TerraCom Limited
ABN 35 143 533 537

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28 February 2025

ASX Announcement

Appendix 4D and December 2024 Half Year Financial Statements

Name of entity: TerraCom Limited
ABN: 35 143 533 537
Reporting Period: For the half year ended 31 December 2024
Previous Period: For the half year ended 31 December 2023

Results for announcement to the market

			A$'000
Revenue from ordinary activities	down	21%	111,306
EBITDA	down	69%	15,190
Profit from ordinary activities for the half-year after income tax	down	91%	2,887
Profit for the half-year after income tax attributable to the owners of TerraCom Limited	down	90%	3,106

The Interim Consolidated Financial Report for the 6 months ended 31 December 2024 should be read in conjunction with the 2024 Annual Financial Report.

Dividends

The Board has determined there will be no dividend declared for the three months ended 31 December 2024.
A Dividend was declared during the six months ended 31 December 2024, details as follows:

Period	Declaration Date	Paid Date	Amount (cents per share)	Franked Amount (cents per share)
30 September 2024	31 October 2024	6 December 2024	$0.01	$0.01

Franking Account Balance	Dec 2024 $,000
Franking account balance as at Dec-24	69,220

Net Tangible Assets

Net Tangible Assets	Reporting Period (cents)	Previous Period (cents)
Net tangible assets per ordinary security	20.61	20.96

Control over entities

No change since 30 June 2024.

Audit qualification or review

The Interim Consolidated Financial Statements for the 6 months ended 31 December 2024 were subject to review by auditors and the review report is attached to the financial statements.

Attachments and additional information

Additional information is provided in the Interim Consolidated Financial Statements for the half year ended 31 December 2024.

This announcement has been approved by the Board for release.

For further enquiries please contact:

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Managing Director
E info@terracomresources.com

Jane Morgan
Investor and Media Relations
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About TerraCom Limited

TerraCom Limited (ASX: TER) is an Australian based mining resources company with a global footprint comprising a large portfolio of operating assets in Australia and South Africa within the coal sectors. We are a renowned low-cost producer focused on delivering exceptional outcomes from our high yielding diversified asset portfolio for its investors. To learn more about TerraCom visit terracomresources.com.

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TerraCom Limited

(ABN 35 143 533 537)

Interim consolidated financial report for the 6 months ended 31 December 2024

Contents

Interim consolidated financial report for the 6 months ended 31 December 2024

	Page
Corporate directory	3
Directors' Report	4
Auditor's independence declaration	10
Interim consolidated statement of profit or loss and other comprehensive income	11
Interim consolidated statement of financial position	12
Interim consolidated statement of changes in equity	14
Interim consolidated statement of cashflows	15
Notes to the interim consolidated financial statements	16
Directors' declaration	27
Independent Auditor's Report	28

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General information

The financial statements are presented in Australian dollars (**AUD**), which is the presentation currency of TerraCom Limited.

The functional currency of TerraCom Limited, its Australian exploration subsidiaries and United Kingdom subsidiaries is Australian dollars (**AUD**), the South African subsidiaries and associates functional currency is South African Rand (**ZAR**).

TerraCom Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Suite 1, Level 6, 307 Queen Street, Brisbane, Queensland, 4000.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial report was authorised for issue, in accordance with a resolution of Directors, on 28 February 2025. The Directors have the power to amend and reissue the financial report.

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Directors at the date of this report	Mr Mark Lochtenberg (Chairman) Mr Danny McCarthy (Managing Director) Mr Glen Lewis Mr Mark Ludski Mr David Norris
Company secretary	Ms Megan Etcell
Executive management team	Mr Danny McCarthy, Managing Director Ms Megan Etcell, Chief Financial Officer
Registered office and principal place of business	Suite 1, Level 6, 307 Queen Street Brisbane, Queensland, 4000 Australia
Contact address	PO Box 131 Clermont, Queensland, 4721 Australia
Share register	Link Market Services Limited Level 12, 680 George Street Sydney, New South Wales, 2000 Australia Telephone: 1300 554 474 Facsimile: +61 2 9287 0303
Auditors	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane, Queensland, 4000 Australia
Bankers	Westpac Banking Corporation Suite 2, Level 2, 22 Walker Street Townsville, Queensland, 4810 Australia
Stock exchange listing	TerraCom Limited shares are listed on the Australian Securities Exchange (ASX code: TER)
Website	www.terracomresources.com

This half-year report for the 6 months ended 31 December 2024 is for TerraCom Limited (**TerraCom** or **the Company**) and its controlled entities (collectively known as **the Group**).

1. Principal activities

The principal activity of the Group during the period was the development and operation of coal mines in Queensland, Australia and South Africa. In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the half year that have not been noted in the review of operations.

2. Directors

The following persons were directors of TerraCom Limited during the half-year reporting period and up to the date of this report. Directors were in office for this entire period unless otherwise stated:

Mr Mark Lochtenberg (Chairman)
Mr Danny McCarthy (Managing Director)
Mr Glen Lewis
Mr Mark Ludski
Mr David Norris

3. Safety

The safety and wellbeing of our people is fundamental to our success. Our evolving safety culture is consistent with the Company's core values, and through strong safety leadership we create and maintain a safe workplace for all our people.

0.6 TRIFR
as at 31 December 2024

1.0 LTIFR
as at 31 December 2024

Frequency rates per million exposure hours and year to date reported on 12m rolling average basis

4. Dividends

Paid during the Period

Dividends of $8.010 million were paid to shareholders during the half year ended 31 December 2024 (31 December 2023: $24.030 million).

5. Matters subsequent to the end of the financial half-year

Other than noted elsewhere in this report, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

6. Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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7. Operating and Financial Review

The profit after income tax for the half-year for the Group amounted to $2.887 million (31 December 2023: $31.458 million), of this $3.106 million was directly attributable to TerraCom (31 December 2023: attributable to TerraCom of $31.719 million).

Highlights

Production results achieved for the 6 months ended 31 December 2024:

- Run of mine production 5.1 million tonnes (31 December 2023: 4.8 million tonnes) *.
- Coal sales 3.3 million tonnes (31 December 2023: 3.6 million tonnes) *.

Financial results for the TerraCom Group achieved for the 6 months ended 31 December 2024:

- Revenue from operations of $111.306 million (31 December 2023: $141.257 million), representing a 21% decrease on the prior corresponding period.
- Earnings before interest, tax, depreciation, and amortisation (**EBITDA**) of $15.190 million (31 December 2023: $48.287 million).

* *Total tonnes disclosed throughout this report assumes 100% ownership of the South African operations, noting TerraCom's interest in the operating mines ranges from 48.9% to 49%. Equity tonnes disclosed throughout this report represents the tonnes attributable to TerraCom's equity ownership.*

Financial Performance

Profit and Loss	31 December 2024 $'000	31 December 2023 $'000	Variance (%)
Revenue	111,306	141,257	(21%)
EBITDA [1]	15,190	48,287	(69%)
Profit after tax	2,887	31,458	(91%)
Profit after tax (attributable to TerraCom)	3,106	31,719	(90%)
Diluted earnings (loss) per share	0.39 cents	3.96 cents	(90%)
Net cash from operating activities	8,059	(3,908)	<100%

Balance Sheet	31 December 2024 $'000	30 June 2024 $'000	Variance (%)
Cash and cash equivalents	10,934	8,351	30%
Restricted cash	61,254	58,219	5%
Trade and other payables	28,322	32,593	(13%)

[1] *EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS), and it is unaudited. The directors use EBITDA as a key financial metric to assess the financial performance of Group's operations, and it is a financial metric commonly used by shareholders and capital markets participants. Refer below for the reconciliation of net profit after tax to EBITDA.*

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7. Operating and Financial Review (continued)

	31 December 2024 $ '000	31 December 2023 $ '000
Profit after income tax expense	2,887	31,458
Depreciation and amortisation expense	9,822	8,818
Finance income	(2,734)	(1,255)
Finance expenses	2,183	60
Profit/(loss) on disposal of fixed assets	(187)	-
Impairment on assets	1,800	-
Income tax expense	1,419	9,206
EBITDA	**15,190**	**48,287**

The Group generated earnings before interest, tax, depreciation, and amortisation (**EBITDA**) of $15.190 million for the financial half-year ended 31 December 2024. EBITDA was lower by $33.097 million on the prior corresponding period. Earnings after tax attributable to TerraCom was $3.106 million, lower by $28.613 million (90%) on the prior corresponding period. Cash and cash equivalents was $10.934 million at period end (30 June 2024: $8.351 million), and restricted cash held was $61.254 million (30 June 2024: $58.219 million).

Operational Overview

Operations	Commodity	Production Mtpa ROM	Life of Mine
Australia			
Blair Athol	Thermal Coal	2.5	Approximately 7-8 years at current operational run rate
South Africa [#]			
NCC	Thermal Coal	4.4	11 years *
NBC	Thermal Coal	5.1	7 years *

(#) subject to coal sales contracts
(*) JORC Reserves only, not considering conversion of JORC Resources to JORC Reserves, subject to Eskom CSA renewal

Operational Summary

Review of operations – Consolidated (Total tonnes) *

	HY2025 (kt)	HY2024 (kt)	Movement %
ROM coal production	5,090	4,777	6%
Saleable coal	3,268	3,582	(10%)
Coal sales	3,329	3,559	(7%)
Inventory (ROM)	460	350	31%
Inventory (Saleable)	212	292	(27%)

* *The data represents total tonnes and assumes 100% ownership of the South African operations, noting TerraCom's interest in the operating mines ranges from 48.9% to 49.0%.*

7. Operating and Financial Review (continued)

Review of operations – Consolidated (Equity tonnes) *

	HY2025 (kt)	HY2024 (kt)	Movement %
ROM coal production	3,052	2,865	7%
Saleable coal	2,003	2,155	(8%)
Coal sales	1,997	2,174	(9%)
Inventory (ROM)	235	185	27%
Inventory (Saleable)	160	162	(1%)

** The data represents equity tonnes, being the attributable tonnes to TerraCom's equity ownership.*

Review of operations – Mine by Mine

Australia – 100% Equity Interest

Blair Athol Mine

	HY2025 (kt)	HY2024 (kt)	Movement %
ROM coal production	1,093	1,028	6%
Saleable coal	788	784	1%
Coal sales	718	844	(15%)
Inventory (ROM)	19	26	(27%)
Inventory (Saleable)	111	38	66%

The Blair Athol (**BA**) Coal Mine located in Clermont, is an open pit operation producing thermal coal for export primarily to Japan and South Korea, for their power generation markets, and to India for the sponge iron market.

Life of mine is approximately 7-8 years at the current run rate and our recently announced Co-operation agreement with Wintime Energy Group Co. Ltd (a company listed on Shanghai Stock Exchange, 600157) **(Wintime)**, will see BA utilised as a processing precinct for the Moorlands project for many decades to come.

During the reporting period, BA sold 718kt with coal sales being a combination of index-linked and fixed-price sales to long term trading partners. Market support for our highly sought-after thermal coal product remains strong, with existing customers securing 100% of our coal sales for the March Quarter.

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7. Operating and Financial Review (continued)

South Africa

Note: tonnes shown in the tables below for the South African operations represent total tonnes i.e.100% from each operation

New Clydesdale Colliery (NCC) - 49% Equity Interest

	HY2025 (kt)	HY2024 (kt)	Movement %
ROM coal production	1,599	1,745	(9%)
Saleable coal	1,012	1,137	(12%)
Coal sales	1,022	1,113	(9%)
Inventory (ROM)	307	176	74%
Inventory (Saleable)	62	225	(72%)

New Clydesdale Colliery (**NCC**) is a multi-product open cast and underground mine with the ability to produce domestic and export quality product.

The colliery achieved 1.0 Mt total coal sales for the 6 months to 31 December 2024, a decrease of 9% on the prior corresponding reporting period. The majority of sales (797 kt) were to South Africa's largest power generator, Eskom, with total export sales of RB1 thermal product totaling 225 kt for the half.

Train allocations remain challenging in South Africa, and we continue to work on strategies to improve the position to achieve forecast export coal sales.

North Block Complex (NBC) - 49% Equity Interest

	HY2025 (kt)	HY2024 (kt)	Movement %
ROM coal production	2,398	2,004	20%
Saleable coal	1,468	1,661	(13%)
Coal sales	1,589	1,602	(1%)
Inventory (ROM)	134	148	(10%)
Inventory (Saleable)	39	29	34%

ROM Coal production for NBC was 2.39 Mt for the December quarter, a 20% increase on the previous corresponding period.

Logistics constraints in South Africa have remained, and supply chain alternatives, such as trucking, continue to be used for NBC export coal sales. Total export sales for 6 month reporting period were 103 kt and deliveries to Eskom have remained consistent with total domestic coal sales at 1.47 Mt for the reporting period.

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8. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001 (Cth)*.

Signed on behalf of the Directors



Mark Lochtenberg
Non-Executive Chairman



Danny McCarthy
Managing Director

Sydney
28 February 2025

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Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF TERRACOM LIMITED

As lead auditor for the review of TerraCom Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TerraCom Limited and the entities it controlled during the period.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2025

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Interim consolidated statement of profit or loss and other comprehensive income for the 6 months ended 31 December 2024

	Note	31 December 2024 $ '000	31 December 2023 $ '000
Revenue	2	111,306	141,257
Cost of goods sold	2	(90,365)	(97,680)
Gross profit		**20,941**	**43,577**
Other operating and administration expenses	3	(9,036)	(7,372)
Net foreign exchange gain		927	438
Share of profit of investments accounted for using the equity method	9	2,358	11,644
Impairment of assets	9	(1,800)	-
Profit on disposal of fixed assets		187	-
Depreciation and amortisation expense	2	(9,822)	(8,818)
Finance income		2,734	1,255
Finance expenses	4	(2,183)	(60)
Profit before taxation		**4,306**	**40,664**
Income tax expense		(1,419)	(9,206)
Profit after taxation		**2,887**	**31,458**
Profit attributable to:			
Owners of TerraCom Limited		3,106	31,719
Non-controlling interest		(219)	(261)
		2,887	**31,458**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		2,375	(139)
Other comprehensive income net of taxation		**5,262**	**31,319**
Total comprehensive income attributable to:			
Owners of TerraCom Limited		5,481	31,579
Non-controlling interest		(219)	(260)
		5,262	**31,319**
Earnings per share for profit attributable to the owners of TerraCom Limited			
Basic earnings per share (cents)		0.39	3.96
Diluted earnings per share (cents)		0.39	3.96

The above interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Interim consolidated statement of financial position as at 31 December 2024

	Note	31 December 2024 $ '000	30 June 2024 $ '000
Assets			
Current Assets			
Cash and cash equivalents		10,934	8,351
Trade and other receivables	5	12,405	33,870
Inventories	6	16,647	9,101
		39,986	**51,322**
Non-Current Assets			
Trade and other receivables	5	2,022	2,502
Restricted cash	7	64,107	60,983
Investments accounted for using the equity method	9	90,094	86,811
Exploration and evaluation assets	10	13,451	13,524
Property, plant and equipment	11	80,378	86,152
Other non-current assets		8,233	13,125
		258,285	**263,097**
Total Assets		**298,271**	**314,419**
Liabilities			
Current Liabilities			
Trade and other payables		28,322	32,593
Current tax liability		4,898	38,352
Borrowings	12	2,235	2,891
Lease liabilities		599	377
Deferred revenue	8	23,340	-
Provisions	13	6,740	5,231
		66,134	**79,444**
Non-Current Liabilities			
Borrowings	12	-	722
Deferred tax		5,974	7,005
Leased liabilities		1,239	186
Provisions	13	59,824	59,214
		67,037	**67,127**
Total Liabilities		**133,171**	**146,571**
Net Assets		**165,100**	**167,848**

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Interim consolidated statement of financial position as at 31 December 2024

	Note	31 December 2024 $ '000	30 June 2024 $ '000
Equity			
Issued capital		376,011	376,011
Reserves		24,308	21,933
Accumulated losses		(234,588)	(229,684)
Total equity attributable to the owners of TerraCom Limited		165,731	168,260
Non-controlling interest		(631)	(412)
Total equity		**165,100**	**167,848**

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes

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Interim consolidated statement of changes in equity for the 6 months ended 31 December 2024

	Issued capital $ '000	Foreign currency translation reserve $ '000	Share based payments / options reserve $ '000	Accumulated profit/ (losses) $ '000	Total Equity Attributable to the owners of TerraCom Limited $ '000	Non-controlling interest $ '000	Total equity $ '000
Balance at 01 July 2023	**376,011**	**22,099**	**828**	**(231,605)**	**167,333**	**516**	**167,849**
Profit for the half-year after income tax	-	-	-	31,719	31,719	(261)	31,458
Other comprehensive loss	-	(140)	-	-	(140)	1	(139)
Total comprehensive income for the 6 months	**-**	**(140)**	**-**	**31,719**	**31,579**	**(260)**	**31,319**
Transactions with Owner's in their capacity as Owner's Dividends paid to shareholders of TerraCom Limited	-	-	-	(24,030)	(24,030)	-	(24,030)
Share-based payments KMP	-	-	(828)	-	(828)	-	(828)
Balance at 31 December 2023	**376,011**	**21,959**	**-**	**(223,916)**	**174,054**	**256**	**174,310**
Balance at 01 July 2024	**376,011**	**21,933**	**-**	**(229,684)**	**168,260**	**(412)**	**167,848**
Profit for the half-year after income tax	-	-	-	3,106	3,106	(219)	2,887
Other comprehensive income	-	2,375	-	-	2,375	-	2,375
Total comprehensive income for the 6 months	**-**	**2,375**	**-**	**3,106**	**5,481**	**(219)**	**5,262**
Transactions with Owner's in their capacity as Owner's Dividends paid to shareholders of TerraCom Limited *(note 16)*	-	-	-	(8,010)	(8,010)	-	(8,010)
Balance at 31 December 2024	**376,011**	**24,308**	**-**	**(234,588)**	**165,731**	**(631)**	**165,100**

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Interim consolidated statement of cashflows for the 6 months ended 31 December 2024

	Note	31 December 2024 $ '000	31 December 2023 $ '000
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST/VAT)		152,313	143,036
Cash paid to suppliers and employees (inclusive of GST/VAT)		(109,417)	(128,483)
Interest received		1,179	970
Dividends received from associates		-	5,062
Tax payments made		(34,428)	(23,974)
Interest and other finance costs paid		(1,588)	(519)
Net cash (used in)/from operating activities		**8,059**	**(3,908)**
Cash flows from investing activities			
Payments for property plant and equipment	11	(2,506)	(7,451)
Release from restricted cash		-	8,207
Proceeds from sale of property, plant and equipment		191	-
(Increase)/decrease of secured deposits		4,938	-
Other assets investments		-	(1,200)
Repayments of loan from associates		1,378	936
Loan to associates		(35)	-
Net cash from investing activities		**3,966**	**492**
Cash flows from Financing activities			
Dividends paid to shareholders of TerraCom Limited	16	(8,010)	(24,030)
Repayment of borrowings		(1,378)	(1,036)
Repayment of principal component of lease liabilities		(234)	(265)
Net cash used in financing activities		**(9,622)**	**(25,331)**
Total cash movement for the year		2,403	(28,747)
Cash at the beginning of the year		8,351	44,032
Effect of exchange rate movement on cash equivalents		180	1,324
Total cash at end of half year		**10,934**	**16,609**

The above interim consolidated statement of cashflows should be read in conjunction with the accompanying notes.

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1. Basis of preparation of half-year report

The financial statements cover TerraCom Limited as a consolidated entity consisting of TerraCom Limited and the entities it controlled at the end of, or during, the year. TerraCom Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

The financial statements for the half-year ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period.

The principal accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the policies stated below.

The interim financial statements have been prepared on an accrual basis and are based on historical costs.

Functional Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the **functional currency**). The consolidated financial statements are presented in Australian dollars (AUD), which is TerraCom Limited's presentation currency. The functional currency of TerraCom Limited and the Australian and the United Kingdom subsidiaries are Australian dollars (AUD), the South African subsidiaries are South African Rand (ZAR).

Going Concern

The half-year financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As of 31 December 2024, the Group had a net current asset deficiency of $26.148 million (30 June 2024: $28.122 million).

During the period, the Group generated a profit after tax of $2.887 million and cash inflows from operating activities of $8.059 million, driven by buoyant thermal coal prices and continued strong demand for our product.

The directors have prepared a cashflow forecast until March 2026. The cashflow forecast is based on known market conditions as at the date of preparation which may be impacted by economic market conditions outside the control of the Company, including coal pricing and foreign exchange.

With reasonable sensitivities applied to the key assumptions within the cashflow forecast the Company is expected to remain cash flow positive for at least twelve months from the date of signing.

Other than as noted above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis of accounting in preparing the current financial report.

1. Basis of preparation of half-year report (continued)

Critical accounting estimates and judgments

The preparation of the half-year financial statements requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

In preparing the half-year financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2024 annual report.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations did not have a material impact to the interim consolidated financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these new or amended Accounting Standards or Interpretations will not materially impact the interim consolidated financial statements on adoption dates.

2. Operating segments

Identification of reportable operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (**CODM**). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Types of products and services

The reporting segments are organised according to the nature of the activities undertaken and geographical local of the activities as outlined below:

- Australia Coal exploration and extraction activities within Australia
- South Africa Coal exploration and extraction activities in South Africa
- Unallocated Various business development and support activities that are not allocated to segments.

A number of inter-segment transactions, receivables, payables, or loans occurred during the period, or existed at reporting date. In addition, corporate re-charges were allocated to the reporting segments.

Accounting policies adopted

All amounts reported to the Board of Directors, being the CODM with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. Several inter-segment transactions, receivables, payables, or loans occurred during the period, or existed at reporting date. In addition, corporate re-charges were allocated to the reporting segments.

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2. Operating segments (continued)

Major customers

During the period ended 31 December 2024 the Group's external revenue was derived from sales to the following customers:

	Half-Year 31 December 2024		Half-Year 31 December 2023	
	$ '000	%	$ '000	%
Customer A*	22,551	20%	41,389	29%
Other Customers	60,010	54%	80,738	57%
Vitol	28,745	26%	19,130	14%
Total	**111,306**	**100%**	**141,257**	**100%**

**Due to contractual obligations, parties are not identified.*

	Australia	South Africa	Unallocated	Total
	$'000	$ '000	$ '000	$ '000
Consolidated – Half-year 31 December 2024				
Revenue				
Sales to external customers	111,306	-	-	111,306
Cost of goods sold	(90,063)	(302)	-	(90,365)
Gross Profit	**21,243**	**(302)**	**-**	**20,941**
Other operating and administration expenses	(3,455)	(2,296)	(3,285)	(9,036)
Net foreign exchange gain	855	-	72	927
Share of profit of associates accounted for using the equity method	-	2,358	-	2,358
Operating Profit/(loss)	**18,643**	**(240)**	**(3,213)**	**15,190**
Depreciation and amortisation expense	(9,750)	(12)	(60)	(9,822)
Profit on disposal of fixed assets	-	187	-	187
Impairment on assets	(1,800)	-	-	(1,800)
Net finance income/(expense)	2,008	(422)	(1,035)	551
Profit before taxation	**9,101**	**(487)**	**(4,308)**	**4,306**
Profit before taxation				4,306
Income tax expense				(1,419)
Profit after taxation				**2,887**

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2. Operating segments (continued)

	Australia $'000	South Africa $ '000	Unallocated $ '000	Total $ '000
Consolidated – Half-year 31 December 2024				
Assets				
Segment assets	189,977	108,294	-	298,271
Total assets	**189,977**	**108,294**	**-**	**298,271**
Liabilities				
Segment liabilities	117,510	15,661	-	133,171
Total liabilities	**117,510**	**15,661**	**-**	**133,171**

	Australia $'000	South Africa $'000	Unallocated $'000	Total $'000
Consolidated – Half-year 31 December 2023				
Revenue				
Sales to external customers	141,257	-	-	141,257
Cost of goods sold	(96,513)	(1,167)	-	(97,680)
Gross Profit	**44,744**	**(1,167)**	**-**	**43,577**
Other operating and administration expenses	(552)	(872)	(5,948)	(7,372)
Net foreign exchange gain	251	(1)	188	438
Share of profit of associates accounted for using the equity method	-	11,644	-	11,644
Operating Profits	**44,443**	**9,604**	**(5,760)**	**48,287**
Depreciation and amortisation expense	(8,733)	(71)	(14)	(8,818)
Net finance income	625	444	126	1,195
Profit / (loss) before taxation	**36,335**	**9,977**	**(5,648)**	**40,664**
Profit before taxation				40,664
Income tax expense				(9,206)
Profit after taxation				**31,458**

Consolidated – 30 June 2024				
Assets				
Segment assets	209,279	105,140	-	314,419
Total assets	**209,279**	**105,140**	**-**	**314,419**
Liabilities				
Segment liabilities	132,160	14,411	-	146,571
Total liabilities	**132,160**	**14,411**	**-**	**146,571**

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3. Other operating and administration expenses

	31 December 2024 $ '000	31 December 2023 $ '000
Other operating and administration expenses	4,458	2,763
Consultant and professional fees	2,761	908
Employee benefits excluding superannuation expense	1,663	3,575
Superannuation expense	154	126
Total other operating and administration expenses	**9,036**	**7,372**

4. Finance expenses

	31 December 2024 $ '000	31 December 2023 $ '000
Interest expense on interest bearing loans	206	7
Other interest and finance expenses	1,977	53
Total finance expenses	**2,183**	**60**

5. Trade and other receivables

	31 December 2024 $ '000	30 June 2024 $ '000
Trade receivables	-	16,796
Loan receivables – related parties	2,395	3,613
Long service leave receivable	1,862	1,780
Prepayments	8,671	10,476
Other receivables	1,499	3,707
Total trade and other receivables	**14,427**	**36,372**

Decrease in prepayments relates to the utilisation of fee paid to third party provider in advance for an assignment of port and rail capacity which covers the period 1 January 2024 to 31 December 2025.

Split between current and non-current portions:	31 December 2024 $ '000	30 June 2024 $ '000
Current		
Trade receivables	-	16,796
Loan receivables – related parties	2,235	2,891
Prepayments	8,671	10,476
Other receivables	1,499	3,707
Total trade and other receivables – current	**12,405**	**33,870**

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5. Trade and other receivables (continued)

Split between current and non-current portions:	31 December 2024 $ '000	30 June 2024 $ '000
Non-Current		
Loan receivables – related parties	160	722
Long service leave receivable	1,862	1,780
Total trade and other receivables – non-current	**2,022**	**2,502**
Total trade and other receivables	**14,427**	**36,372**

6. Inventories

	31 December 2024 $ '000	30 June 2024 $ '000
Coal Stock	11,145	4,054
Consumables and stores	5,502	5,047
Total inventories	**16,647**	**9,101**

Increase in coal stock from prior period relates to lower sales during the half-year ended 31 December 2024 due to delays in shipment loading.

7. Restricted cash

	31 December 2024 $ '000	30 June 2024 $ '000
Bank deposit	30	29
Secured deposit- South Africa	2,853	2,764
Secured deposit- Australia	61,224	58,190
Total restricted cash	**64,107**	**60,983**

The secured deposit relates to the cash pledged as security for the issuance of insurance bond to satisfy the financial assurance requirements with the Queensland Government's Department of Environment and Science for the Blair Athol Coal Mine's Environmental Authority EPML00876713. The security deposit is held by Westpac, which at reporting date was bearing an interest rate of 4.0% per annum.

8. Deferred Revenue

	31 December 2024 $ '000
Deferred Revenue-South Africa	727
Deferred Revenue-Australia	22,613
Total deferred revenue	**23,340**

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8. Deferred Revenue (continued)

Prepaid coal sales represent amounts received in advance for coal sales, resulting in unearned revenue of $23.340 million. These amounts are recorded as a liability until the related goods are delivered or the performance obligations are fulfilled, at which point the revenue will be recognised in accordance with applicable accounting standards.

9. Investment in associates

Investments account for using the equity method

	Consolidated	
	31 December 2024	30 June 2024
	$ '000	$ '000
Non-current assets		
Investment in Associates	90,094	86,811

	31 December 2024
	$ '000
Reconciliation	
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:	
Carrying amount at beginning of financial year	86,811
Share of profit/(loss)	2,358
Impairment of SuperChar	(1,800)
Effect of foreign exchange*	2,725
Closing carrying amount	**90,094**

* *Statement of financial position amounts are converted from ZAR to AUD using the spot rate as at the reporting date.*

10. Exploration and evaluation assets

	31 December 2024	30 June 2024
	$ '000	$ '000
Exploration and evaluation	**13,451**	**13,524**

Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:

	Opening balance	Impairment	Exchange differences	Total
	$ '000	$ '000	$ '000	$ '000
Exploration and evaluation	13,524	(73)	-	13,451

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11. Property, plant and equipment

	31 December 2024 $ '000	30 June 2024 $ '000
Property, plant and equipment	**80,378**	**86,152**

Reconciliation of property, plant and equipment – 31 December 2024

	Opening balance $ '000	Additions $ '000	Disposals $ '000	Transfers $ '000	Exchange differences $ '000	Depreciation $ '000	Total $ '000
Land and buildings	6,330	-	-	-	-	-	6,330
Plant and equipment	28,142	7	(5)	-	-	(4,471)	23,673
Mine development	46,479	-	-	-	-	(5,084)	41,395
Right-of-use assets - plant and equipment	535	1,541	-	-	-	(267)	1,809
Capital - work in progress	4,666	2,499	-	-	6	-	7,171
	86,152	**4,047**	**(5)**	**-**	**6**	**(9,822)**	**80,378**

12. Borrowings

	31 December 2024 $ '000	30 June 2024 $ '000
Current		
Standard Bank of South Africa facilities (refer to note 14)	2,235	2,891
Total borrowings - current	**2,235**	**2,891**
Non-Current		
Non-current borrowings		
Standard Bank of South Africa facilities (refer to note 14)	-	722
Total borrowings – non-current	**-**	**722**

13. Provisions

	31 December 2024 $ '000	30 June 2024 $ '000
Mine rehabilitation and closure	59,824	59,214
Long service leave	1,862	1,780
Legal provision	1,130	-
Annual leave	3,748	3,451
Total provisions	**66,564**	**64,445**

13. Provisions (continued)

	30 June 2024 $ '000	Utilised during the year $ '000	Exchange differences $ '000	Unwinding of discount $ '000	31 December 2024 $ '000
Mine rehabilitation and closure	59,214	-	-	610	59,824

Mine rehabilitation and closure

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the estimated life of the mine (up to 25 years), which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Group's internal estimates.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates.

Legal Provision

The Group has recorded a provision for $1.130 million as at 31 December 2024 which relates to a final award amount to be paid to the plant contractor at the now closed Kangala mine (which went into care and maintenance in early 2021). The Group has recorded the entire amount in accordance with the principles of consolidation, however the Group is legally responsible for only 70.5% of the settlement amount, reflecting its equity holding in the entity concerned. Under the terms of the shareholders agreement in place, the minority shareholder is obliged to contribute their respective portion of the settlement amount.

14. Related parties

Related party transactions	31 December 2024	31 December 2023
Payment for goods and services:		
Services from Lewis Mining Consulting (director fees) - Glen Lewis	66,667	67,917
Services from Craig Lyons (director fees) *	-	81,250
Services from OT21 Consulting (advisory fees) - Shane Kyriakou ^	-	49,998
	66,667	**199,165**

** Craig Lyons resigned as a Director effective 1 February 2024*
^ Shane Kyriakou resigned as a Director effective 28 November 2022

Related party balances	31 December 2024	30 June 2024
Payables:		
Trade payables to Lewis Mining Consulting - Glen Lewis	13,333	13,333
Receivables:		
North Block Complex (Pty) (NBC) Ltd loan payable to UCEHSA	520,898	841,778
Universal Coal Development IV (Pty) (NCC) Ltd loan payable to UCEHSA	1,714,476	2,770,613
Loan receivables – related parties	2,395,392	3,612,409

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14. Related parties (continued)

Loan receivable

The loan receivable amounts owing from NBC and NCC consists of an amount relating to the Standard Bank borrowings in the name of UCEHSA, which has been on-lent to the associates. The facility is secured against the assets of the associates.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

15. Share based payments

Share based payments	31 December 2024 $'000	30 June 2024 $'000
At the beginning of the financial year	-	828
Share based payments expense/(reversal) during the year	-	(828)
Total share-based payments	**-**	**-**

On 25 July 2023, the Company cancelled performance rights to be issued to key management personnel totalling 1,447,967. A total of 1,320,325 performance rights held by Executive Key Management Personnel (KMP) were cancelled by agreement between the Company and the holder and settled for cash consideration. A total of 127,642 performance rights were cancelled due to requisite vesting conditions not being met.

No performance rights for the half year ended 31 December 2024 were granted under the Long-Term Incentive plan.

16. Dividends paid

TerraCom declared and paid dividends totaling $8.010 million to shareholders during the half year ended 31 December 2024 (30 June 2024: $24.030 million), details as follows:

Period	Declaration Date	Amount (cents per share)	Franked Amount (cents per share)	Date of Payment
30 September 2024	31 October 2024	$0.01	$0.01	6 December 2024

17. Contingent liabilities

The Group notes contingent liabilities at 31 December 2024 in respect of the following matter.

On 1 March 2023, the Company announced that proceedings had been filed by the Australian Securities and Investments Commission (ASIC) in the Federal Court of Australia (NSD176/2023) against the Company and current and former directors and officers of the Company, being Mr McCarthy, Mr Boom, Mr Ransley and Mr King. The proceedings relate to disclosures made by the Company with respect to a former employee (ASIC Proceedings).

A case management hearing was held in mid-February where Justice Jackman set down the case for trial on 16 June 2025. The Company intends to vigorously defend the ASIC Proceedings and is unable to reliably estimate any potential liability at this stage, as the outcome remains uncertain.

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17. Contingent liabilities (continued)

The Company has in place Directors and Officers Insurance to insure these current and former Directors and Officers of the Company against any liability to the extent permitted by the *Corporations Act 2001 (Cth)*. This contract of insurance prohibits the disclosure of the nature of the liability and the amount of the premium paid for the policy.

Other than noted above, the Group had no other contingent liabilities at 31 December 2024.

18. Events after the reporting period

Other than noted elsewhere in this report, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial year.

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Directors' Declaration

In accordance with a resolution of the directors of TerraCom Limited, I state that in the opinion of the directors:

a) the interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001 (Cth)*, including

   i. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

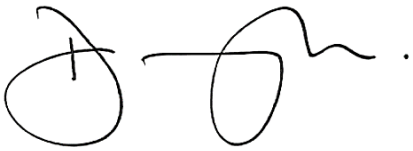
   ii. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;* and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

On behalf of the board



Mark Lochtenberg
Non-Executive Chairman



Danny McCarthy
Managing Director

Sydney
28 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TerraCom Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of TerraCom Limited (the Company) and its subsidiaries (the Group), which comprises the interim consolidated statement of financial position as at 31 December 2024, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

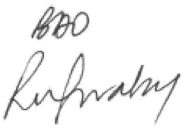
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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



R M Swaby

Director

Brisbane, 28 February 2025

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