COAL ENERGY S.A.

Unaudited interim consolidated report for the three months FY2024 ended 30th September 2023 - restated

Dear Ladies and Gentlemen,

We are presenting our interim consolidated financial report for the 1Q FY2024 ended 30th September 2023.

For the first quarter of FY2024 operating and financial results of the Company were affected by on-going war in Ukraine, operational activities were reduced to the level of maintaining the standby mode: security and support for the life of mine facilities in St.Matrona mine. As of the day of this report military clashes have intensified and the line of military actions is shifting due to Russia’s occupation of more territories in the East of the country, where the St. Matrona mine is located. These events prevent the Company's management from planning the resumption of coal mining operations in Ukraine. Thus the Company’s focus remained on diversification of business by transferring part of the business to one of the European Union countries.

Summarized highlights of the 1Q FY2024 are presented below:

- **Coal output and sales.** There were no coal output or coal sales in the 1Q FY2024 as the coal mining asset was idled due to on-going military actions.
- **EBITDA.** In the 1Q FY2024 the Company recorded negative EBITDA of US$4 thousand as compared to negative EBITDA of US$440 thousand in the 4Q FY2023.

The Company strives to preserve business and optimize costs, tends to strengthen trading connections and minimize risks, both connected with economic and political environment as well arising from military conflict.

Viktor Vyshnevetskyy
Chairman of the Board of Directors and Chief Executive Officer

General market and economic overview (on available statistical information)

According to the Ministry of Energy of Ukraine, 2023 began with massive enemy attacks on energy facilities. Russia has damaged or occupied 50% of Ukrainian power system. In June, Kakhovskaya hydroelectric power plant was destroyed creating colossal ecocide and a threat to the operation of the occupied Zaporizhzhia nuclear power plant. This made Ukraine to launch out the largest-ever repair campaign at power facilities. Nevertheless energy facilities remain priority targets for Russian missile and drone strikes, the probability of which is extremely high.

The Ukrainian energy network has become a full-fledged part of the European network. Ukraine and Poland have expanded the capacity to exchange electricity through a common power transmission line of more than 400 km in length. Despite challenging circumstances of on-going war Ukraine continues the course of integration of its energy markets with European ones. in 2023, the law on prevention of abuse in wholesale energy markets (REMIT) was approved. Active work is being done on the preparation of legislative proposals for the implementation of the Fourth Energy Package - "Clean Energy for All Europeans" and the preparation of the National Energy and Climate Plan.

The first three months of FY2024 (3Q 2023 calendar year) for coal and energy industry are defined by preparations for the upcoming heating season. As of the end of September 2023 an amount of 1.2 million tonnes of coals were accumulated on warehouses and in storage facilities of power plants, according to experts coal shortage reaches about 500 thousand tonnes as of the beginning of heating season. According to the Dixi Group analytical center, by the end of July 2023 almost Ukraine output of coal declined by 150 thousand tonnes y-o-y. Private companies that own thermal plants report on the import of coal, because their own production will not be enough. The state company Centernergo, which includes three large thermal plants, also plans to import coal.
During January-September 2023, the volume of industrial production of Ukraine increased by 2.4% compared to the same period in 2022. During January-September 2023, production in metallurgy decreased by 3.6% compared to the same period of 2022, and in metal ore mining - by 11.6% y-o-y, production volumes also decreased in the mining industry and quarrying (by 3.4%) and in the supply of electricity, gas, steam, and air conditioning (by 6.5). In January-July 2023 47.6% of the electricity of the country's total needs was produced at Ukrainian nuclear power plants, 27.8% at TPPs and CHPs, 14.1% from hydro generation, and 10.5% from others.

According to State Statistics Service in January-September 2023, the real GDP of Ukraine increased by 5.3% as compared to the same period last year. The security situation, the destruction of the production capacities of individual enterprises (mainly in the East of the country) and logistical restrictions for exporters remained the biggest restraining factors for the growth of the economy as of September 2023. In its review of the world economy, the International Monetary Fund (IMF) has improved its forecast for the growth of Ukraine's economy in 2023. The fund's previous forecast indicated that in 2023 GDP could range from a 3% decline to a 1% increase. The new forecast foresees the growth of Ukraine's economy by 2% this year and by 3.2% next year. According to IFM the increase comes from stronger-than-expected growth in domestic demand as firms and households adjust to the country's war amid sharply lower inflation and currency stability.

Review of the financial and operational results of Coal Energy S.A. including parent company and its subsidiaries (hereinafter "Company") for the 3 months (1Q) FY2024

The following table summarizes the Company's key ratios for the 1Q FY2024, the 4Q FY2023, 1Q FY2023 (numbers are rounded):

in thousands of US$	1Q FY2024	4Q FY2023	Relative change q-o-q	1Q FY2023	Relative change y-o-y
Revenue	-	-	*n/a*	284	(100.0%)
Gross profit	-	-	*n/a*	(108)	*n/a*
EBIT	(4)	(521)	*n/a*	504	*n/a*
EBITDA	(4)	(521)	*n/a*	580	*n/a*
Net profit (loss)	15	(11,580)	*n/a*	(1,097)	*n/a*

Revenue

For the reporting period did not generate revenue reflecting ceased operational activity both y-o-y and q-o-q.

For the 1Q FY2024 the Company did not perform coal sales as coal mining operations were ceased starting 3Q FY2023.

Operating profit

The Company recorded operating loss for the 1Q FY2024 amounting to US$4 thousand thus representing a decline of operating result from an operational profit of US$504 thousand for the 1Q FY2023 and operating loss of US$521 thousand for the 4Q FY2023 in line with reduction in Company's operational activity.

Financial costs

In the reporting quarter financial costs amounted to US$ 2 thousand as opposed to US$760 thousand for the 1Q FY2023 y-o-y and opposed to no costs in the 4Q FY2023 representing loss from non-operational exchange differences.

Net profit/loss

For the first three months of 2024FY the Company recorded US$15 thousand of net profit as compared to US$1,097 thousand of loss for the 1Q FY2023 and US$11,580 thousand of loss for the 4Q FY2023.

Production results

The Company did not conduct mining operations in the first three months of FY2024 as opposed to 5.3 thousand tonnes of thermal coal output in in the 1Q FY2023.

Risks and uncertainties

The Company's financial performance is dependent on the global price of and demand for coal

The Company’s business is dependent on the global market price of coal. Sale prices and volumes in the worldwide coal market depend predominantly on the prevailing and expected levels of demand for and supply of coal, mainly from energy and steel manufacturers. But the company's financial results will increasingly depend on the situation on the coal market in the countries where the company will operate. In general, European countries are taking steps to slowly move away from coal mining, but at the same time, more and more attention is being paid to the extraction of other minerals that may also be of interest to the Company.

The Company’s production costs and costs of technologies applied by the Company may increase

The Company’s main production expenses are energy costs, salaries and consumables. Due to the company's new strategy, which provides for the transfer of operations abroad, it is expected that there will be additional costs related to starting operations in new markets, acquiring new entities and acquiring customers..

The Company’s activity may be impacted by limited banking financing for its projects and operating activity as well as local currency devaluation

In order to continue investment program at the levels which would allow reaching the expected targets the Company needs external financing. Macroeconomic and political instability in the country make the banks reassess their country risk policies and they may either stop providing new financing to customers or even lower their credit exposures.

Macroeconomic instability could also push the population to transfer their savings into US$ (creating devaluating pressure on the local currency) and/or even to take their savings away from the banking system which may additionally squeeze the banking system’s liquidity.

During the last years foreign currency loans had a more attractive interest rate, had longer tenors of financing and were easier available than local currency (hryvnia) loans, hence foreign currency loans may be more attractive in general.

Nevertheless foreign currency loans expose to the exchange rate risks which may inflate liabilities denominated in the foreign currencies in case of local currency devaluation. In order to fulfil obligations under the conditions of limited export proceeds restructuring may be needed with the goal of extending maturities and postponing interest payments until the markets rebound and sufficient resources are accumulated to cover the realized risk.

The majority of existing loan facilities is either in the process of restructuring or in the “on hold” status.

The Company’s activity may be influenced by political instability and/or uncertainty and escalation of military conflict in Ukraine

The risk has been realized: the ongoing war with Russian Federation may lead to damages to assets and inventories in scope which will make it impossible or economically not viable to restore them.

Mitigation of the risk is mainly outside of control of the Company on macro level at the same time the company has set a course to diversify its business outside of Ukraine (outside the military conflict).

Liquidity risk

The Company is in constant dialogue with its current financing banks in order to secure timely rolling over and extending of the credit facilities. Nevertheless the ability of banking institutions to lend depends highly on country risks of Ukraine and there own liquidity (UAH liquidity is formed mainly from the deposits of the local individuals and enterprises) which diminishes dramatically in the times of macroeconomic and political instability.

The Company is cooperating with a number of private commercial banks which are subject to the regulations of the Ukrainian authorities. Banks' ability to perform in accordance with such regulations is out of control of the Company. Nevertheless if banks fail to comply with the Ukrainian legislation the regulator may impose various sanctions against them which may influence the ability of such banks to provide financing resources or might force the banks to draw back the financial resources provided to the Company if the Company does not fulfil obligations according to the loan agreements.

The Company can not mitigate the risk that the banks may demand early repayment and the Company will not be able to fund refinancing for such funds.

Mitigation of the risk is mainly outside of control of the Company on macro level at the same time the company has set a course to diversify its business outside of Ukraine (outside the military conflict).

Liquidity risk

As one of the major consequences of decreasing prices and lowering demand for coal is that the Company may need additional means to promote sales, i.e. providing customers with favourable trade credit terms, hence increasing working capital tied up mostly in the trade account receivables. If financial resources from lending institutions are available these additional working capital amounts could be financed respectively. The Company is in constant dialogue with its current financing banks in order to secure timely rolling over and extending of the credit facilities. Nevertheless the ability of banking institutions to lend depends highly on country risks of Ukraine and there own liquidity (UAH liquidity is formed mainly from the deposits of the local individuals and enterprises) which diminishes dramatically in the times of macroeconomic and political instability. In the situation of absence of bank financing to cover the increased trade credit conditions the Company will be forced to decrease sales.

The Company is cooperating with a number of private commercial banks which are subject to the regulations of the Ukrainian authorities. Banks' ability to perform in accordance with such regulations is out of control of the Company. Nevertheless if banks fail to comply with the Ukrainian legislation the regulator may impose various sanctions against them which may influence the ability of such banks to provide financing resources or might force the banks to draw back the financial resources provided to the Company if the Company does not fulfil obligations according to the loan agreements.

The Company can not mitigate the risk that the banks may demand early repayment and the Company will not be able to fund refinancing for such funds.

1q2024FY

RESTATED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

Coal Energy S.A.

1q2024FY

CONTENTS **PAGE**

STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

To the best of our knowledge, the interim condensed consolidated financial statements as of 30 September 2023 of Coal Energy S.A.(the "Group") which have been prepared in accordance with the International financial reporting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the both Coal Energy S.A. and its subsidiaries included into the Group, and the interim management report includes a fair review of the development and performance of the business and the position of the both Coal Energy S.A. and its subsidiaries included into the Group together with a description of the principal risks and uncertainties that they face for the three months ended 30 September 2023 as required under article 4(2)c) of the Transparency Law.

While preparing the interim condensed consolidated financial statements, the Board of Directors bears responsibility for the following issues:

- selection of the appropriate accounting policies and their consistent application;
- making judgments and estimates that are reasonable and prudent;
- adherence to IFRS concepts or disclosure of all material departures from IFRS in the consolidated financial statements;
- preparation of the consolidated financial statements on the going concern basis.

The Board of Directors confirms that it has complied with the above mentioned principles in preparing the interim condensed consolidated financial statements of the Group.

The Board of Directors is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group;
- taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- establishing for such internal controls is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

On behalf of the Board of Directors:

Directors A:

__________signed_____________
Chairman of the Board of Directors
Viktor Vyshnevetskyy

__________signed_____________
Business Development Director
Oleksandr Reznyk

__________signed_____________
Independent Non-executive Director
Arthur David Johnson

Directors B:

__________signed_____________
Independent Non-executive Director
Diyor Yakubov

Luxembourg, 30 May 2025

INTERIM MANAGEMENT REPORT

Management of the Company hereby presents its interim condensed consolidated financial statements for the three months on 30 September 2023.

1. Results and developments during the three months ended on 30 September 2023.
For the three months ended 30 September 2023, the Group recorded an EBITDA loss amounted USD 4 thousand (EBITDA for the three months ended 30 September 2022 – USD 580 thousand). After depreciation, amortization, finance costs and finance income, the net profit after taxation for the three months ended 30 September 2023 amounted USD 15 thousand (net loss for the three months ended 30 September 2022 – USD 1,097 thousand).

2. Future developments of the Group.
The Group is optimizing internal reserves and is considering remaining options for funding its operations to cover liquidity needs in the environment of continuing military conflict in the Eastern Ukraine.

3. Activity in the field of research and development.
The Group is not involved in any activity in the field of research and development.

4. Own shares.
During the three months ended 30 September 2023, the Company and its affiliates have not repurchased shares of Coal Energy S.A.

5. Group's internal control.
Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS;
- provide reasonable assurance that receipts and expenditures of the Group are made in accordance with authorizations of Group's management and directors; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of Group's assets that could have a material effect on the financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Risk Management.
The Group has implemented policies and procedures to manage and monitor financial market risks. Financial market activities are overseen by the CFO and the Group Management Board.

The Group does not use hedging derivatives.

On behalf of management

Directors A:

__________signed_____________
Chairman of the Board of Directors
Viktor Vyshnevetskyy

__________signed_____________
Business Development Director
Oleksandr Reznyk

__________signed_____________
Independent Non-executive Director
Arthur David Johnson

Directors B:

__________signed_____________
Independent Non-executive Director
Diyor Yakubov

Luxembourg, 30 May 2025

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	3 months ended 30 September 2023 (restated, unaudited)	Year ended 30 June 2023 (restated, unaudited)	3 months ended 30 September 2022 (restated, unaudited)
CONTINUING OPERATIONS				
Revenue	6	-	760	284
Cost of sales	7	-	(896)	(392)
GROSS PROFIT/(LOSS)		**-**	**(136)**	**(108)**
General and administrative expenses	8	(13)	(165)	(12)
Other operating income/(expenses), net		10	355	2
Recovery/(impairment) of financial assets		(1)	(643)	622
OPERATING PROFIT/(LOSS)		**(4)**	**(589)**	**504**
Other non-operating income/(expenses), net		3	4	123
Finance income		-	10	2
Finance expenses	9	(2)	(768)	(760)
Disposal of subsidiaries	25	-	(65)	-
PROFIT/(LOSS) BEFORE TAX		**(3)**	**(1,408)**	**(131)**
Income tax benefit/(expenses), net	10	-	(1,751)	(1)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(3)**	**(3,159)**	**(132)**
DISCONTINUED OPERATIONS				
Profit/(loss) from discontinued operation, net of tax		18	(10,531)	(965)
NET PROFIT/(LOSS)		**15**	**(13,690)**	**(1,097)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent		15	(13,574)	(1,087)
Non-controlling interests		-	(116)	(10)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Reclassification of currency translation reserve		-	(335)	-
Effect of foreign currency translation		-	(1,950)	(1,960)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FROM CONTINUING OPERATIONS		**-**	**(2,285)**	**(1,960)**
DISCONTINUED OPERATIONS				
Effect of currency translation from discontinued operation		-	938	938
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**-**	**(1,347)**	**(1,022)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**15**	**(15,037)**	**(2,119)**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent		15	(14,951)	(2,118)
Non-controlling interests		-	(86)	(1)
EARNINGS PER SHARE				
Weighted average number of ordinary shares		45,011,120	45,011,120	45,011,120
BASIC PROFIT/(LOSS) PER ORDINARY SHARE (USD cents)*		**0.03**	**(30.41)**	**(2.44)**
BASIC PROFIT/(LOSS) PER ORDINARY SHARE FROM CONTINUING OPERATIONS (USD cents)		**(0.01)**	**(7.02)**	**(0.29)**

* Basic profit/(loss) per ordinary share is equal to diluted profit/(loss) per ordinary share.

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 (restated, unaudited)	30 June 2023 (restated, unaudited)	30 September 2022 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	11	-	-	7,278
Intangible assets		-	-	79
Right-of-use assets	20	-	-	3,138
Financial assets	12	-	-	844
		-	**-**	**11,339**
Current assets				
Inventories	13	-	-	1,711
Trade and other receivables	14	1,300	1,300	1,136
Prepayments and prepaid expenses	15	-	-	-
Other taxes receivables	16	-	-	547
Cash and cash equivalents	17	1	5	-
		1,301	**1,305**	**3,394**
TOTAL ASSETS		**1,301**	**1,305**	**14,733**
EQUITY				
Share capital	18	450	450	450
Share premium		77,578	77,578	77,578
Retained earnings		(82,635)	(82,650)	(2,599)
Currency translation reserve		(899)	(899)	(74,954)
Currency translation reserve related to operations held for sale		(6,822)	(6,822)	-
Equity attributable to equity holders of the parent		**(12,328)**	**(12,343)**	**475**
Non-controlling interest		(229)	(229)	(129)
TOTAL EQUITY		**(12,557)**	**(12,572)**	**346**
LIABILITIES				
Non-current liabilities				
Lease liabilities	20	-	-	1,668
Defined benefit obligation		-	-	658
Provisions	21	-	-	867
Deferred tax liabilities	10	-	-	155
		-	**-**	**3,348**
Current liabilities				
Loans and borrowings	19	864	864	923
Lease liabilities	20	-	-	327
Trade and other payables	22	378	384	4,880
Income tax payables	10	4,299	4,294	2,545
Defined benefit obligation		-	-	957
Other tax payables	16	-	-	1,407
Liabilities directly associated with the assets held for sale		8,317	8,335	-
		13,858	**13,877**	**11,039**
TOTAL LIABILITIES		**13,858**	**13,877**	**14,387**
TOTAL EQUITY AND LIABILITIES		**1,301**	**1,305**	**14,733**

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent							
	Share capital	Share premium	Retained earnings	Currency translation reserve	Currency translation reserve related to operations held for sale	Total	Non-controlling interest	Total equity
1 July 2022 (before restatement, unaudited)	**450**	**77,578**	**(1,532)**	**(73,902)**	**-**	**2,594**	**(129)**	**2,465**
Effect of restatement of comparative data	**-**	**-**	(67,544)	67,544	-	**-**	-	**-**
1 July 2022 (restated, unaudited)	**450**	**77,578**	**(69,076)**	**(6,358)**	**-**	**2,594**	**(129)**	**2,465**
Profit/(loss) for the year (restated)	**-**	**-**	(13,574)	-	-	**(13,574)**	(116)	**(13,690)**
Other comprehensive income/(loss) (restated)	**-**	**-**	-	(1,042)	-	**(1,042)**	30	**(1,012)**
Disposal of subsidiaries	**-**	**-**	-	(335)	-	**(335)**	-	**(335)**
Equity reclassifications	**-**	**-**	-	14	-	**14**	(14)	**-**
Reclassification due to discontinued operations	**-**	**-**	-	6,822	(6,822)	**-**	-	**-**
30 June 2023 (restated)	**450**	**77,578**	**(82,650)**	**(899)**	**(6,822)**	**(12,343)**	**(229)**	**(12,572)**
Profit/(loss) for the year	**-**	**-**	15	-	-	**15**	-	**15**
Other comprehensive income/(loss)	**-**	**-**	-	-	-	**-**	-	**-**
Effect of currency translation from discontinued operation	**-**	**-**	-	-	-	**-**	-	**-**
30 September 2023 (restated)	**450**	**77,578**	**(82,635)**	**(899)**	**(6,822)**	**(12,328)**	**(229)**	**(12,557)**

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	3 months ended 30 September 2023 (restated, unaudited)	Year ended 30 June 2023 (restated, unaudited)	3 months ended 30 September 2022 (restated, unaudited)
OPERATING ACTIVITIES				
Profit/(loss) before tax from continuing operations		(3)	(1,408)	(131)
Profit/(loss) before tax from discontinued operations		18	(10,641)	(965)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization expenses		-	149	76
Finance income		-	(10)	(2)
Finance costs	9	2	768	760
Impairment of prepayments made		-	(58)	-
Accounts payable write-off		-	(340)	(24)
Impairment/(recovery) of financial assets		1	1,273	(622)
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	8,535	-
Loss/(gain) from operational exchange differences		-	72	-
Disposal of subsidiaries		-	65	-
		18	**(1,595)**	**(908)**
Working capital adjustments:				
Change in trade and other receivables		-	(3,329)	699
Change in prepayments made and prepaid expenses		-	58	1
Change in inventories		-	-	(53)
Change in trade and other payables		(22)	4,954	258
Change in tax balances		-	(86)	-
		(4)	**2**	**(3)**
Income tax paid		-	-	-
Net cash flow from operating activity		**(4)**	**2**	**(3)**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets		-	-	-
Net cash flow from investing activity		**-**	**-**	**-**
FINANCING ACTIVITIES				
Repayment of loans and borrowings		-	-	-
Net cash flow from financial activity		**-**	**-**	**-**
NET CASH FLOWS		**(4)**	**2**	**(3)**
Cash and cash equivalents at the beginning of the period		**5**	**3**	**3**
Cash disposed with subsidiaries		-	-	-
Cash received as consideration of subsidiaries disposal		-	-	-
Effect of currency translation		-	-	-
Cash and cash equivalents at the end of the period		**1**	**5**	**-**

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

1.1. Information about the Group

For the purposes of theses consolidated financial statements, Coal Energy S.A. ("Parent company") and its subsidiaries have been presented as the Group as follows:

Parent company and its subsidiaries	Country of incorporation	Group shareholding, % as of	
		30 September 2023	30 September 2022
Coal Energy S.A.	Luxembourg	Parent	Parent
Nertera Investments Limited	Cyprus	100,00	100,00
Coal Energy Trading Limited**	British Virgin Islands	-	100,00
Tekhinovatsiya LLC*	Ukraine	-	99,92
CwAL LE "Mine St. Matrona Moskovskaya"	Ukraine	99,00	99,00
Perspective resources LLC	Ukraine	100,00	100,00

The parent company, Coal Energy S.A., was incorporated in Luxembourg as a joint stock company on 17 June 2010 and is listed on the Warsaw Stock Exchange. The registered office is located at 33 rue du Puits Romain, L-8070 Bertrange, Luxembourg and the Company number with the Registre de Commerce is B 154144. The principal activities of the Group are coal mining, coal beneficiation, waste dumps processing, and sales of marketable coal. The major production facilities are located in the Donetsk region of Ukraine.

* As of 22 December 2022, the Group had sold 79.92% of shares in Tekhinovatsiya LLC and Tekhinovatsiya LLC has been disposed from the Group.

** As of 4 July 2023, Coal Energy Trading Limited has been dissolved.

1.2. Operating environment

As of 24 February 2022, the Russian Federation launched a large-scale military invasion of Ukraine. Russian missiles began to hit locations across Ukraine. Russian ground forces entered the country. Ongoing military actions caused significant destruction of infrastructure, migration of the population and disruption of economic activity in Ukraine.

During the three months ended 30 September 2023, Ukrainian hryvna officially stabled against USD. National Bank of Ukraine decreased key rate to 20% and continued numerous currency restrictions to stabilize foreign exchange market and inflation rates.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

The preparation of the consolidated financial statements in accordance with International Financial Accounting Standards (IFRS) as adopted by European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying of the Group`s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

These consolidated financial statements are presented in thousands of USD, unless otherwise stated.

2.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

2.3 Going concern

These consolidated financial statements are prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

During the three months ended 30 September 2023, the Group recorded USD 3 thousand of net loss from continuing operations (during the three months ended 30 September 2022, the Group recorded a net loss of USD 132 thousand).

The Group suspended the operational activities of CwAL LE "Mine St.Matrona" since the full-scale war actions in Ukraine. At the date of publication of these consolidated financial statements, Ukrainian activities are under direct war actions in Donetsk region. Military actions are now occurring near by CwAL LE "Mine St.Matrona" mine, and the Group lost access to all related physical assets and facilities, documents and other information located at the site. Consequently, the Group has no current information on the status of events and conditions there.

CwAL LE "Mine St.Matrona has significant debt amounting to USD 8,317 thousand and classified as held for sales as of 30 September 2023.

Nertera Investments Limited has a potential risk of tax liability that has been estimated and recorded as of 30 June 2023.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the parent company has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the parent company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities, contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of comprehensive income. Costs incurred in connection with the purchase of subsidiaries are recognized as expenses.

Intragroup transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Subsequent to the loss of control of a subsidiary the value of the remaining shares are revalued at fair value that influences the amount of income/loss from the disposal.

Before 30 June 2010, the Parent company did not have direct or indirect ownership interest in consolidated entities included in the consolidated financial statements. The pooling of interest method was applied for business combinations under common control for the earlier periods.

Financial statements of Parent company and its Subsidiaries, which are used while preparing the consolidated financial statements, should be prepared as at the same date on the basis of consistent application of accounting policy for all companies of the Group.

(b) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. The result of disposals of a non-controlling interests being the difference between any consideration paid and the relevant share acquired of the carrying value of the subsidiary's net asset is reflected in the statements of changes in equity. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

Non-controlling interests are derecognized when a subsidiary is sold or liquidated and profit or loss on derecognition is recorded in the consolidated statements of changes in equity.

2.5 Changes in accounting policy and disclosures

The Group has not applied the following standards and IFRIC interpretations and amendments to them that have been issued but are not yet effective:

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023);
- IAS 1 "Presentation of Financial Statements" (Amendments): Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023).

The Group anticipates that the adoption of these standards and amendments in future periods will have no material impact on its financial statements. The Group currently does not plan early application of the above standards and interpretations.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Currency translation

(a) Functional and presentation currency

All items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The national currency of Ukraine, Ukrainian Hryvnia ("UAH") is the functional currency for the Group's entities that operate in Ukraine. For the entities that operate in Cyprus, Luxembourg and British Virgin Islands (BVI) the functional currency is US dollar ("USD"). These consolidated financial statements are presented in thousands of US dollars, unless otherwise stated.

(all amounts in USD thousand, unless otherwise stated)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency transactions

Exchange rates used in the preparation of these interim condensed consolidated financial statements were as follows:

Date/period	UAH/USD
As of:	
- 30 September 2023	36.5686
- 30 June 2023	36.5686
- 30 September 2022	36.5686
Average for the:	
- three months ended 30 September 2023	36.5686
- three months ended 30 September 2022	34.9787

(c) Translation into presentation currency

- all assets and liabilities, both monetary and non-monetary, are converted at closing exchange rates at the dates of each statement of financial position presented;
- income and expense items are converted at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used;
- all equity items are converted at the historical exchange rates;
- all resulting exchange differences are recognized as a separate component in other comprehensive income;
- in the consolidated statements of cash flows, cash balances at the beginning and end of each period presented are converted at exchange rates at the respective dates. All cash flows are converted at the average exchange rates for the periods presented. Resulting exchange differences are presented as the effect of conversion to the presentation currency.

3.2 Revenue from contracts with customers

The Group mines and sells coal commodities. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from rendering services is recognized based on the stage of work completion under each contract. When financial results can be measured reliably, revenue is recognized only to the extent of the amount of incurred charges, that can be recovered.

3.3 Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

Income tax is recognized as an expense or income in profit and loss in the consolidated statements of comprehensive income, except when it relates to items recognized directly in other comprehensive income, or where they arise from the initial accounting for a business combination.

(a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to estimate the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Major renewals and improvements are capitalized, and the assets replaced are retired. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the item 'Other non-operating income (expenses)' in the statement of comprehensive income.

Depreciation is calculated using the straight-line method over their estimated useful lives, as follows:

Underground mining	15 - 50 years
Buildings and constructions	5 - 50 years
Machinery, equipment and vehicles	2 - 30 years
Other	2 - 25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Mine development costs are capitalized and classified as capital construction-in-progress. Mine development costs are transferred to mining assets when a new mine reaches commercial production quantities. Capital construction-in-progress comprises costs directly related to construction of buildings, infrastructure, machinery and equipment. Cost also includes finance charges capitalized during the construction period where such costs are financed by borrowings. Depreciation of these assets commences when the assets are put into operation.

3.5 Lease

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:
– Leases of low-value assets;
– Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate at commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
– Amounts expected to be payable under any residual value guarantee;
– The exercise price of any purchase option granted in favor of the Group if it is reasonable certain to assess that option;
– Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

– Lease payments made at or before commencement of the lease;
– Initial direct costs incurred;
– The amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be make over the revised term, which are discounted at the same discount rate that applied at lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment on specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Research costs are recognized as an expense as incurred. Costs incurred on development (relating to the design, construction and testing of new or improved devices, products, processes or systems) are recognized as intangible assets only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of adequate resources to complete the development, and the ability to measure reliably the expenditure during the development. Other development expenditures are recognized as an expense as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is charged on a straight-line basis over the following economic useful lives of these assets:

Licenses, special permissions and patent rights	5 - 20 years
Other intangible assets	5 - 10 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

3.8 Impairment of non-current assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of comprehensive income.

Where an impairment loss subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined had no impairment loss been recognized in prior periods. A reversal of an impairment loss is recognized in the consolidated statements of comprehensive income.

3.9 Financial assets

Initial recognition and measurement

The Group classifies its financial assets as financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at every reporting date. The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. Purchases or sales of financial assets that require delivery within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:
(a) Financial assets at fair value through profit or loss. This category includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.
(b) Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables include trade and other receivables. Loans are financial assets arising as a result of provision of funds to borrowers.
(c) Held-to-maturity investments. Investments with fixed or determinable payments and fixed maturity that management has the positive intent and ability to hold to maturity, other than loans and receivables originated by the Group, are classified as held-to-maturity investments. Such investments are included in non-current assets, except for maturities within twelve months from the reporting date, which are classified as current assets.
(d) Available-for-sale financial assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Available-for-sale financial assets are accounted at fair value through equity.

Subsequent to initial recognition, all financial assets at fair value through profit or loss and all available-for-sale instruments are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Receivables are accounted for net realizable value, less the allowance for doubtful debts. The amount of allowance for doubtful debts is accounted for by using the method of total amount of doubtful debts.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors-are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables and loans issued where the carrying amount is reduced using an allowance for impairment. When a trade receivables or other loans issued is considered uncollectible, it is written off against the allowance. Based on the facts confirming that receivables or loans issued, previously recognized as doubtful, at the reporting date are not doubtful, the amount of previously charged reserve is reflected in income of the reporting period. Except for available-for-sale assets, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss reverses directly through profit and loss account. The reversal shall not result in a carrying amount of financial assets that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

When a decline in fair value of an available-for-sale investment has been recognized directly in other comprehensive income and there is objective evidence that the investment is impaired, the cumulative loss that had been recognized directly in other comprehensive income is removed from other comprehensive income and recognized in profit or loss in the consolidated statements of comprehensive income even though the investment has not been derecognized. Impairment losses previously recognized through profit or loss in the consolidated statements of comprehensive income are not reversed. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of financial assets

The Group derecognizes financial assets when:
- the assets are redeemed or the rights to cash flows from the assets have otherwise expired;
- or the Group has transferred substantially all the risks and rewards of ownership of the assets;
- or the Group has neither transferred nor retained substantially all risks and rewards of ownership but has not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

3.10 Financial liabilities

Initial recognition and measurement

The Group classifies its contractual obligations as financial liabilities at fair value through profit or loss, loans and borrowings. The Group classifies its financial liabilities at initial recognition. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:
(a) Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated at initial recognition as liabilities at fair value through profit or loss;
(b) Loans and borrowings. Loans and borrowings are financial liabilities that have been granted to the Group. Loans and borrowings are classified as current liabilities except when the Group has unconditional right to delay settlement of the obligation for at least for 12 months.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized through profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Inventories

Inventories are recorded at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is assigned by using the FIFO cost formula.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of work in progress and finished goods includes costs of raw materials, direct labor and other direct production costs and related production overheads (based on normal operating capacity).

The Group periodically analyses inventories to determine whether they are damaged, obsolete or slow-moving or if their net realizable value has declined and makes an allowance for such inventories. If such situation occurred, the sum reducing the cost of inventories should be reflected in statements of comprehensive income. If the circumstances that caused the write-down no longer exist, the amount of the write-down is reversed.

At the date of financial statements preparation, the Group estimates the balances of finished products to determine whether there is any evidence of impairment. The amount of impairment is measured based on the analysis of prices in the market of such inventories, existed at the reporting date and issued in official sources.

3.12 Value added tax

Value added tax (VAT) output equals the total amount of VAT collected within a reporting period and arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer. VAT input is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT input arise on the earlier of the date of payment to the supplier or the date goods are received. Revenue, expenses and assets are recognized less VAT amount, except cases, when VAT arising on purchases of assets or services, is not recoverable by tax authority; in this case VAT is recognized as part of purchase costs or part of item of expenses respectively. Net amount of VAT, recoverable by tax authority or paid to tax authorities, is included into accounts receivable and payable, reflected in consolidated statements of financial position.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of six months or less.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.14 Share capital

Ordinary shares are classified as equity. Nominal value of share capital of Parent company is specified in Note 18.

3.15 Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

3.16 Defined benefits plan obligations

The Group contributes to the Ukrainian state pension scheme, social insurance and employment funds in respect of its employees. The Group's pension scheme contributions are expensed as incurred. The contributions are included in expenses for wages and salaries. Companies comprising the Group provide additional post-employment benefits to those employees who are engaged in the industry with particularly detrimental and oppressive conditions of work. Under the Ukrainian legislation employees engaged in hazardous industry may retire earlier than usual terms stipulated by Employee Retirement Income Security Law. The Group reimburses to the State Pension Fund all pension payments to be paid to the employees until usual statutory date of retirement. In addition, according to the legislation, the Group makes payments related to providing the employees with domestic fuel (coal). The Group recognizes the liabilities in amount of this payment.

The liability recognized in the statement of financial position in respect of post-employment benefits is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method. Actuarial gains and losses are recognized in the other comprehensive income statement in the period in which they occur.

3.17 Provisions

Provisions are recognized when the Group has legal or constructive obligations as the result of past event for which it is probable that an outflow of economic benefits can be required to settle the obligations, and the amount of the obligations can be reliably estimated. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Use of discounting results in recognition of financial expenses and increase in provision.

Management created provision for the payment of potential tax liabilities related to settlement of financial assets and liabilities. Though if the controlling authorities classify such transactions as a subject of taxation and apply such classification to the companies of the Group, actual taxes and penalties may differ from the Management assessment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Environmental obligations

Environmental obligations include decommissioning and land restoration costs. The Group evaluates the provisions associated with ecological problems separately on every occasion taking into account the requirements of the relevant legislative acts.

Future decommissioning costs, discounted to net present value, are capitalized and the corresponding decommissioning obligations are raised as soon as the constructive obligation to incur such costs arises and the future decommissioning cost can be reliably estimated. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the comprehensive income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

Provision for land restoration, representing the cost of restoring land damage after the commencement of commercial production, is estimated at the net present value of the expenditures expected to settle the obligation. Changes in provision and the unwinding of discount on land restoration are recognized in the consolidated statement of comprehensive income. Ongoing rehabilitation costs are expensed when incurred.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognized in these consolidated financial statements:

Remaining useful life of property, plant and equipment

Management assesses the remaining useful life of property, plant and equipment in accordance with the current technical conditions of assets and estimated period when these assets bring economic benefit to the Group.

Impairment of non-current assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs of sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the growth rate used for extrapolation purposes (coal price, sales volume) and to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefits plan obligations

For the purpose of estimation of defined benefit obligation, the projected unit credit method was used, which includes the determination of the discount rate, future salary increases, mortality rates and future pension increase rate. Due to the complexity of the valuation, the underlying assumptions and their long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of high-quality government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates.

Environmental obligations

The Group's mining and processing activities are susceptible to various changes in environmental laws and regulations. The Group estimates environmental obligations based on management's understanding of the current legal requirements, terms of the license agreements and internally generated estimates. Provision is made, based on net present values, for decommissioning and land restoration costs as soon as the obligation arises. Actual costs incurred in future periods could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

(all amounts in USD thousand, unless otherwise stated)

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing of and the level of future taxable profits together with future tax planning strategies. If actual results differ from these estimates or if these estimates must be adjusted in future periods, the financial position and results of operations may be negatively affected.

Expected credit losses measurement

Measurement of expected credit losses (ECL) is a significant estimate that involves determination methodology, models and data inputs. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Contingent liabilities

Contingent liabilities are determined by the occurrence or non-occurrence of one or more future events. Measurement of contingent liabilities is tightly connected with the development of significant judgments and estimates relating to the consequences of such future events.

5 INFORMATION ON OPERATING SEGMENTS

The group defines the following business segments that include goods and services distinguished by the level of risk and terms of income:
- mineral resource and processing industry — includes income from sale of own coal products and income from coal beneficiation;
- trade activity - includes income from sale of merchandises;
- other activity - includes income from rendering of other works and services.

Management controls the results of operating segments separately for the purpose of decision making about allocation of resources and performance measurement. The results of segments are estimated on profit/(loss) before tax.

Information about the segments of business for the three months ended 30 September 2023:

	Mineral resource and processing industry (Ukraine)	Trade activity	Other activity	Total
Revenue				
Sales to external customers	-	-	-	**-**
(Loss)/profit before tax of the segment	**-**	**-**	**(3)**	**(3)**
Operational assets (before restatement)	**8,434**	**-**	**1,301**	**9,735**
Effect of restatement	(8,434)	-	-	**(8,434)**
Operational assets (restated)	**-**	**-**	**1,301**	**1,301**
Operational liabilities (before restatement)	**7,816**	**-**	**3,791**	**11,607**
Effect of restatement	501	-	1,750	2,251
Operational liabilities (restated)	**8,317**	**-**	**5,541**	**13,858**

The Group does not incur depreciation and amortization expenses or defined benefit plan obligations expenses. The Group does not have assets and liabilities that are not included in the above-mentioned business segments. The Group does not engage in any inter-segment operations.

Information about the segments of business for the three months ended 30 September 2022:

	Mineral resource and processing industry (Ukraine)	Trade activity	Other activity	Non-allocated	Total
Revenue					
Sales to external customers	284	-	-	-	**284**
(Loss)/profit before tax of the segment	**-**	**15**	**(146)**	**-**	**(131)**
Depreciation and amortization expenses	(154)	-	-	-	**(154)**
Defined benefits plan obligations expenses	-	-	-	-	**-**
Operational assets	**13,342**	**-**	**-**	**1,391**	**14,733**
Operational liabilities	**8,843**	**36**	**1,401**	**4,107**	**14,387**

As of 30 September 2022 assets of segments do not include financial assets (USD 844 thousand), cash, other taxes receivable (USD 547 thousand) and deferred tax assets, since management of these assets is carried out at the Group‘s level.

As of 30 September 2022 liabilities of segments do not include deferred tax liabilities (USD 155 thousand), other taxes payable (USD 1,407 thousand) and income tax payables (USD 2,545 thousand), since management of these liabilities is carried out at the Group‘s level.

(all amounts in USD thousand, unless otherwise stated)

6 REVENUE FROM SALES

	3 months ended 30 September 2023 (restated)	Year ended 30 June 2023 (restated)	3 months ended 30 September 2022 (restated)
Revenue received from sale of finished goods	-	760	284
Revenue from trading activity	-	-	-
Revenue from other activity	-	-	1
	-	**760**	**285**

Revenue is recognized when the Company satisfies a performance obligation under the contracts with customers. In accordance with the signed contracts, the Company performs mining works over the time and agrees on the performed results with the customers mostly on a monthly basis in terms of the general scope of works agreed. The standard payment term of the signed contracts with customers is 30 days from the date of the issuing of the invoice.

During the reviewed periods sales were performed on the territory of Ukraine exclusively.

7 COST OF SALES

	3 months ended 30 September 2023	Year ended 30 June 2023 (restated)	3 months ended 30 September 2022 (restated)
Raw materials	-	(2)	(2)
Wages and salaries of operating personnel	-	(16)	(8)
Change in finished goods	-	(8)	49
Energy supply	-	(397)	(180)
Depreciation and amortization expenses	-	(149)	(76)
Subcontractors services	-	(309)	(169)
Other expenses	-	(15)	(6)
	-	**(896)**	**(392)**

8 GENERAL AND ADMINISTRATIVE EXPENSES

	3 months ended 30 September 2023 (restated)	Year ended 30 June 2023 (restated)	3 months ended 30 September 2022 (restated)
Subcontractors services	(13)	(138)	(3)
Wages and salaries of administrative personnel	-	(16)	(9)
Other expenses	-	(11)	-
	(13)	**(165)**	**(12)**

9 FINANCIAL EXPENSES

	3 months ended 30 September 2023 (restated)	Year ended 30 June 2023 (restated)	3 months ended 30 September 2022 (restated)
Loss from non-operational exchange differences	(2)	(761)	(756)
Loss from measurement of financial instruments at amortized cost	-	(7)	(4)
	(2)	**(768)**	**(760)**

10 INCOME TAX

	3 months ended 30 September 2023 (restated)	Year ended 30 June 2023 (restated)	3 months ended 30 September 2022 (restated)
Current income tax	-	(1,749)	-
Deferred tax	-	(2)	-
Income tax income/(expenses)	**-**	**(1,751)**	**-**
At the beginning of the period	**4,294**	**2,542**	**2,542**
Current income tax charge	-	1,749	-
Effect of translation to presentation currency	5	3	3
At the end of the period	**4,299**	**4,294**	**2,545**
Effect			
Profit/(loss) before tax	(3)	(1,408)	(1,097)
Income tax (18%)	-	253	197
Effect of different statutory tax rates of overseas jurisdictions	-	(1,749)	-
Tax effect of permanent differences	-	(255)	(197)
Income tax income/(expenses)	**-**	**(1,751)**	**-**

According to the Tax Code of Ukraine, a tax rate of 18% is applied starting from 1 January 2014.

(all amounts in USD thousand, unless otherwise stated)

10 INCOME TAX (continued)

Deferred tax assets and liabilities are measured at the income tax rates, which are expected to be applied in the periods when an asset is realized, or liability is calculated in accordance with the tax rates provided by the Tax Code of Ukraine.

	30 June 2023 (restated)	Recognized in profit/(loss)	Effect of currency translation	30 September 2023 (restated)
Effect of temporary differences on deferred tax assets				
Intangible assets	-	-	-	-
Defined benefit plan obligations	-	-	-	-
Folded on individual Companies' level	-	-	-	-
Total deferred tax assets	**-**	**-**	**-**	**-**
Effect of temporary differences on deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Folded on individual Companies' level	-	-	-	-
Total deferred tax liabilities	**-**	**-**	**-**	**-**
Net deferred tax asset/(liability)	**-**	**-**	**-**	**-**

	30 June 2022	Recognized in profit/(loss)	Effect of currency translation	30 September 2022
Effect of temporary differences on deferred tax assets				
Intangible assets	15	-	(3)	12
Defined benefit plan obligations	34	-	(7)	27
Folded on individual Companies' level	(49)	-	10	(39)
Total deferred tax assets	**-**	**-**	**-**	**-**
Effect of temporary differences on deferred tax liabilities				
Property, plant and equipment	(244)	-	50	(194)
Folded on individual Companies' level	49	-	(10)	39
Total deferred tax liabilities	**(195)**	**-**	**(40)**	**(155)**
Net deferred tax asset/(liability)	**(195)**	**-**	**(40)**	**(155)**

11 PROPERTY, PLANT AND EQUIPMENT

	Underground mining	Buildings and constructions	Machinery, equipment, vehicles	Other	Construction in progress	Total
Historical cost						
30 June 2022	**6,685**	**1,441**	**1,912**	**71**	**2,932**	**13,041**
Disposal of subsidiaries	(3,835)	(453)	(845)	(31)	(22)	**(5,186)**
Effect of currency translation	(1,337)	(288)	(383)	(14)	(587)	**5,246**
Impairment (restated)	(1,513)	(700)	(684)	(26)	(2,323)	**(5,246)**
30 June 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
Effect of currency translation	-	-	-	-	-	**-**
30 September 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation						
30 June 2022	**(1,730)**	**(631)**	**(1,384)**	**(69)**	**-**	**(3,814)**
Depreciation charge	(164)	(63)	(49)	-	-	**(276)**
Disposal of subsidiaries	1,097	234	493	30	-	**1,854**
Effect of currency translation	349	127	278	14	-	**768**
Impairment (restated)	448	333	662	25	-	**1,468**
30 June 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
Effect of currency translation	-	-	-	-	-	**-**
30 September 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
30 June 2022	**4,955**	**810**	**528**	**2**	**2,932**	**9,227**
30 June 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
30 September 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**

As of 30 September 2023 and 30 September 2022, property, plant and equipment were not pledged under loans and agreements. During the reporting period, there were no capitalized borrowing costs. During the reporting period, there were no capitalized research and development costs. The Group's mining activity currently relates to exploitation of the existing mines and mined beds. As of 30 September 2023 and 30 September 2022, contractual commitments for property, plant and equipment of the Group were immaterial.

During the preparation of these financial statements, the management of the Group reassessed the recoverable amount of the property, plant and equipment as of 30 June 2023 as zero due to the ongoing war actions nearby and resulted in suspended operation and recognized impairment loss on property, plant and equipment amounting to USD 3,778 thousand.

(all amounts in USD thousand, unless otherwise stated)

12 FINANCIAL ASSETS

	30 September 2023	30 June 2023	30 September 2022
Held-to-maturity investments	-	-	124
Loans issued	-	-	720
	-	**-**	**844**

Held-to maturity investments are non-interest notes, issued to related parties and discounted using effective interest rate of 18%. Management of the Group has the intention to hold these notes to maturity. Loans issued are interest-free loans issued to related parties.

13 INVENTORIES

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Merchandise	-	-	3
Finished goods	-	-	237
Raw materials	-	-	1,021
Spare parts	-	-	444
Other inventories	-	-	6
	-	**-**	**1,711**

During the preparation of these financial statements, the management of the Group reassessed net realize value of inventories as of 30 June 2023 as zero due to ongoing war actions nearby and resulted suspended operation and recognized impairment loss on inventories amounted USD 1,495 thousand. As of 30 June 2024 and 30 June 2023, loans were not secured by inventories.

14 TRADE AND OTHER RECEIVABLES

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Trade receivables	-	-	3,558
ECL allowance for trade receivables	-	-	(2,422)
Other receivables	1,300	1,300	4,233
ECL allowance for other receivables	-	-	(4,233)
	1,300	**1,300**	**1,136**

As of 30 September 2023 and 30 September 2022, loans were not secured by trade and other receivables.

15 PREPAYMENTS AND PREPAID EXPENSES

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Prepayments made and prepaid expenses	14	14	1,787
Allowance for prepayments made	(14)	(14)	(1,787)
	-	**-**	**-**

16 TAXES RECEIVABLE AND PAYABLE

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Current taxes receivable			
VAT recoverable	-	-	547
	-	**-**	**547**
Current taxes payable			
VAT payable	-	-	550
Payable for wages and salaries related taxes	-	-	504
Payables for other taxes	-	-	353
	-	**-**	**1,407**

As of 30 September 2023 and 30 June 2023, other tax payables held by CwAL LE “Mine St.Matrona” were reclassified as liabilities directly associated with the assets held for sale.

17 CASH AND CASH EQUIVALENTS

	30 September 2023	30 June 2023	30 September 2022
Cash in bank	1	5	-
Cash in hand	-	-	-
	1	**5**	**-**

(all amounts in USD thousand, unless otherwise stated)

18 SHARE CAPITAL

	30 September 2023		30 June 2023		30 September 2022	
	%	Amount	%	Amount	%	Amount
Lycaste Holding Limited	60.15	271	60.15	271	60.15	271
Free float	25.00	112	25.00	112	25.00	112
Management of subsidiaries	14.85	67	14.85	67	14.85	67
	100.00	**450**	**100.00**	**450**	**100.00**	**450**

During the three months ended 30 September 2023 and 30 September 2022, the number of shares has remained unchanged.

19 LOANS AND BORROWINGS

	30 September 2023	30 June 2023	30 September 2022
Current borrowings	864	864	864
Current notes issued	-	-	59
	864	**864**	**923**

As of 30 September 2023 and 30 September 2022, current borrowings consist of interest-free loans from «Financial Company Altares Finance» LLC, repayable on demand. These borrowings originated from the restructuring of a previously received loan from EBRD, which was restructured during the year ended 30 June 2021, transferring the claim rights for the residual debt to «Financial Company Altares Finance» LLC.

20 LEASE

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Due within 1 year	-	-	327
From 1 to 5 years	-	-	853
More than 5 years	-	-	815
	-	**-**	**1,995**

As of 30 September 2023 and 30 June 2023, lease liabilities were reclassified as liabilities directly associated with the assets held for sale.

Right-of-use assets

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Property, plant and equipment	-	-	3,138
	-	**-**	**3,138**

21 PROVISIONS

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Non-current provisions			
Provision for land restoration	-	-	852
Dismantling provision	-	-	15
	-	**-**	**867**

As of 30 September 2023 and 30 June 2023, provisions were reclassified as liabilities directly associated with the assets held for sale.

The Group liabilities, connected with environmental restoration, notably decommission of property, plant and equipment and land restoration under waste dumps. Estimation of liability bases on estimated prices of decommissions of property, plant and equipment and land restoration under waste dumps procedures. Discount rate used by the Group is 18%.

22 TRADE AND OTHER PAYABLES

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Trade payables	40	70	3,279
Payables for unused vacations	-	-	23
Payables for wages and salaries	-	9	785
Other payables	338	305	742
Advances received	-	-	51
	378	**384**	**4,880**

As of 30 September 2023 and 30 June 2023, trade and other payables held by CwAL LE "Mine St.Matrona" were reclassified as liabilities directly associated with the assets held for sale.

(all amounts in USD thousand, unless otherwise stated)

23 TRANSACTIONS WITH RELATED PARTIES

According to existing criteria of determination of related parties, the related parties of the Group are divided into the following categories:
- Entities - related parties under common control with the Companies of the Group;
- Entities - related parties, which have joint key management personnel with the Companies of the Group.

Ultimate controlling party is Mr. Vyshnevetskyy V.

The sales of finished goods, merchandises and rendering of the services to related parties are made at terms equivalent to those that prevail in arm's length transactions on market price basis.

There were no transactions with related parties in reporting periods.

Details of balances between entities - related parties under common control with the Companies of the Group are disclosed below:

	30 September 2023 (restated)	30 June 2023 (restated)	30 September 2022
Notes issued	-	-	124
Other receivables	-	-	989
Allowance for other receivables	-	-	(989)
Other payables	278	246	297
Current notes issued	-	-	59
Trade payables	3	3	3

24 CONTINGENT ASSETS AND LIABILITIES

As of the date of presentation of the financial statements, the Group is not involved in any legal processes that can have material impact on its financial position.

25 DISPOSAL OF SUBSIDIARIES

As of 4 July 2023, Coal Energy Trading Limited has been dissolved. Net assets and results from disposals are presented as follows:

	Coal Energy Trading Limited	Total
Non-current financial assets	7,959	7,959
Trade and other receivables	6,179	6,179
Net assets at the date of disposal	**14,138**	**14,138**
Effective ownership ratio, %	100%	100%
Non-controlling interests	-	-
Payables to disposed subsidiaries	(14,138)	(14,138)
Fair value of consideration received	-	-
Reclassification of currency translation reserve of disposed subsidiaries	-	-
Profit/(loss) from disposal	**-**	**-**

26 SUBSEQUENT EVENTS

As of 17 July 2024, the Group transferred its 100% shares in Advanced Industrial Technologies Sp. z.o.o. from the ownership by Ukrmineral Trading LLC directly to the Coal Energy S.A.

As of 13 January 2025, the Company signed a facility agreement for obtaining EUR 300 thousand of borrowing from non-related party. As of 21 February 2025, the amount of borrowing has been increased up to EUR 500 thousand.

On 18 March 2025, the Group disposed of its entire interest in Ukrmineral Trading LLC (100%) and CwAL LE "Mine St. Matrona" (99%) for a total consideration of USD 1 thousand. As part of the transaction, the acquirer assumed all liabilities associated with these two entities. Consequently, in 2025, the Group will recognize an increase of approximately USD 7.7 million in equity attributable to the equity holders of the parent in the consolidated financial statements for the year ended 30 June 2025.

As of May 2025, the Group is an advanced process to sell its subsidiary Nertera Investments Limited.

According to the management's opinion, there have been no events after the closing date, except for those disclosed above and known to ~~the~~ management that would substantially influence the financial standing of the Group.