HALF YEAR FINANCIAL RESULTS

For period ended 31 December 2022

27 FEBRUARY 2023

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.

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BUSINESS MODEL

ABOUT MLG

Long term sustainable partner of choice

FOUNDER LED BUSINESS
[>50% ownership]

ASX LISTED:
[ASX:MLG]

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

HIGH QUALITY CLIENT BASE

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.

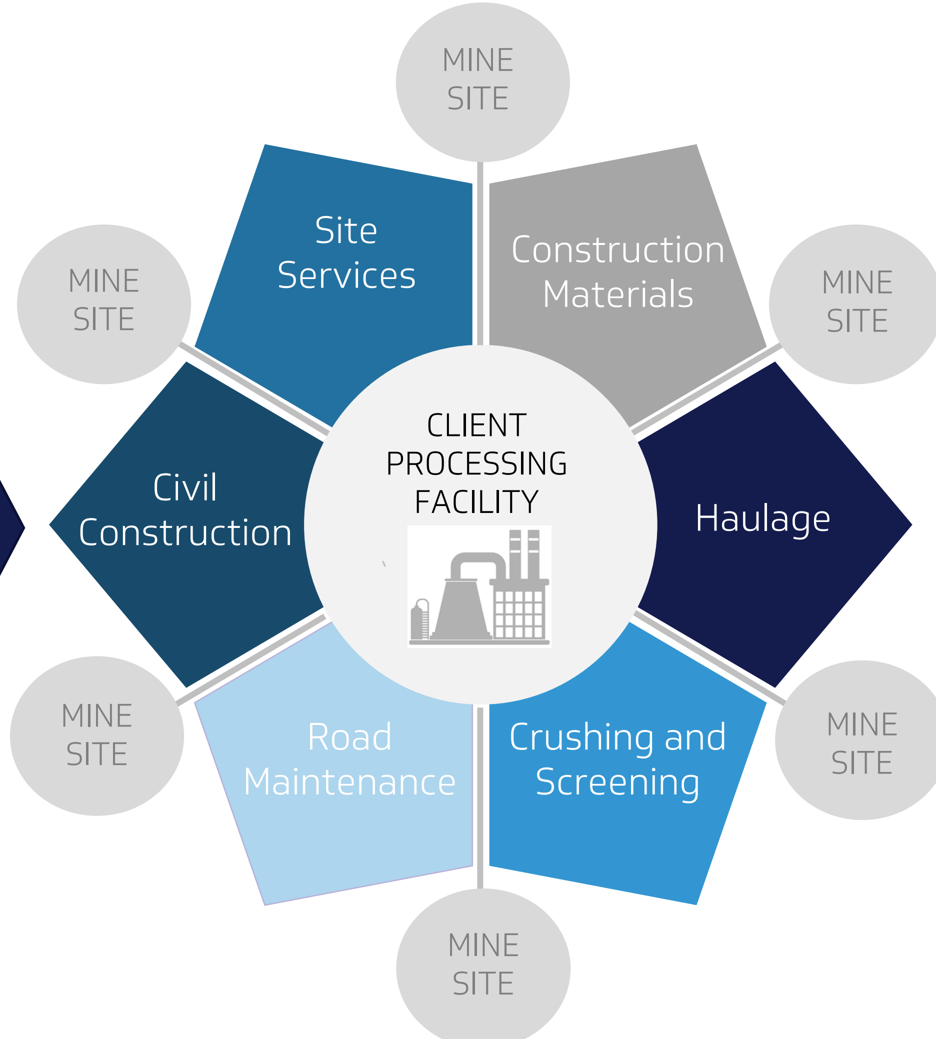
LEADERSHIP, PASSION AND COURAGE
We are passionate about leading change. We deliver and perform with enthusiasm, energy and conviction.

INTEGRATED SERVICES MODEL

Building long term client relationships

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	20
Crushing & Screening	5
Offices	2
Quarries	1
Screening	3

20 YEARS OF OPERATION

830 EMPLOYEES

28 SITES IN NT AND WA

KIMBERLEY

- 30 Fitzroy crossing
- 29 Koolan Island

PILBARA

- 1 Christmas Creek

NORTHERN TERRITORY

- 2 Granites

MURCHISON

- 3 Mt Magnet
- 26 Fortnum
- 27 Meekatharra
- 28 Cue

GOLDFIELDS

- 4 Agnew
- 5 Bald Hill
- 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

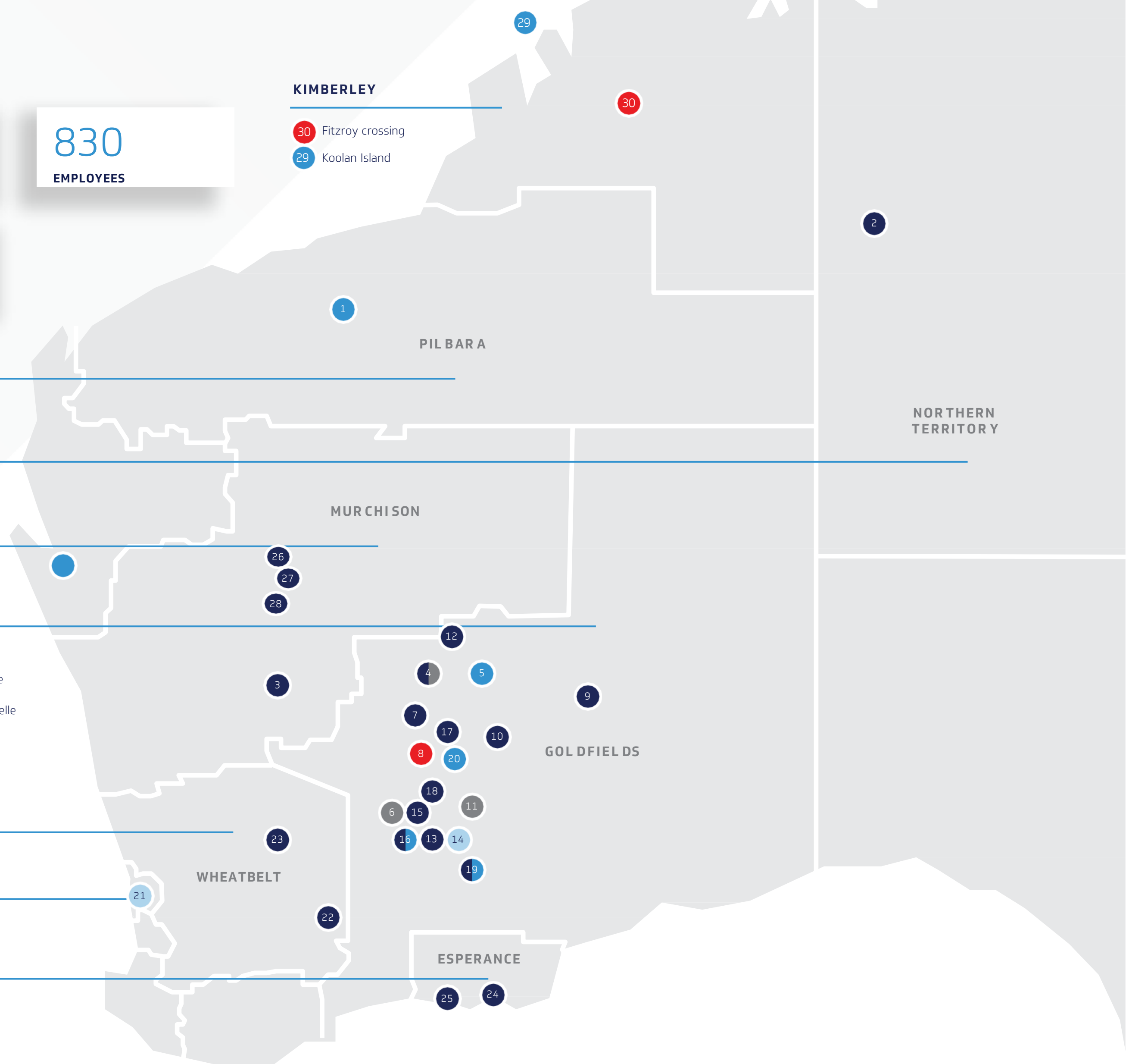
- 22 Cosmic Boy
- 23 Edna May

PERTH

- 21 Perth Corporate

ESPERANCE

- 24 Esperance
- 25 Ravensthorpe



SUSTAINABLE OPERATIONS CONNECTED WITH OUR COMMUNITY

ENVIRONMENTAL

- Electrification opportunities
- Environmental Management Systems
- Water usage
- Waste management
- Energy efficiency

SOCIAL

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

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

OPERATIONAL PERFORMANCE

MARGIN IMPROVING FOLLOWING CHALLENGING CONDITIONS

Statistory Revenue **$175.9m** (HY22 $141.9m)	**Up 23.9%**
EBITDA **$16.5m** (HY22 $14.2m)	**Up 16.8%**
Capex **$18.1m** (HY22 $33.0m)	**Down 45.2%**
Statutory NPAT **$2.6m** (HY22 $1.8m)	**Up 40.5%**
Interim Dividend **Nil** (Nil)	**-**

- **Revenue remains strong**
  - Continued delivery into long term partner contracts
  - New project impact (Westgold and Barren Lands)
  - Higher rates negotiated to reflect higher costs
- **Labour market still very challenging**
  - Benefiting from foreign workers (Skilled migration/DAMA)
  - Strong recruitment – increase in headcount
  - New to industry graduates (MLG training program)
  - 4 year EBA renegotiated
  - Labour rates are high with site payments an added cost
- **Inflationary pressure constraining margin**
  - Highly variable fuel prices
  - Parts pricing still rising
  - Higher cost of maintenance (labour rates and parts)
- **New systems providing greater management control**
  - Daily production reporting (Productivity and Revenue)
  - Project based Profit & Loss with drill through to transaction detail
  - Labour hours, turnover and asset utilisation
- **Reduced growth capex**

SALE OF HIGH CAPACITY CRUSHING PLANTS

Material reduction in debt and financing costs

$19.0m	**Sale price**
($2.0m)	**Decommission and deliver**
$17.0m	**Net Proceeds**

- Reduction in debt and monthly loan repayments
- Eliminates ongoing care and maintenance costs
- Avoids potential costs of moving site before redeployment
- Reduces need for dedicated business development focus
- Reduces overall holding costs
- Cash buyer - Not subject to finance or settlement risk

Non-cash impact

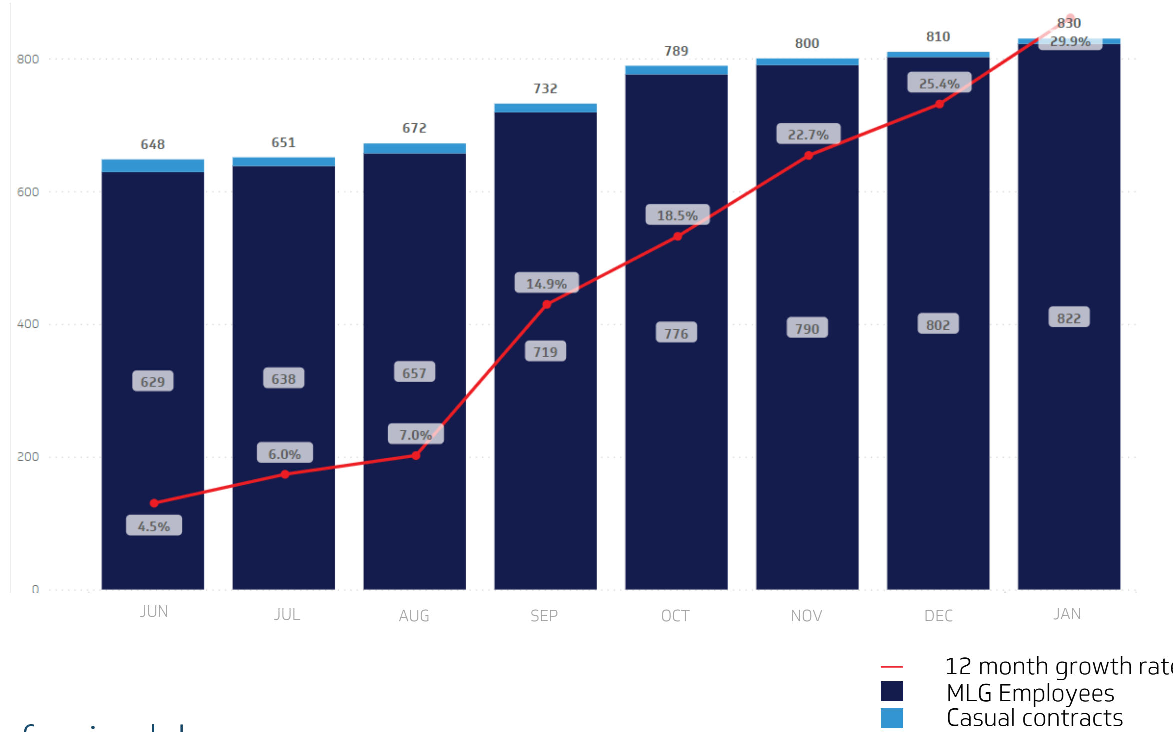
Circa ($6.0m)	Loss on Sale of plants
Circa ($3.0m)	Impairment of ancillary equipment / inventory

STAFFING LEVELS MATERIALLY HIGHER

High recruitment both domestically and internationally delivering higher staffing levels

OUR PEOPLE

28.1% INCREASE MLG Employees



- Greater investment in recruitment
- 482-Visa (Skilled trades) providing access to foreign labour
- MLG new to industry training program now producing material number of graduates
- Higher pay rates across the industry
- Site payments driving attraction but not necessarily reducing turnover
- Turnover still high driven by industry demand and choice

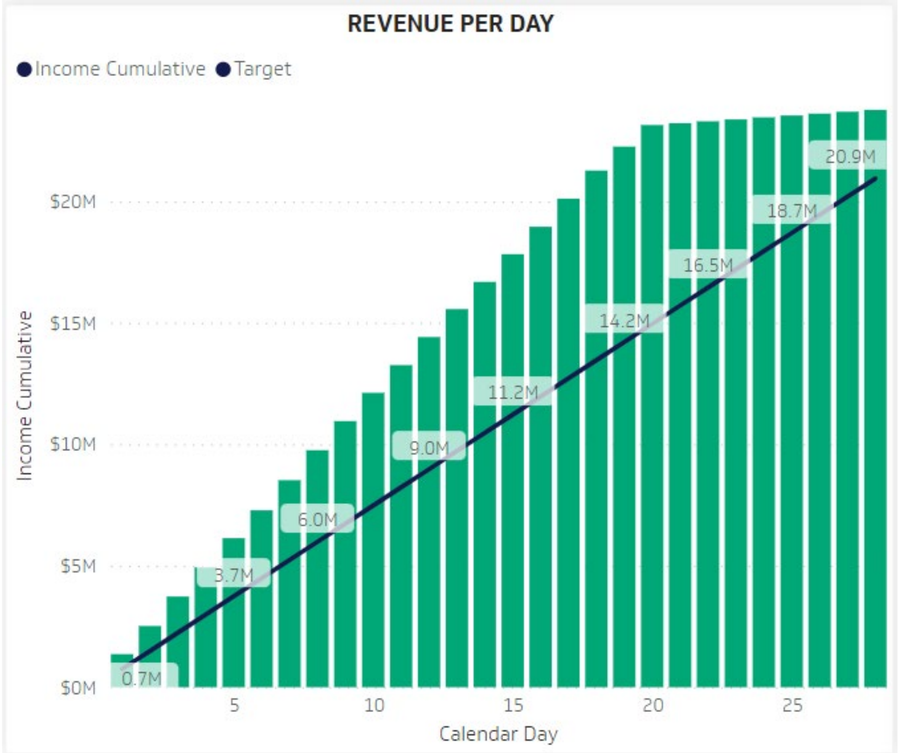
Higher staffing drives higher utilisation resulting in higher revenue and margin

CLIENT DEMAND REMAINS HIGH

Rate rises negotiated to reflect higher cost to deliver

OUR CLIENTS

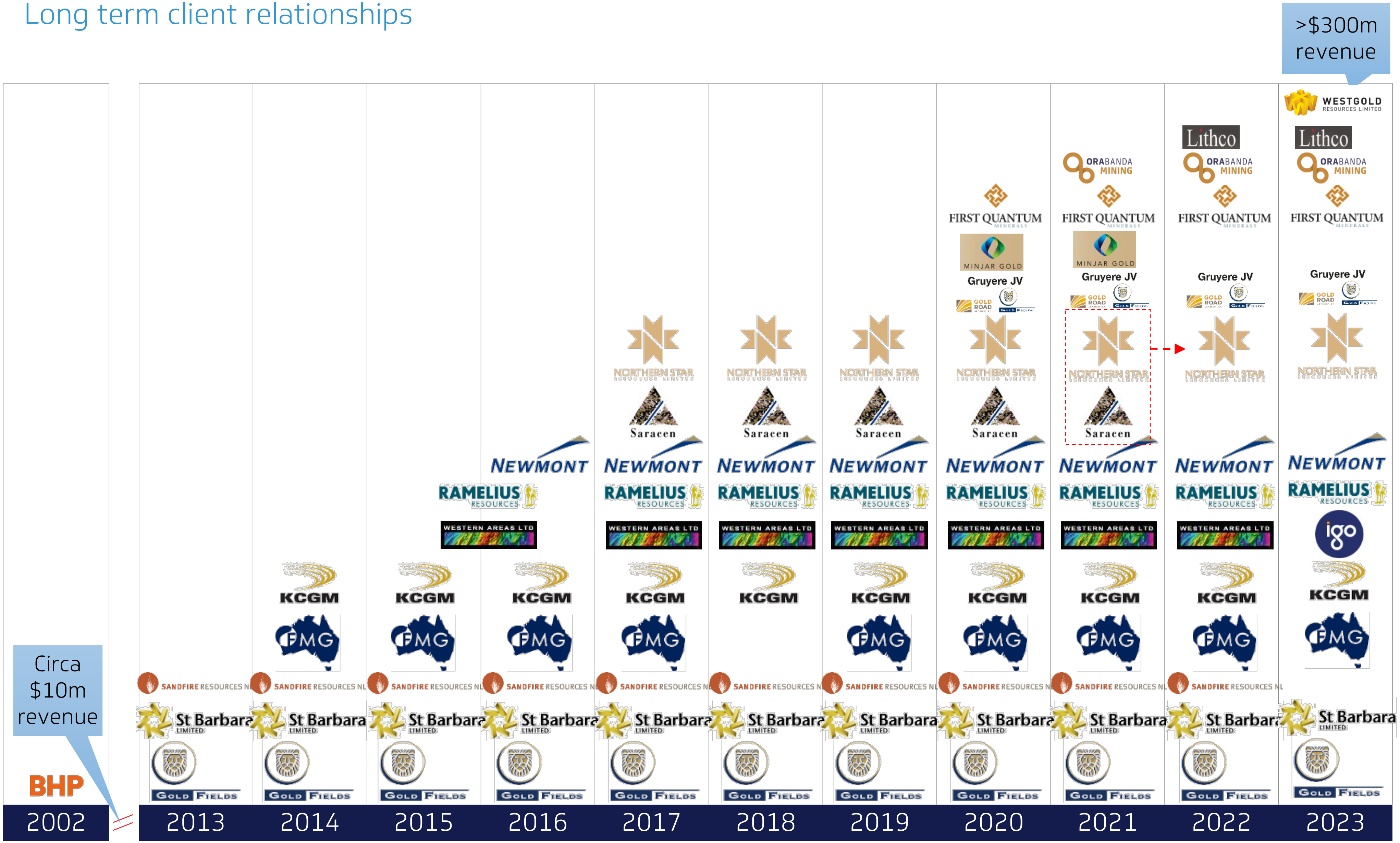
- Very high demand for services
- Significant growth opportunities with existing clients
- Have selectively reduced some client exposure
- Priority on sustainability of projects and profitability
- Greater frequency of rise and fall reviews
- Margins have been variable due to cost pressures and rise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



Greater insight from New Systems - Daily tracking of production and revenue

HISTORY OF GROWTH THROUGH CUSTOMER AND SCOPE EXPANSION

Long term client relationships



FINANCIAL MANGEMENT

Improving productivity is generating higher margins

OUR MARGINS

- Underperforming sites a key focus – margin, rates and operational performance
- Have selectively reduced some client exposure where margins unsustainable
- Lag in resetting rates continues to limit margin (cost rising faster than rates)
- Large profit opportunity as margins improve
- Procurement initiatives underway to leverage buying power
- Higher staffing drives higher utilisation resulting in higher revenue and margin

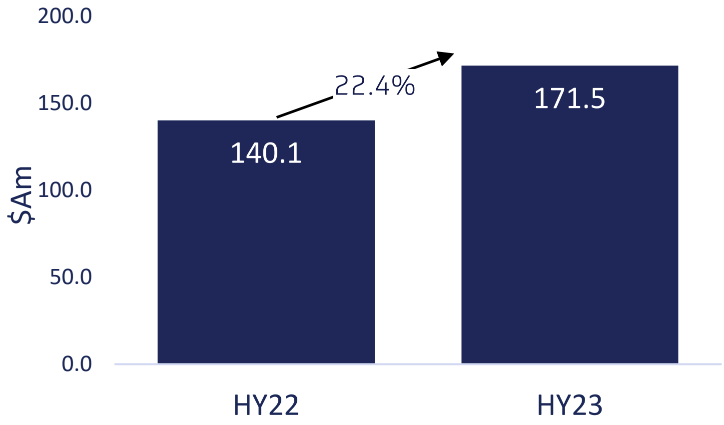
OUR EQUIPMENT

- Majority of equipment purchased before inflationary increase in asset prices
- Tighter capex controls
  - Pre-ordered commitments almost complete – growth capex slowing
  - Operating leases utilised for medium term project cycles
- Divestment of underutilised assets
  - Sale of high-capacity crushing plants
  - Reduce debt / generate cash

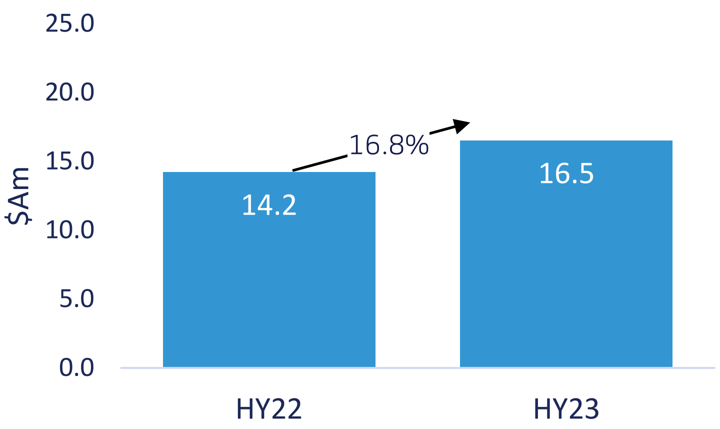
FINANCIAL PERFORMANCE

Strong growth in revenue with margins improving

Pro forma[1] revenue



Pro forma EBITDA



HY2023 FINANCIAL PERFORMANCE

$000's	Notes	Pro Forma Actual HY22	Pro Forma Actual HY23
Revenue			
Mine Site Services and Bulk Haulage		123,354	150,557
Crushing and Screening		13,055	16,080
Export Logistics		3,734	4,896
Total revenue		**140,143**	**171,534**
Costs of sales	1	(117,603)	(144,639)
Gross profit		**22,540**	**26,894**
General and administration		(8,382)	(10,361)
EBITDA		**14,158**	**16,533**
Depreciation		(10,892)	(10,915)
EBIT		**3,266**	**5,618**
Margins			
EBITDA		10.1%	9.6%
EBIT		2.3%	3.3%

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

CASHFLOW AND CAPITAL EXPENDITURE

Strong cash generation, but inflated by timing of creditor payments and tax refund

- End of period timing
  - High creditor balance
  - Fuel tax credit not received in cash
- High tax refund – instant asset write off (High capex in FY2022)

$'000	31 December 2021	31 December 2022
Receipts from Customers	154,932	183,624
Payments to suppliers	(143,365)	(166,688)
Finance Costs	(391)	(763)
Income Tax refunded	77	5,037
Fuel Tax Credits received	1,676	1,076
NET CASHFLOW FROM OPERATING ACTIVITIES	12,928	22,287

Cash flow conversion (vs EBITDA)	91.3%	134.8%

CAPITAL MANAGEMENT & BALANCE SHEET POSITION

Gearing remains high but expected to decline by end of financial year

- Increase in Net assets to $119.0m
- Financial debt of $65.2m (including operating leases), broadly in line with FY2022
- 2.0x Gearing ratio
- Growth capex slowing given existing capacity in fleet
- Nil dividend declared
- $17m net proceeds from sale of high-capacity crushing plants will reduce debt
- Financial liabilities primarily hire purchase funded (fixed rate single asset contracts)
- Improvement in return on capital a key focus going forward

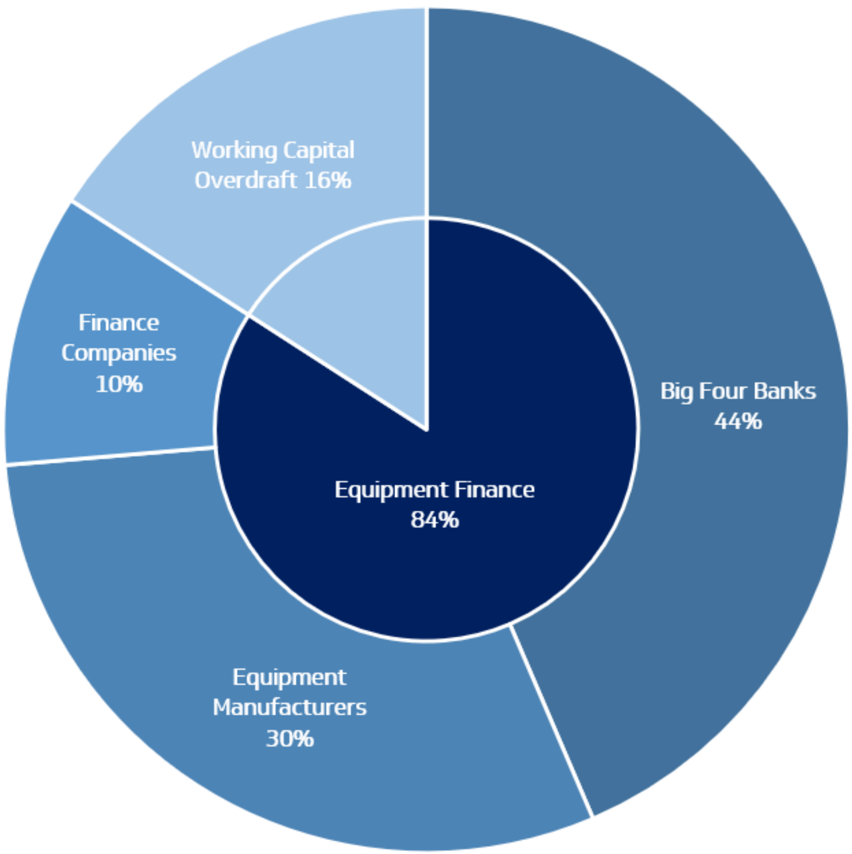
$000's	Consolidated 30 June 2022	Consolidated 31 Dec 2022
Cash and cash equivalents	210	267
Trade and other receivables	45,272	48,085
Inventories	18,162	18,507
Total current assets	**63,644**	**66,859**
Property, plant and equipment	187,054	194,492
Other non-current assets	3,945	6,679
Total non-current assets	**190,999**	**201,170**
Total assets	254,643	268,029
Trade and other payables	51,661	61,050
Financial liabilities	26,464	29,887
Lease liabilities	894	1,846
Provisions	1,187	1,113
Total current liabilities	**80,206**	**93,896**
Financial liabilities	37,723	31,832
Lease liabilities	3,452	5,275
Other non-current liabilities	16,918	18,004
Total non-current liabilities	**58,093**	**55,112**
Total liabilities	138,299	149,007
Net assets	116,344	119,022

STRUCTURE OF DEBT

Majority of MLG debt is equipment finance - each contract typically repaid over 3-5 years

- 84% of Financial debt at end of December 2022 is hire purchase equipment finance
  - Equipment Finance - Multi tenor loans with fixed rates secured by single assets
  - Where long dated rates closely aligned we will utilise 4-5 year term facilities
- $14.8m working capital overdraft facility
- Prior to 30 June 2022 all equipment finance was 3-4 year terms
- Average interest rate of our debt up to 30 June 2022 was <4.0%
- Post 30 June interest rates increasing

FINANCIAL DEBT



OUTLOOK

TIGHT CONTROL OF COSTS IMPORTANT

Challenging first half but in line with expectations. Stronger second half expected

NEAR TERM

- Management focus
  - Improving margin (Controlling costs / Procurement)
  - Higher productivity
  - Cashflow
- H2 Contributions
  - Full contribution from Westgold project
  - Full contribution from Barren Lands
  - Higher staffing levels
  - Rate rises agreed in H1
- Balance Sheet
  - Lower new capex expected in H2
  - Gearing to continue to fall in near term
  - Asset sales of non essential equipment

LONGER TERM

- Staff
  - Improve retention
  - Reduce hiring costs
- Client Demand
  - Growth projects
  - Meeting production targets
- New Business
  - Crushing portfolio opportunities
  - Geographic spread
  - Synergy with existing portfolio

OUTLOOK for FY2023

Targeting a stronger full year performance through improvement in margin

KEY FACTORS SUPPORTING NEXT 6 MONTHS

- Improvements in financial performance trends later in the first half continuing into 2023
- Stronger balance sheet following sale of high capacity crushing plants
- Growth from new projects (Barren Lands and Westgold)
- High staffing levels will benefit utilisation and productivity
- New systems delivering improved monitoring and focus
- Large procurement opportunities – consolidating spend, identifying preferred suppliers
- Growth capex will slow in H2
- Focus on sustaining capital spend to prioritise work and improve outcomes