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ASX ANNOUNCEMENT
23 December 2025

Renounceable Entitlement Offer to Raise A$60 Million to Strengthen Balance Sheet

Highlights

- Partially underwritten 1.25 for 1 (equivalent to 5 for 4) renounceable Entitlement Offer of New Shares to raise gross proceeds of up to approximately A$60 million to strengthen the balance sheet.
- Proceeds to be used to pay down existing regulatory, statutory and operational creditors, strengthen the balance sheet and for working capital purposes.
- Managing Director Danny McCarthy and Non-Executive Director Mark Ludski have each committed to take up their Entitlements in full, with Non-Executive Chairman Mark Lochtenberg and Non-Executive Director Glen Lewis also intending to take up a portion of their Entitlements[1].

Renounceable Entitlement Offer

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to announce its intention to conduct a partially underwritten 1.25 for 1 (equivalent to 5 for 4) renounceable entitlement offer of new shares in TerraCom (each, a **New Share**) at an offer price of A$0.06 per New Share (**Offer Price**) to Eligible Shareholders to raise gross proceeds of up to approximately A$60 million (**Entitlement Offer**).

Comments from the Managing Director

"This renounceable entitlement offer is a responsible and necessary action to improve TerraCom's liquidity position, enabling strengthening the Company's financial position and ensuring it is appropriately capitalised through a period of sustained coal price pressure. The structure of the offer as a renounceable entitlement enables eligible shareholders to participate on an equitable basis as TerraCom undertakes this balance sheet reset.

The proceeds will be applied in a disciplined manner to address existing creditor obligations, strengthen the Company's financial position and provide additional working capital flexibility. By removing funding uncertainty, this transaction enables management to remain firmly focused on maintaining safe and efficient operations, meeting obligations and progressing the Company's strategic priorities."

— **Danny McCarthy, Managing Director**

[1] Mr Lochtenberg has committed to subscribe for $300,000 worth of his Entitlement.

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Use of Funds

The Company intends to apply the proceeds of the Entitlement Offer in a disciplined manner, prioritising balance sheet strength and liquidity. Funds raised under the Entitlement Offer will be used to:

- pay down various existing regulatory, statutory and operational creditors;
- strengthen the Company's balance sheet; and
- provide general working capital, including to pay the costs of the Entitlement Offer.

Eligible Shareholders

The Entitlement Offer is being made to all shareholders registered as holders of fully paid ordinary shares (each, a **Share**) in the Company as at 7pm (Sydney time) on 31 December 2025 (**Record Date**) (**Eligible Shareholders**).

The terms of, and details on how to participate in, the Entitlement Offer will be set out in an offer booklet for the Entitlement Offer (**Offer Booklet**), together with a personalised Entitlement and Acceptance Form, each of which is expected to be sent to Eligible Shareholders on 5 January 2026[2].

The Entitlement Offer is expected to open on 5 January 2026 and close at 5pm (Sydney time) on 19 January 2026.

Director Participation

Under the Entitlement Offer, Managing Director Danny McCarthy and Non-Executive Director Mark Ludski have each committed to take up their Entitlements in full, with Non-Executive Chairman Mark Lochtenberg and Non-Executive Director Mr Glen Lewis also committing to take up a portion of their Entitlements. These commitments from the Directors represent a total financial commitment of at least approximately A$0.6 million.

Additional New Shares

An Eligible Shareholder may apply for "**Additional New Shares**" (i.e. New Shares in excess of their pro rata entitlement (**Entitlement**)) under the Entitlement Offer. Related parties (and associates of related parties) of the Company and substantial Shareholders (and associates of substantial Shareholders) are not permitted to apply for Additional New Shares under the Entitlement Offer.

The allocation of Additional New Shares will be subject to availability and the absolute discretion of the Company and the Lead Manager. The Company and the Lead Manager intend to allocate Additional New Shares to Eligible Shareholders who apply for them in priority to the allocation of any Shortfall to the Lead Manager (and therefore, ultimately, to Orbit – as to whom, see below).

[2] The Company will also lodge a copy of the Offer Booklet on ASX.

Underwriting and Sub-Underwriting Arrangements

The Company has appointed Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526 (AFS Licence 337985) (**Lead Manager**) to manage and underwrite the Entitlement Offer in accordance with the terms of an underwriting agreement entered into between the parties on 23 December 2025 (**Underwriting Agreement**).

Under the Underwriting Agreement, the Lead Manager is required to subscribe for, or procure subscriptions for, up to a total of approximately A$41.5 million worth of any shortfall that may exist on completion of the Entitlement Offer (**Shortfall**).

As part of these underwriting arrangements, the Company understands that the Lead Manager has procured a sub-underwriting commitment from Orbit Marketing Pte Ltd (**Orbit**), a substantial holder of the Company's shares[3], to sub-underwrite A$40 million worth of any Shortfall.

Accordingly, if there exists a Shortfall on completion of the Entitlement Offer, Orbit will be required to subscribe for up to A$40 million worth of that Shortfall (and as a result, may acquire a Relevant Interest in up to a total of 55.31% of the Company's shares[4]).

Further details regarding the Underwriting Agreement, the sub-underwriting arrangements referred to above and the potential control implications of the Entitlement Offer on the Company will be set out in the Offer Booklet.

Under the Underwriting Agreement, the Company has agreed to pay the Lead Manager a management fee of 2% of the total amount sought by the Company under the Entitlement Offer (i.e. of approximately $60 million) and a management and underwriting fee of 4% of the total amount actually raised under the Entitlement Offer.

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[3] As at the date of this ASX announcement, the Company understands that Orbit has a Relevant Interest in 160,000,000 Shares (i.e. equivalent to approximately 19.98% of the Company's issued Share capital).

[4] Investors should note that since the Entitlement Offer is partially underwritten, is structured as a renounceable entitlement offer, includes various shortfall "dispersion" mechanisms and is priced at a discount to recently observed trading prices of the Company's shares on ASX, the Company does not expect that Orbit's post-Entitlement Offer Relevant Interest in the Company's shares will necessarily reach 55.31%.

Entitlements Trading

Since the Entitlement Offer is structured as a "renounceable" entitlement offer, Entitlements[5] will be tradeable on ASX and/or are otherwise transferable by Eligible Shareholders to Eligible Investors. This provides Eligible Shareholders with the potential opportunity to sell (i.e. either on-market or by way of private transfer) some or all of their Entitlements in order to realise value for their Entitlements and for Eligible Investors to acquire Entitlements and exercise those Entitlements to subscribe for a corresponding number of New Shares under the Entitlement Offer[6].

It is the responsibility of all purchasers of Entitlements to inform themselves of and comply with the securities laws applicable to them in relation to the acquisition and exercise of any Entitlements they acquire. If the purchaser of the Entitlements does not meet the securities law requirements applicable to them, they will not be able to exercise their Entitlements and will not be able to subscribe for New Shares in relation to those Entitlements (and, in such circumstances, the Entitlements they acquired will lapse).

Other investors (none of whom need to be an existing Shareholder), are also able, provided that they are permitted under the securities law applicable to them, to acquire Entitlements (either on-market or by way of private transfer) and to exercise those Entitlements to subscribe for a corresponding number of New Shares[7].

Details on how an Eligible Investor may exercise their Entitlements (and regardless of whether those Entitlements were issued to them under the Entitlement Offer or acquired on-market or by way of private transfer) to subscribe for a corresponding number New Shares will be set out in Section 2 of the Offer Booklet.

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[5] The Entitlements are tradeable securities issued by the Company to Eligible Shareholders entitling the Eligible Shareholder (or if the Entitlements are sold on-market or otherwise transferred, the acquirer of those securities (provided that the acquirer is an Eligible Investor)) to subscribe for a corresponding number of New Shares at the Offer Price.

[6] The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade their Entitlements (whether on the basis of confirmation of the allocation provided by the Company, the Company's share registry, the Lead Manager or otherwise) before they receive their Entitlement and Acceptance Form or who trade or purport to trade their Entitlements in error.

[7] All such investors, along with all Eligible Shareholders, are together defined (and referred to in this Announcement) as "**Eligible Investors**".

Key Dates for the Entitlement Offer

Announcement of Entitlement Offer	23 December 2025
Ex date Entitlements are expected to be quoted on a deferred settlement basis from market open	30 December 2025
Record Date	7pm on 31 December 2025
Offer Booklet sent to Eligible Shareholders	5 January 2026
Entitlement Offer opens Deferred settlement trading in Entitlements is expected to end at the close of trading	5 January 2026
Entitlements are expected to be quoted on a normal settlement basis from market open	6 January 2026
Trading in Entitlements is expected to end at the close of trading	12 January 2026
New Shares expected to be quoted on a deferred settlement basis from market open	13 January 2026
Last day to extend the Entitlement Offer Closing Date	14 January 2026
Entitlement Offer Closing Date	5pm on 19 January 2026
Announce results of Entitlement Offer	22 January 2026
Issue date for New Shares to be issued under the Entitlement Offer Trading in New Shares on a deferred settlement basis expected to end at the close of trading	27 January 2026
Trading of New Shares issued under the Entitlement Offer begins	28 January 2026

The above-mentioned times and dates for the Entitlement Offer are indicative only. The Company, in consultation with the Lead Manager, reserves the right, subject to the Corporations Act and the Listing Rules to change the times and dates of the Entitlement Offer and to accept late applications (either generally, or in particular cases) without notice. Any extension of the Closing Date will have a consequential impact on the subsequent indicative dates (including the Issue Date) for the Entitlement Offer. A reference to a time and date above is a reference to the time and date in Sydney, New South Wales.

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 resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sector. 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 ***terracom.au****.*

Cautionary Statement

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and consult your independent broker, solicitor, accountant, financial adviser or other professional adviser in relation to the information in this announcement and any action to be taken on the basis of that information.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) (**U.S. Person**) or in any other jurisdiction in which such an offer would be illegal. The securities to be offered and sold under the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, no New Shares (or any entitlements thereto) may be offered or sold, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person unless they have been registered under the Securities Act (which the Company has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the securities laws of any applicable state or other jurisdiction of the United States. This announcement may not be released or distributed in the United States or to U.S. Persons.

This announcement includes certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objective", "outlook", "guidance" or other similar words and include statements regarding plans, strategies and objectives of management, trends and outlook. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct or that the Company's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement speak only as of the date of this announcement.

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