MTN Investor Presentation

Magnetic Rail Group Pty Ltd

May 2025

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Contents

ONE RAIL Australia

01 Financing Structure

MRG is undertaking a refinancing of its existing facilities

ONE RAIL Australia

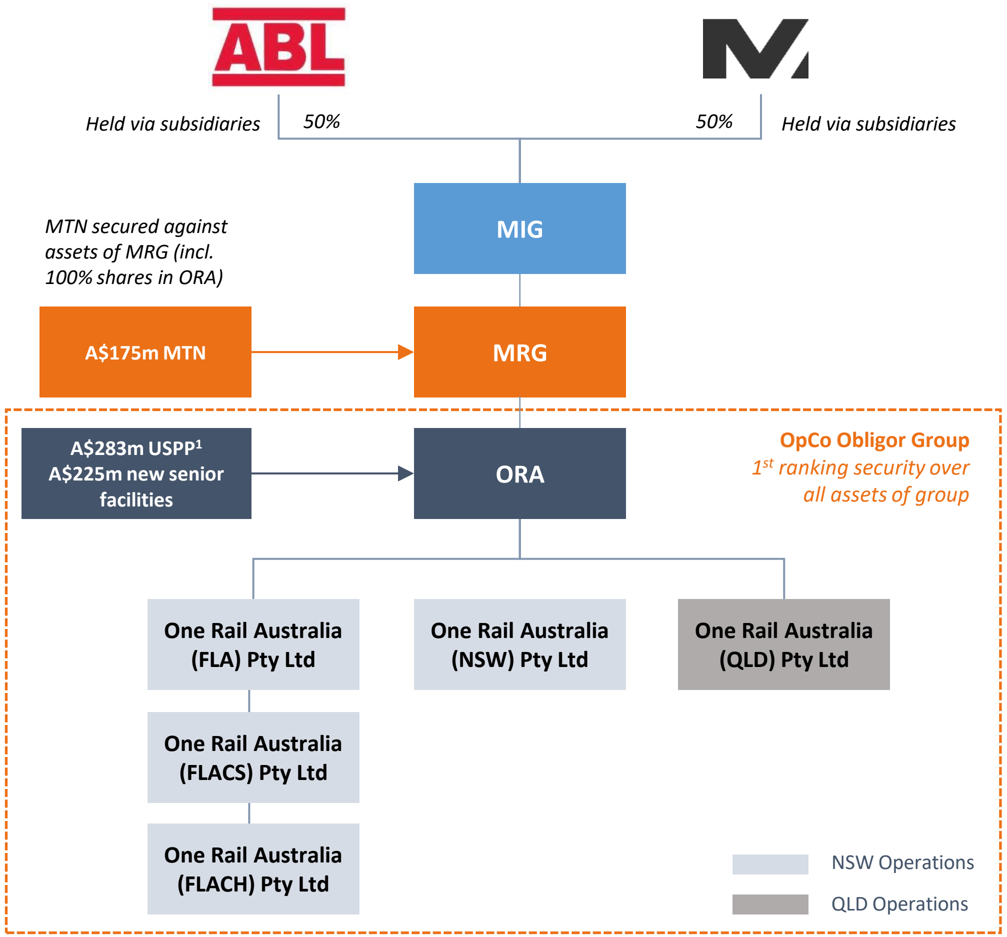
OVERVIEW

- MRG is undertaking a A$175M notes issuance to refinance its existing HoldCo Loan Notes
- The new financing will be in the form of a 5 Year, A$ Medium Term Note (“MTN”) and will be secured over all the assets of MRG, including the shares in One Rail Australia Holdings Ltd (“ORA”)
- ORA is the 100% owner of the entities which in aggregate form the One Rail Australia business, and which is the subject of a separate secured financing as shown opposite

GROUP PRO FORMA SOURCES & USES AT 31-MARCH-25

	$m
New ORA Senior Term Loan Facility	135
New MRG Medium Term Note	175
Total Sources	**310**
Refinance ORA SFA Tranche B	89
MRG Mezzanine LNSA repayment	163
Estimated Transaction Costs	8
Group Cash on Balance Sheet	50
Total Uses	**310**

PRO-FORMA STRUCTURE



(1) US$197.0m amount currently outstanding as at 27 May 2025, fully swapped to AUD with current MTM value of c. A$15m as at 30-Apr-2025

Group capital structure

PRO-FORMA CAPITAL STRUCTURE AT 31-MAR-25

	Existing			Pro-Forma					
Facility	Current Outstanding ($M)	Leverage[1]	Maturity	Committed ($M)	Drawn ($M)	Leverage[1]	Maturity	Issue credit rating	Comments
USPP	283	2.1x	Nov-32	283	283	2.1x	Nov-32	BBB-	Senior secured, amortising to nil over life
SFA	89	0.7x	Jul-27						
New Term Loan (Facility A)				135	135	1.0x	May-30	BBB-	Senior secured
New Capex Facility (Facility B)				70	-	-	May-30	BBB-	Senior secured
New Revolver Facility (Facility C)				20	-	-	May-30	BBB-	Senior secured
Total Senior Debt	**372**	**2.7x**		**508**	**418**	**3.1x**			
Cash	32			82	82				
Senior Net Debt	**340**	**2.5x**		**425**	**335**	**2.5x**			
MRG AMTN	163	1.2x	Feb-28	175	175	1.3x	May-30	BB	Secured against assets of MRG
Total Group Debt	**535**	**3.9x**		**683**	**593**	**4.3x**			
Group Net Debt	**503**	**3.7x**		**600**	**510**	**3.7x**			

(1) Calculated using LTM EBITDA as at 31-Mar-25 of $136m

Summary Term Sheet

ONE RAIL Australia

SUMMARY TERMS AND CONDITIONS

Issuer	» Magnetic Rail Group Pty Ltd (MRG)
Purpose	» To refinance the existing mezzanine debt, pay for costs and expenses
Security	» General Security Deed over MRG's assets and shares including shares in ORA
Facility	» AUD $175m Fixed Rate Medium Term Notes
Instrument Rating	» The Notes to be issued are expected to be rated BB by S&P or an equivalent rating by another Rating Agency
Tenor	» 5 years from the date of issuance
Interest Rate	» 9.25%, cash paid semi-annually, subject to a 0.75% coupon step-up for every notch downgrade of the rating of the notes below BB, subject to a maximum of 12.25%[1]
Permitted Distributions	» Distributions permitted subject to total Net Leverage Ratio being less than 4.25x

Permitted Finance Debt	» Financial indebtedness permitted subject to total Net Leverage Ratio being less than or equal to 4.25x » Incremental MRG debt subject to a maximum yield spread (over BBSY) of 9.50%
Early Redemption by the Issuer	» If the Issuer elects to redeem the Notes prior to the Optional Redemption Date (36 months post the Issue Date), the Issuer must pay the present value of the full amount of interest that would have accrued and been payable from the date of early redemption up to the Optional Redemption Date[2]
Information undertakings	» Customary for a facility of this nature, but including: » Audited Annual Financial Statements of MRG and ORA » Unaudited Quarterly Financial Statements of MRG and ORA » Notification of material amendments to key customer contracts » Other information undertakings customary for an issuance of this nature
Events of Default	» Cross Default with ORA's senior debt facilities and any other financial indebtedness of the Issuer or any member of the Group for amounts totalling more than AUD $20m » Other EODs customary for an issuance of this nature

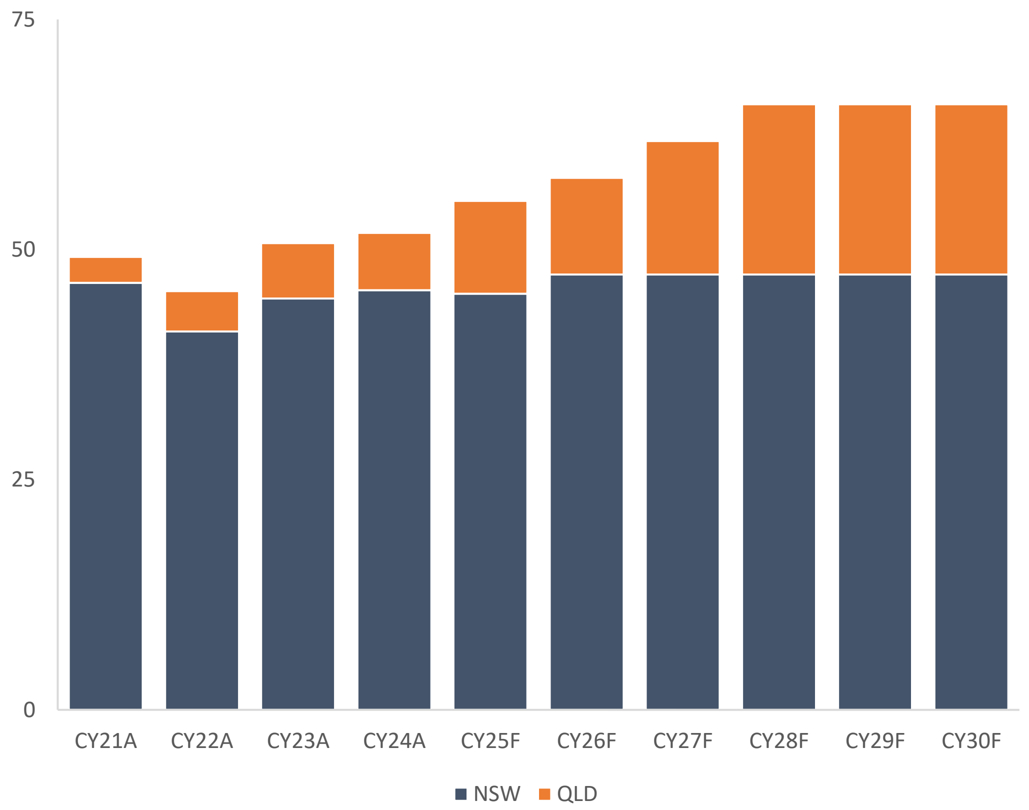
(1) Should the rating of the notes be downgraded below the baseline rating of BB, and then subsequently are upgraded, the coupon reduces by 0.75% to a minimum of 9.25%
(2) Present value calculated using a discount rate equal to the current BBSY fixed rate of equal tenor to the remaining term of each note

03 Financial Forecasts & Credit Metrics

Forecast volume profile underpinned via Take or Pay contracts and top tier, long life, low-cost position coal assets

ONE RAIL Australia

FORECAST HAULAGE VOLUME (MT)



COMMENTARY

- NSW near-term performance expected to be driven by normalisation of operating conditions
  - Consistent volumes expected in 2025, however, demand impacted by works being undertaken by mine owners across ORA's haulage portfolio
  - 2026+ onwards volumes expected to grow marginally as production drives increased volumes
- In QLD, increase in haulage in CY25 is driven by new 3rd QLD trainset
  - Third trainset expected to be operational mid-CY25 with volumes expected to ramp-up by CY26
- ORA is well positioned for several other near-term growth opportunities, particularly metallurgical coal volumes in Central Queensland

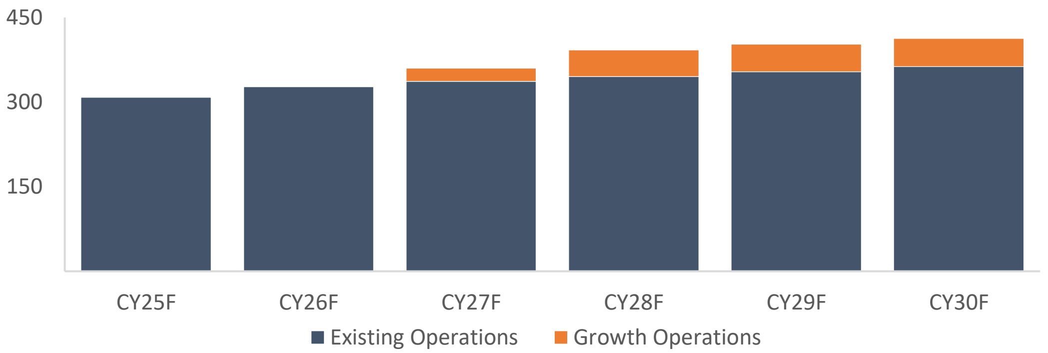
(1) Forecast volumes based on existing contracts and management estimates of potential growth subject to further work and future board approvals

Revenue growth driven by contracted escalation and normalised operating conditions over the forecast period with stable EBITDA margins

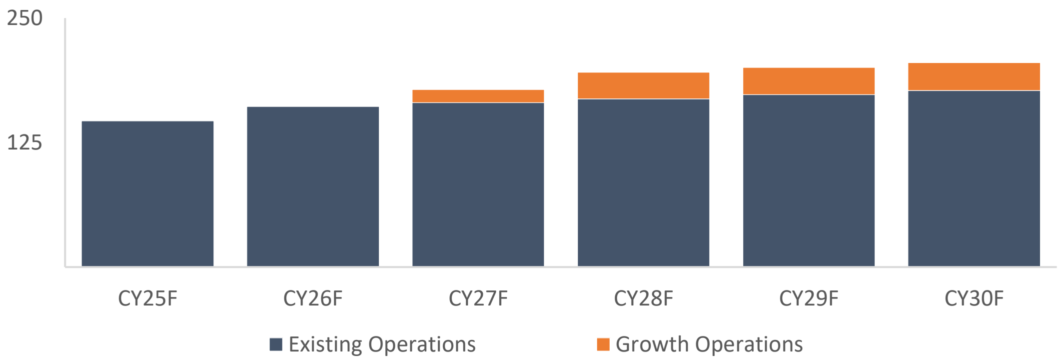
COMMENTARY

- Following acquisition by the sponsors in early 2023, ORA has performed strongly, driven by expansion into QLD market, CPI-linked pricing escalation and disciplined cost management
- Near-term performance driven primarily by improved operating conditions and ramp-up of secured growth volumes
- Over the medium term, ORA is well positioned for several growth opportunities, particularly metallurgical (“met”) coal volumes in Central Queensland

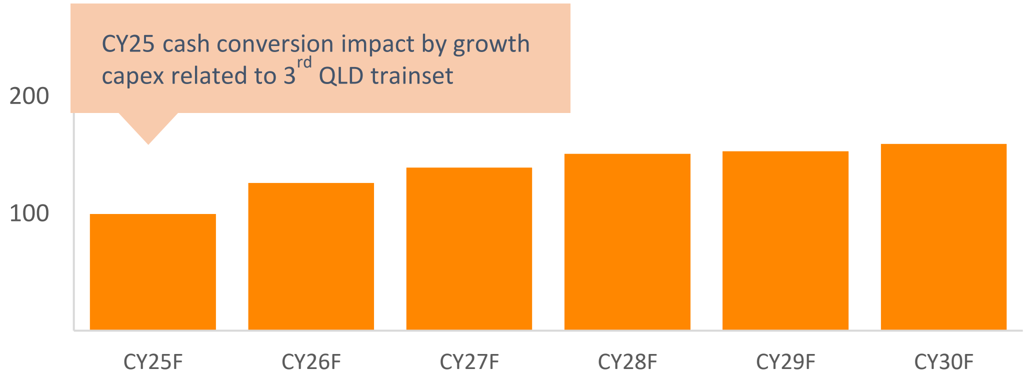
REVENUE[1] ($M)



EBITDA[1] ($M)



NET OPERATING CASHFLOWS[1]



(1) Forecasts based on existing contracts and management estimates of potential growth subject to further work and future board approvals

Forecast capital expenditure comprises scheduled maintenance costs and the acquisition of new fleet to support near-term growth opportunities

ONE RAIL Australia

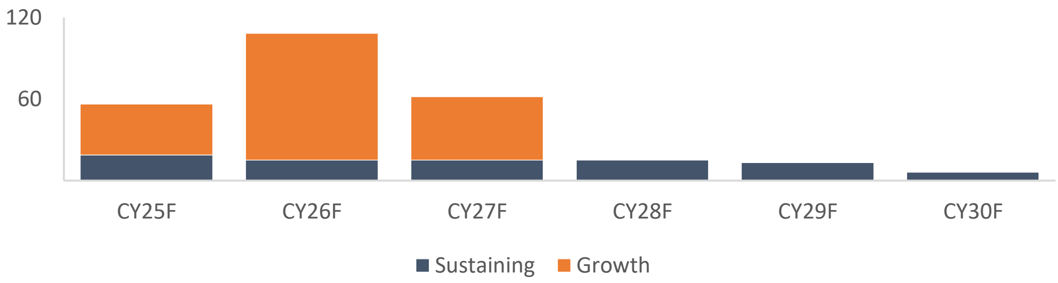
COMMENTARY

- ORA operates a fleet of ~50 active locomotives and ~1,500 active wagons[2]
  - ORA undertakes its own wagon maintenance, operating two workshops, one in NSW and one in Queensland
  - ORA outsources its locomotive maintenance in NSW to UGL, whilst in Queensland it undertakes its own minor maintenance, with major maintenance outsourced
  - Assets undergo scheduled maintenance service based on time-driven categories and unscheduled services as required
- Additional volumes in QLD to be serviced through the acquisition of a third Queensland trainset
  - Third trainset expected to be operational from mid CY25 with volumes expected to ramp-up by CY26
- ORA is well positioned for several additional near-term growth opportunities, particularly metallurgical coal volumes in Central Queensland
  - Forecast assumes the acquisition of further 2 new trains in QLD to support identified haulage opportunity
  - Growth capex of $140m related to opportunity forecast assumed to be 50% senior debt funded
  - Haulage expected to commence 2027

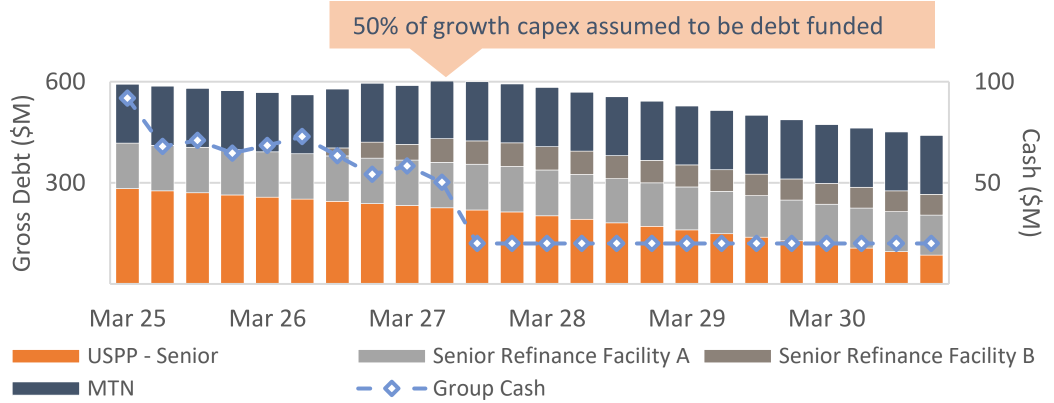
(1) Forecasts based on existing contracts and management estimates of potential growth subject to further work and future board approvals

(2) Current revenue generating assets only. 3rd QLD trainset expected to commence mid 2025

CAPITAL EXPENDITURE[1] ($M)



GROSS DEBT OUTSTANDING ($M)[1]



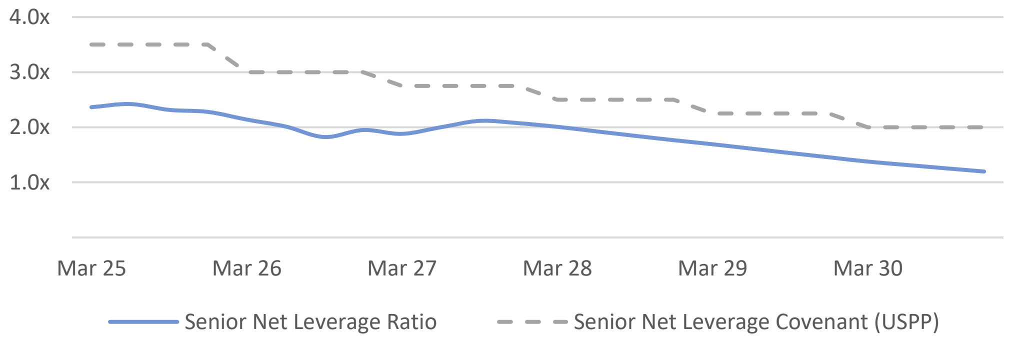
Robust credit metrics with material headroom to covenants

ONE RAIL Australia

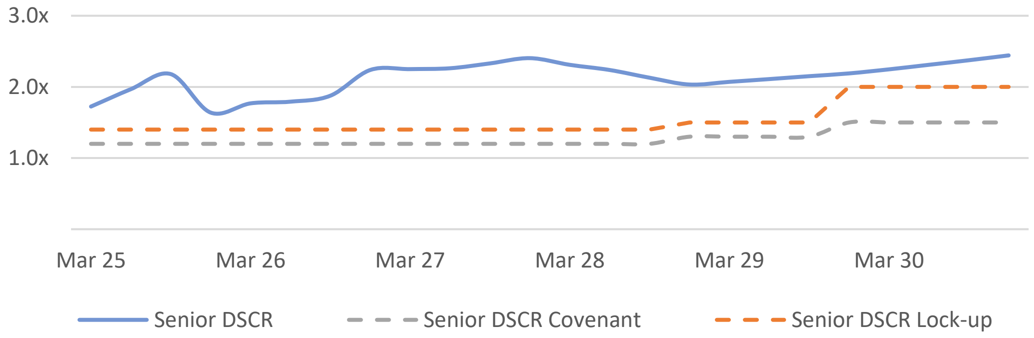
COMMENTARY

- Senior Debt credit metrics are robust with prudent headroom to DSCR and net leverage covenants
- ORA maintains considerable headroom to senior NLR covenant, notwithstanding a small step-up in leverage in 2027 as QLD growth is forecast to be 50% senior debt funded
  - ORA NLR decreases from ~2.5x at assumed close[2] to ~1.3x at maturity of the proposed new senior Facilities
- ORA DSCR low point in Dec-25 driven by final capex payment for 3rd QLD trainset
- Group NLR is ~3.7x at expected close and declines to ~2.2x at maturity of the MTN

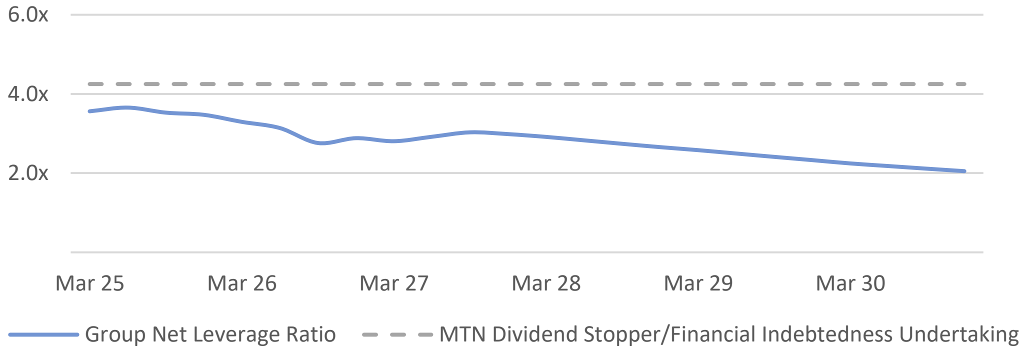
ORA SENIOR LEVERAGE RATIO[1] – NET DEBT / LTM EBITDA (X)



ORA SENIOR DSCR[1] – LTM CFADS / LTM DEBT SERVICE (X)



GROUP (MRG) NET LEVERAGE RATIO[1] – NET DEBT / LTM EBITDA (X)



(1) Forecast credit metrics based on management's forecasts based on existing contracts and management estimates of potential growth subject to further work and future board approvals