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Mitchell
SERVICES

21 October 2026

MITCHELL SERVICES LIMITED
(ASX: MSV)

2026 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

Dear Fellow Shareholders

On behalf of the Board of Mitchell Services Limited, I am pleased to present the annual Chairman's address.

Following a transitional FY25, FY26 was a year of strong recovery and disciplined execution. The business continued its shift away from the Queensland coal sector and towards the metalliferous sector, adapted to a materially changed commodity mix, and delivered a financial result that ranks among the strongest in the Company's history.

Whilst FY25 laid the groundwork, FY26 demonstrated the earnings power of the repositioned business – with a sharp expansion in margins, a substantial improvement in cash generation, and a balance sheet that returned to a net cash position.

SAFETY PERFORMANCE

Safety will always remain MSV's highest priority.

The foundation of our safety performance continues to be the organisation's critical risk management program, which is designed to verify the existence and effectiveness of the critical control measures that prevent life-changing injuries and fatalities. That program, together with the strength of our safety culture, remained central to the way we operated throughout FY26.

As the business grows both its headcount and operating rig count, maintaining the depth of skill and experience across every crew requires constant attention. We will continue to invest in the systems, training and leadership required to drive continuous improvement, and, as a Board, we remain deeply committed to the safety and wellbeing of every person who works for MSV.

A FINANCIAL TURNAROUND

As Andrew will reflect in more detail, FY26 delivered a marked improvement in financial performance compared to FY25. This was driven by improved operating conditions, the absence of the adverse weather and client-related disruptions that characterised the prior year, and the benefit of projects that mobilised during FY25 now operating on a business-as-usual basis.

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The Group generated earnings before tax of $20.8m in FY26 compared to $0.7m in FY25, and a profit after tax of $15.2m (FY25: $0.5m), equating to earnings per share of 7.2 cents (FY25: 0.3 cents). Operating cash flows more than doubled to $37.4m (FY25: $17.9m), return on invested capital increased to 25.2% (FY25: 2.0%), and the balance sheet returned to a net cash position of $3.5m at 30 June 2026, compared to net debt of $8.4m at 30 June 2025.

Capital management remains a core discipline for the Board, with a continued focus on striking the appropriate balance between maximising cash returns to shareholders, capitalising on growth opportunities amid an increasing opportunity pipeline, and operating within sensible debt levels. The Company declared total fully franked dividends of 6 cents per share in respect of FY26, comprising 4 cents per share paid in March 2026 and a final dividend of 2 cents per share paid in September 2026. Since the inception of the current capital management strategy in late FY22, the business has redeployed approximately $77m of capital across debt reduction and returns to shareholders.

I am very pleased to report that the momentum the business carried into the new financial year has continued, with the Company delivering record quarterly earnings in the September 2026 quarter (FY27 Q1). Andrew will outline those results in more detail in his CEO presentation.

The Company operated an average of 66 rigs in FY27 Q1. Importantly, we have recently signed drilling contracts for a further 10 underground rigs and, with the strength of the current opportunity pipeline, we can see a pathway to 80 rigs operating before the end of FY27. This would represent utilisation of around 90% of the existing fleet and, given the operating leverage inherent in the business, positions the Company well to deliver a further step change in earnings in FY27 and FY28, assuming utilisation levels remain high.

LOOKING AHEAD

Market conditions for our services are as strong as they have been for some time, particularly in the underground minerals sector. With gold and copper prices remaining high, our clients' budgets are increasing, and inquiry and tender levels across the wider metalliferous business remain strong. Whilst the recent increase in coal prices is positive, we are yet to see this translate into increased demand for drill rigs.

We enter the second quarter of FY27 with a diversified revenue base, a robust contract portfolio, a strong balance sheet that provides genuine optionality, and a disciplined focus on margin and returns. Whilst cost pressures and a tightening labour market will require careful management, the business is well placed to continue delivering sustainable, long-term value for shareholders – both within and beyond our traditional drilling business.

On behalf of the Board, I extend my sincere thanks to our employees for their dedication, to our clients for their trust, and to our shareholders for their continued support. We remain committed to delivering sustainable value and long-term growth.

On behalf of the Board, thank you.

Nathan Mitchell

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