted operating cashflow
- Higher capex supporting new projects in FY22 – Jundee, Edna May and Paddington
- Capex expected to reduce materially in FY2023
- Capacity within fleet with utilisation restricted by availability of labour

	Pro Forma[1] Historical				Actual
$'000	Notes	FY19	FY20	FY21	FY22
EBITDA		33,970	24,482	42,719	30,044
Movement in net working capital		(8,890)	4,536	(2,686)	1,970
Other operating cash flows	2	38	17	-	-
Tax paid		(2,714)	(2,132)	(3,139)	1,655
Operating Cash Flows		22,404	26,904	36,894	33,669
Net Replacement Capex		(5,604)	(11,337)	(10,735)	(11,271)
Growth Capex		(19,822)	(36,746)	(30,415)	(44,507)
Net Cash Flows before financing		(3,022)	(21,179)	(4,256)	(22,109)

Pro forma adjustments:
1. Adjusted for effect of new accounting standards (AASB9, AASB15 and AASB16), public company costs, and interest costs to reflect impact of proceeds from the offer. Revenue has been adjusted to offset fuel tax credits against cost of fuel rather than shown as revenue.
2 Movement in net working capital represents the movement between the opening and closing working capital positions in each period presented

CAPITAL MANAGEMENT & BALANCE SHEET POSITION

Debt gearing ratio impacted by lower Q1 profit and higher capex spend

- Increase in Net assets to $116.3m
- Higher capex has increased financial debt to $64.2m
- 2.1x Gearing ratio reflects higher debt and lower profit as compared to FY2021
- Capex slowing given existing capacity in fleet
- Nil dividend declared

000's	Consolidated 30 June 2022	Consolidated 30 June 2021
Cash and cash equivalents	210	9,689
Trade and other receivables	45,272	42,226
Inventories	18,162	14,214
Total current assets	63,644	66,130
Property, plant and equipment	187,054	152,098
Other non-current assets	3,945	4,660
Total non-current assets	190,999	156,757
Total assets	254,643	222,887
Trade and other payables	51,661	47,074
Financial liabilities	26,464	28,229
Lease liabilities	894	1,525
Provisions	1,187	1,009
Total current liabilities	80,206	77,836
Financial liabilities	37,723	18,226
Lease liabilities	3,452	3,287
Other non-current liabilities	16,918	9,313
Total non-current liabilities	58,093	30,826
Total liabilities	138,299	108,662
Net assets	116,344	114,225

OUTLOOK

WHAT IS DRIVING OUR FY2023 OUTLOOK?

Growth outlook is a focus on margin and client delivery rather than revenue alone

REVENUE GROWTH

+

LABOUR AVAILABLIITY

+

MARGIN IMPROVEMENT

REVENUE GROWTH

- Existing client demand
  - Yandal belt expansion in Northern Star
  - Edna May mine plan growth for Ramelius
  - Productivity and rates
- Existing Fleet capacity
- Operating efficiency
  - Higher payload equipment
  - Redeploy equipment
  - Site incentives

LABOUR AVAILABLIITY

- Recruitment
  - investment in recruitment team
  - targeted bonus structures (attraction and retention)
- Immigration
  - Access to international skilled visa applicants
  - Access to offshore “unskilled” labour through regional Goldfields designated area migration agreement (DAMA) in Kalgoorlie underway
- Dedicated MLG Training Program
  - “New to industry operator development” – induction and transition of existing skilled labour
  - Upskill and onboarding of offshore “unskilled” labour
  - Apprentice model – growing our future leaders

MARGIN IMPROVEMENT

- Cost control
  - Maintenance plan
  - Procurement
- Rise and Fall
  - Frequency
  - Indices and baseline

HIGH VOLUME CRUSHING PLANT OPPORTUNITY

Potential to redeploy or sell or combination of both

- Client parties interested in
  - build own and operate
  - outright purchase
  - Purchase asset plus MLG manage operations
- Dedicated high capacity plant business development manager appointed
- Current proposals being assessed by third parties
- Sale of one or both plants being considered
  - Reduce gearing level
  - Re-focus on shorter term priorities
  - Avoids ongoing care and maintenance costs

AUTOMATION VERSUS ELECTRIFICATION

Potential proof of concept trial to retrofit high payload fleet with electric engine

AUTOMATED

- Difficult with load and unloading cycle times to maximise volume
- Requires new technical skills to support – less labour but difficult to source and expensive
- Not applicable for on road haulage routes

ELECTRIC

- Convert existing diesel-powered trucks with Janus Electric technology
- Exchangeable batteries power electric heavy vehicles
- Target client to fund capital investment for initial pilot
- Sites which have existing power source (gas, solar, wind)
- Closed circuit offroad shorter haul sites - ability to locate replacement batteries at points on route
- Long term cost of ownership materially less than current model
    - lower maintenance,
    - replacement estimates 30,000 Hrs with electric versus 12,000 hrs in diesel engines
- Material reduce carbon footprint
- Greater environmental benefit
- Shared model to lower cost for client and improve MLG margin

OUTLOOK for FY2023

Expectations for strong growth in FY2023

- Cost escalation stabilising
- MLG being headquartered in Kalgoorlie provides unique advantage to leverage DAMA in Goldfields region – international labour identified
- Higher rates have been agreed with clients
- Targeting improved margin through productivity and cost control
- Anticipate earnings growth in FY2023 with $250m of work fully contracted
- Margins expected to be in line with or higher than FY2022

Key risks

- Further price escalation
- Weather events
- Worsening of labour market
- Loss of any material contract