Half Year Financial Report

31 December 2024

Talga Group Ltd and Controlled Entities

ABN: 32 138 405 419

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CORPORATE DIRECTORY

Directors

Terry Stinson (Non-executive Chair)

Mark Thompson (Managing Director)

Grant Mooney (Non-Executive Director)

Stephen Lowe (Non-Executive Director)

Ola Rinnan (Non-Executive Director)

Company Secretary

Dean Scarparolo

Registered Office and Principal Place of Business

Suite 3.03, Level 3

46 Colin Street

West Perth WA 6005

Phone: 08 9481 6667

Email and website

Email: info@talgagroup.com

Website: www.talgagroup.com

ABN

32 138 405 419

Securities Exchange Listing

Talga Group Ltd is listed on the Australian Securities Exchange Limited

Home Exchange: Perth

ASX Code: TLG (Shares)

Share Registry

Automic Registry Services

GPO Box 5193

Sydney NSW 2001

Phone: 1300 288 664

Auditors

Ernst & Young

11 Mounts Bay Rd,

Perth WA

6000

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising Talga Group Ltd ("Company") and its controlled entities ("Group" or "Consolidated Entities") for the half-year ended 31 December 2024.

BOARD OF DIRECTORS

The names of the Talga Group Ltd directors in office during or since the end of the half-year period are as follows. Directors were in office for this entire period unless otherwise noted.

Directors	Position
Terry Stinson	Non-Executive Chair
Mark Thompson	Managing Director
Grant Mooney	Non-Executive Director
Stephen Lowe	Non-Executive Director
Ola Rinnan	Non-Executive Director

REVIEW OF OPERATIONS

During the period, the Group made significant progress towards its mission of delivering sustainable battery materials. Advancements were made across development, commercial, product, technology and strategic corporate initiatives as Talga focuses on delivery of its integrated Vittangi Anode Project.

Commercial and project development

Significant milestones reached in the development of the Vittangi Anode Project and progress achieved across mineral project development activities to support expansion pathways and extract value from non-core assets:

- Nunasvaara South graphite mine Environmental and Natura 2000 permit secured and entered force following the Swedish Supreme Court dismissing all appeals;
- Nunasvaara South graphite mine Exploitation Concession granted by the Swedish Mining Inspectorate. Swedish Government's Ministry of Climate and Enterprise processing appeals received;
- Advanced local approvals, including Swedish Government directing Kiruna Municipality to adopt the detailed plan which concerns land zoning of the Nunasvaara South natural graphite mine site;
- Talga's Luleå Anode Refinery awarded a €70 million grant from the EU Innovation Fund. The grant funding is in addition to the Vittangi Anode Project debt package, underpinned by €150 million board approval by the European Investment Bank, which is expected to cover the debt target (up to 60%). Finalisation of Project debt facilities is subject to completion of definitive debt facility documentation, which are expected to include customary project financing terms and conditions. Prospective funding options, focused at project level and in offtake process, for the remaining equity are being advanced;
- Advanced Talnode®-C offtake discussions with battery customers across EV, BESS and 3C markets;
- Applied for Strategic Project status, providing priority access to permitting and financing processes, under the EU's Critical Raw Materials Act. The EU Commission are expected to announce the first Strategic Projects in Q1 2025;
- Completed mining study into expansion options for the Vittangi Graphite Project in Sweden to produce anode precursor concentrate output up to ~425,000tpa. Work to finalise the integrated Scoping Study is ongoing with the completion of downstream anode refinery expansion options underway; and
- Joint venture agreement signed with Sociedad Química y Minera de Chile S.A. (via its subsidiary SQM Australia Pty Ltd) for the Aero Lithium Project. Formal commencement of the JV awaiting Swedish Foreign Direct Investment approval for SQM.

Product and technology development

Positive developments across the Group's battery and advanced materials product and technology portfolio, including multiple milestones in developing Talga's Talnode®-C Recycled Series:

- Entered partnerships with European recycling and clean technology companies to develop a recycled graphite anode product from battery production scrap and black mass graphite concentrate;
- Successfully demonstrated the ability to process battery production scrap and black mass graphite concentrate for use in its high-performance graphite anodes, with promising results from product performance tests on a range of feed material from European battery recyclers;
- Awarded two grants (£294,000 by Innovate UK and ~€100,000 as part of the ~€4.5million EU "LIFE GRAPhiREC" project) to support accelerated Talnode®-C Recycled Series development including a commercial study underway; and
- Advanced processing and ongoing commercialisation of Talga's silicon anode, Talnode®-Si, at the Group's Battery Centre of Excellence in Cambridge, UK, and German processing facilities.

Corporate and finance

Management changes to bolster the Group's leadership team and transition a range of corporate functions and roles to Europe as the Company advances towards a Final Investment Decision ("FID") for the Vittangi Anode Project:

- Appointed former Swedish government minister Ms Eva Nordmark as Chair of the Talga AB Board of Directors; and
- Australian-based Group CFO, Melissa Roberts, decided to not relocate as part of the transition and stepped down, effective 31 December 2024.

Completed corporate financing activities to advance the vertically integrated sustainable battery and advanced materials business:

- Completed an institutional placement and oversubscribed prospectus offer to raise A$18.5 million. Proceeds used to fund pre-FID Vittangi Anode Project development, progression of expansion studies, progression of the SQM lithium JV and general working capital; and
- Bonus loyalty options issued to eligible shareholders via a prospectus based on one new option for every eight shares held on the record date.

Planned activities post the period

- Progressing project financing structures, customer offtake agreements and operational readiness towards an FID and execution of the Vittangi Anode Project.
- Progress work and studies towards Vittangi Anode Project expansion options;
- Continued development and commercialisation of Talga's battery materials technology and product portfolio, including Talnode®-C Recycled Series and Talnode®-Si; and
- Progress project partnerships and JVs for development of non-core battery mineral projects.

RESULTS OF OPERATIONS

As at 31 December 2024, the Company's cash balance was A$18.1 million.

The Group had net assets of $46 million (30 June 2024: $40.2 million) and an excess of current assets over current liabilities of $14.1 million (30 June 2024: $10.8 million).

The Group reported a net loss before tax for the half year of $3.1 million (31 December 2023 net loss before tax: $18.4 million) which included interest revenue of $0.4 million and corporate costs of $6.4 million, share based payments gain of $9.8 million due to reversal of previously recognised expenses for awards that failed to vest, ,

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exploration and evaluation and exploitation expenditure of $0.4 million, trial mine and anode production expenses of $4.2 million, test facility, research and product development expenses of $2.7 million and FX realised and unrealised gains of $0.09 million.

On 29 July 2024, the Company issued 25,000,000 new fully-paid ordinary shares at $0.38 per share, to raise $9.5 million by an Institutional Placement (“Placement”). On 9 August 2024, the Company issued 23,684,211 new fully-paid ordinary shares at $0.38 per share, to raise $9 million via a Prospectus Offer (“Share Purchase Offer”). During the period ended 31 December 2024, the Company issued $0.3 million in Loyalty Options at $0.55 per share as unquoted options ("New Options") under the “Loyalty Offer”.

ROUNDING

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this Directors’ report are rounded off to the nearest thousand dollars, unless otherwise indicated.

DIVIDENDS

No dividend has been paid during or is recommended for the half-year financial period ended 31 December 2024.

SUBSEQUENT EVENTS

Other than as disclosed below, there has not been any other matter or circumstance occurring subsequent to the end of the half-year financial period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Subsequent to the period, Talga made two appointments to its Executive Management team with Mr Sascha Keen being appointed as Group Director - Corporate Finance (not a Board appointment) and Mr Niklas Karlsson as interim Group Finance Director while the Company progresses an executive search for a Sweden-based Group CFO.

AUDITOR’S INDEPENDENCE DECLARATION

The auditor’s independence declaration for the period ended 31 December 2024 has been received and immediately follows the Directors’ Report. There were $16,000 fees paid to Ernst and Young for non-audit services provided during the period ended 31 December 2024. The Directors are satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed did not compromise the external auditor’s independence.

Managing Director
Perth, Western Australia
14 March 2025

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Auditor's independence declaration to the directors of Talga Group Ltd

As lead auditor for the review of the half-year financial report of Talga Group Ltd for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Talga Group Ltd and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

T S Hammond
Partner
14 March 2025

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INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2024

		HALF-YEAR	
		Consolidated	
	Note	31 December 2024 $	31 December 2023 $
Revenues from ordinary activities	3.	34,333	101,320
Other Income	3.	672,171	405,572
Expenses			
Administration, compliance and regulatory expenses		(2,804,974)	(4,447,082)
Depreciation expense		(1,574,987)	(1,597,247)
Employee benefits expenses and Directors fees		(1,981,419)	(2,160,015)
Exploration, evaluation and exploitation expenditure		(379,252)	(2,240,856)
Trial mine and anode production expenses		(4,213,184)	(6,584,830)
Operations – test facility, research and product development		(2,656,800)	(2,770,164)
Foreign exchange gain		87,228	3,822,936
Share based payments reversal / (expense)	8.	9,751,313	(2,922,938)
Loss before income tax expense		**(3,065,571)**	**(18,393,304)**
Income tax expense		-	-
Net loss attributable to members of the parent entity		**(3,065,571)**	**(18,393,304)**
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		718,716	(4,131,044)
Total other comprehensive (loss) / income for the period		**718,716**	**(4,131,044)**
Total comprehensive loss for the period		**(2,346,855)**	**(22,524,348)**
Total comprehensive loss attributable to members of the parent entity		**(2,346,855)**	**(22,524,348)**
Basic loss per share (cents per share)	9.	(0.75)	(5.02)
Diluted loss per share (cents per share)	9.	(0.75)	(5.02)

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

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	Consolidated 31 December 2024 $	30 June 2024 $
Current Assets			
Cash and cash equivalents	4.	18,075,332	14,095,223
Trade and other receivables		1,032,300	1,026,201
Prepayments		863,145	745,019
Total Current Assets		**19,970,777**	**15,866,443**
Non-current Assets			
Other receivables		304,875	292,914
Property, plant and equipment	5.	30,788,839	28,295,106
Right-of-use assets	6.	1,319,186	1,386,071
Exploration and evaluation acquisition costs		260,081	255,473
Total Non-current Assets		**32,672,981**	**30,229,564**
TOTAL ASSETS		**52,643,758**	**46,096,007**
Current Liabilities			
Lease liability	6.	638,980	602,221
Trade and other payables		4,030,145	3,035,082
Provisions		1,207,801	1,391,160
Total Current Liabilities		**5,876,926**	**5,028,463**
Non-current Liabilities			
Lease liability	6.	735,609	838,797
Total Non-current Liabilities		**735,609**	**838,797**
TOTAL LIABILITIES		**6,612,535**	**5,867,260**
NET ASSETS		**46,031,223**	**40,228,747**
Equity			
Issued capital	7.	240,219,811	222,319,167
Reserves	8.	13,462,733	22,495,330
Accumulated losses		(207,651,321)	(204,585,750)
TOTAL EQUITY		**46,031,223**	**40,228,747**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2024

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2023		**203,434,497**	**(166,329,217)**	**19,879,082**	**56,984,362**
Comprehensive (loss):					
Loss after income tax for the period		-	(18,393,304)	-	**(18,393,304)**
Exchange differences on translation of foreign operations		-	-	(4,131,044)	**(4,131,044)**
Total comprehensive (loss) for the period		**-**	**(18,393,304)**	**(4,131,044)**	**(22,524,348)**
Transactions with owners in their capacity as owners:					
Issue of share capital		19,000,000	-	-	**19,000,000**
Capital raising costs		(84,972)	-	-	**(84,972)**
Share based compensation		-	-	2,922,938	**2,922,938**
At 31 December 2023		**222,349,525**	**(184,722,521)**	**18,670,976**	**56,297,980**

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2024		**222,319,167**	**(204,585,750)**	**22,495,330**	**40,228,747**
Comprehensive (loss):					
Loss after income tax for the period		-	(3,065,571)	-	**(3,065,571)**
Exchange differences on translation of foreign operations		-	-	718,716	**718,716**
Total comprehensive (loss) for the period		**-**	**(3,065,571)**	**718,716**	**(2,346,855)**
Transactions with owners in their capacity as owners:					
Issue of share capital	7.	18,642,004	-	-	18,642,004
Capital raising costs		(741,360)	-	-	(741,360)
Share based compensation		-	-	(9,751,313)	(9,751,313)
At 31 December 2024		**240,219,811**	**(207,651,321)**	**13,462,733**	**46,031,223**

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

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2024

	Note	31 December 2024 $	31 December 2023 $
Cash flows from operating activities			
Receipts from customers		60,305	103,656
Payments for exploration, evaluation & exploitation, trial mine and anode production		(5,253,057)	(9,375,546)
Payments to suppliers, contractors and employees		(4,552,635)	(6,965,868)
German and UK Operations including R&D		(2,952,349)	(1,274,307)
Interest received		342,762	382,911
Interest paid on leases		(44,091)	(45,872)
Other income – grants		52,208	211,085
Net cash flows (used in) operating activities		**(12,346,857)**	**(16,963,941)**
Cash flows from investing activities			
Purchase of plant and equipment		(1,027,000)	(6,705,000)
Security Bonds refunded		-	2,478
Net cash (used in) investing activities		**(1,027,000)**	**(6,702,522)**
Cash flows from financing activities			
Proceeds from issue of securities		18,500,000	19,000,000
Payment for costs of issue of securities		(741,360)	(39,000)
Proceeds from exercise of share options		142,000	-
Lease payments		(518,378)	(618,067)
Net cash flows from financing activities		**17,382,262**	**18,342,933**
Net (decrease) increase in cash and cash equivalents		**4,008,405**	**(5,323,530)**
Cash and cash equivalents at the beginning of the period		14,095,113	38,226,375
Net foreign exchange differences		(28,186)	(35,730)
Cash and cash equivalents at the end of the financial period	4.	**18,075,332**	**32,867,115**

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

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NOTES TO THE INTERIM CONDENSED HALF-YEAR FINANCIAL REPORT

1. CORPORATE INFORMATION

The half-year financial report for the parent Talga Group Ltd and its Controlled Entities (The "Group" or "Consolidated Entity") for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 14 March 2025. Talga Group Ltd is a limited company incorporated and domiciled in Australia and its shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described on page 4 to 6 of the Directors' Report.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Statement of compliance and basis of accounting

The half-year financial report for the six months ended 31 December 2024 has been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 "Interim Financial Reporting" reporting requirements.

The half-year financial report does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual financial statements of Talga Group Ltd as at 30 June 2024.

It is also recommended that the half-year financial report be considered together with any public announcements made by Talga Group Ltd during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange.

Going Concern

The Directors have prepared the half-year financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As at 31 December 2024, the Group has cash and cash equivalents of $18.1 million (30 June 2024: $14.1 million) and net current assets of $14.1 million (30 June 2024: $10.8 million). For the 6-month period ended 31 December 2024, the Group made a net loss of $3.1 million (31 December 2023: net loss $18.4 million) and has incurred net operating and investing cash outflows of $13.3 million (31 December 2023: net outflows of $23.7 million) and net financing cash inflows of $17.3 million (31 December 2023: net inflows of $18.3 million).

The Directors acknowledge that further funding in the form of debt and/or equity raisings will be required within the next 12 months in order to progress the Group's planned objectives, including the development of the Vittangi Anode Project.

The Directors consider there is a reasonable basis to conclude that further funds can be raised as and when required to carry out the Group's core business activities, having regard to the strong support for the Group's recent capital raisings. However, the Directors also note there has recently been significant increased volatility on the global capital markets as a result of uncertainty related to the effect of increased tariffs and the short-medium term global economic outlook and that these factors may have a negative effect on the Company's ability to raise capital.

In relation to the development of the Vittangi Anode project, on 12 September 2023 the Group completed selection of the banking consortium to provide the debt funding for the Vittangi Anode Project. In addition to the European Investment Bank (ASX:TLG 20 June 2023), the consortium comprises multiple government-owned export credit agencies and European commercial banks with strong credentials in the energy transition and mining sectors. Finalisation of Project debt facilities with the selected banking consortium remains subject to finalisation of approvals, completion of remaining due diligence and execution of definitive debt facility documentation, which are expected to include customary project financing terms and conditions. Drawdowns under the facility would be subject to customary conditions precedent. Customer negotiations to allocate supply and underpin debt financing agreements are progressing.

As at the date of this report, the Directors are satisfied that there is a reasonable basis that the Group will be able to obtain further funding as and when required, including the securing of funding for the Vittangi Anode Project, and thus it is appropriate to prepare the half-year financial report on a going concern basis.

If, however the Group is unable to obtain further funding as and when required, then there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

The half-year financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2024 annual financial report for the financial year ended 30 June 2024. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Application of new and revised Accounting Standards

New and Amended Accounting Policies Adopted by the Group

A number of new and amended accounting standards and interpretations apply for the first time in this half-year reporting period, but do not have a material impact on the financial statements of the Group. The Group has not adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(d) Changes in comparative presentation

During the current period, the Group made certain classification adjustments as a result of refining cost classifications in its accounting system. The primary impact of the adjustments is that expenses have been reclassified to employee costs from other cost categories. Comparative amounts have also been reclassified to be consistent with the current period. The net impact of these reclassification adjustments on the Group's net profit after tax is nil. There are no impacts to Cash flows.

Impact on statement of profit or loss	**31 December 2023** **$**
Expenses – (increase)/decrease	
Administration, compliance and regulatory expenses	(603,335)
Employee benefits expenses and Directors fees	(3,479,705)
Exploration, evaluation and exploitation expenditure	603,335
Trial mine and anode production expenses	2,173,233
Operations – test facility, research and product development	1,306,472
Net impact on profit or loss	-

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3. REVENUE AND OTHER INCOME

	31 December 2024 $	31 December 2023 $
Product sales	**34,333**	**101,320**
Interest revenue	346,431	387,984
Grant income	325,740	17,588
	672,171	**405,572**

4. CASH AND CASH EQUIVALENTS

	31 December 2024 $	30 June 2024 $
Cash at bank	**18,075,332**	**14,095,223**

5. PROPERTY, PLANT & EQUIPMENT

	Plant and Equipment	Land & Buildings	Construction in progress	Total
Net book value, as at 1 July 2024	13,120,665	5,052,194	10,122,247	28,295,106
Additions	22,765	-	2,530,223	2,552,988
Depreciation charge	(845,750)	(214,548)	-	(1,060,298)
Effect of foreign currency exchange differences	434,226	161,586	405,231	1,001,043
Net book value, as at 31 December 2024	12,731,906	4,999,232	13,057,701	30,788,839
Cost	18,572,186	6,090,065	13,057,701	37,719,952
Accumulated depreciation	(5,840,280)	(1,090,833)	-	(6,931,113)

	Plant and Equipment	Land & Buildings	Construction in progress	Total
Net book value, as at 1 July 2023	14,022,958	5,397,224	1,294,797	20,714,979
Additions	400,931	-	9,412,289	9,813,220
Depreciation charge	(1,679,084)	(424,126)	-	(2,103,210)
Effect of foreign currency exchange differences	375,860	79,096	(584,839)	(129,883)
Net book value, as at 30 June 2024	13,120,665	5,052,194	10,122,247	28,295,106
Cost	17,922,751	5,893,755	10,122,247	33,938,753
Accumulated depreciation	(4,802,086)	(841,561)	-	(5,643,647)

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6. LEASES

	Right of use assets
Net book value, as at 1 July 2024	1,386,071
Additions	396,597
Depreciation charge	(514,689)
Effect of foreign currency exchange differences	51,207
Net book value, as at 31 December 2024	1,319,186
Cost	2,939,094
Accumulated depreciation	(1,619,908)

	Right of use assets
Net book value, as at 1 July 2023	2,303,006
Additions	272,862
Depreciation charge	(1,205,355)
Effect of foreign currency exchange differences	15,558
Net book value, as at 30 June 2024	1,386,071
Cost	4,041,289
Accumulated depreciation	(2,655,218)

Liabilities at the end of the period in relation to right of use assets are:	**31 December 2024**	**30 June 2024**
	$	**$**
Current Lease Liability	638,980	602,221
Non-current Lease Liability	735,609	838,797

Amounts recognised in statement of profit or loss for the period in relation to right of use assets and lease liabilities are:	**31 December 2024**	**31 December 2023**
	$	**$**
Depreciation right-of-use assets	514,689	610,720
Interest expense	43,987	45,426

The lease principal payments totaling $562,670 (2023: $618,067) during the period are recorded in the statement of cashflows.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 4% - 6.9%. The incremental borrowing rates was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of $43,987 (2023: $45,426) is included in administration expenses in the consolidated statement of profit or loss and other comprehensive income.

7. ISSUED CAPITAL

	31 December 2024 $	30 June 2024 $
Issued and fully paid	**240,219,811**	**222,319,167**
	240,219,811	**222,319,167**

Issued and fully paid	31 December 2024 Number	31 December 2024 $	30 June 2024 Number	30 June 2024 $
Fully Paid Ordinary Shares	**429,328,870**	**240,219,811**	**379,754,172**	**222,319,167**

Movement Reconciliation

ORDINARY SHARES	**Date**	**Quantity**	**Issued Price**	**$**
Balance 30 June 2023		**360,754,172**		**203,434,497**
Share Purchase Plan	24/11/2023	19,000,000	1.00	19,000,000
Less transaction costs				(115,330)
Balance 30 June 2024		**379,754,172**		**222,319,167**
Placement	31/07/2024	600,000	0.38	228,000
Placement	31/08/2024	24,400,000	0.38	9,272,000
Share Purchase Offer	31/08/2024	23,684,211	0.38	9,000,000
Exercise of Loyalty Options	31/10/2024	11,455	0.55	6,300
Exercise of Loyalty Options	30/11/2024	217,657	0.55	119,713
Exercise of Loyalty Options	31/12/2024	29,075	0.55	15,991
Exercise of Performance Rights	31/12/2024	333,000	-	-
Exercise of Performance Rights	31/12/2024	216,300	-	-
Exercise of Performance Rights	31/12/2024	83,000	-	-
Less transaction costs				(741,360)
Balance 31 December 2024		**429,328,870**		**240,219,811**

Institutional Placement ("Placement")

On 29 July 2024, the Company announced it had received firm binding commitments for a placement of new fully paid ordinary shares ("New Shares") at a price of A$0.38 per share, to raise A$9.5 million before costs ("Placement") via the issue of 25,000,000 new fully-paid ordinary shares.

Prospectus Offer ("Share Purchase Offer")

On 9 August 2024, the Company offered eligible shareholders the opportunity to apply under the Prospectus for up to a maximum of A$30,000 worth of Shares ("New Shares") without incurring brokerage or transaction costs. The issue price of the New Shares under the Prospectus was A$0.38 per Share ("Issue Price"). The Company issued 23,684,211 New Shares.

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Loyalty Options (“Loyalty Offer”)

On 13 September 2024, Talga announced a non-renounceable pro rata bonus issue of unquoted options ("New Options") based on one New Option for every eight Shares held on the Record Date ("Loyalty Offer"). The Loyalty Options have a nil issue price and an exercise price of A$0.55/Share. The New Options will expire at 5:00pm (AWST) on 13 September 2025 (“Expiry Date”). This date is indicative only and the Company reserves the right to vary this date and time at its discretion.

8. RESERVES

	31 December 2024 $	30 June 2024 $
(a) Unlisted option and performance rights reserve	11,610,750	21,362,063
(b) Listed option reserve	843,939	843,939
(c) Foreign currency reserve	1,026,701	307,985
(d) Financial assets reserve	(18,657)	(18,657)
Total reserves	**13,462,733**	**22,495,330**

(a) UNLISTED OPTION AND PERFORMANCE RIGHTS RESERVE	31 December 2024 $	30 June 2024 $
Balance at the start of the financial period	**21,362,063**	**17,659,177**
Share based payment (reversal) / expense	(9,751,313)	3,702,886
Balance at the end of the financial period	**11,610,750**	**21,362,063**

The unlisted options and performance rights reserve is to record the value of equity benefits provided to employees and Directors as part of their remuneration.

(b) LISTED OPTION RESERVE	31 December 2024 $	30 June 2024 $
Balance at the start of the financial period	**843,939**	**843,939**
Movement	-	-
Balance at the end of the financial period	**843,939**	**843,939**

The listed option reserve represents the value of 45.5million options issued to shareholders in December 2018 for $0.02 which were exercisable at $0.45 and expired in December 2018.

(c) FOREIGN CURRENCY RESERVE	31 December 2024 $	30 June 2024 $
Balance at the beginning of the financial period	**307,985**	**1,394,623**
Movement during the period	718,716	(1,086,638)
Balance at the end of the financial period	**1,026,701**	**307,985**

The foreign currency translation reserve represents exchange differences arising from the translation of non-AU dollar functional currency operations within the Group into Australian dollars.

(d) FINANCIAL ASSET RESERVE	31 December 2024 $	30 June 2024 $
Balance at the start of the financial period	**(18,657)**	**(18,657)**
Movement during the period	-	-
Balance at the end of the financial period	**(18,657)**	**(18,657)**
Total reserves	**13,462,733**	**22,495,330**

The financial asset reserve represents the revaluation of investments in shares recognised through other comprehensive income.

9. LOSS PER SHARE

	31 December 2024 $	31 December 2023 $
Net loss used in calculating the basic loss per share	(3,065,571)	(18,393,304)
	Number	**Number**
Weighted average number of shares on issue during the period used in the calculation of basic loss per share	409,328,435	366,670,861
Basic loss per share (cents per share)	(0.75)	(5.02)
Diluted loss per share (cents per share)	(0.75)	(5.02)

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the Group has incurred a loss for the period, and therefore those options are anti-dilutive.

10. SHARE BASED PAYMENTS

There were no new share-based payments issued during the half-year.
The net share-based payment credit recognised for the half-year period of $9,751,313 included a reversal of $10,433,526 of the cumulative expense recognised in prior periods in relation to awards with non-market based vesting conditions that lapsed in the current period, as follows:

Share-based payments	No. of awards	Original vesting date	Vesting condition	Cumulative expense recognised in prior periods $
Class A options	5,000,000	31-Dec-24	(i)	5,341,227
Class B options	2,000,000	31-Dec-24	(i)	1,350,000
Performance rights	2,100,000	31-Dec-24	(i)	3,643,500
Performance rights	334,000	30-Jun-26	(ii)	98,799
Total				10,433,526

(i) The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode-C and / or Talnode-Si plant on or before 31 December 2024.

(ii) Employee to remain in the employment of the entity until the vesting date.

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11. COMMITMENTS

	31 December 2024 $	30 June 2024 $
Commitments for the acquisition of property, plant and equipment by the Group:		
Plant and equipment		
Not longer than 1 year	1,053,232	2,451,093
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	1,053,232	**2,451,093**

The Group does not have any minimum exploration or development commitments.

12. SEGMENT NOTE

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess itsperformance. The term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess its performance of the operating segments of an entity. The Company's Board is the chief operating decision maker as it relates to segment reporting.

The Group operates in three operating segments being graphite exploration, graphite development; and research and development in four geographical locations, being graphite exploration and development in Sweden, graphite/graphene research and development in Germany and research and development in the United Kingdom, with Australia as unallocated corporate. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

31 December 2024	Sweden	Germany	United Kingdom	Australia unallocated corporate	Total
	$	$	$	$	$
SEGMENT PERFORMANCE - for the half-year					
Revenues from ordinary activities	-	34,333	-	-	**34,333**
Other income	37,842	2,088	289,721	342,520	**672,171**
Total segment revenue and income	**37,842**	**36,421**	**289,721**	**342,520**	**706,504**
Segment expense (including write offs)	**(4,238,877)**	**(2,016,947)**	**(3,357,592)**	**5,841,340**	**(3,772,075)**
Major segment expense breakdown					
Trial mine and anode production	(4,213,184)	-	-	-	
Research and product development	-	(997,039)	(1,659,761)	-	
Exploration, evaluation and exploitation expenditure	(379,252)	-	-	-	
Employee benefits and Director fees	-	-	-	(1,981,419)	
Administration, compliance and regulatory	(663,399)	(4,020)	(94,644)	(2,042,910)	
Share based payments	-	-	-	9,751,313	
Reconciliation of segment result to net loss before tax					
Segment result					(1,577,812)
Unallocated items					(1,487,759)
Net loss before tax from continuing operations					**(3,065,571)**

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SEGMENT ASSETS

As at 31 December 2024	Sweden	Germany	United Kingdom	Australia unallocated corporate	Total
	$	$	$	$	$
Segment assets as at 1 July 2024	25,367,093	3,007,338	4,148,103	13,573,473	**46,096,007**
Movement					
- Cash and cash equivalents	(978,675)	40,439	115,305	4,803,040	**3,980,109**
- Grant funding receivable	51,686	117,744	(203,854)	52,484	**18,060**
- Financial assets	-	-	-	-	**-**
- Plant and equipment	2,965,523	(206,466)	(202,123)	(130,085)	**2,426,849**
- Exploration and evaluation expenditure	4,608	-	-	-	**4,608**
- Other	470	(7,595)	(196,962)	322,212	**118,125**
	27,410,705	**2,951,460**	**3,660,469**	**18,621,124**	**52,643,758**
Reconciliation of segment assets to total assets					
Other assets					-
Total assets from continuing operations					**52,643,758**
SEGMENT LIABILITIES					
Segment liabilities as at 31 December 2024	4,030,920	401,377	959,844	1,220,394	6,612,535
Reconciliation of segment liabilities to total liabilities					
Unallocated items					-
Total liabilities from continuing operations					**6,612,535**

31 December 2023	Sweden	Germany	United Kingdom	Australia unallocated corporate	Total
	$	$	$	$	$
SEGMENT PERFORMANCE - for the half-year					
Revenues from ordinary activities	24,635	76,685	-	-	**101,320**
Other Income	5,077	17,588	26	382,881	**405,572**
Total segment revenue and income	**29,712**	**94,273**	**26**	**382,881**	**506,892**
Segment expense (including write offs)	**(7,178,730)**	**(1,823,918)**	**(1,789,398)**	**(8,108,151)**	**(18,900,197)**
Major segment expense breakdown					
Trial mine and anode production	(6,584,830)	-	-	-	
Research and product development	-	(1,398,314)	(1,371,850)	-	
Exploration, evaluation and exploitation expenditure	(2,240,856)	-	-	-	
Employee benefits and Director fees	-	-	-	(2,160,015)	
Administration, compliance and regulatory	(1,864,330)	(73,058)	(47,688)	(3,065,340)	
Share based payments	-	-	-	(2,922,938)	
Reconciliation of segment result to net loss before tax					
Segment Result					(21,222,327)
Unallocated items					2,225,690
Net loss before tax from continuing operations					**(18,996,637)**

SEGMENT ASSETS

As at 30 June 2024	Sweden	Germany	United Kingdom	Australia unallocated corporate	Total
	$	$	$	$	$
Segment assets as at 1 July 2023	17,365,805	3,064,783	4,627,604	40,091,009	**65,149,201**
Movement					
- Cash and cash equivalents	692,039	204,288	72,008	(25,099,487)	**(24,131,152)**

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SEGMENT ASSETS - continued	Sweden	Germany	United Kingdom	Australia unallocated corporate	Total
	$	$	$	$	$
- Grant funding receivable	(528,003)	219,116	(24,591)	(1,432,259)	**(1,765,737)**
- Financial assets	-	-	-	-	**-**
- Plant and equipment	7,785,789	(519,231)	(505,236)	(98,130)	**6,663,192**
- Exploration and evaluation expenditure	123,451	-	-	-	**123,451**
- Other	(71,988)	38,382	(21,682)	112,340	**57,052**
	25,367,093	**3,007,338**	**4,148,103**	**13,573,473**	**46,096,007**
Reconciliation of segment assets to total assets					
Other assets					-
Total assets from continuing operations					**46,096,007**
SEGMENT LIABILITIES					
Segment liabilities as at 30 June 2024	2,507,104	480,594	1,165,100	1,714,462	5,867,260
Reconciliation of segment liabilities to total liabilities					
Unallocated items					-
Total liabilities from continuing operations					**5,867,260**

13. SUBSEQUENT EVENTS

Other than as disclosed below, there has not been any other matter or circumstance occurring subsequent to the end of the half-year financial period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Subsequent to the period, Talga made two appointments to its Executive Management team with Mr Sascha Keen being appointed as Group Director - Corporate Finance (not a Board appointment) and Mr Niklas Karlsson as interim Group Finance Director while the Company progresses an executive search for a Sweden-based Group CFO.

14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities as at 31 December 2024 (30 June 2024: nil).

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Talga Group Ltd, I state that:

In the opinion of the Directors:

(a) the half-year financial report and notes as set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 December 2024 and of the performance for the half-year ended on that date of the Consolidated Entity; and

(ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) Subject to the matters disclosed in note 2(a), in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

Mark Thompson
Managing Director

Perth, Western Australia
14 March 2025

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Independent auditor's review report to the members of Talga Group Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Talga Group Ltd (the Company) and its controlled entities (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2024, the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Ernst & Young

T S Hammond
Partner
Perth
14 March 2025

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