



FY2024 Results Presentation

20 August 2024 | ASX : DRR



Deterra
ROYALTIES

Important notices and disclaimer



This presentation has been prepared by Deterra Royalties Limited ("Deterra", "the Company"). By accessing this presentation, you acknowledge that you have read and understood the following statement.

The material in this presentation is general summary information about Deterra. This presentation should be read in conjunction with Deterra's other periodic and continuous disclosure announcements which are available at www.asx.com.au.

Reserves, resources and other technical information

Except where otherwise stated, the information in this presentation relating to the mining assets to which Deterra's royalty interests are referable is based solely on information publicly disclosed by the owners or operators of these mining assets and information and data available in the public domain as at the date of this presentation, and none of this information has been independently verified by Deterra. Accordingly, Deterra does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Specifically, Deterra has limited, if any, access to the mining assets in respect of which royalties are derived by the Deterra. Deterra generally relies on publicly available information regarding the mining assets and generally have no ability to independently verify such information.

Forward-looking Statements

This presentation may contain forward look statements such as, without limitation, statements regarding plans; strategies and objectives of management; anticipated performance; estimates of future expenditure; expected costs; estimates of future royalty income, product supply, demand and consumption; and statements regarding future product prices.

Where Deterra expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Deterra that the matters stated in this presentation will in fact be achieved or prove to be correct.

Forward-looking statements subject to known and unknown risks, uncertainties, assumption and other important factors that could cause the actual results, performances or achievements of Deterra or the underlying royalty assets to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements. Such risks and factors include, but are not limited to: the risks and uncertainties associated with the Australian and global economic environment and capital market conditions; changes in exchange rate assumptions; changes in product pricing assumptions; major changes in mine plans and/or resources; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; and environmental or social factors which may affect a licence to operate, including political risk.

To the extent permitted by law, Deterra, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by a person as a consequence of any information in this presentation or any error or omission therefrom. Deterra does not undertake to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Non-IFRS Financial Information

This document may contain non-IFRS financial measures including EBITDA, EBIT, free cash flow, and net debt amongst others. Deterra management considers these to be key financial performance indicators of the business and they are defined in the Deterra's 2024 Annual Report, available at www.deterraroyalties.com. Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

This presentation has been authorised for release to ASX by Deterra's Managing Director.

FY24 Highlights



Royalty business model continues to deliver strong financial performance

- Revenue increased 5% to \$240.5 million (FY23: \$229.3 million)
- EBITDA of \$227.9 million at a margin of 95%
- Net Profit After Tax (NPAT) of \$154.9 million

South Flank ramped up to full production capacity of 80 Mwmtpa on a run-rate basis in FY24 as planned¹

- Mining Area C achieved annual production of 125 Mwmt, down 1% on the prior year

Fully franked final dividend of 14.40 cents per share declared

- Total full year FY24 dividend of 29.29 cents per share, fully franked (interim dividend of 14.89 cents per share)
- 100% of NPAT

Offer to acquire Trident Royalties Plc (Trident) has been approved by Trident shareholders

- Remains subject to UK court approval (expected Q3 calendar 2024)

Continue to evaluate value adding investments



Financial Results

Simple business model continues to deliver strong financial performance



Deterra
ROYALTIES

FY24 Highlights

MAC underwrites strong financial performance and provides a solid foundation for value accretive growth



High quality assets delivering strong financial performance



REVENUE

\$241 million

NPAT \$155 million, 95% EBITDA¹ Margin
Mining Area C (MAC) production 125 Mwmt

Supporting shareholder returns



14.40¢/share

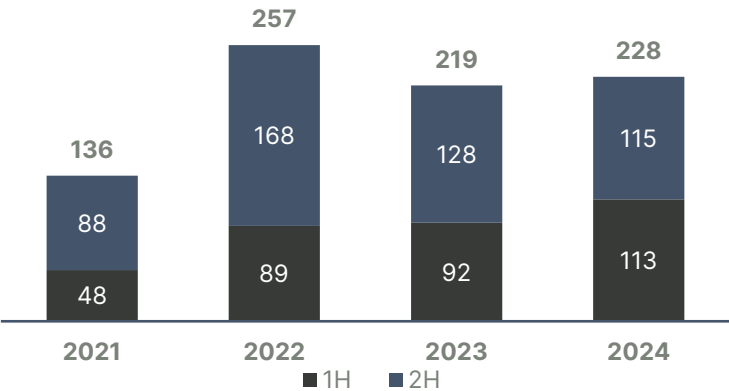
Fully franked FY24 Final Dividend
>\$550 million total dividends since listing²

Building a platform for investment and growth



\$500 million

Undrawn credit facility³
Significant facilities available for value accretive transactions



EBITDA¹
AUD million

• (1) See notes on slide 2 – Non-IFRS Measures
(2) Paid or declared, excludes dividend paid prior to demerger
(3) Additionally, a short term \$284 million (GBP150 million) undrawn bridge facility was established on 13 June 2024 to support the Trident transaction

FY24 Highlights: Revenue

Stronger AUD realised iron ore pricing offsets lower sales volume at Mining Area C



Performance against last Financial Year

MAC Performance

- Sales volume 116.3 Mdmt
- Avg. realised revenue per tonne \$167/dmt

2%

13%

Royalty Revenue

- Royalty Receipts \$239.3M

11%

One-off annual Capacity Payment

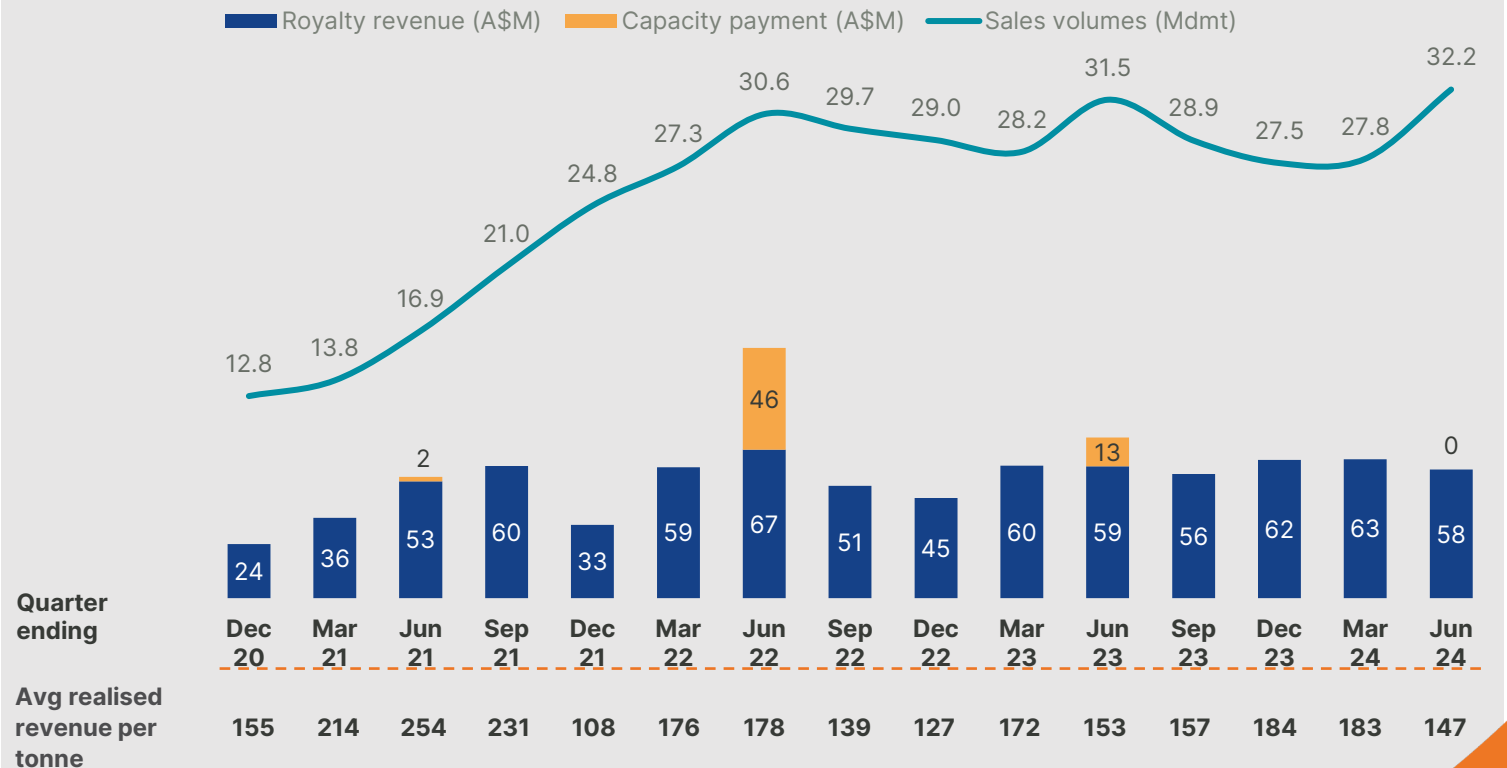
- Capacity Payment nil
- Threshold set at 118 Mdmt

100%

118

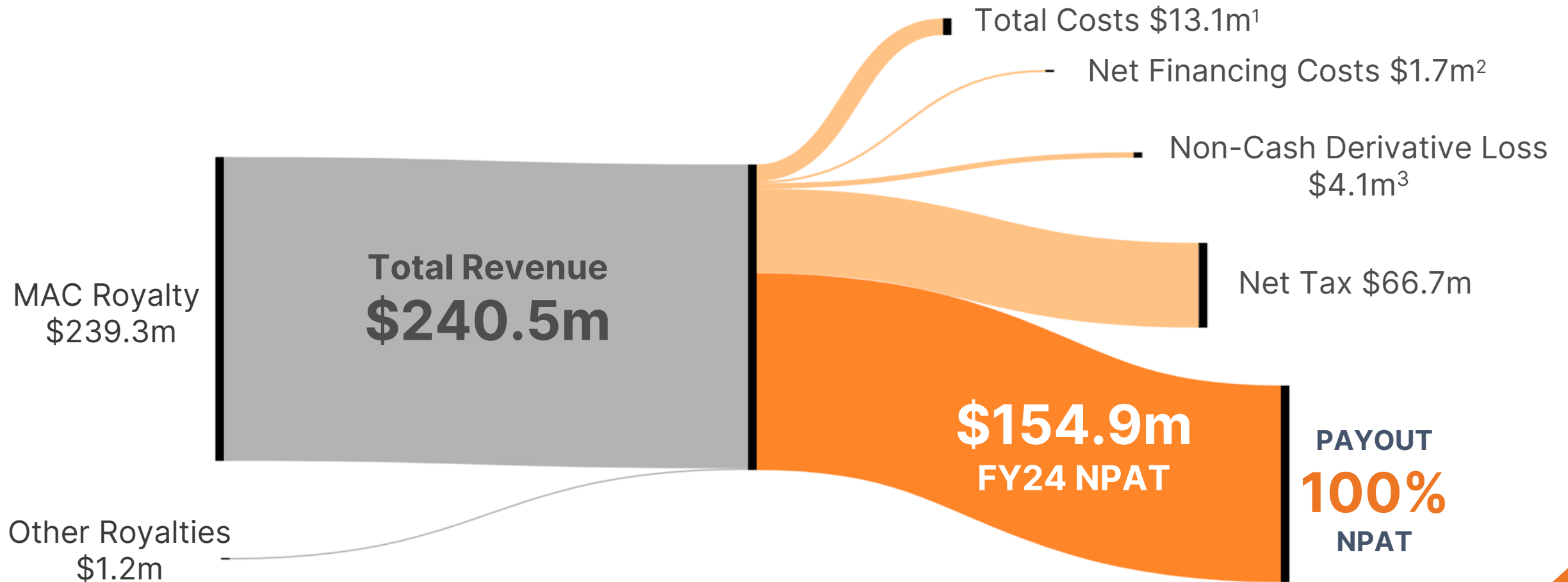
MAC quarterly receipts: volume and realised price

AUD million, Million dry metric tonne, A\$/tonne (FOB, Western Australia)



Simplified Income Statement

Illustrative FY24 statement of profit or loss



(1) Total Costs include \$9.1 million of operating expenses, \$3.5 million of business development expenses and \$0.5 million of depreciation and amortization

(2) Net Financing Costs include finance costs of \$3.5 million less finance income of \$1.8 million.

(3) Non-cash impact of 30 June 2024 mark-to-market on hedge used to fix AUD cost of Trident acquisition consideration

Capital management framework balances future growth and shareholder returns



Capital management framework

Liquidity

- Cash flow and access to funding an important competitive advantage
- Maintain flexibility to invest counter-cyclically
- Existing bi-lateral facilities of \$500 million (at BBSY + weighted avg. ~135 b.p. margin)
- Net cash \$30.1 million (30 June 2024)
- Adopted a Dividend Reinvestment Plan

Leverage

- Optimise use of debt funding for future acquisitions
- Target leverage of 0 - 15% of enterprise value
- No drawn debt

Cash flow allocation

- Dividend payout ratio balancing returns to shareholders with capacity to invest in growth
- Discipline to return capital when not required for investment or balance sheet management
- Interim FY24 dividend of 100% of NPAT, fully franked
- Final FY24 dividend of 100% of NPAT, fully franked
- Target growth in FY25 to be funded within capital management framework
- Target future **minimum** dividend payout ratio of 50% of NPAT, subject to balance sheet management and investment requirements, franked to extent possible

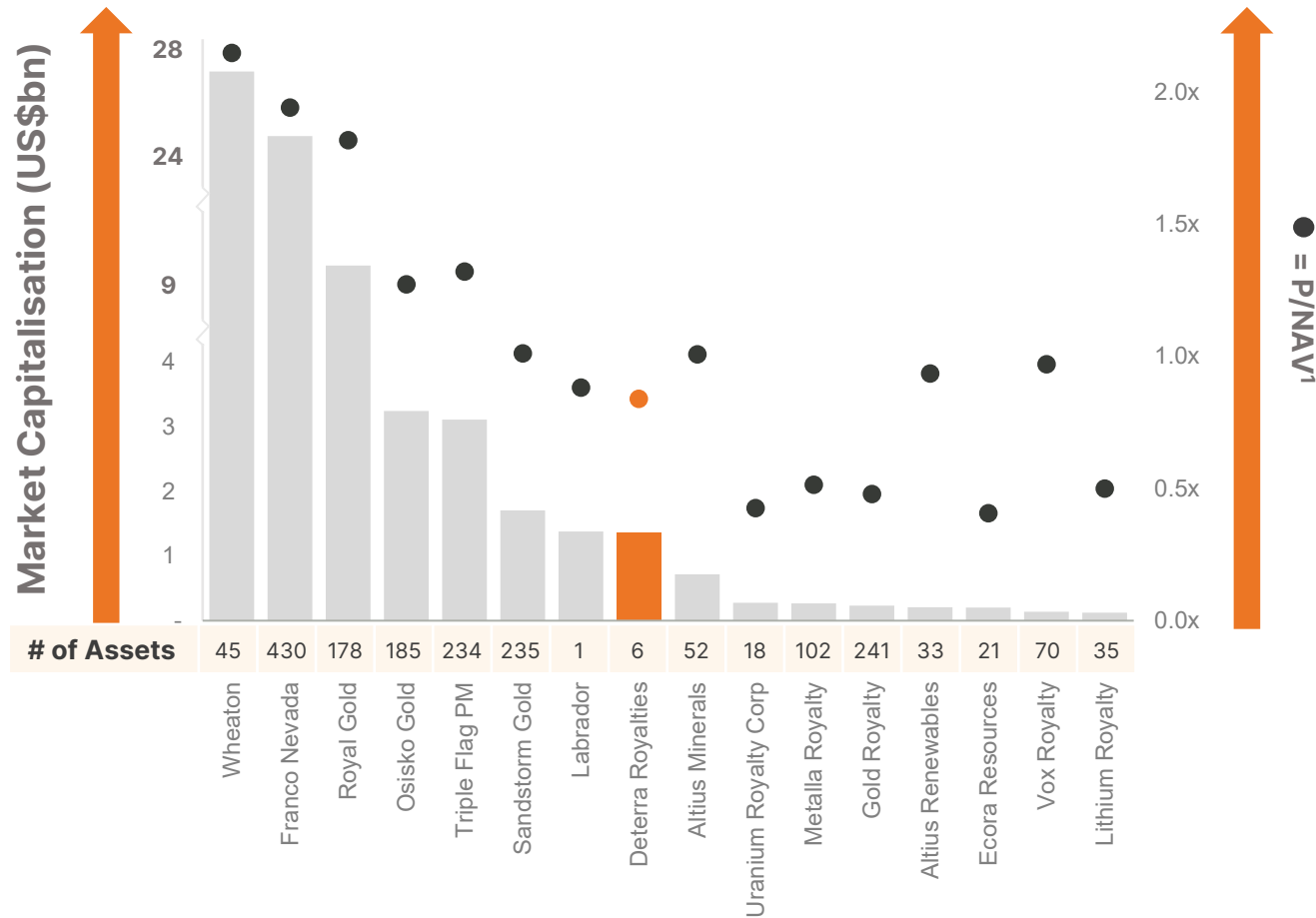
Deterra's discipline to return capital when not required for investment or balance sheet management remains unchanged

Strategy and Outlook

Building a platform for investment and growth



Pursuing value through growth and diversification



Key focus for disciplined growth

Value accretive growth delivers:

- **Quality:** building on world class foundational MAC Royalty with additional large, long-life, low-cost assets
- **Diversification:** across royalties, commodity, geography, operator and stage of asset
- **Scale:** delivering increased liquidity and lower cost of capital
- **Track Record:** through selective and disciplined investment decisions

1. Chart data is drawn from S&P Capital IQ as at 24-Jul-24. Companies shown includes all listed mineral royalty companies with a market capitalisation greater than USD200 million for which more than one broker net asset valuation with a publication date within 120 days prior to 24 July 2024 is available on S&P Capital IQ. P/NAV ratio is the current share price divided by the broker consensus net asset valuation per share, essentially a measure of what premium or discount a company trades at relative to assessed broker discounted cash flow valuation for the company.

Differentiated growth focus

Deterra is a leading listed royalty company outside precious metals



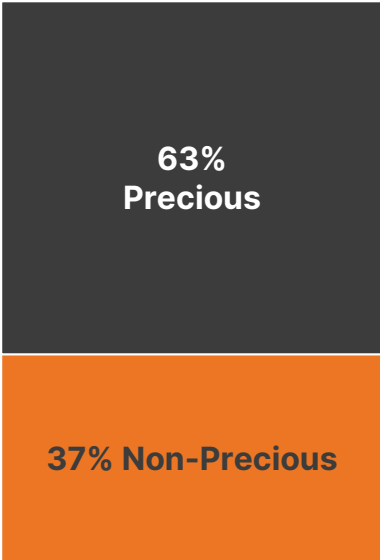
Listed Royalty Companies¹

Total US\$74bn **market capitalisation** with only **6 % Non-Precious Focused**

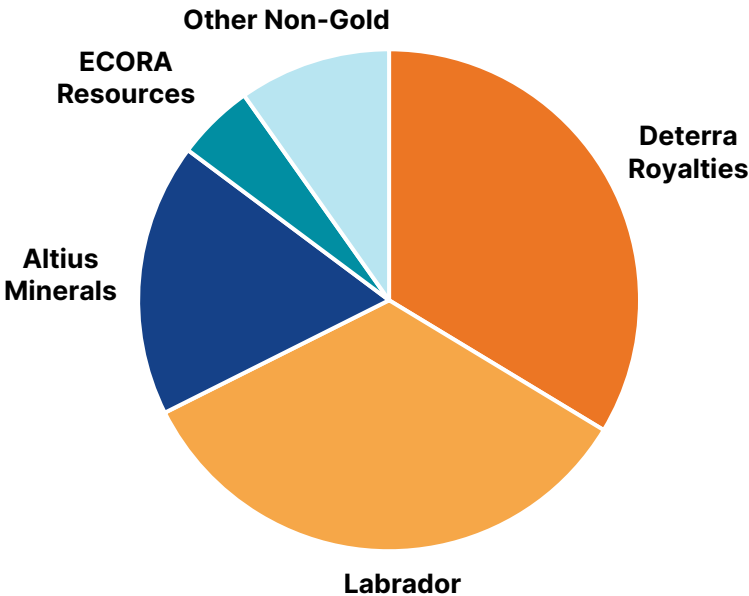


Opportunity Pool of Existing Royalties²

37% of **Existing Royalties** are Non-Precious



Non-Precious Focused Listed Royalty Companies¹



Less than 10% of the mining royalty company universe focuses in this area



More than 30% of the existing royalties are over non-precious metals



This offers differential opportunities and is our core focus area for growth



(1) S&P Capital IQ. Market capitalisation for the peer group as at 24-Jul-24. Universe includes; TSX:FNV, NYSE:WPM, Nasdaq GS:RGLD, TSX:OR, TSX:TFPM, TSX:SSL, NYSEAM:GROY, TSXV:MTA, TSXV:VOXR, TSX:LIF, ASX:DRR, TSX:ALS, LSE:ECOR, TSXV:URC; TSX:LIRC; TSX:ARR
(2) Number of royalties from Deterra analysis of S&P Capital IQ

Disciplined in pursuit of growth

Prioritising where we have a competitive advantage



Targeting value accretive opportunities

Quality: world class foundation in long-life MAC royalty

Liquidity: cash flow and debt facilities provide investment capacity

Focus: targeting less competitive niche in higher value non-precious metal royalties



Size

Broad mandate driven by ability to add value

“Sweet spot” of A\$100 – 300M



Commodity

- Bulks
- Base metals
- Battery metals



Geography

Developed mining jurisdictions, including:

- Australia
- N. America
- S. America
- Europe



Stage

- Production
- Near production

Other opportunities considered on merit on a case-by-case basis

Execution of growth strategy: acquisition of Trident Royalties plc



Transaction Overview

Overview¹	<ul style="list-style-type: none">On 13 June 2024, Deterra Royalties Limited (through its wholly owned subsidiary Deterra Global Holdings Pty Ltd) (Deterra) announced an all-cash offer to acquire the entire issued and to be issued share capital of Trident Royalties plc (Trident) for 49 pence per share, for total consideration of ~£144 million (~A\$280 million)²Trident is a diversified mining royalty company based in the UK and listed on the AIM Market of the London Stock Exchange, with a portfolio of 21 royalties and royalty-like offtake contracts providing exposure to base, precious, bulk and battery metals, including lithium, gold, silver, copper, zinc, mineral sands and iron oreThe Transaction will be implemented by way of a UK scheme of arrangement (Scheme)
Transaction Funding	<ul style="list-style-type: none">Deterra entered into a Bridge Facility Agreement with J.P. Morgan Chase Bank, N.A, pursuant to which a £150 million loan facility was made available to Deterra Global Holdings (DGH) to satisfy requirements of Rules 2.7 (d) and 24.8 of the UK Takeover Code<ul style="list-style-type: none">Prior to completion of the acquisition the commitments under the Bridge Facility Agreement may be reduced by other debt facilities expected to be available to DeterraDeterra's existing A\$500 million of bilateral facilities remain undrawn as at the date of this announcement
Conditions / Other	<ul style="list-style-type: none">Scheme was approved by Trident shareholders on 26 July 2024 but remains subject to Court approvals and other conditions precedent that are customary for a UK scheme³

Timeline to completion³



(1) For full details of the transaction, please refer to Deterra's ASX announcement titled "Recommended Cash Offer to Acquire Trident Royalties plc" dated 13 June 2024;
(2) Based on an AUDGBP exchange of 0.5113984 at 24 July 2024;
(3) For full details on the timetable, please refer to Trident Royalties announcement titled "Results of Court Meeting and General Meeting" dated 26 July 2024;
(4) Represents the last date the scheme can become effective

Trident portfolio overview



21 royalty and royalty-like offtake assets providing exposure to base, precious, bulk and battery metals, including lithium, gold, silver, copper, zinc, mineral sands and iron ore



Source: Trident Royalties 2023 Annual Report, Trident Royalties Corporate Presentation 'A diversified mining royalty company' (May 2024) and Trident Royalties Factsheet (December 2023); Trident website: <https://tridentroyalties.com>

(1) Based on percentage of unrisks NAV as per broker research from Tamesis Partners LLP (Refer to Factsheet on Trident Royalties website);

(2) Includes Lincoln which is currently making minimum payments whilst development is ongoing

(3) On 24 June 2024 Victoria Gold Corp (TSX:VGCX) announced the suspension of Eagle mine operations following a heap leach containment incident

The power of royalty assets

Lower exposure to capital and operating risk than typical mining investments whilst retaining exposure to the upside through expansions and extensions.



“Top line” cashflows

Royalty revenue derived from asset’s revenue line, or with limited, defined deductions



Commodity price leverage

Direct exposure to underlying commodity price



Project optionality

Asset expansions and extensions drive royalty values



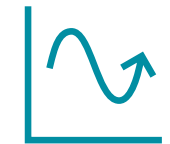
Limited capital cost obligations

No direct exposure to sustaining or expansion capital expenditure



Limited operating cost exposure

No direct exposure to project operating costs



Cost inflation resistance

High margins, and protection against cost inflation

For more information

Investor and media enquiries

Jason Clifton

Chief Financial Officer

Email: investor.relations@deterraroyalties.com

Deterra Royalties Limited

ACN 641 743 348

Level 16, 140 St Georges Terrace Perth WA 6000

Telephone: +61 (0)8 6277 8880

www.deterraroyalties.com



Deterra corporate snapshot

The largest and only significant royalty company on the ASX



- ✓ Cornerstone, Tier 1 Mining Area C (MAC) iron ore royalty
- ✓ Non-precious metals focus – bulks, base and battery metals
- ✓ Active and disciplined in pursuit of growth initiatives
- ✓ Substantial liquidity available for value accretive transactions

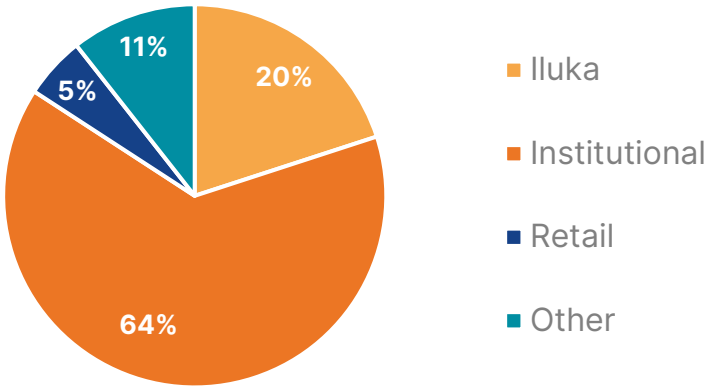
BOARD AND KEY MANAGEMENT

Non-Executive Chairman	Jennifer Seabrook
Managing Director and CEO	Julian Andrews
Non-Executive Director	Graeme Devlin
Non-Executive Director ²	Adele Stratton
Non-Executive Director	Jason Neal
Chief Financial Officer	Jason Clifton

CAPITAL STRUCTURE

Share price ¹	A\$3.75
Shares on issue	528.6m
Market capitalisation ¹	A\$2.0bn
Cash (30 Jun 2024)	A\$31.1m
FY24 Net Profit after Tax	A\$155m
Royalty agreements	6

SHARE REGISTER³



(1) S&P Capital IQ as of 16 August 2024
(2) Iluka Resources Limited nominee
(3) As of 31 July 2024

Income Statement



Consolidated statement of Profit or Loss (\$'000)

	Year ended 30 June 2024	Year ended 30 June 2023
Royalty Revenue	240,509	229,264
Operating Expenses	(9,083)	(8,528)
Business Development Expenses	(3,521)	(1,395)
Depreciation and Amortisation	(462)	(396)
Operating profit before finance cost	227,443	218,945
Net finance income/(cost)	(1,667)	(1,215)
Derivative financial instrument loss	(4,174)	-
Net foreign exchange gains/(losses)	(14)	(18)
Profit before tax	221,588	217,712
Income tax expense	(66,702)	(65,254)
Net Profit After Tax (NPAT)	154,886	152,458
Total and continuing earnings per share:		
Basic earnings per share (\$)	0.2930	0.2885
Diluted earnings per share (\$)	0.2925	0.2883

Balance Sheet



Consolidated statement of financial position (\$'000)	30 June 2024	30 June 2023
Cash and cash equivalents	31,064	29,491
Trade and other receivables	58,660	73,104
Income tax assets	1,487	620
Prepayments	1,065	558
Total Current Assets	92,276	103,773
Royalty intangible assets	7,982	8,289
Property, plant, and equipment	156	99
Prepayments	415	1,141
Right-of-use assets	465	171
Total Non-Current Assets	9,018	9,700
Total Assets	101,294	113,473
Trade and other payables	2,686	768
Provisions	223	130
Lease liability	95	70
Derivative financial instrument	4,174	-
Total Current Liabilities	7,178	968
Lease liability	402	116
Borrowings	-	-
Deferred tax	13,362	20,251
Total Non-Current Liabilities	13,764	20,367
Total Liabilities	20,942	21,335
Net Assets	80,352	92,138

EBITDA



Earnings before interest tax and depreciation (EBITDA ¹) (\$'000)	Year ended 30 June 2024	Year ended 30 June 2023
Net Profit After Tax	154,886	152,458
<i>add back income tax expense</i>	66,702	65,254
Profit before tax	221,588	217,712
<i>add back Net finance costs and FX gains</i>	5,855	1,233
Operating profit before finance cost (EBIT)	227,443	218,945
EBIT	227,443	218,945
<i>add back Depreciation and Amortisation</i>	462	396
EBITDA	227,905	219,341
Revenue	240,509	229,264
EBITDA margin (%)	95%	96%

(1) See notes on slide 2 – Non-IFRS Measures

Mining Area C Royalty

A world-class foundation asset



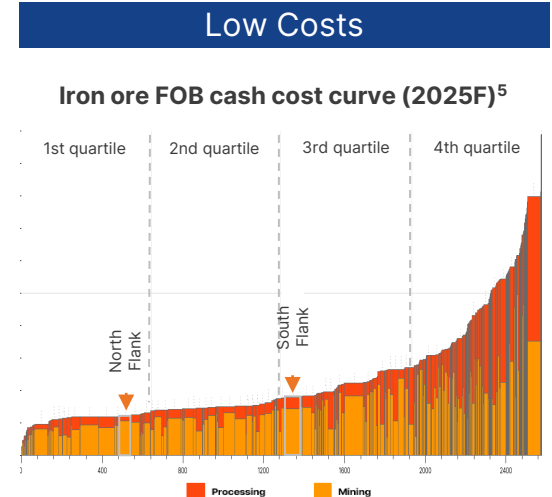
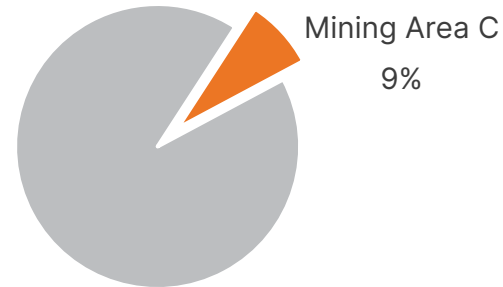
Mining Area C Royalty: a world-class cornerstone asset



Mining Area C (MAC) royalty provides top line exposure to one of the premier iron ore mines globally by scale, cost position, quality of the operator and remaining asset life

- World's largest iron ore hub¹
- Long-life, high-grade, low-cost asset forming part of BHP's integrated Western Australia Iron Ore Operations¹
- Operated by BHP, the world's largest mining company²
- >30-year asset life³

At full capacity Mining Area C will account for 9% of global seaborne iron ore supply (1,606Mdmmt in 2025)⁴



Generating significant cash flow

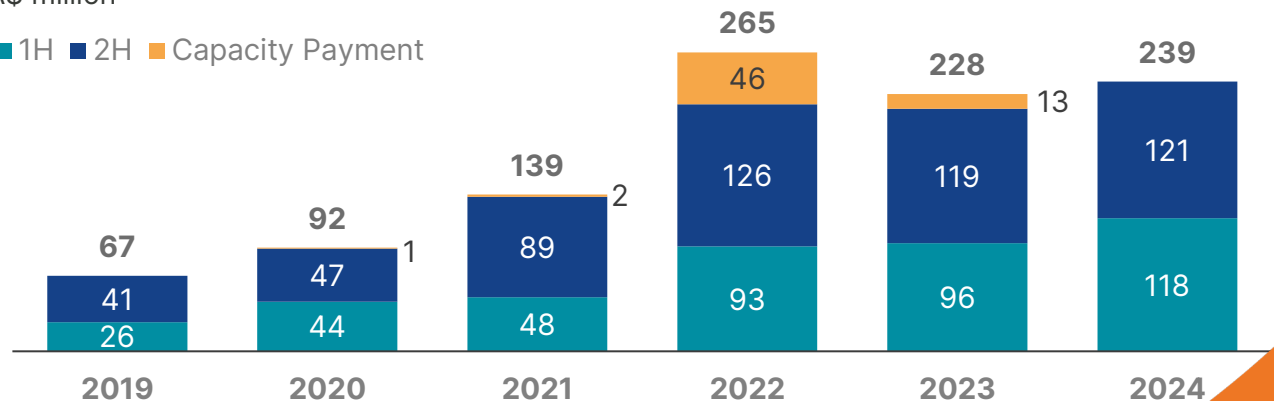
Base Royalty: 1.232% of A\$ denominated revenue from the MAC Royalty Area

plus

Capacity Payments: A\$1 million for every million dry tonne increase in annual production from the MAC Royalty Area above the previous highest level

Mining Area C (MAC) royalty receipts

A\$ million



(1) BHP Western Australia Iron Ore site tour presentation: South Flank, ASX, 4 October 2022

(2) By market capitalisation

(3) BHP marks official opening of South Flank – BHP media release (7-Oct-21): <https://www.bhp.com/news/media-centre/releases/2021/10/bhp-marks-official-opening-of-south-flank>

(4) AME Research. Iron Ore Strategic Study Q4 2023

(5) AME Research. Total cash costs are defined as direct cash cost associated with mining and processing. Units are US\$/t

Delivering volume growth

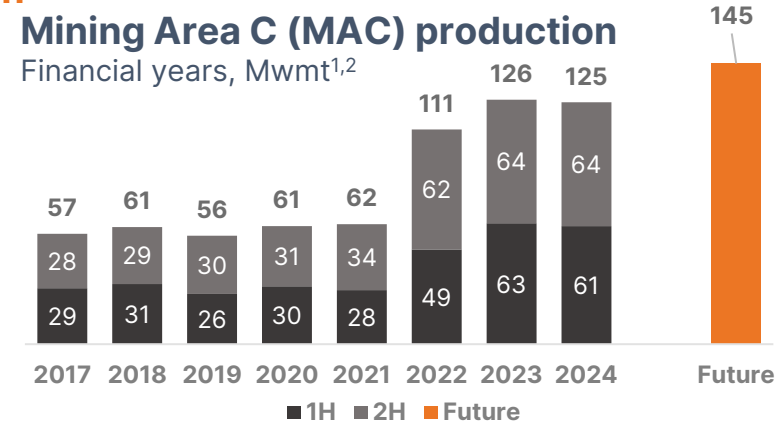


Realising near-term growth via South Flank expansion

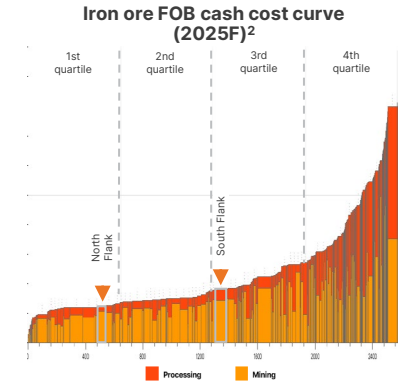
- USD3.6 billion investment in South Flank expansion began commissioning in FY2021:
- Nameplate capacity of 80Mwmtpa reached on a run-rate basis Q4 FY2024¹
- Annual achieved production doubled FY2021 – FY2024 to 125Mwmt¹
- MAC total nameplate capacity 145Mwmtpa^{2,4}

Mining Area C (MAC) production

Financial years, Mwmt^{1,2}



Low Costs



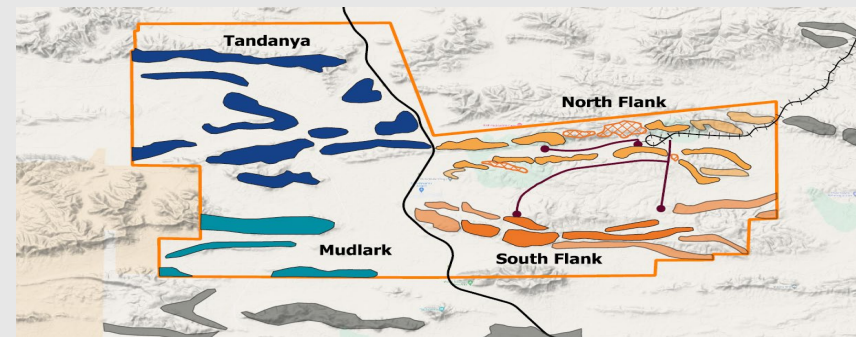
Further extension potential in a low-risk jurisdiction

- BHP's current operations at North Flank and South Flank are expected to continue beyond ~2050⁶ with potential for future development to extend operations well beyond that date³:

"Expanded MAC hub sits at the heart of large, high-quality resource with potential to support 45+ years mine life."

BHP, South Flank, 4 October 2022²

MAC royalty area⁽⁵⁾



(1) BHP Operational Review for the year ended 30 June 2024, 17 July 2024 and similar documents

(2) BHP Western Australia Iron Ore site tour presentation: South Flank, ASX release, 4 October 2022

(3) Development of any sustaining mines to utilise MAC/South Flank processing plant after depletion of South Flank processing plant are subject to BHP and its partners' investment decision processes. Resource extension may occur outside of royalty area

(4) AME Iron Ore Mines Site Reviews – Mining Area C North Flank and Mining Area C South Flank

(5) Location and mineralisation outline are for illustrative purposes only. Source: BHP public documents, Google Earth and Western Australian Department of Mines, Industry Regulation and Safety (DMIRS), with Deterra overlay of royalty area

(6) BHP marks official opening of South Flank – BHP media release (7-Oct-21): <https://www.bhp.com/news/media-centre/releases/2021/10/bhp-marks-official-opening-of-south-flank>