DECEMBER 2023
HALF YEAR RESULTS

Metarock Group Limited (ABN 96 142 490 579)

Jon Romcke, Executive Chairman

Jeff Whiteman, CEO & Managing Director

28 February 2024

Overview

Group highlights - Half Year Ended 31 December 2023 (1H FY2024)

OVERVIEW AND OPERATIONS

- Achieved strong earnings for second consecutive half-year period
- Materially improved balance sheet strength with reduced gearing
- Improved operational and safety performance across existing operations
- New contracts and extensions secured at multiple mines including Black Rock, Dargues, Savage River, Narrabri and Centurion
- Strong pipeline of opportunities across the Group

FINANCIAL RESULTS (1H FY2024)

- Total revenue of $234.4 million (exit from legacy contracts has resulted in lower revenue for the half)
- Statutory EBITDA[1] of $29.7 million ($25.5 million Normalised EBITDA[2]) versus Normalised EBITDA in the prior comparable period (PCP) of $8.8 million
- Profit before income tax (PBT) of $10.9 million, an $84.3m increase in statutory PBT compared to 1H FY2023

MILESTONES ACHIEVED THROUGH TURNAROUND PLAN

- Exited loss-making legacy contracts (which resulted in significant non-recurring write-offs in prior periods)
- Recapitalised the balance sheet via proceeds of equity raisings and sale of surplus assets
- Restructured the Board and management team
- Improved operational and safety results at existing sites coupled with new contracts within core capabilities
- Extended working capital facilities to Sept 2024, currently in negotiations to deliver increased tenor and capacity

STRONG FIRST HALF DEMONSTRATING RESULTS OF TURNAROUND PLAN

CEASED LEGACY CONTRACTS, STRENGTHENED BALANCE SHEET, LOWERED GEARING, NEW CONTRACTS FOCUSING ON CORE CAPABILITIES

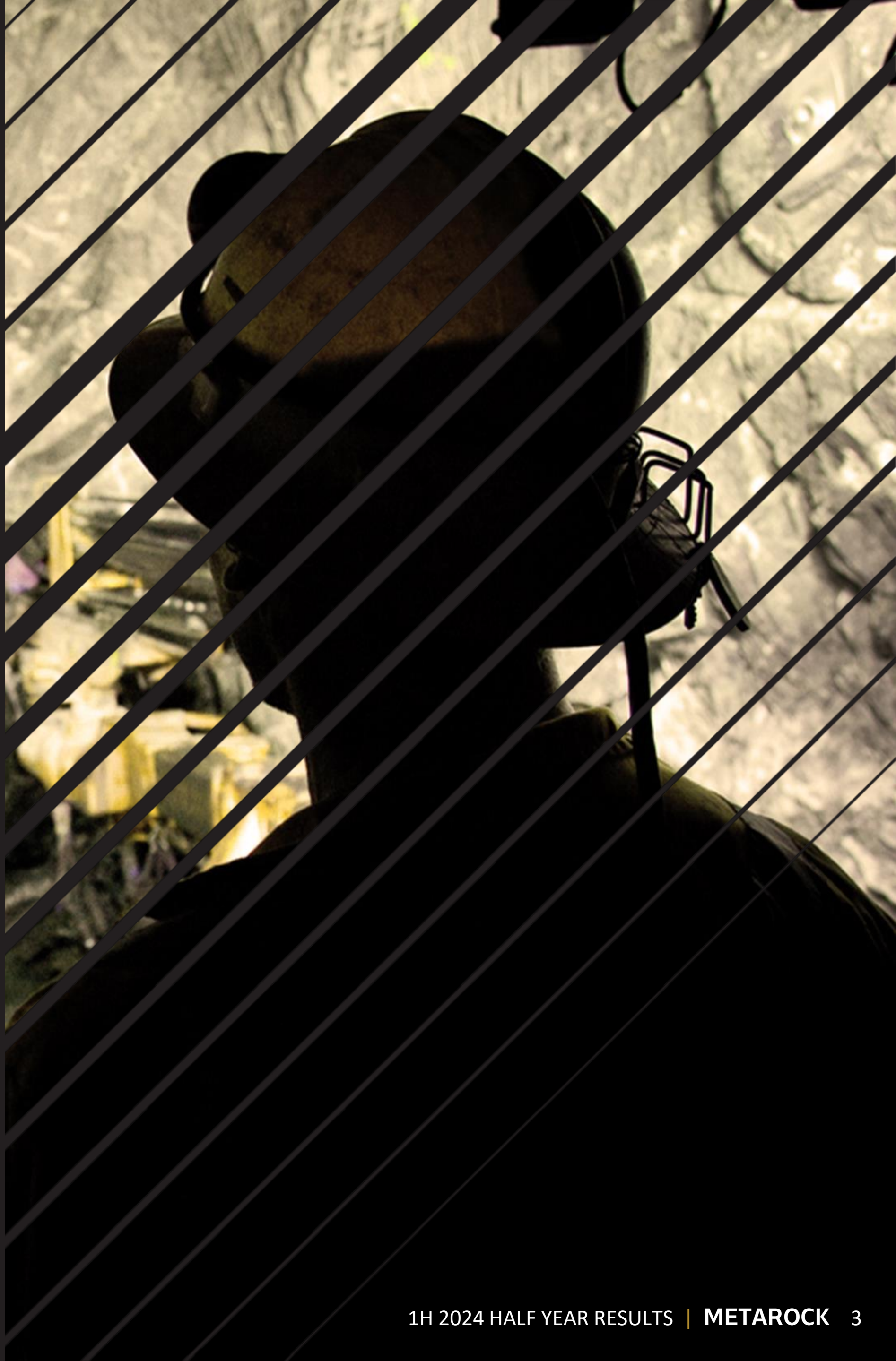
Non-IFRS Measurements

1. *EBITDA refers to Profit/(loss) before Net Finance Expenses, Income Tax Expense/Benefit, Depreciation and Amortisation.*
2. *Normalised EBITDA refers to Statutory EBITDA adjusted for significant non-recurring transactions. Refer to Appendices for a reconciliation from Statutory Results to Normalised Results.*

Elevating Safety Performance

Metarock is focused on achieving consistent, positive safety outcomes

- Metarock is making good progress in executing its integrated, group-wide '*Elevating Safety Performance*' ('ESP') plan, with the focus moving forward on:
  - Safety coaching face-to-face underground with our crews
  - Structured development for up and coming project leaders at all levels to ensure effective operational leadership and supervision
  - Quality assurance in relation to effectiveness of critical hazard controls
  - Ensuring a robust evaluation of safety risk at pre-tender stage
  - Building the capability and experience within each of our teams through a combination of targeted recruitment and training
  - Analysing incident and near miss reporting and communicating the learnings to our teams
- Reassuringly, our recent employee survey and staff engagement confirmed the commitment by our people across the business to Mastermyne's '*Keep Safe*' and PYBAR's '*Zero Harm. Zero Compromise.*' corporate values
- Recent independent safety, environment and quality system audits re-affirming compliance of the Group's systems and processes with no major non-conformances



Statutory Results – 1H FY2024

2nd consecutive half of significantly improved operating results

Highlights for 1H FY2024:

- EBITDA of $29.7m and 12.7% EBITDA Margin[3], building on the success in 2H FY2023 from the turnaround plan
- Normalised EBITDA from operations of $25.5m (before $4.2m profit on sale of surplus assets) versus $8.8m Normalised EBITDA in PCP
- Reduced operating costs resulting from focus on core contract mining services
- Net Profit before tax of $10.9 million, an $84.3m improvement over Statutory PBT in 1H FY2023

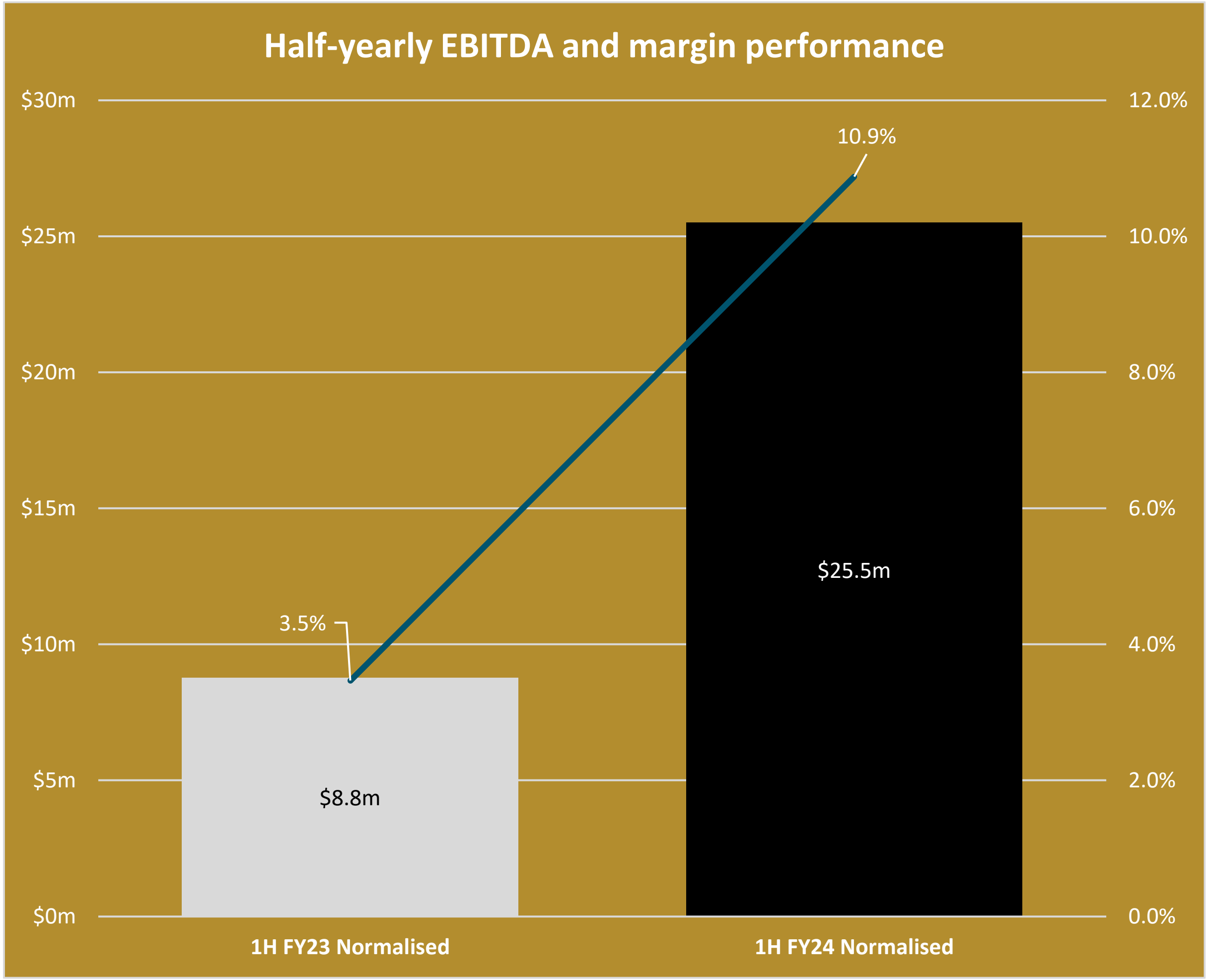
Statutory Results and Normalised Results (1H FY2024 vs 1H FY2023)	**$000's**					
	Statutory Results 1H FY2024	**Statutory Results 1H FY2023**	**Change (Statutory Results)**	**Normalised[4] Results 1H FY2024**	**Normalised[4] Results 1H FY2023**	**Change (Normalised Results)**
Revenue	234,428	259,251	(24,823)	234,428	253,093	(18,665)
EBITDA	29,657	(50,034)	79,691	25,503	8,775	16,728
EBITDA Margin	12.7%	(19.3%)	32.0%	10.9%	3.5%	7.4%
Depreciation	(13,180)	(16,949)	3,769	(13,180)	(16,949)	3,769
EBITA	16,477	(66,983)	83,460	12,323	(8,174)	20,497
Amortisation	(1,551)	(2,343)	792	(1,551)	(2,343)	792
Net Finance Expenses	(4,022)	(4,116)	94	(4,022)	(4,116)	94
Profit Before Income Tax	10,904	(73,442)	84,346	6,750	(14,633)	21,383
Income Tax	-	9,980	(9,980)	-	(1,330)	1,330
Net Profit/(loss) After Tax	10,904	(63,462)	74,366	6,750	(15,963)	22,713

Non-IFRS Measurements

3. *EBITDA Margin refers to Profit/(loss) before Net Finance Expenses, Income Tax Expense/Benefit, Amortisation and Depreciation divided by Revenue.*
4. *Refer to Appendices for a reconciliation from Statutory Results to Normalised Results.*

1H FY2024 EBITDA

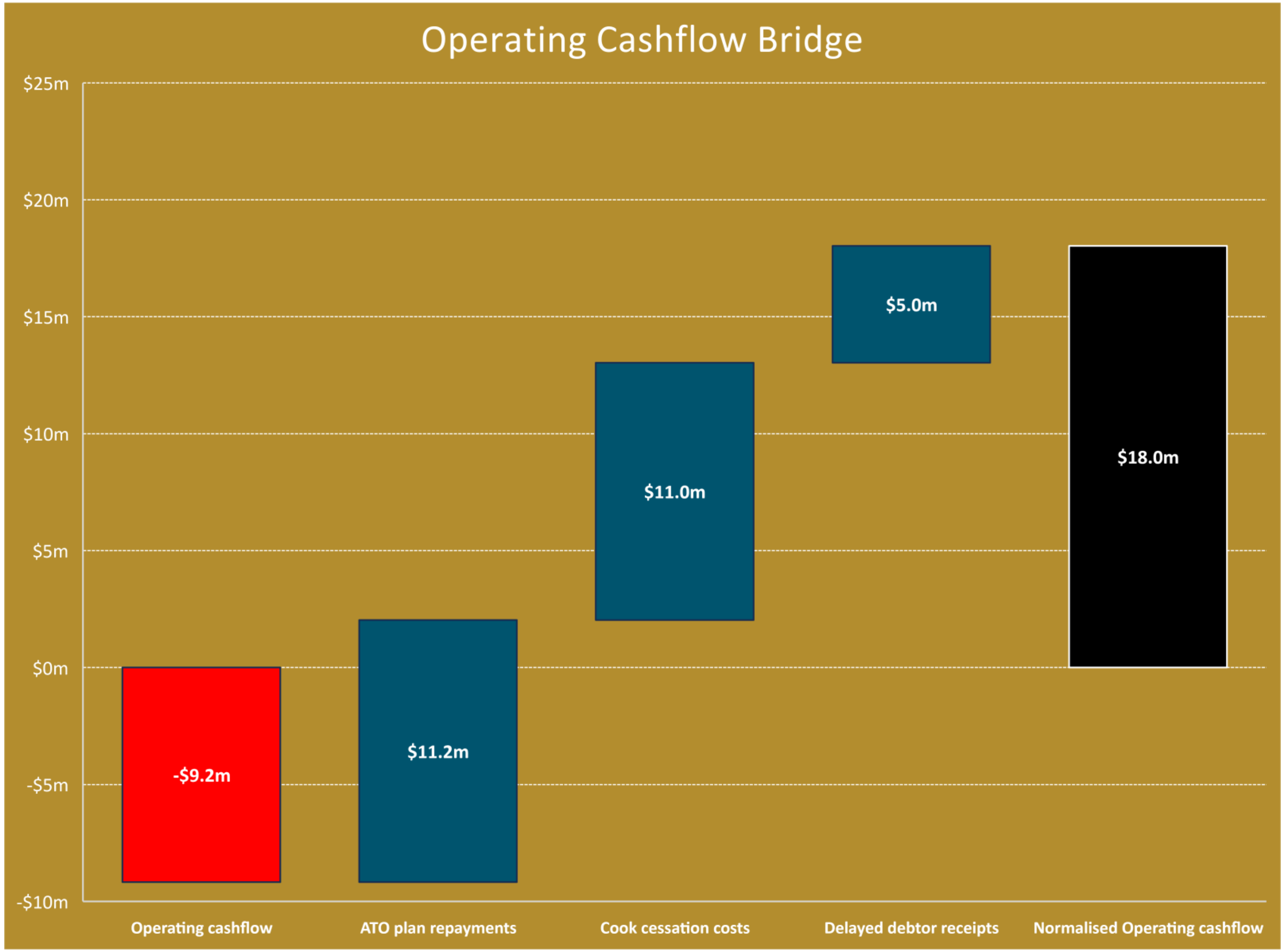
Continued improvement in EBITDA and margin on a half-yearly basis



- 1H FY2024 Normalised EBITDA from operations (before profit on sale of surplus assets) of $25.5 million was almost threefold normalised 1H FY2023
- Normalised EBITDA margin (excluding profit on asset sales) improved to 10.9% in 1H FY2024 due to improved operating performance at existing sites and exit from legacy contracts, replacing the latter with new, more favourable contracts
- Operating cost reductions enabled by focus on core contract mining services and resolution of legacy issues

1H FY2024 Operating Cashflow bridge

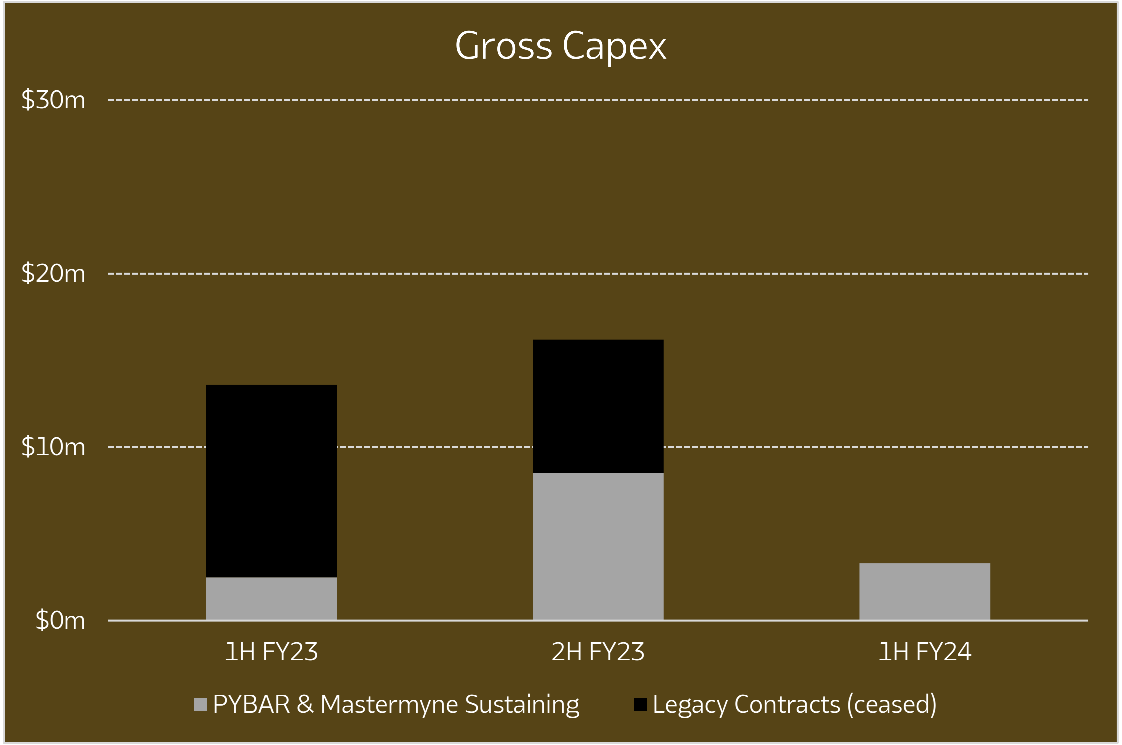
Strong EBITDA resulted in cash conversion to fund abnormal cash items in the first half



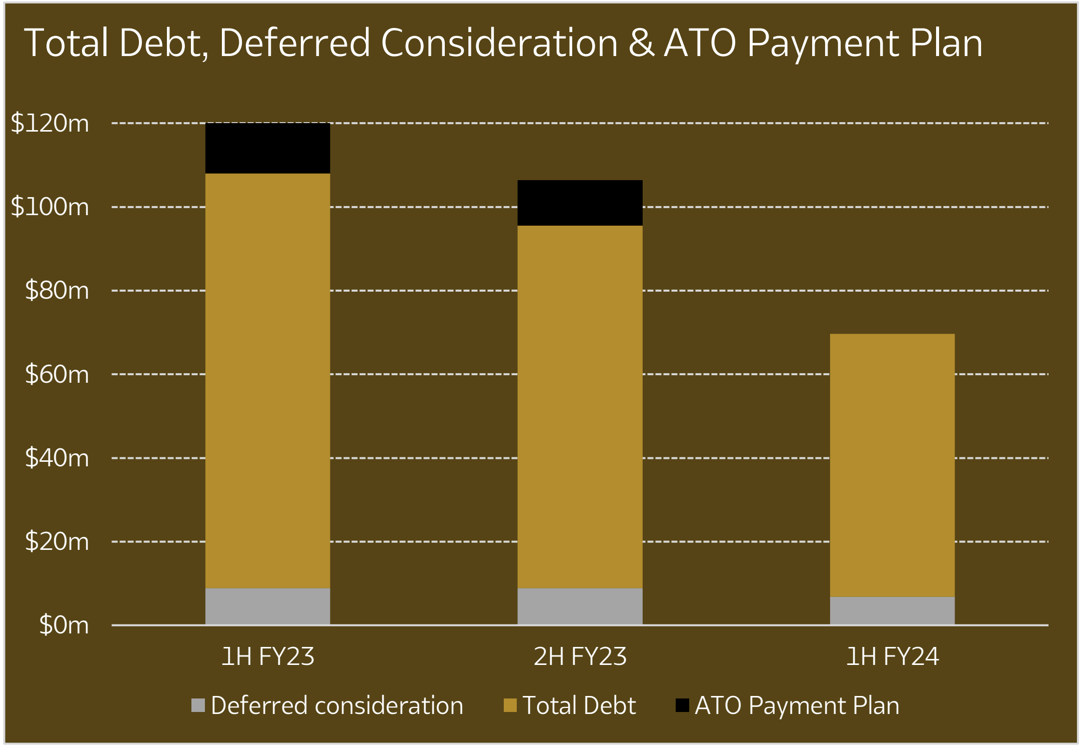
- Strong EBITDA to cash conversion, with operating cashflow reduced by one-off items:
  - ATO plan repayments (concluded in December 2023)
  - One-off Cook cessation cash costs were incurred in the half year (nil impact on profit as provided for in FY2023)
  - One-off period end delayed debtor receipts

Continuing focus on cash generation and debt reduction

Cash generation from improved operating results and lower debt service and capex requirements via focus on core contract mining services
Progressed negotiations to deliver increased tenor and capacity from working capital facilities



- Capex from legacy contracts ceased in 2H FY2023
- Sustaining capex for core Mastermyne and PYBAR businesses was modest during 1H FY2024
- Going forward, capex requirements will vary as new contracts are secured, with potential spend in PYBAR tempered by ability to redeploy existing fleet as current contracts come to an end



- Total Debt[5] at December 2023 has reduced by $23.8m to $62.8m in H1 FY24 with reduction funded primarily by sale of surplus assets.
- ATO plan debt is now fully repaid through operating cashflow
- Deferred consideration payable to the PYBAR vendors reduced with the first instalment paid Sep-23 with the balance repayable monthly from Jan to Jul 2024)

5. Non-IFRS Measurements - Total Debt refers to current borrowings, non-current borrowings and liabilities directly associated with asset classified as held for sale. Refer to appendices for a reconciliation to the statement of financial position.

Divisional Overview - Mastermyne

Stable performance on existing Mastermyne contracts coupled with growth on newer projects and in the Wilson Mining business unit

- Mastermyne achieved improved operating and safety performance across all sites
- Demand for coal contract mining services remains high
- Mastermyne continues to enjoy a strong relationship with AngloAmerican at its three Qld mines and is now also contracted to provide conveyor works at Centurion mine (formerly North Goonyella)
- Mastermyne's creditable performance at the Narrabri mine in NSW has resulted in the award of a new development contract (60 personnel will be mobilised for this scope)
- Mastermyne's scope concluded at Tahmoor Colliery in NSW during the half year and Broadmeadow mine contract concluded in Jan 2024. Combined these projects represented only ~3% to Group revenue
- Wilson Mining polymeric strata control business performed strongly, providing a proven range of critical products to support clients' coal mining operations at numerous sites across the east coast
- Mastermyne has a deepening pipeline of opportunities in its core contract mining services space, comprising contract renewals, expansions and new mining projects

$147m

Revenue

Down 6% on PCP which included revenue from legacy contracts

$18.1m

Statutory EBITDA

Significant improvement on PCP
Includes $4.2m profit on sale of surplus assets

12.3%

EBITDA Margin

9.5% excluding profit on sale of surplus assets

Divisional Overview - PYBAR

Improved project performance and growing opportunity pipeline following resolution of legacy distractions in FY2023

- Operating performance and margins across the portfolio of existing contracts were strong during the period
- Exit from Peak and Thalanga legacy projects in FY2023 resulted in lower revenue in 1H FY2024, but materially improved EBITDA
- Enhanced focus on existing projects resulted in improved profitability and contract extensions during the half year:
  - Glencore's Black Rock underground copper mine through to 1H FY25 (near end of mine life); and
  - Aurelia Metals Limited's Dargues gold mine through to mine closure in 1H FY25
- PYBAR commenced the Savage River mine contract in January 2024 to provide underground exploration development services valued at over $20m in the next twelve months
- PYBAR's opportunity pipeline has grown rapidly in recent months with additional focus on business development coupled with greater activity in the market. PYBAR is highly credentialled and well positioned to demonstrate its value proposition in several key opportunities in the near term

$87.5m

Revenue

Down 15% due to PCP including revenue from terminated contracts

$11.6m

Statutory EBITDA

Exit from legacy contracts resulted in improved profitability

13.2%

EBITDA Margin

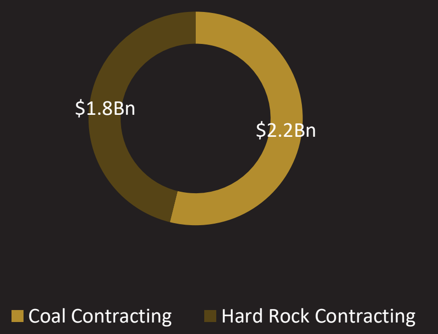
Margin achieved reflective of improved equipment fleet utilisation

Group Outlook

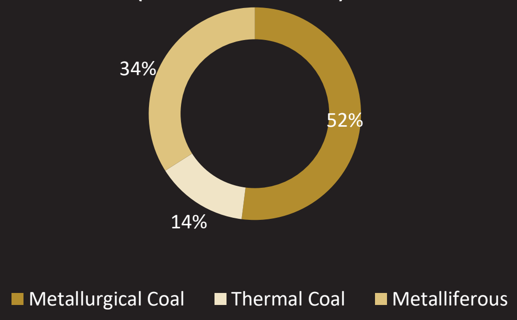
Substantial opportunity pipeline building across the Group's operations

- Total order book currently stands at **$466m**
  - Mastermyne $278m
  - PYBAR $188m (with Dargues and Black Rock both nearing completion)
- Opportunity pipeline with a total contract value of **$4.0bn** includes numerous active tenders and short to medium term prospects across both coal and hard rock:
  - Mastermyne: **$2.2bn**
  - PYBAR: **$1.8bn**
- Improved opportunity filter process and tendering discipline to ensure that successfully converted pipeline opportunities maintain or enhance the Group's project portfolio

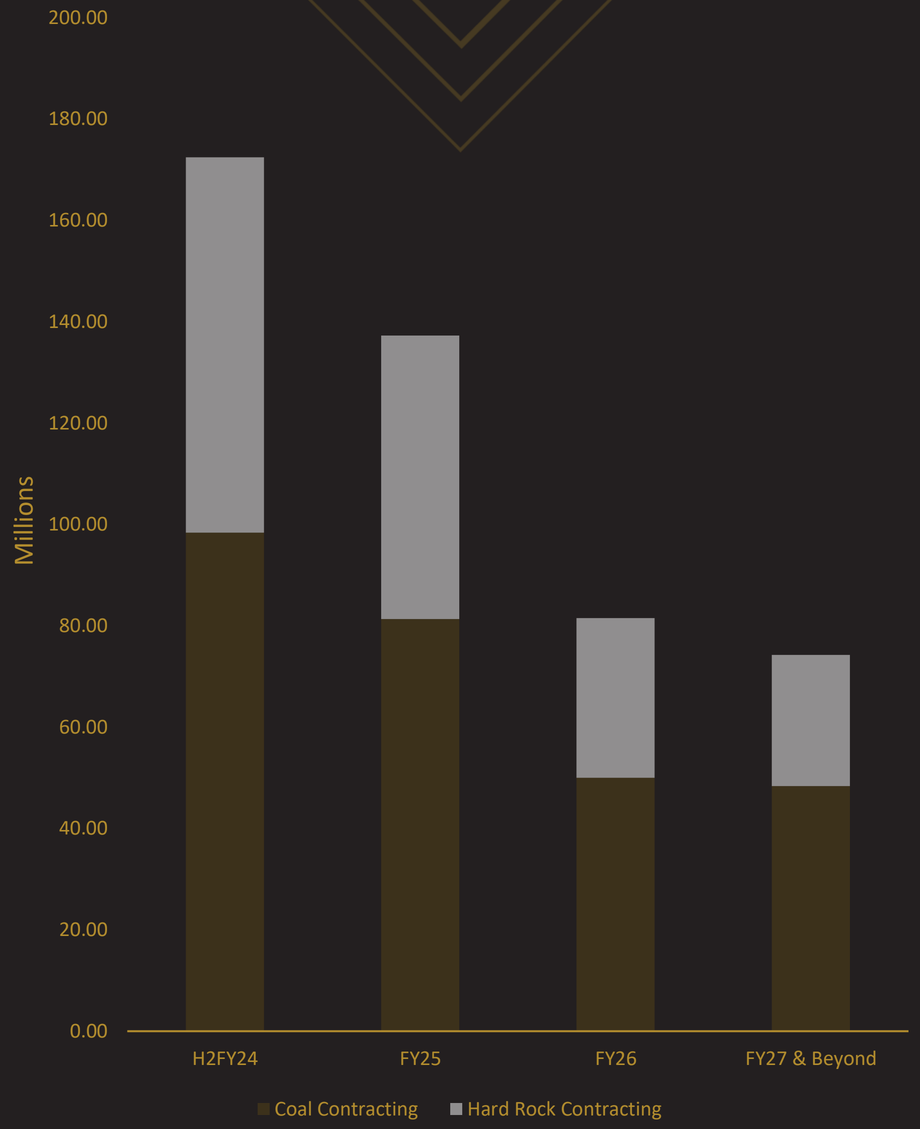
METAROCK OPPORTUNITY PIPELINE



METAROCK COMMODITY SPLIT (FY24 REVENUE)



ORDER BOOK



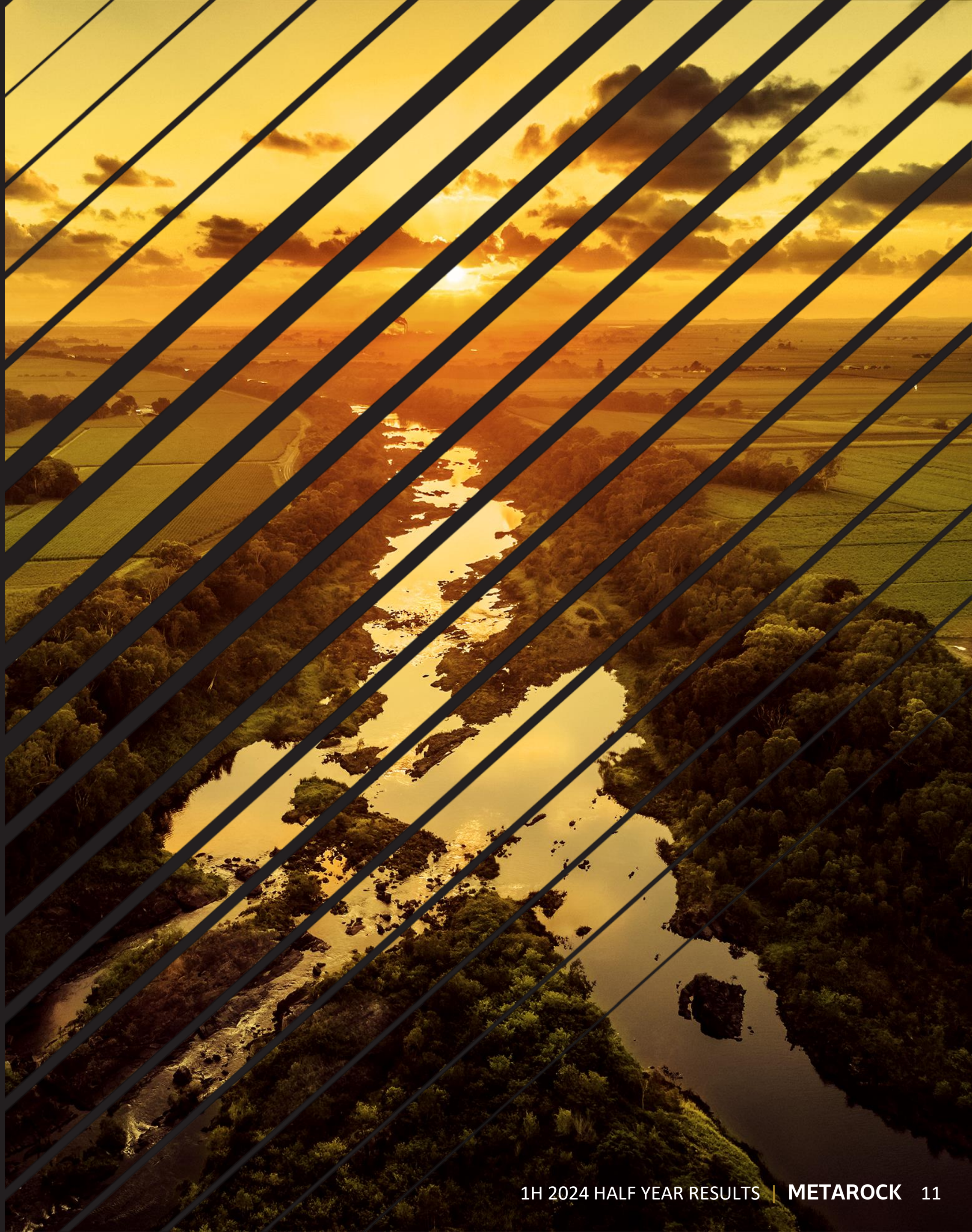
Summary

Turnaround plan milestones have delivered increased earnings and stronger balance sheet

- Increased earnings achieved for second consecutive half-year period, delivering Normalised EBITDA $25.5m (before profit on sale of assets)
- Materially improved balance sheet strength with reduced gearing. Total debt reduced by $23.8m in the period
- Focus on cash generation with stronger earnings, lower capex and reduced debt service obligations
- Working capital facilities extended to Sept 2024. Well progressed in refinancing negotiations to deliver increased tenor and capacity
- Very strong pipeline of opportunities across the Group

METAROCK'S TURNAROUND PLAN HAS DELIVERED

NOW FOCUSED ON CORE CAPABILITIES AND WELL POSITIONED
FOR GROWTH FROM VERY STRONG PIPELINE OF OPPORTUNITIES



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METAROCK

APPENDIX

Cash Flow

1H FY2024 cash was impacted by non-recurring items during the half year period

- Cash decreased by $9.6m since 30 June 2023
- Cash generated was lower than statutory EBITDA due to non-recurring costs incurred during the half year, including Cook cessation costs (provided for at 30 June 2023), ATO plan repayments (finalised in Dec 2023) and timing of debtor receipts at period end.
- Capex returned to sustaining levels to support core contract mining operations
- Proceeds from sale of surplus assets were used to repay borrowings and for working capital requirements

$AUD millions	1H FY2024	1H FY2023
EBITDA (Statutory)	**29.7**	**(50.0)**
Movements in Working Capital	(31.9)	(7.5)
Non-Cash Items	(3.2)	51.2
Net Interest Costs	(3.8)	(3.4)
Income Tax Receipts / (Payments)	0	12.5
Net Operating Cash Flow	**(9.2)**	**2.8**
Net Capex (Includes Intangibles)	28.7	(11.5)
Net Borrowings / (Repayments)	(27.9)	10.9
Payments for Acquisitions	(2.1)	(3.8)
Proceeds from issue of shares (net of share issue costs)	0.8	-
Net Increase / (Decrease) in Cash and Cash Equivalents	**(9.6)**	**(1.6)**
Cash and Cash Equivalents at Beginning of Period	12.9	5.2
Cash and Cash Equivalents at End of Period	**3.3**	**3.6**

31 December 2023 Balance Sheet

Balance sheet has been strengthened, with reduced debt from proceeds of asset sales and equity

Movements in assets:

- Cash decreased due to Cook cessation costs and repayment of ATO payment plan
- Receivables increased due to timing of debtor receipts
- Assets classified as held for sale decreased due to the successful sale of these surplus assets
- PP&E declined due to lower capex and impact of depreciation and amortisation

Movements in liabilities:

- Borrowings increased with a higher level of invoice finance facilities at Dec 2023 due to timing of debtor receipts
- Liabilities directly associated with assets classified as held for sale decreased due to repayment from proceeds of surplus asset sales

$AUD (000's)	1H FY24	FY23
Assets		
Cash and Cash Equivalents	3,309	12,902
Trade and Other Receivables	82,208	75,604
Inventories	21,456	19,017
Assets classified as held for sale	4,284	33,906
Total Current Assets	111,257	141,429
Receivables	88	-
Property, Plant and Equipment	47,928	53,772
Right-Of-Use Assets	14,374	17,568
Intangible Assets	12,635	14,186
Total Non-Current Assets	75,025	85,526
Total Assets	**186,282**	**226,955**
Liabilities		
Trade and Other Payables	41,880	55,230
Borrowings	49,711	40,686
Lease Liabilities	5,615	7,144
Employee Benefits	16,757	19,211
Liabilities directly associated with assets classified as held for sale	2,842	30,499
Provisions and Other Current Liabilities	7,357	16,675
Total Current Liabilities	124,162	169,445
Borrowings	10,279	15,423
Lease Liabilities	6,694	8,675
Employee Benefits & Other Liabilities	652	657
Total Non-Current Liabilities	**17,625**	**24,755**
Total Liabilities	**141,787**	**194,200**
Net Assets	**44,495**	**32,755**

Non-IFRS Measurements

Normalised Earnings 1H FY2024

Statutory Results versus Normalised Results (1H FY2024)	$000's		
	Statutory Results 1H FY2024	**Asset Sales Impact**	**Normalised* Results 1H FY2024**
Revenue	234,428	-	234,428
EBITDA	29,657	(4,154)	25,503
EBITDA Margin	12.7%	-	10.9%
Depreciation	(13,180)	-	(13,180)
EBITA	16,477	(4,154)	12,323
Amortisation	(1,551)	-	(1,551)
Net Finance Expenses	(4,022)	-	(4,022)
Profit/(loss) Before Income Tax	10,904	(4,154)	6,750
Income Tax	-	-	-
Net Profit/(loss) After Tax	10,904	(4,154)	6,750

Normalisations

- Statutory results for 1H FY2024 was adjusted solely for the impact of the non-recurring gain on sale of assets held for sale and plant and equipment.

Non-IFRS Measurements

Normalised Earnings 1H FY2023

Statutory Results versus Normalised Results (1H FY2023)	Statutory Results 1H FY2023	Crinum Impact (Note 1)	PYBAR Impact (Note 2)	Other Impacts (Note 3)	Normalised * Results 1H FY2023
	$000's				
Revenue	259,251	(6,158)	-	-	253,093
EBITDA	(50,034)	19,194	37,796	1,819	8,775
EBITDA Margin	(19.3%)	-	-	-	3.5%
Depreciation	(16,949)	-	-	-	(16,949)
EBITA	(66,983)	19,194	37,796	1,819	(8,174)
Amortisation	(2,343)	-	-	-	(2,343)
Net Finance Expenses	(4,116)	-	-	-	(4,116)
Profit/(loss) Before Income Tax	(73,442)	19,194	37,796	1,819	(14,633)
Income Tax	9,980	(5,758)	(5,006)	(546)	(1,330)
Net Profit/(loss) After Tax	(63,462)	13,436	32,790	1,273	(15,963)

Normalisations

1. Crinum impact comprises costs associated with the contract termination and subsequent settlement agreement including write-off of previously capitalised costs relating to pre-production costs and accrued revenue, debtors, plant and equipment and inventory totalling $11,130,000 and expenses of$8,064,000 in 1H FY2023 relating to the Crinum incident and subsequent recovery.
2. PYBAR Impact comprises inventory write-offs and PP&E impairment of $6,059,000 in 1H FY2023 following the termination of the Peak and Thalanga contracts and completion of the Gwalia contract. The impact also includes intangible asset write-off of $7,093,000 relating to the Thalanga contract following the Administration of the mine owner and write-off of capitalised goodwill, brand related costs and customer contracts of $24,644,000 due to underperformance of the PYBAR operations.
3. Other impacts during the first half related to $319,000 of legal and consulting costs associated with the Moranbah North and Crinum mine incidents and $1,500,000 of bad debt write-offs.

Non-IFRS Measurements

Debt Balances

	$000's		
	31 December 2022	30 June 2023	31 December 2023
Equipment Finance	51,495	32,971	27,265
Invoice Finance (i)	24,741	19,573	30,018
Shareholder Loan	-	-	2,308
Other Loans	128	3,565	399
Total Borrowings	76,364	56,109	59,990
Liabilities directly associated with assets classified as held for sale	22,672	30,499	2,842
Total Debt	99,036	86,608	62,832

(i) The invoice finance balance fluctuates daily based on the value of qualifying invoices and debtor receipts.

1H FY2024

RESULTS