COAL ENERGY S.A.

Unaudited interim consolidated report for the six months FY2024 ended 31st December 2023

Dear Ladies and Gentlemen,

Herewith we are presenting our unaudited interim consolidated financial report for the first six months of FY2024 (1H FY2024) and 2Q FY2024, ended 31st December 2023.

Year 2023 was in Ukraine the second year of full war against Russian Federation. From the beginning of the war, russian rocket attacks on energy infrastructure of Ukraine, resulting in power outages and energy supplies by schedule. 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 Ukraine.

These have prevented the Company's management from planning the resumption of coal mining operations in Ukraine. The remaining asset mine St.Matrona was working on security and support for the life of mine facilities.

As was reported earlier the Company's focus remained on diversification of business by transferring part of the business to one of the European Union countries. New asset **ADVANCED INDUSTRIAL TECHNOLOGIES Sp. z o.o. (Poland)** commenced it operating activities within the Group in 2Q FY2024 providing services to mining companies in Poland.

Summarized highlights of the 2Q FY2024 and 1H FY2024 are presented below:

- ❖ **Revenue from service activities amounted to** US$82 thousand in the 2Q FY2024, while there were no revenues from coal mining as the asset was idled due to on-going military actions.
- ❖ **EBITDA.** For the six months FY2024 the Company recorded an EBITDA amounted US$ 70 thousand. In the 2Q FY2024 the Company recorded US$74 thousand of EBITDA as compared to negative EBITDA of US$4 thousand in the 1Q FY2024.

The Management estimates positively development of new business segment and strives to attract opportunities for growth and business expansion in a number of projects to get the most attractive opportunities in terms of risk and return and in general to mitigate Group's business risks. We are committed to our long-term strategic goals i.e. to continue sustainable growth and to secure value creation for our Shareholders.

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

General market and economic overview (on available statistical information)

In 2023 calendar year high energy prices and geopolitical risks were primary concerns for energy sector, despite these challenges investments in the energy sector remained high concentrating on ensuring supply security.

In 2023 EU produced approximately 50 million tonnes of hard coal, with production being primarily concentrated in Poland which accounted for 97% of the EU’s hard coal production. EU’s hard coal consumption in 2023 was estimated at 128 million tonnes. The on-going war in Ukraine and the EU’s ban on Russian coal imports significantly impacted the coal market. Coal prices reached record highs and affordability and energy supply security became top political priorities. Despite the temporary increase in coal use due to geopolitical factors, the EU continued to focus on transitioning to renewable energy sources. Efforts to rebuild Ukraine and the EU’s commitment to reducing carbon emissions will play a crucial role in shaping the coal industry in future *(according to public.euracoal.eu)*

Energy sector of Ukraine remained under on-going attacks by Russia in 2023. These attacks targeted critical infrastructure, including power plants, substations and naturel gas facilities. As a result, Ukraine lost about half of its power generation capacity and many large network substations were damaged. Despite these challenges Ukraine managed to maintain a functioning energy system through ingenuity and support from international partners. Rolling cuts to electricity supply were implemented to manage the deficit. In 2023 calendar year total electricity production in Ukraine decreased by 29.3% y-o-y. Electricity production at nuclear power plants composed 50% of total electricity production; thermal power plants produced 15%.

Despite the on-going war and significant challenges the Ukrainian metallurgy demonstrated resilience in 2023. Production of crude steel and finished steel products remained stable compared to 2022. Ukrainian steel industry became more integrated with the EU with over 80% of steel exports going to EU countries. The European Commissions’s abolition of import quotas contributed to this deepening relationship, allowing Ukrainian companies to compensate for rising logistics costs and explore new market niches. The number of steel mills in Ukraine halved since 2013, but the remaining mills continued to operate and invest in modernization.

The real GDP of Ukraine for 2023 grew by 5.3%, according to the estimate of the State Statistics Service this recovery followed a significant decline of 28.8% in 2022. The processing industry played a crucial role, contributing significantly to tax revenues, renewed trade agreements and support for non-resource exports also helped drive economic growth.

The Ukrainian government expected the GDP to grow by 4% in 2024 calendar year. With key factors including continued support for local manufacturing, investment in infrastructure and promotion of non-resource exports. The National Bank of Ukraine forecasted that inflation will start to decline in 2024 with the inflation rate expected to be around 5%. This forecast however implied the assumption of continued economic recovery, controlled monetary policy and gradual easing of external pressures.

Review of the financial and operational results of Coal Energy S.A. including parent company and its subsidiaries (hereinafter "Company") for the six months (1H) FY2024 and 2Q FY2024.

The following table summarizes the Company's key indicators for the 2Q FY2024, the 1Q FY2024, 1H FY2024 and 1H FY2023 (numbers are rounded):

in thousands of US$	2Q FY2024	1Q FY2024	Relative change q-o-q	1H FY2024	1H FY2023	Relative change y-o-y
Revenue	82	-	*n/a*	82	760	*(89.2%)*
Gross profit/(loss)	29	-	*n/a*	29	(136)	*n/a*
EBIT	74	(4)	*n/a*	70	(101)	*n/a*
EBITDA	74	(4)	*n/a*	70	48	*n/a*
Net profit	96	15	*na*	111	(2,030)	*n/a*

Revenue

During the reporting period of six months total revenue comprised US$82 thousand declining from US$760 thousand in the 1H FY2023 by 89.2% y-o-y. This is attributed to the cessation of operational activities in the mining segment coupled with the launch of the new mining services segment only in the 2Q of FY2024. On a quarterly basis total revenue improved under introducing of new segment of business.

Gross profit

The Company recorded gross profit of US$29 thousand for the reporting six months of FY2024 as opposed to gross loss of US$136 thousand for the 1H FY2023. This improvement is under influence of key factors: shift in business strategy, optimization in operational efficiencies.

Operating profit

For the 1H FY2024 the Company recorded US$70 thousand of operating profit, improving the result as opposed to US$101 thousand of operating loss for the 1H FY2023 mainly under the factor of launch of the new mining services segment. Meanwhile the Company increased operating result q-o-q from US$4 thousand of operating loss for the 1Q FY2024 to operating profit of US$74 thousand for the 2Q FY2024 under influence of considerable impairment of accounts receivables in line with idled production capacities.

Financial costs

For the reporting six months financial costs decreased substantially and amounted to US$2 thousand as compared to US$764 thousand for the 1H FY2023 representing loss from non-operational exchange differences. On the quarterly basis the Company did not record financial costs in the 2Q FY2024 as opposed to US$2 thousand in the 1Q FY2024.

Net profit/ loss

The Company recorded net profit for the 1H FY2024 amounting to US$111 thousand as compared to US$2,030 thousand of net loss for the 1H FY2023. The Company's net profit for the 2Q FY2024 comprised US$96 thousand as compared to US$15 thousand for the 1Q FY2024.

Operational results

The Company did not conduct mining operations in the first six months of FY2024 as opposed to 9.3 thousand tonnes of thermal coal output in the 1H 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.

COAL ENERGY S.A.

1HY2024FY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

Coal Energy S.A.

1HY2024FY

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STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

To the best of our knowledge, the interim condensed consolidated financial statements as of 31 December 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 six months ended 31 December 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 six months on 31 December 2023.

1. Results and developments during the six months ended on 31 December 2023.
For the six months ended 31 December 2023, the Group recorded an EBITDA amounted USD 70 thousand (EBITDA for the six months ended 31 December 2022 – USD 48 thousand). After depreciation, amortization, finance costs and finance income, the net profit after taxation for the six months ended 31 December 2023 amounted USD 111 thousand (net loss for the six months ended 31 December 2022 – USD 2,030 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 six months ended 31 December 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	6 months ended 31 December 2023 (unaudited)	3 months ended 31 December 2023 (unaudited)	12 months ended 30 June 2023 (restated, unaudited)	6 months ended 31 December 2022 (restated, unaudited)	3 months ended 31 December 2022 (restated, unaudited)
CONTINUING OPERATIONS						
Revenue	6	82	82	760	760	476
Cost of sales	7	(53)	(53)	(896)	(896)	(504)
GROSS PROFIT/(LOSS)		**29**	**29**	**(136)**	**(136)**	**(28)**
General and administrative expenses	8	(55)	(42)	(165)	(25)	(13)
Other operating income/(expenses), net	9	98	88	355	(24)	(26)
Recovery/(impairment) of financial assets		(2)	(1)	(643)	84	(538)
OPERATING PROFIT/(LOSS)		**70**	**74**	**(589)**	**(101)**	**(605)**
Other non-operating income/(expenses), net		3	-	4	1	(122)
Finance income		-	-	10	8	6
Finance expenses	10	(2)	-	(768)	(764)	(4)
Disposal of subsidiaries	27	-	-	(65)	(65)	(65)
Acquisition of subsidiaries	26	53	53	-	-	-
PROFIT/(LOSS) BEFORE TAX		**124**	**127**	**(1,408)**	**(921)**	**(790)**
Income tax benefit/(expenses), net	11	-	-	(1,751)	(1)	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**124**	**127**	**(3,159)**	**(922)**	**(790)**
DISCONTINUED OPERATIONS						
Profit/(loss) from discontinued operation, net of tax		(13)	(31)	(10,531)	(1,108)	(143)
NET PROFIT/(LOSS)		**111**	**96**	**(13,690)**	**(2,030)**	**(933)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		111	96	(13,574)	(2,019)	(932)
Non-controlling interests		-	-	(116)	(11)	(1)
OTHER COMPREHENSIVE INCOME/(LOSS)						
Reclassification of currency translation reserve		-	-	(335)	(335)	(335)
Effect of foreign currency translation		(230)	(230)	(1,950)	(1,950)	10
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FROM CONTINUING OPERATIONS		**(230)**	**(230)**	**(2,285)**	**(2,285)**	**(325)**
DISCONTINUED OPERATIONS						
Effect of currency translation from discontinued operation		500	500	938	938	-
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**270**	**270**	**(1,347)**	**(1,347)**	**(325)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**381**	**366**	**(15,037)**	**(3,377)**	**(1,258)**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		376	361	(14,951)	(3,375)	(1,257)
Non-controlling interests		5	5	(86)	(2)	(1)
EARNINGS PER SHARE						
Weighted average number of ordinary shares		45,011,120	45,011,120	45,011,120	45,011,120	45,011,120
BASIC PROFIT/(LOSS) PER ORDINARY SHARE (USD cents)*		**0.25**	**0.21**	**(30.41)**	**(4.51)**	**(2.07)**
BASIC PROFIT/(LOSS) PER ORDINARY SHARE FROM CONTINUING OPERATIONS (USD cents)		**0.28**	**0.28**	**(7.02)**	**(2.05)**	**(1.76)**

Basic earnings per ordinary share are equal to diluted earnings per ordinary share.

Notes on pages 9 to 24 are an integral part of these interim condensed consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 (unaudited)	30 June 2023 (restated, unaudited)	31 December 2022 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	12	-	-	3,843
Right-of-use assets	21	-	-	3,249
Financial assets	13	-	-	720
		-	**-**	**7,812**
Current assets				
Inventories	14	2	-	1,495
Trade and other receivables	15	1,691	1,300	1,300
Prepayments and prepaid expenses	16	-	-	-
Other taxes receivables	17	8	-	181
Cash and cash equivalents	18	500	5	-
		2,201	**1,305**	**2,977**
TOTAL ASSETS		**2,201**	**1,305**	**10,789**
EQUITY				
Share capital	19	450	450	450
Share premium		77,578	77,578	77,578
Retained earnings		(82,539)	(82,650)	(3,560)
Currency translation reserve		(1,129)	(899)	(75,279)
Currency translation reserve related to operations held for sale		(6,327)	(6,822)	-
Equity attributable to equity holders of the parent		**(11,967)**	**(12,343)**	**(811)**
Non-controlling interest		(224)	(229)	(101)
TOTAL EQUITY		**(12,191)**	**(12,572)**	**(912)**
LIABILITIES				
Non-current liabilities				
Lease liabilities	21	-	-	1,799
Defined benefit obligation		-	-	477
Provisions	22	-	-	929
Deferred tax liabilities	11	-	-	135
		-	**-**	**3,340**
Current liabilities				
Loans and borrowings	20	900	864	864
Lease liabilities	21	-	-	352
Defined benefit obligation		-	-	950
Trade and other payables	23	768	384	2,461
Income tax payables	11	4,299	4,294	2,545
Other tax payables	17	392	-	1,189
Liabilities directly associated with the assets held for sale		8,033	8,335	-
		14,392	**13,877**	**8,361**
TOTAL LIABILITIES		**14,392**	**13,877**	**11,701**
TOTAL EQUITY AND LIABILITIES		**2,201**	**1,305**	**10,789**

Notes on pages 9 to 24 are an integral part of these interim condensed 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	**-**	**-**	111	-	-	**111**	-	**111**
Other comprehensive income/(loss)	**-**	**-**	-	(230)	-	**(230)**	-	**230**
Effect of currency translation from discontinued operation	**-**	**-**	-	-	495	**495**	5	**500**
31 December 2023	**450**	**77,578**	**(82,539)**	**(1,129)**	**(6,327)**	**(11,967)**	**(224)**	**(12,191)**

Notes on pages 9 to 24 are an integral part of these interim condensed consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6 months ended 31 December 2023 (unaudited)	12 months ended 30 June 2023 (restated, unaudited)	6 months ended 31 December 2022 (restated, unaudited)
OPERATING ACTIVITIES				
Profit/(loss) before tax from continuing operations		124	(1,408)	(921)
Profit/(loss) before tax from discontinued operations		(13)	(10,641)	(1,108)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization expenses		-	149	149
Finance income		-	(10)	(8)
Finance costs	10	2	768	764
Disposal of subsidiaries	27	-	65	65
Acquisition of subsidiaries	26	(53)	-	-
Impairment/(recovery) of prepayments made		-	(58)	-
Impairment/(recovery) of financial assets		2	1,273	2
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	8,535	-
Accounts payable write-off	9	-	(340)	(24)
Loss/(gain) from operational exchange differences	9	(98)	72	-
		36	**(1,595)**	**(1,081)**
Working capital adjustments:				
Change in trade and other receivables		(46)	(3,329)	(3,661)
Change in prepayments made and prepaid expenses		-	58	37
Change in inventories		(2)	-	1
Change in trade and other payables		13	4,954	4,657
Change in tax balances		-	(86)	45
		1	**2**	**(2)**
Income tax paid		-	-	-
Net cash flow from operating activity		**1**	**2**	**(2)**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets		-	-	-
Net cash acquired with subsidiaries	26	494	-	-
Net cash flow from investing activity		**494**	**-**	**-**
FINANCING ACTIVITIES				
Repayment of loans and borrowings		-	-	-
Net cash flow from financial activity		**-**	**-**	**-**
NET CASH FLOWS		**495**	**2**	**(2)**
Cash and cash equivalents at the beginning of the period	18	**5**	**3**	**3**
Cash disposed with subsidiaries	27	-	-	-
Cash received as consideration of subsidiaries disposal	27	-	-	-
Effect of currency translation		-	-	-
Cash and cash equivalents at the end of the period	18	**500**	**5**	**1**

Notes on pages 9 to 24 are an integral part of these interim condensed consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

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 at	
		31 December 2023	31 December 2022
Coal Energy S.A.	Luxembourg	Parent company	Parent company
Nertera Investments Limited	Cyprus	100,00	100,00
Coal Energy Trading Limited *	British Virgin Islands	-	100,00
CwAL LE "Mine St.Matrona Moskovskaya"	Ukraine	99,00	99,00
Perspective resources LLC	Ukraine	100,00	100,00
Ukrmineral Trading LLC **	Ukraine	100,00	-
Advanced Industrial Technologies LLC ***	Poland	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 4 July 2023, Coal Energy Trading Limited has been dissolved.

** As of 15 December 2023, the Group has acquired a new subsidiary – Ukrmineral Trading LLC with the main purpose of obtaining licenses for the mining of mineral resources in Ukraine.

*** As of 21 December 2023, the Group has acquired a new subsidiary – Advanced Industrial Technologies Sp. z.o.o. with the main purpose of providing underground mining services to coal mines in Poland.

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 six months ended 31 December 2023, Ukrainian hryvna officially stabled against USD. National Bank of Ukraine decreased key rate to 15% and started canceling of previously issued 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 six months ended 31 December 2023, the Group recorded USD 124 thousand of net profit from continuing operations (during the six months ended 31 December 2022, the Group recorded a net loss of USD 922 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.

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

CwAL LE "Mine St.Matrona has significant debt amounting to USD 8,033 thousand and classified as held for sales as of 31 December 2023.

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

Despite this fact, the Group achieved sufficient financial performance on its Polish subsidiary, which will become the main source of the Group's further income and cash flows.

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's accounting policy is consistent with those applied in the prior reporting year. Some new standards and interpretations have become mandatory for adoption in the reporting period beginning on or after 1 January 2023. Applying of these standards and interpretations had not material impact on the financial statements:

IFRS 17 "Insurance Contracts";
Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 – "Disclosure of Accounting Policies";
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – "Definition of Accounting Estimates";
Amendments to IAS 12 "Income Taxes" - "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction";
Amendments to IAS 12 "Income Taxes" - "Temporary Relief from Deferred Tax Accounting Following OECD Pillar Two Global Tax Reform".

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

Amendments to IAS 1 "Presentation of Financial Statements" - "Classification of Liabilities as Current or Non-Current";
Amendments to IAS 1 "Presentation of Financial Statements" - "Non-Current Liabilities with Covenants";
Amendments to IFRS 16 "Leases" - "Lease Liability in a Sale and Leaseback Transactions";
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - "Disclosure of Supplier Finance Arrangements";
Amendments to IAS 21 "Effect of Changes in Exchange Rates" - "Lack of Exchangeability";
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - "Sale or Contributions of Assets between an Investor and its Associate or Joint Venture".

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.

(b) Foreign currency transactions

UAH to USD exchange rates used in the preparation of these consolidated financial statements were as follows:

Date/period	UAH/USD
As of:	
- 31 December 2023	37.9824
- 30 June 2023	36.5686
- 31 December 2022	36.5686
Average for the:	
- three months ended 31 December 2023	36.5942
- three months ended 30 September 2023	36.5686
- three months ended 31 December 2022	36.5686
- three months ended 30 September 2022	34.9787

PLN to USD exchange rates used in the preparation of these consolidated financial statements were as follows:

Date/period	PLN/USD
As of:	
- 31 December 2023	3.9350
Average for the:	
- three months ended 31 December 2023	3.9214

(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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.7 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.11 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.18 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.

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.

(all amounts in USD thousand, unless otherwise stated)

5 INFORMATION ON OPERATIONAL 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 the sale of its own coal products and income from coal beneficiation;
- service activities - includes income from services rendered for coal mines;
- other activities - includes income from the rendering of other works and services.

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

Information about the segments of business for the six months ended 31 December 2023:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	82	-	**82**
Profit/(loss) before tax of the segment	**-**	**69**	**55**	**124**
Operational assets	**-**	**944**	**1,257**	**2,201**
Operational liabilities	**8,033**	**556**	**5,803**	**14,392**

Information about the segments of business for the three months ended 31 December 2023:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	82	-	**82**
Profit/(loss) before tax of the segment	**-**	**69**	**58**	**127**
Operational assets	**-**	**944**	**1,257**	**2,201**
Operational liabilities	**8,033**	**556**	**5,803**	**14,392**

Information about the segments of business for the six months ended 31 December 2022:

	Business segments				
	Mineral resource and processing industry (Ukraine)	Trade activity	Other activity	Assets and liabilities not included in segments	Total
Revenue					
Sales to external customers	760	-	-	-	**760**
Profit/(loss) before tax of the segment		**14**	**(935)**	**-**	**(921)**
Operational assets	**8,587**	**-**	**1,300**	**902**	**10,789**
Operational liabilities	**6,362**	**38**	**1,432**	**3,869**	**11,701**

Information about the segments of business for the three months ended 31 December 2022:

	Business segments				
	Mineral resource and processing industry (Ukraine)	Trade activity	Other activity	Assets and liabilities not included in segments	Total
Revenue					
Sales to external customers	476	-	-	-	**476**
Profit/(loss) before tax of the segment	**-**	**(1)**	**(789)**	**-**	**(790)**
Operational assets	**8,587**	**-**	**1,300**	**902**	**10,789**
Operational liabilities	**6,362**	**38**	**1,432**	**3,869**	**11,701**

(all amounts in USD thousand, unless otherwise stated)

5 INFORMATION ON OPERATIONAL SEGMENTS (continued)

As at 31 December 2022 assets of segments do not include financial assets (USD 720 thousand), cash (USD 1 thousand) and other taxes receivable (USD 181 thousand), since management of these assets is carried out at the Group level.

As at 31 December 2022 liabilities of segments do not include deferred tax liabilities (USD 135 thousand), other taxes payable (USD 1,189 thousand), income tax payables (USD 2,545 thousand), since management of these liabilities is carried out at the Group level.

The Group does not incur depreciation and amortization expenses or defined benefit plan obligations expenses, as well as has no capital expenditures. The Group does not have assets and liabilities that are not included in the above-mentioned business segments.

All non-current assets of the Group are located in Ukraine.

During the six months ended 31 December 2023, revenue from two significant counterparties of the Group amounted USD 82 thousand (six months ended 31 December 2022: null) arising from the services rendered and are presented in the Service activity segment.

6 REVENUE FROM SALES

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Revenue received from sale of finished goods	-	-	760	476
Revenue from service activity	82	82	-	-
	82	**82**	**760**	**476**

Services rendered are represented by mining works related to the reconstruction of existing third-party coal mines, installation of appropriate repair kits, works on strengthening of inclined planes, excavation of new lines and other mining works related to maintenance of coal mines.

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.

Geographical disaggregation of revenue was presented as follows:

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Ukraine	-	-	760	476
Poland	82	82	-	-
	82	**82**	**760**	**476**

7 COST OF SALES

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Raw materials	-	-	(2)	-
Wages and salaries of operating personnel	(52)	(52)	(16)	(8)
Depreciation and amortization expenses	-	-	(149)	(73)
Subcontractors services	-	-	(309)	(140)
Energy supply	-	-	(397)	(217)
Change in finished goods	-	-	(8)	(57)
Other expenses	(1)	(1)	(15)	(9)
	(53)	**(53)**	**(896)**	**(504)**

8 GENERAL AND ADMINISTRATIVE EXPENSES

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Subcontractors services	(52)	(40)	(8)	(5)
Wages and salaries of administrative personnel	-	-	(17)	(8)
Other expenses	(3)	(2)	-	-
	(55)	**(42)**	**(25)**	**(13)**

(all amounts in USD thousand, unless otherwise stated)

9 OTHER OPERATING INCOME/(EXPENSES), NET

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Doubtful debts income/(expenses)	-	-	-	-
Writing-off of VAT	-	-	(1)	(1)
Gain/(loss) from operational exchange differences	98	88	-	-
Income from lease	-	-	14	6
Accounts payable write-off	-	-	24	-
Other operating expenses	-	-	(61)	(31)
	98	**88**	**(24)**	**(26)**

10 FINANCIAL COSTS

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Loss from non-operational exchange differences	(2)	-	(764)	(4)
	(2)	**-**	**(764)**	**(4)**

11 INCOME TAX EXPENSES

	6 months ended 31 December 2023	3 months ended 31 December 2023	6 months ended 31 December 2022	3 months ended 31 December 2022
Current income tax	-	-	-	-
Deferred tax	-	-	(1)	-
Income tax expenses	**-**	**-**	**(1)**	**-**
At the beginning of the period	**4,294**	**4,299**	**2,542**	**2,545**
Current income tax charge	-	-	(1)	-
Effect of translation to presentation currency	5	-	4	-
At the end of the period	**4,299**	**4,299**	**2,545**	**2,545**

According to the Tax Code of Ukraine effective from 1 January 2014, corporate income tax rate is 18%.

Deferred tax assets and liabilities are measured at the corporate 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	Recognized in profit/(loss)	Currency translation effect	31 December 2023
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, intangible assets	-	-	-	-
Folded on individual Companies level	-	-	-	-
Total deferred tax liabilities	**-**	**-**	**-**	**-**
Net deferred tax asset/(liability)	**-**	**-**	**-**	**-**

	30 June 2022	Recognized in profit/(loss)	Currency translation effect	31 December 2022
Effect of temporary differences on deferred tax assets				
Intangible assets	15	-	(1)	11
Defined benefit plan obligations	34	-	2	29
Folded on individual Companies level	(49)	-	(1)	(40)
Total deferred tax assets	**-**	**-**	**-**	**-**
Effect of temporary differences on deferred tax liabilities				
Property, plant and equipment, intangible assets	(244)	(27)	47	(175)
Folded on individual Companies level	49	-	1	40
Total deferred tax liabilities	**(195)**	**(27)**	**48**	**(135)**
Net deferred tax asset/(liability)	**(195)**	**(27)**	**48**	**(135)**

(all amounts in USD thousand, unless otherwise stated)

12 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	-	-	-	-	-	**-**
31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**
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	-	-	-	-	-	**-**
31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
30 June 2022	**4,955**	**810**	**528**	**2**	**2,932**	**9,227**
30 June 2023 (restated)	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**

As of 31 December 2023 and 31 December 2022, property, plant and equipment were not pledged under loans agreements. During the years ended 31 December 2023 and 31 December 2022, there were no capitalized borrowing costs. During the years ended 31 December 2023 and 31 December 2022, there were no capitalized research and development costs. As of 31 December 2023 and 31 December 2022, there were no contractual commitments for property, plant and equipment of the Group.

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.

13 FINANCIAL ASSETS

	31 December 2023	30 June 2023	31 December 2022
Loans issued	-	-	720
	-	**-**	**720**

14 INVENTORIES

	31 December 2023	30 June 2023 (restated)	31 December 2022
Merchandise	-	-	3
Finished goods	-	-	44
Raw materials	-	-	998
Spare parts	-	-	444
Other inventories	-	-	6
	-	**-**	**1,495**

As of 32 December 2023 and 31 December 2022, loans were not secured by inventories.

15 TRADE AND OTHER RECEIVABLES

	31 December 2023	30 June 2023 (restated)	31 December 2022
Trade receivables	395	-	2,298
Allowance for trade receivables	(7)	-	(2,298)
Other receivables	1,303	1,300	5,419
Allowance for other receivables	-	-	(4,119)
	1,691	**1,300**	**1,300**

As of 31 December 2023 and 31 December 2022, loans were not secured by trade and other receivables.

(all amounts in USD thousand, unless otherwise stated)

16 PREPAYMENTS AND PREPAID EXPENSES

	31 December 2023	30 June 2023 (restated)	31 December 2022
Advances paid	14	14	1,771
Allowances for advances paid	(14)	(14)	(1,771)
	-	**-**	**-**

17 TAXES RECEIVABLE AND PAYABLE

	31 December 2023	30 June 2023 (restated)	31 December 2022
Current taxes receivable			
VAT recoverable	-	-	181
Other taxes receivable and prepaid	8	-	-
	8	**-**	**181**
Current taxes payable			
Payable for wages and salaries related taxes	219	-	344
VAT payable	80	-	552
Payables for other taxes	93	-	293
	392	**-**	**1,189**

18 CASH AND CASH EQUIVALENTS

	31 December 2023	30 June 2023	31 December 2022
Cash in bank	500	5	-
Cash in hand	-	-	-
	500	**5**	**-**

19 SHARE CAPITAL

	31 December 2023		30 June 2023		31 December 2022	
	%	Amount	%	Amount	%	Amount
Lycaste Holding Limited*	55	249	55	249	55	249
Free float	25	112	25	112	25	112
Management of subsidiaries	20	89	20	89	20	89
	100	**450**	**100**	**450**	**100**	**450**

During the six months ended 31 December 2023 and 31 December 2022, the number of shares has remained unchanged.

20 LOANS AND BORROWINGS

	31 December 2023	30 June 2023	31 December 2022
Current loans and borrowings			
Current borrowings	900	864	864
	900	**864**	**864**

As of 31 December 2023 and 31 December 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.

21 LEASE

	31 December 2023	30 June 2023 (restated)	31 December 2022
Due within 1 year	-	-	352
From 1 to 5 years	-	-	920
More than 5 years	-	-	879
	-	**-**	**2,151**

As of 31 December 2023 and 30 June 2023, lease liabilities were reclassified as liabilities directly associated with the assets held for sale.

Right-of-use assets

	31 December 2023	30 June 2023 (restated)	31 December 2022
Property, plant and equipment	-	-	3,249
	-	**-**	**3,249**

(all amounts in USD thousand, unless otherwise stated)

22 PROVISIONS

	31 December 2023	30 June 2023 (restated)	31 December 2022
Provision for land restoration	-	-	929
	-	**-**	**929**

As of 31 December 2023 and 30 June 2023, provisions were reclassified as liabilities directly associated with the assets held for sale.

23 TRADE AND OTHER PAYABLES

	31 December 2023	30 June 2023 (restated)	31 December 2022
Trade payables	63	70	1,418
Payables for wages and salaries	95	9	679
Payables for unused vacations	-	-	11
Other payables	610	305	302
Advances received	-	-	51
	768	**384**	**2,461**

24 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. Provision of loans and operations with notes are made at terms different from the transactions with independent parties.

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:

	31 December 2023	30 June 2023 (restated)	31 December 2022
Other receivables	-	-	878
Allowance for other receivables	-	-	(878)
Other payables	330	246	109
Trade payables	3	3	215

25 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.

26 ACQUISITIONS OF SUBSIDIARIES

As of 15 December 2023, the Group has acquired a new subsidiary – Ukrmineral Trading LLC with the main purpose of obtaining licenses for the mining of mineral resources in Ukraine.

As of 21 December 2023, the Group has acquired a new subsidiary – Advanced Industrial Technologies Sp. z.o.o. with the main purpose of providing underground mining services to coal mines in Poland.

Details of the above-mentioned acquisitions are presented as follows.

	Ukrmineral Trading LLC	Advanced Industrial Technologies LLC	Total
Inventories	-	2	**2**
Trade and other receivables	-	358	**358**
Other tax receivables	-	8	**8**
Cash and cash equivalents	1	494	**495**
Loans and borrowings	-	(37)	**(37)**
Trade and other payables	-	(64)	**(64)**
Other tax payables	-	(389)	**(389)**
Net assets at the date of acquisition	**1**	**372**	**373**
Effective ownership ratio, %	100.00	100.00	**100.00**
Non-controlling interests	-	-	**-**
Fair value of consideration	1	319	**(320)**
Profit/(loss) from acquisition	**-**	**53**	**53**
Cash paid as consideration	(1)	-	**(1)**
Total cash flow from acquisition	**-**	**494**	**494**

(all amounts in USD thousand, unless otherwise stated)

27 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	**-**	**-**

28 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.