

# **Pembroke Olive Downs Pty Ltd**

## **ABN 53 611 674 376**

Half-Year Financial Report  
For the half-year ended 30 June 2025

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## Directors' report

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The directors present their report together with the unaudited financial report of Pembroke Olive Downs Pty Limited ('the Company' or 'Pembroke') for the half-year ended 30 June 2025.

### 1. Principal activity

The Company's principal activity is to conduct the operation of the Olive Downs steel making coal mine, including holding and maintaining the mining leases relevant to the mine and land on which the mine is located.

Construction of the mine was completed during the half-year ended 30 June 2024. There was no significant change in the nature of activities during the period.

### 2. Directors

The names of the Company's directors in office during the financial period and until the date of this report are set as follows. Directors were in office for this entire period.

Mark Andrew Sheldon  
Barry Ralph Tudor

### 3. Dividends

No dividends were paid or declared since the end of the previous financial year, nor do the directors recommend the declaration of a dividend (2024: \$nil).

### 4. Operating results for the year

The net loss after tax of the Company for half-year ended 30 June 2025 was US\$71,810k (30 June 2024: US\$23,087k).

### 5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the period.

### 6. Significant events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Company's operations or results of those operations or the Company's state of affairs.

### 7. Auditor

Ernst & Young continues, as auditor of the Company. This financial report for the half-year ended 30 June 2025 has not been audited or reviewed by the Company's auditors as it is not required.

## Directors' report

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Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Barry Tudor', with a stylized, cursive script.

Barry Ralph Tudor  
Director  
Sydney  
29 August 2025

## Condensed statement of profit or loss and other comprehensive income

For the half-year ended 30 June 2025.

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
Revenue from contracts with customers		251,484	116,385
Other income	4.1	4,849	1,395
<b>Total income</b>		<b>256,333</b>	<b>117,780</b>
Operating expenses		(190,573)	(118,602)
Inventory movement		490	38,885
Purchased coal		-	(1,833)
Royalties		(29,336)	(14,102)
Other expenses		(28,324)	(23,395)
Depreciation		(38,006)	(19,149)
Finance costs	4.2	(57,164)	(9,696)
Foreign exchange (loss)/gain		(927)	(2,869)
<b>Loss before income tax</b>		<b>(87,507)</b>	<b>(32,981)</b>
Income tax benefit	5	15,697	9,894
<b>Loss for the period</b>		<b>(71,810)</b>	<b>(23,087)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(71,810)</b>	<b>(23,087)</b>

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

## Condensed statement of financial position

As at 30 June 2025

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		181,957	20,239
Trade and other receivables	6	33,488	11,541
Inventories	7	40,166	39,281
Other assets		6,806	9,600
<b>Total Current Assets</b>		<b>262,417</b>	<b>80,661</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	168,847	184,775
Development assets and mine properties	9	660,932	648,830
Deferred tax assets	5.3	73,472	54,179
Other assets		6,254	9,652
<b>Total Non-Current Assets</b>		<b>909,505</b>	<b>897,436</b>
<b>Total Assets</b>		<b>1,171,922</b>	<b>978,097</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	95,211	138,667
Interest-bearing loans and borrowings	11	190	20,582
Lease liabilities	12	44,575	37,756
Other financial liabilities		554	1,651
<b>Total Current Liabilities</b>		<b>140,530</b>	<b>198,656</b>
<b>Non-current Liabilities</b>			
Interest-bearing loans and borrowings	11	530,005	198,437
Lease liabilities	12	94,256	108,615
Rehabilitation provision		29,490	27,406
<b>Total Non-Current Liabilities</b>		<b>653,751</b>	<b>334,458</b>
<b>Total Liabilities</b>		<b>794,281</b>	<b>533,114</b>
<b>Net Assets</b>		<b>377,641</b>	<b>444,983</b>
<b>Equity</b>			
Issued capital	13	651,965	651,965
Reserves		(51,628)	(56,096)
Accumulated losses		(222,696)	(150,886)
<b>Total Equity</b>		<b>377,641</b>	<b>444,983</b>

*The above condensed statement of financial position should be read in conjunction with the accompanying notes.*

## Condensed statement of changes in equity

For the half-year ended 30 June 2025

	Issued capital (note 13) US\$'000s	Reserves US\$'000s	Accumulated losses US\$'000s	Total equity US\$'000s
Balance as at 1 January 2024	605,696	(10,812)	(87,916)	506,968
Loss for the period	-	-	(23,087)	(23,087)
Other comprehensive income	-	(15,869)	-	(15,869)
Total comprehensive loss for the period	-	(15,869)	(23,087)	(38,956)
Issue of shares	28,173	-	-	28,173
<b>Balance as at 30 June 2024</b>	<b>633,869</b>	<b>(26,681)</b>	<b>(111,003)</b>	<b>496,185</b>
Balance as at 1 January 2025	651,965	(56,096)	(150,886)	444,983
Loss for the period	-	-	(71,810)	(71,810)
Other comprehensive income	-	4,468	-	4,468
Total comprehensive loss for the period	-	4,468	(71,810)	(67,342)
Issue of shares	-	-	-	-
<b>Balance as at 30 June 2025</b>	<b>651,965</b>	<b>(51,628)</b>	<b>(222,696)</b>	<b>377,641</b>

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.*

## Condensed statement of cash flows

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
<b>Operating activities</b>			
Receipts from customers		277,122	132,954
Payments to suppliers		(326,801)	(104,335)
Interest received		4,395	1,078
Interest paid		(22,122)	(5,754)
<b>Net cash flows from/(used in) operating activities</b>		(67,406)	23,943
<b>Investing activities</b>			
Payments for development assets		(21,113)	(35,438)
Payments for property, plant & equipment		(129)	(3,891)
Release/(investment) of restricted cash		(19,228)	10,292
<b>Net cash flows used in investing activities</b>		(40,470)	(29,037)
<b>Financing activities</b>			
Funding from related parties		-	28,283
Draw down on borrowings		537,634	6,175
Finance facilities establishment fees		(16,315)	-
Lease repayments		(19,219)	(15,171)
Repayment of chattel loans		(138)	(121)
Loan repayment		(232,823)	-
<b>Net cash flows from financing activities</b>		269,139	19,166
Net increase/(decrease) in cash and cash equivalents		161,263	14,072
Net foreign exchange differences		455	(816)
Cash and cash equivalents at 1 January		20,239	28,378
<b>Cash and cash equivalents at 30 June</b>		<b>181,957</b>	<b>41,634</b>

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes.*



## Notes to the condensed financial statements

For the half-year ended 30 June 2025

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### 1. Corporate Information

The unaudited financial statements of Pembroke Olive Downs Pty Ltd (the “Company”) for the half-year ended 30 June 2025 were approved by the directors on the date the directors’ declaration was signed.

Pembroke Olive Downs Pty Ltd is a for profit company limited by shares incorporated and domiciled in Australia. The ultimate parent of the Company is Denham Commodity Partners Fund VI LP and the immediate parent entity is Pembroke Resources Australia Unit Trust.

The registered office and principal place of business of the Company is Level 19, 1 Macquarie Place, Sydney, NSW 2000.

The nature of the operation and principal activity of the Company are described in the Directors’ report.

### 2. Functional currency

The Company changed its functional currencies from Australian dollars to US dollars in the current financial period. The functional currency is deemed the currency of the primary economic environment in which the Company operates.

As a result of the refinancing of the Company’s borrowings in US dollars, a reassessment of the functional currency was undertaken.

The Company’s revenues continue to be predominantly denominated in US dollars. Local labour and material costs are generally denominated in Australian dollars, however associated sales and marketing costs are often denominated in US dollars.

Significant US dollar financing arrangements were entered into during the period, further increasing the Company’s exposure to US dollar denominated transactions.

As such, the change in the functional currency to US dollars is considered most appropriate.

The Company changed its presentation currency from Australian dollars to US dollars in the current financial period. The change in presentation currency is accounted for retrospectively. Comparative financial information previously reported in Australian dollars, has been restated into US dollars using the procedures outlined below:

- The statement of profit or loss, statement of comprehensive income and statement of cash flows have been translated to US dollars using average exchange rates for the relevant period;
- Assets and Liabilities in the statement of financial position have been translated to US dollars using the exchange rate as at the relevant balance dates;
- The Equity section of the statement of financial position has been converted to US dollars using historical exchange rates;

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

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- Translation differences are recognised in the Foreign Currency Translation Reserve, through Other Comprehensive Income.

### 3. Material accounting policies

#### 3.1. Basis of preparation

This condensed interim financial report for the half-year reporting period ended 30 June 2025 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024.

#### 3.2. Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred an operating loss during the half-year ended 30 June 2025 of US\$71,810k (30 June 2024: US\$23,087k).

The Company has prepared cash flow forecasts which shows that the Company will be able to pay its debts as and when they fall due for the next 12 months.

As such, the directors' opinion is that the going concern basis of preparation remains appropriate.

#### 3.3. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended 31 December 2024.

Several amendments and interpretations apply for the first time in the current period but do not have an impact on the interim financial statements of the Company.

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
4. Other income and expenses			
4.1. Other income			
Interest revenue		4,432	450
Other		417	945
		<b>4,849</b>	<b>1,395</b>

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
4.2. Finance costs			
Finance expenses		13,680	2,974
Interest expenses		42,885	6,198
Unwinding of discount on rehabilitation provision		599	524
		<b>57,164</b>	<b>9,696</b>

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
5. Income tax benefit			
5.1. Income tax benefit			
Current tax		15,697	9,894
Deferred tax		-	-
		<b>15,697</b>	<b>9,894</b>
5.2. Numerical reconciliation of income tax benefit to prima facie tax payable			
Loss before income tax benefit		87,507	32,981
Prima facie tax expense (30%) on loss before income tax		26,252	9,894
Tax losses and deductible temporary differences not recognised		(10,555)	-
Income tax benefit		<b>15,697</b>	<b>9,894</b>

Given the uncertainty around the current coal price environment, the Company has ceased recognition of further deferred tax assets relating to tax losses from 1 April 2025. These tax losses can be carried forward indefinitely subject to the Company satisfying the Continuity of Ownership Test or the Business Continuity Test.

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
5.3. Deferred tax balances			
The balance comprises temporary differences attributable to:			
Deductible temporary differences		56,227	53,369
Assessable temporary differences		(131,942)	(125,235)
Carried forward tax losses		149,187	126,045
		<b>73,472</b>	<b>54,179</b>

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>6. Trade and other receivables</b>			
Trade receivables		7,818	8,301
Sundry receivables		502	58
GST receivable		5,046	3,176
Interest receivable		44	-
Restricted cash		20,078	-
Funds held in Escrow – Nordic Trustee		-	6
		<b>33,488</b>	<b>11,541</b>

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>7. Inventories</b>			
Coal inventories at the lower of coal and net realisable value			
At cost		32,529	32,905
At net realisable value		7,637	6,376
		<b>40,166</b>	<b>39,281</b>

A write down of coal inventories from cost to net realisable value of \$2,374,309 (31 December 2024 : \$2,105,560) has been recognised.

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>8. Property, plant and equipment</b>			
<i>Land</i>			
At cost		30,026	29,725
Accumulated depreciation		-	-
Net book value		<b>30,026</b>	<b>29,725</b>
<i>Plant &amp; equipment</i>			
At cost		1,766	1,474
Accumulated depreciation		(536)	(411)
Net book value		<b>1,230</b>	<b>1,063</b>
<i>Right of use assets</i>			
At cost		214,297	207,839
Accumulated depreciation		(76,706)	(53,852)
Net book value		<b>137,591</b>	<b>153,987</b>
Total		<b>168,847</b>	<b>184,775</b>

	Land US\$'000s	Plant & equipment US\$'000s	Right of use assets US\$'000s	Total US\$'000s
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### Half-year ended 30 June 2025

Opening net book amount	29,725	1,063	153,987	184,775
Exchange differences	301	11	1,550	1,862
Additions	-	277	3,460	3,737
Remeasurement	-	-	889	889
Depreciation	-	(121)	(22,295)	(22,416)
Closing net book amount	<b>30,026</b>	<b>1,230</b>	<b>137,591</b>	<b>168,847</b>

### Half-year ended 30 June 2024

Opening net book amount	32,703	1,016	152,819	186,538
Exchange differences	(1,033)	(31)	(4,700)	(5,764)
Additions	-	265	41,567	41,832
Remeasurement	-	-	-	-
Depreciation	-	(104)	(19,271)	(19,375)
Disposals	-	(2)	-	41,832
Closing net book amount	<b>31,670</b>	<b>1,146</b>	<b>170,415</b>	<b>203,231</b>

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

### 9. Development assets and mine properties

	Development assets US\$'000s	Mine properties US\$'000s	Total US\$'000s
<b>Half-year ended 30 June 2025</b>			
Opening net book amount	-	648,830	648,830
Exchange differences	-	6,579	6,579
Additions	-	21,113	21,113
Depreciation	-	(15,590)	(15,590)
Reclassifications	-	-	-
Closing net book amount	-	660,932	660,932
<b>Half-year ended 30 June 2024</b>			
Opening net book amount	668,298	-	668,298
Exchange differences	(24,743)	3,904	(20,839)
Additions	49,192	2,671	51,863
Depreciation	-	(5,002)	(5,002)
Reclassifications	(692,747)	692,747	-
Closing net book amount	-	694,320	694,320

The Company commenced commercial production on 1 May 2024 with development being transferred to mine properties and commencement of depreciation.

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>10. Trade and other payables</b>			
Trade payables		11,862	7,053
Accrued expenses		81,869	109,948
Related party payables		1,233	274
Unearned income		-	21,258
Other payables		247	134
		<b>95,211</b>	<b>138,667</b>

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>11. Interest-Bearing Loans and Borrowings</b>			
<b>Current</b>			
Bond		-	9,722
Term debt		-	11,232
Cost overrun facility		-	(601)
Chattel mortgages		190	229
		<b>190</b>	<b>20,582</b>
<b>Non-current</b>			
Bond		529,842	77,593
Term debt		-	102,095
Cost overrun facility		-	18,651
Chattel mortgages		163	98
		<b>530,005</b>	<b>198,437</b>



## Notes to the condensed financial statements

For the half-year ended 30 June 2025

### Financing commitments at 30 June 2025

	Tranche 1 (bond)	Tranche 2 (banks)
	US\$m	A\$m
Facility type	Bond	Bank guarantee
Facility amount	550	80
Facility used	550	30.6
Interest rate	11.5% (fixed)	3% to 7.3% (fixed)
Bullet or amortising	Amortising	N/A
Signing date	18-Feb-2025	10-Mar-2025
Maturity/tenor	18-Feb-2030	
Commitment fee	N/A	60% of applicable margin

### Bond Facility – US\$550 million (tranche 1)

On 18 February 2025 the Company completed settlement of a US\$550.0 million senior secured bond facility. The bonds were issued by Pembroke Olive Downs Pty Limited with ISIN NO0013464792 and are administered by the bond trustee, Nordic Trustee AS. As at 30 June 2025, the bond facility amounts to US\$550.0 million, with an original issue discount of US\$5.5 million, resulting in cash proceeds from bond issuance of US\$544,500,000. The Company incurred borrowing costs of US\$16,361,024 on the transaction, and these have been netted against the bond in the financial statements. As at 30 June 2025, the face value of the bond was US\$550.0million

#### Key terms:

- Issuer: Pembroke Olive Downs Pty Limited
- 5-year tenor with a maturity date of 18 February 2030
- Original issue discount 1% (issue price 99% of nominal amount)
- Coupon rate of 11.5% per annum with interest payable half yearly
- Principal repayments commencing 36 months after issue date, with remaining bullet payable at maturity
- Non-callable by the Company for 3 years, after which the bond is repayable at price equal to 105.75% of nominal amount of each redeemed bond, declining rateably to par in year 5
- Transaction security: Security over all material assets of the Issuer and Obligors, including mortgages over the land and mining tenements of the Issuer and a pledge of all the shares of the Issuer and obligors.

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>12. Lease liability</b>			
Current		44,575	37,756
Non-current		94,256	108,615
		<b>138,831</b>	<b>146,371</b>

	Note	30 June 2025 US\$'000s	30 June 2024 US\$'000s
Opening balance		146,371	140,279
Exchange differences		7,329	(4,301)
Additions		3,460	37,937
Remeasurement		890	-
Accretion of interest		4,926	5,307
Payments		(24,145)	(20,479)
Closing balance		<b>138,831</b>	<b>158,743</b>

	Note	30 June 2025 US\$'000s	31 December 2024 US\$'000s
<b>13. Issued capital</b>			
Ordinary shares issued and fully paid		<b>651,965</b>	<b>651,965</b>

	No of shares	US\$'000s
<b>Ordinary shares issued and fully paid</b>		
As at 1 January 2024	866,832,889	605,696
Issuance of shares to related parties	69,933,588	46,269
As at 31 December 2024	<b>936,766,477</b>	<b>651,965</b>
Issuance of shares to related parties	-	-
As at 30 June 2025	<b>936,766,477</b>	<b>651,965</b>

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company.

## Notes to the condensed financial statements

For the half-year ended 30 June 2025

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### 14. Fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values.

### 15. Commitments and Contingencies

#### Commitments

The Company's contracts for water supply, rail access and haulage, and port capacity have a term of 10 years and the Company expects to utilise all capacity under the agreements from commencement of production.

#### Contingent liabilities

The directors are not aware of any contingent liabilities that have arisen in respect of the Company (2023: none).

### 16. Events After the Reporting Period

There were no significant events occurring after the reporting period which may affect either the Company's operations or results of those operations or the Company's state of affairs.

## Directors' declaration

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In accordance with a resolution of the directors of Pembroke Olive Downs Pty Ltd, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Pembroke Olive Downs Pty Ltd are in accordance with the Corporations Act 2001 (Cth), including:
  - (i) Giving a true view of the Company's financial position as at 30 June 2025 and of its performance for the six month period ended on that date, and
  - (ii) Complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001
- (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



Barry Ralph Tudor  
Director  
Sydney  
29 August 2025