

2023 Annual General Meeting

TerraCom



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This document has been authorised for release by the Managing Director.

Date of Document: 29 November 2023.

Board and Executives



Mark Lichtenberg
Non-Executive
Chairman



Glen Lewis
Non-Executive
Independent
Director



Craig Lyons
Non-Executive
Independent
Director



Mark Ludski
Non-Executive
Independent
Director



David Norris
Non-Executive
Director



Danny McCarthy
Managing Director



Megan Etccl
Chief Financial
Officer and
Company Secretary



Nathan Boom
Chief Commercial
Officer



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Company Overview

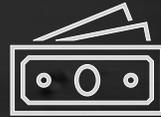


FY2023 Highlights



Dividend Returns ¹

A\$188 million
72% of NPAT



Operating EBITDA ²

A\$408M



Total ³ ROM Production

11.5Mt



Total ³ coal sales

8Mt



BA Record coal price per
sold tonne ⁴

A\$450



Employees & Contractors

~3,600

Safety is a Core Value

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.

As at 30 June 2023

1.6 TRIFR

As at 30 June 2023

0.6 LTIFR

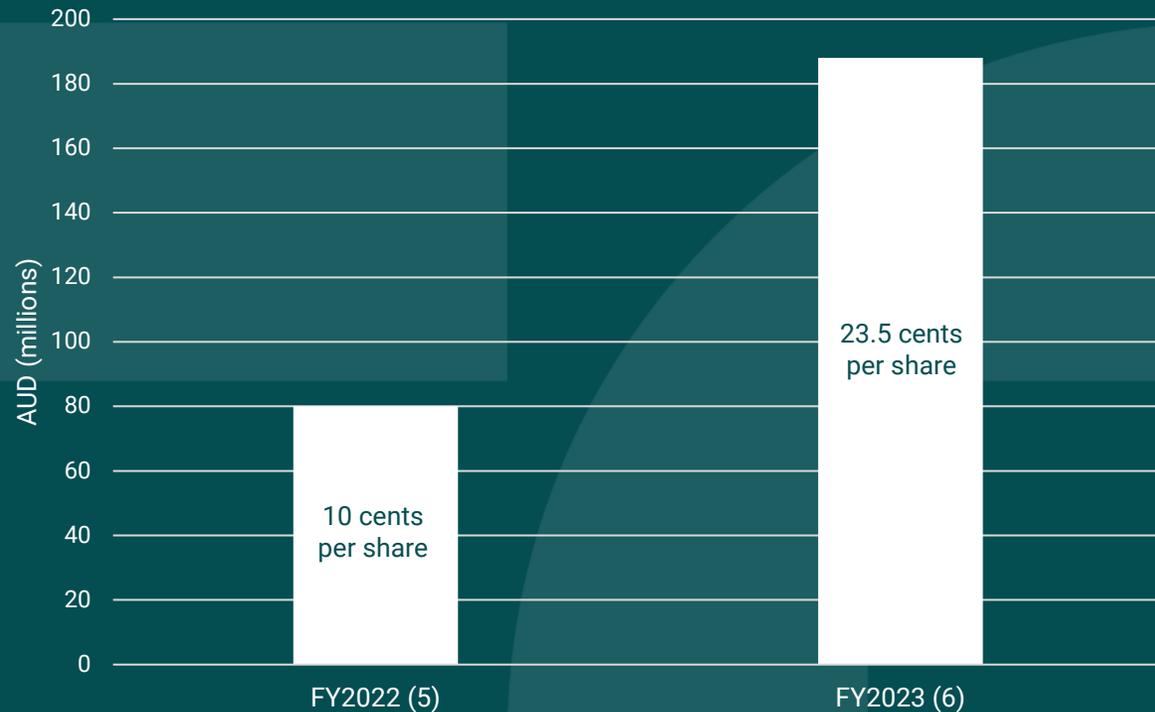
Safety Matters

Everybody safe every day



Capital Allocation

Capital returned to shareholders



- The Company remains committed to the payment of dividends to shareholders.
- Dividend payout ratio between 60% to 90% of net profit after tax (attributable to TerraCom).

**A\$268
million**

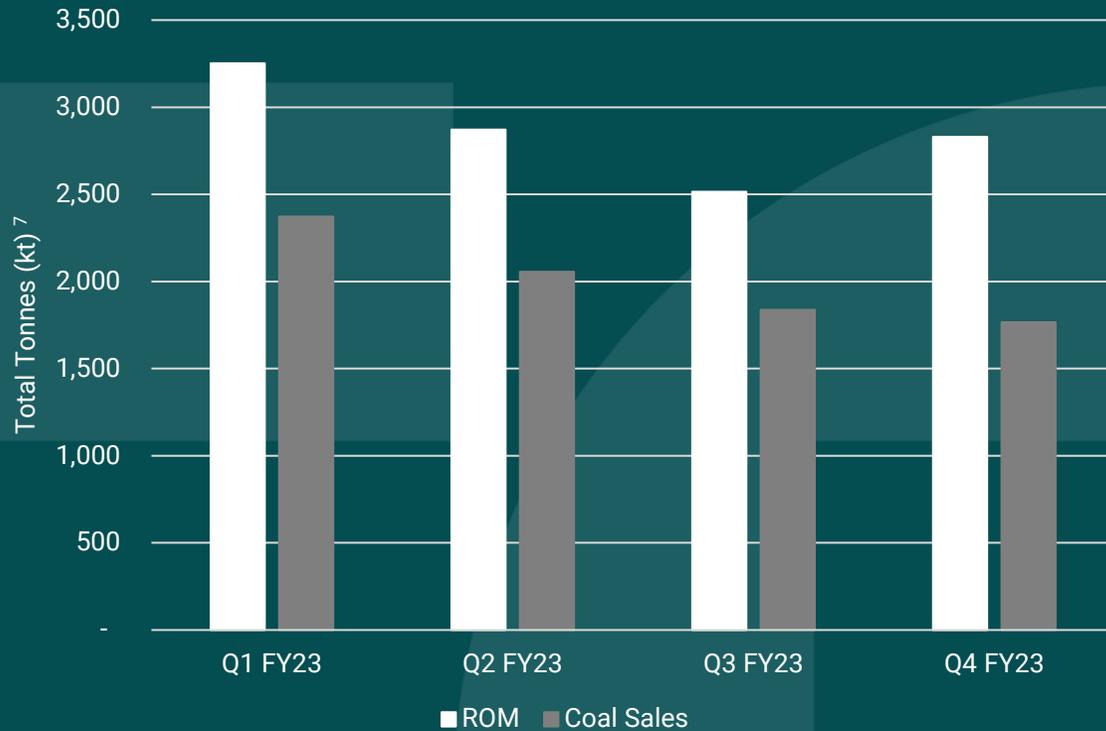
Returned to shareholders between the
13-month period, August 2022 to
September 2023



Performance



FY2023 ROM Production and Coal Sales Achieved

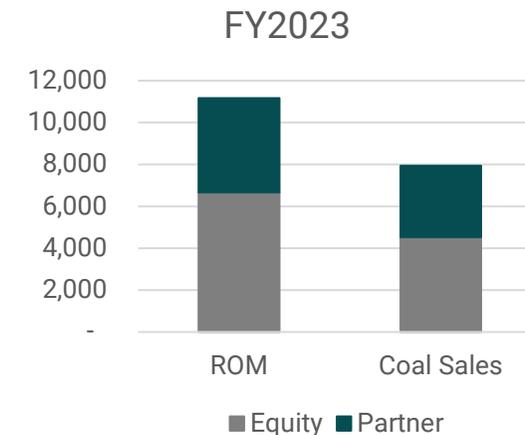


11.5Mt

ROM Production

8Mt

Coal Sales



FY2024 ROM Production and Coal Sales Outlook

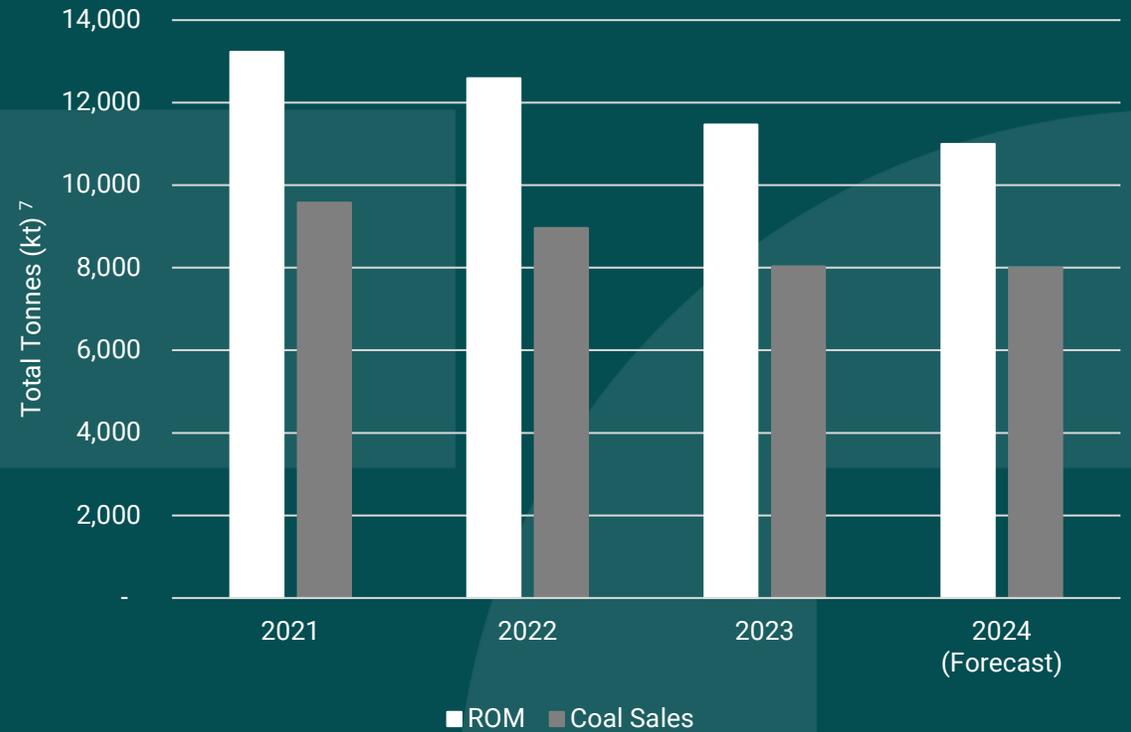
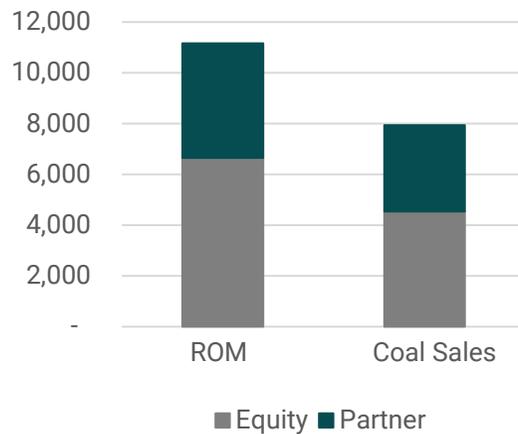
11Mt

ROM Production Forecast

8Mt

Coal Sales Forecast

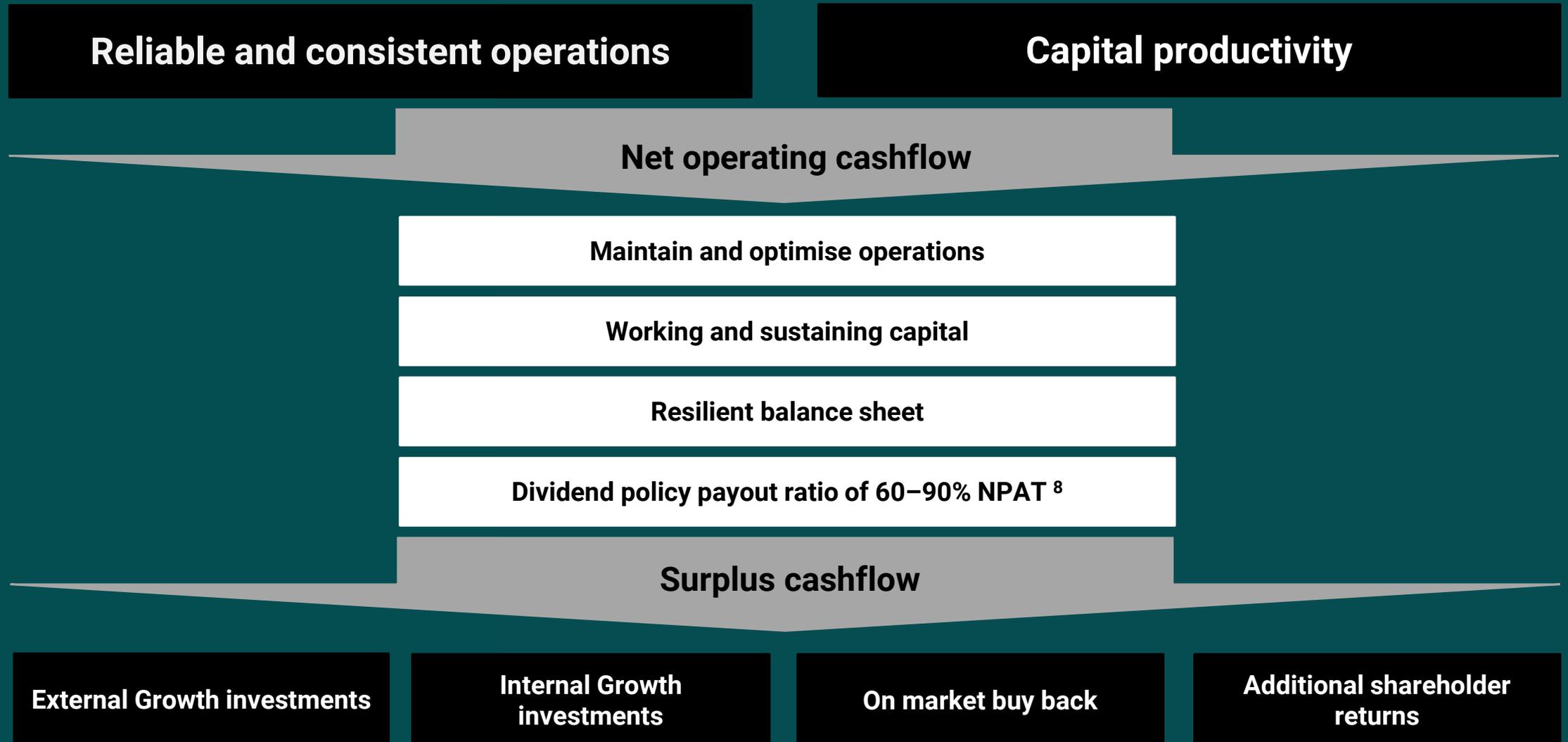
FY2024



Strategy



Capital Management Framework



Management Focus



Maximising Value

- Blair Athol JORC Reserve confidence improving annually with current Life of Mine remaining at 8+ years
- Further cost containment with in-house blast hole drilling, Q3 FY2024
- Eskom CSA Award imminent for Eloff project



Realising Value

- Divestment of our interest in the South African Operations to achieve appropriate economic return with potential for special dividend once sale concludes



Creating Value

- Blair Athol processing precinct leveraging off well established water, power and other infrastructure to provide a shared precinct for greenfield coal opportunities in the region (including direct neighbouring and other regional)



Our Mantra

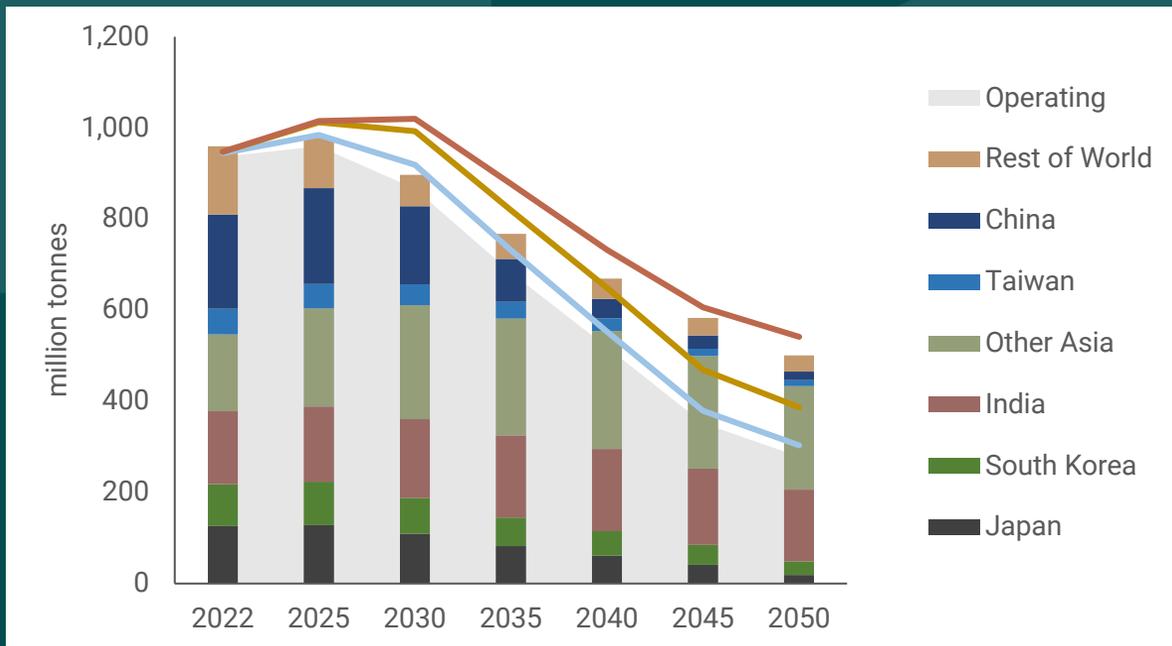
- Be better than our peers
- Be a reliable, consistent producer
- Be a cost conscious business

Market



Thermal Coal Demand

Wood Mackenzie forecasts global demand to largely remain flat to 2030. Advanced economies face structural demand decline to 2050, while developing economies see demand growth.



Source: Wood Mackenzie, February 2023.

- Demand for thermal coal is expected to remain strong in the short and long term.
- TerraCom primary markets (Japan, South Korea and India) have consistent demand to 2030.
- Coal is expected to continue to play a critical role in underpinning economic activity and energy security for decades.
- As the world decarbonises, TerraCom's high quality, high-CV thermal coal will likely be one of the last to leave the market. We expect it will be required throughout the multi-decade transition to at least 2050.
- While coal's role in the global energy mix is decreasing modestly, the absolute level of coal consumption has remained relatively steady over the past decade and the contribution of coal fired power generation to energy supply has increased by 13%. This increase is the result of higher coal use in developing economies, which depend on reliable and affordable energy to help meet development goals.

References



References

- 1 The total dividend return for the 12-month period ended 30 June 2023 totals 23.5 cents per share, representing approximately 72% of NPAT. NPAT is attributable to TerraCom based on FY2023 Audited Financial Statements released to the ASX on 31 August 2023.
- 2 Non IFRS measure. Based on management accounts and attributable to TerraCom.
- 3 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%. ROM Production attributable to TerraCom is 2.5Mt. Coal sales attributable to TerraCom is 1.8Mt.
- 4 Six months ended 31 December 2022.
- 5 Ordinary and Special Dividend (unfranked) totalling 10c per share declared in August 2022 and paid in September 2022 related to the year ended 30 June 2022.
- 6 Ordinary and Special Dividend (franked) totalling 10c per share declared in November 2022 and paid in December 2022. Ordinary Dividend (franked) of 7.5c per share declared in February 2023 and paid in March 2023. Ordinary Dividend (franked) of 3c per share declared in May 2023 and paid in June 2023. Ordinary Dividend (franked) of 3c per share declared in August 2023 and paid in September 2023. All dividends related to the year ended 30 June 2023.
- 7 Data presented represents Total Tonnes, unless otherwise stated.
- 8 Attributable to TerraCom.

Appendices



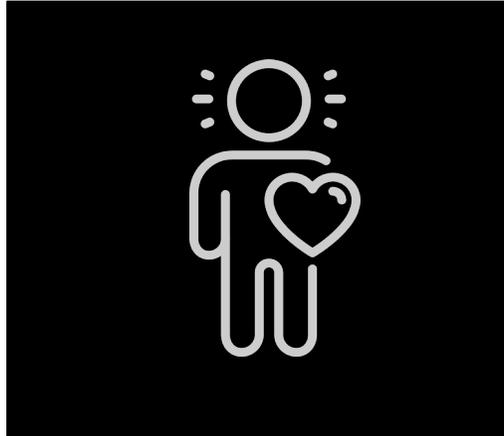
Environmental, Social and Governance (ESG) Policy



Environmental

Responsible coal mining and progressive rehabilitation to minimise the impact from our operations.

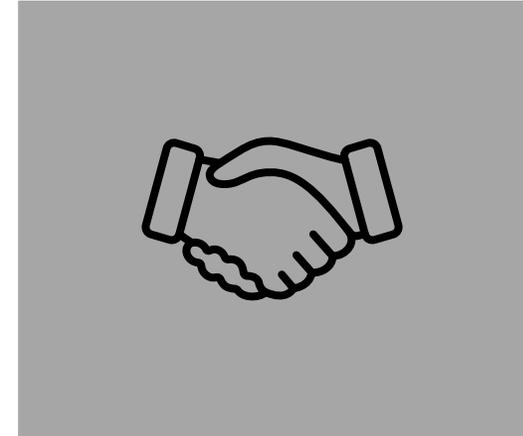
Collaboration with key stakeholders to identify projects aimed at reducing carbon emissions and create future carbon offsets we aim to minimise our impact on the environment and undertake rehabilitation as we go.



Social

Safety is a core value that underpins our culture.

We contribute significantly to the regions and communities in which we operate through taxes, donations, fees and royalties.



Governance

Strong focus on corporate governance principles and management with integrity to provide transparency to stakeholders.

Independent Board Chair and committees.

Our position on Greenhouse Gas (GHG) Emissions

- We acknowledge that the production and consumption of coal contributes to GHG emissions.
- We understand the challenges of integrating emission reduction efforts with the legitimate economic and social development aspirations of people, communities, and countries.
- We are committed to transitioning to a lower-carbon future. Some things we are doing to achieve this are:
 - Supplying our customers with high-quality coal for use in high-efficiency, low-emissions coal-fired power stations and other refineries; and
 - Reviewing parts of our value chain to reduce emissions.





Questions