TerraCom

ASX Release

30 October 2026

Financial update – quarter ended 30 September 2026

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) provides information on its cash flows, funding position and financial results for the quarter ended 30 September 2026 (September quarter), the first quarter of its financial year ending 30 June 2027. This announcement should be read together with the Company's Quarterly Activities Report for the September quarter, released today, which reports production, sales and operating costs.

This announcement is in two parts. Part A sets out the Group's cash flows for the quarter, its funding position and the Directors' going concern assessment. Part B sets out summary financial information that the Company has provided to its largest shareholder, which the Company is releasing so that all shareholders have access to the same information. The financial information has been prepared from the Company's management accounts. It is unaudited and has not been reviewed by the Company's auditor.

Part A – Cash flows, funding and going concern

Cash flows – quarter ended 30 September 2026

A$ million	Sep 2026 quarter (unaudited)
Receipts from customers	53.7
Payments to suppliers and employees	(56.1)
Net interest received	0.2
Net cash used in operating activities	**(2.2)**
Net cash used in investing activities	(1.0)
Net cash used in financing activities	(1.5)
Net decrease in cash and cash equivalents	**(4.7)**
Cash and cash equivalents at 1 July 2026	8.4
Effect of exchange rate changes	(0.3)
Cash and cash equivalents at 30 September 2026	**3.3**

In July 2026, the Group fully repaid the coal prepayment arrangement entered into in April 2025, settling outstanding customer prepayments of US$11.25 million. The repayment was made partly by applying the proceeds of a coal cargo delivered in July 2026 against the amount owing, with the balance paid in cash.

Funding position

At 30 September 2026, TerraCom had cash and cash equivalents of A$3.3 million and no borrowings. A further A$54.4 million is held on deposit as security for rehabilitation obligations at

Blair Athol and is not available to fund operations. Deferred revenue of A$7.9 million relates to a customer prepayment for a cargo scheduled to load in November 2026 and is settled by the delivery of coal rather than in cash.

On 6 October 2026, the Group's subsidiary, Orion Mining Pty Ltd, entered into the coal sale and prepayment agreement with an international coal trader described in the FY2026 Annual Report. Under the agreement, approximately 800,000 tonnes of coal will be sold over twelve months and the trader will prepay US$20 million in two tranches of US$10 million, repaid through deductions from the price of coal delivered. The first tranche was received on 9 October 2026. The second tranche is linked to a trial shipment in November 2026 meeting a minimum coal quality specification. Should the specification not be met, the agreement provides for the parties to renegotiate. The Directors expect the outcome would be a price discount estimated at an additional 3% to 5%. If agreement is not reached, the Group would be required to repay approximately US$8 million of the first tranche in cash.

Cash flow outlook – December 2026 quarter

The Group's cash flows in the December 2026 quarter will principally depend on:

- the first prepayment tranche of US$10 million, received on 9 October 2026;
- the second prepayment tranche of US$10 million, which depends on the trial shipment in November 2026 meeting the minimum coal quality specification;
- deductions from the receipts of coal delivered under the prepayment agreement from November 2026, which reduce the cash received from those shipments;
- the delivery of the prepaid cargo referred to above, which settles deferred revenue rather than generating new cash receipts, other than any balance of price payable on delivery; and
- Blair Athol production and sales volumes as the third mining fleet ramps up, and the timing of payments to suppliers, as trade and other payables were elevated at 30 September 2026.

These cash flows are subject to weather, mine performance, shipping and logistics schedules, coal and diesel prices and the A$/US$ exchange rate.

Going concern

The financial report for the year ended 30 June 2026 was prepared on a going concern basis. As disclosed in Note 1.2 of the Annual Report, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is principally dependent on achieving sufficient production, profitability and cash flows from its operations, receipt of the second US$10 million prepayment tranche (or successful renegotiation should the trial shipment not meet the quality specification), and securing additional liquidity through cargo prepayments, an external debt facility or other funding as and when required.

Part B – Financial information provided to the Company's largest shareholder

TerraCom's largest shareholder, Orbit Marketing Pte Ltd (Orbit), holds 45.37% of the Company's ordinary shares. Orbit is a wholly owned subsidiary of PT Olympus Strategic Indonesia Tbk (PT Olympus), which is listed on the Indonesia Stock Exchange. At Orbit's request, TerraCom provides Orbit with quarterly financial information to assist PT Olympus in meeting its financial reporting obligations in Indonesia. TerraCom provided Orbit with this information for the year ended 30 June 2026, the substance of which was released to the market in the Company's FY2026 Annual Report. The September 2026 quarter is the first period for which TerraCom has provided this information outside its annual and half-year reporting. The Company is releasing a summary of it so that all shareholders have access to the same information.

Profit and loss – quarter ended 30 September 2026

A$ million	Sep 2026 quarter (unaudited)
Revenue	55.7
Cost of goods sold	(72.6)
Gross loss	**(16.9)**
Other expenses, net[1]	(5.5)
Loss before income tax	**(22.4)**
Income tax expense	–
Loss after income tax	**(22.4)**
Loss attributable to owners of TerraCom Limited	(22.3)
Basic and diluted loss per share (cents)	(1.23)

[1] Comprises other operating and administration expenses of A$3.6 million, share of loss of associates of A$0.6 million, net finance costs and foreign exchange of A$0.8 million and impairment of A$0.4 million.

Balance sheet – as at 30 September 2026

A$ million	30 Sep 2026 (unaudited)	30 Jun 2026 (audited)
Cash and cash equivalents	3.3	8.4
Restricted cash – rehabilitation security	54.4	54.4
Trade and other receivables and other financial assets	15.3	23.0
Inventories	7.5	13.9
Investments (equity accounted)	22.4	23.6
Property, plant and equipment	10.1	10.4
Other non-current assets	9.6	9.0
Total assets	**122.6**	**142.7**
Trade and other payables	46.2	34.8
Deferred revenue (coal prepayments)	7.9	16.4
Lease liabilities	9.3	9.9
Provisions (including rehabilitation)	57.4	56.6
Other financial liabilities	0.3	1.1
Total liabilities	**121.2**	**118.8**
Net assets	**1.4**	**23.9**
Net current assets/(liabilities)	(42.9)	(21.3)

The financial information applies the recognition and measurement requirements of Australian Accounting Standards, using accounting policies consistent with those applied in the Annual Report for the year ended 30 June 2026. It does not constitute a complete set of financial statements and should be read together with that Annual Report and the Company's other ASX announcements. It may be adjusted through the half-year review and the year-end audit.

PT Olympus prepares its financial statements under Indonesian financial accounting standards, in Indonesian rupiah, and may make its own accounting adjustments. Amounts relating to TerraCom that appear in PT Olympus' financial statements may therefore differ from those in this announcement. TerraCom is not responsible for PT Olympus' financial statements.

Forward-looking statements

This announcement contains forward-looking statements, including statements about the Group's cash flows and funding in the December 2026 quarter. These statements are based on the Company's current expectations and are subject to risks and uncertainties, many of which are outside the Company's control, including weather, mine performance, shipping and logistics, coal prices and exchange rates. Actual outcomes may differ materially. The Company does not undertake to update these statements except as required by law or the ASX Listing Rules.

This announcement has been approved by the Board for release.

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About TerraCom Limited

TerraCom Limited (ASX: TER) is an Australian-based mining and resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sector. TerraCom is a low-cost producer focused on delivering strong performance and returns from its diversified asset base. The Company continues to expand through strategic partnerships and the provision of integrated mining and infrastructure services. To learn more about TerraCom, visit terracom.au.