

Unaudited annual accounts

30 June 2021

For the year beginning 1 July 2020 and ending 30 June 2021

Coal Energy S.A.

Société anonyme

205, route d'Arlon,
L-1150 Luxembourg
Luxembourg: B 154144

Coal Energy S.A.
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For the year beginning 1 July 2020 and ending 30 June 2021

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BALANCE SHEET

As at	Notes	30 Jun 2021	30 Jun 2020
<i>(expressed in US Dollar)</i>		USD	USD
ASSETS			
Fixed assets			
Financial fixed assets	3		
Shares in affiliated undertakings		72 006 905,28	72 006 905,28
Amounts owed by affiliated undertakings		34 957 456,54	34 957 456,54
Total fixed assets		106 964 361,82	106 964 361,82
Current assets			
Debtors	4		
Amounts owed by affiliated undertakings becoming due and payable within one year		15 655 015,96	13 313 507,28
Other receivables becoming due and payable within one year		772,38	15 176,94
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		510,07	510,07
Total current assets		15 656 298,41	13 329 194,29
Prepayments and accrued income	5		-
TOTAL ASSETS		122 620 660,23	120 293 556,11

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BALANCE SHEET

As at	Notes	30 Jun 2021	30 Jun 2020
<i>(expressed in US Dollar)</i>		USD	USD
LIABILITIES			
Capital and reserves	6		
Subscribed capital		450 111,20	450 111,20
Share premium and similar premiums		80 540 783,11	80 540 783,11
Profit or (loss) brought forward		(14 245 474,82)	(12 388 643,10)
Profit or (loss) for the financial year		2 289 604,12	(1 856 831,72)
Total capital and reserves		69 035 023,61	66 745 419,49
Non subordinated debts	7		
Amounts owed to credit institutions becoming due and payable within one year		53 028 599,10	53 028 599,10
becoming due and payable after more than one year		-	-
Trade creditors becoming due and payable within one year		281 623,78	338 693,19
Tax and social security debts Tax debts		415,94	32 194,14
Other creditors becoming due and payable within one year		274 997,80	148 650,19
Total non subordinated debts		53 585 636,62	53 548 136,62
TOTAL LIABILITIES		122 620 660,23	120 293 556,11

signed

 Viktor Vyshnevetsky, Director A

signed

 Arthur David Johnson, Director A

signed

 Oleksandr Reznik, Director A

signed

 Diyor Yakubov, Director B

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PROFIT AND LOSS ACCOUNT		from 1 Jul 2020	from 1 Jul 2019
For the period	Notes	to 30 Jun 2021	to 30 Jun 2020
<i>(expressed in US Dollar)</i>			
CHARGES			
Other external charges		37 500,00	31 640,65
Other operating charges	9	14 404,56	-
Interest and other financial charges			
other interest and similar financial charges		-	3 603 461,06
Total interest and other financial charges		<u>-</u>	<u>3 603 461,06</u>
Income tax	10	-	-
Other taxes not included in the previous caption		-	-
TOTAL CHARGES		<u>51 904,56</u>	<u>3 635 101,71</u>
INCOME			
Other operating income			
Other interest and other financial income			
derived from affiliated undertakings		2 341 508,68	1 769 521,21
other interest and similar financial income		-	8 748,78
Total interest and other financial income		<u>2 341 508,68</u>	<u>1 778 269,99</u>
TOTAL INCOME		<u>2 341 508,68</u>	<u>1 778 269,99</u>
Profit or (loss) for the financial year		2 289 604,12	(1 856 831,72)

signed

 Viktor Vyshnevetsky, Director A

signed

 Arthur David Johnson, Director A

signed

 Oleksandr Reznyk, Director A

signed

 Diyor Yakubov, Director B

1 General information

Coal Energy S.A. (hereafter the "Company") was incorporated on 17 June 2010 and organised under the laws of Luxembourg as a Société anonyme for an unlimited period.

The registered office of the Company is established in Luxembourg, 205, route d'Arlon L-1150 Luxembourg and the Company number with the Registre de Commerce is B 154144. The financial year of the Company starts on 1 July and ends on 30 June of each year.

The purpose of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, control and development of its portfolio.

The Company may further guarantee, grant loans or otherwise assist the companies in which it holds a direct or indirect interest or which form part of the same group of companies as the Company.

The Company also prepares consolidated financial statements, which are published according to the Luxembourg legal requirements.

2 Summary of significant accounting policies

Basis of preparation

The annual accounts of the Company are prepared in accordance with Luxembourg legal and regulatory requirements.

Accounting policies and valuation rules follow the historical cost convention and are, besides the ones laid down by the law, determined and applied by the Board of Directors.

Financial fixed assets

Shares in affiliated undertakings and participating interests are valued at purchase price including the expenses incidental thereto.

Loans to affiliated undertakings, participating interests and other loans are valued at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments and accrued income

This asset item includes expenditures incurred during the financial period but relating to a subsequent financial period.

Provisions

Provisions are intended to cover losses or debts of which the nature is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial period under review or in a previous financial period, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Accruals and deferred income

This liability item includes income received during the financial period but relating to a subsequent financial period.

Value adjustments

Value adjustments are deducted directly from the related asset.

Foreign currency translation

The Company maintains its accounts in US Dollar ("USD"). Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Formation expenses and fixed assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank and all items subject to fair value valuation are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation. Consequently, only realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and only the net unrealised loss is recorded in the profit and loss account.

Going concern

The annual accounts are prepared on a going concern basis even though the accumulated losses exceed 75% of the corporate capital of the Company. As a result the Company is depending on the ongoing financial support of the Group.

Coal Energy S.A.
Notes to the unaudited annual accounts
For the year beginning 1 July 2020 and ending 30 June 2021
(expressed in US Dollar)

3 Financial fixed assets

Financial fixed assets held at cost less impairment - movements gross book value	Gross book value - opening balance	Additions	Disposals	Transfers	Gross book value - closing balance
Shares in affiliated undertakings	72 006 905,28	-	-	-	72 006 905,28
Amounts owed by affiliated undertakings	34 957 456,54	-	-	-	34 957 456,54
Total	106 964 361,82	-	-	-	106 964 361,82

Financial fixed assets held at cost less impairment - movements net book value	Net book value - opening balance	Additions	Disposals	Transfers	Net book value - closing balance
Shares in affiliated undertakings	72 006 905,28	-	-	-	72 006 905,28
Amounts owed by affiliated undertakings	34 957 456,54	-	-	-	34 957 456,54
Total	106 964 361,82	-	-	-	106 964 361,82

Undertakings in which the Company holds at least 20% in their share capital or in which it is a general partner are as follows:

Name	Registered Office	Ownership %	Net Value	Date of last non approved accounts	Net equity in last non approved accounts	Net result in last non approved accounts (loss)
Nertera Investments Limited	Cyprus	100%	72 006 905,28	31 Dec 2016	66 302 339,00	(2 410 273,00)

Loans to affiliated undertakings	Counterparty	Currency	Amount	Amount USD	Interest rate	Maturity date
	Nertera Investments Limited	USD		2 217 083,08	4,50%	Nov 2021
	Nertera Investments Limited	USD		32 740 373,46	Libor 6m + 5.85%	Jun 2020
Total				34 957 456,54		

4 Debtors

Debtors	Within one year	More than one year	30 Jun 2021	30 Jun 2020
Amounts owed by affiliated undertakings	15 655 015,96	-	15 655 015,96	13 313 507,28
Other receivables	772,38	-	772,38	15 176,94
Total	15 655 788,34	-	15 655 788,34	13 328 684,22

Accrued interest receivable from affiliated undertakings	Counterparty	Currency	Amount USD	Interest rate	Maturity date
	Accruals loan interest to Nertera Investments Limited	USD	826 960,84	4,50%	N/A
	Accruals loan interest to Nertera Investments Limited	USD	14 828 055,13	Libor 6m + 5.85%	N/A
Total			15 655 015,96		

5 Prepayments and accrued income

Prepayments and accrued income	30 Jun 2021	30 Jun 2020
	-	-
Total	-	-

6 Capital and reserves

Movements in capital and reserves	Balance as at 30 June 2020	Allocation of preceding year result	Other movements	Net result for current year	Balance as at 30 Jun 2021
Subscribed capital	450 111,20	-	-	-	450 111,20
Share premium and similar premiums	80 540 783,11	-	-	-	80 540 783,11
Profit or (loss) brought forward	(14 245 474,82)	-	-	-	(14 245 474,82)
Profit or (loss) for the financial year	-	-	-	2 289 604,12	2 289 604,12
Total	66 745 419,49	-	-	2 289 604,12	69 035 023,61

The subscribed capital amounts to USD 450,111.20 and is divided into 45,011,120 shares with a nominal value of USD 0.01 fully paid up at 30 June 2020.

The Company shares were admitted to trading on Warsaw Stock Exchange on 4 August 2011. The offer price for one share was established at PLN 20.00 and the final number of the offer shares was 11,252,780.00.

Legal reserve

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, after deducting any cumulated losses, until this reserve equals 10% of the nominal value of the subscribed share capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company.

Coal Energy S.A
Notes to the unaudited annual accounts
For the year beginning 1 July 2020 and ending 30 June 2021
(expressed in US Dollar)

7 Non subordinated debts

Creditors by category	Within one year	More than one year	30 Jun 2021	30 Jun 2020
Amounts owed to credit institutions	53 028 599,10	-	53 028 599,10	53 028 599,10
Trade creditors	281 623,78	-	281 623,78	338 693,19
Tax and social security debts	415,94	-	415,94	32 194,14
Other creditors	274 997,80	-	274 997,80	148 650,19
Total	53 585 636,62	-	53 585 636,62	53 548 136,62

Amounts owed to credit institutions	Within one year	More than one year	30 Jun 2021	30 Jun 2020
Accrued interest - Financial institution	18 028 599,10	-	18 028 599,10	18 028 599,10
Loan - Financial institution	35 000 000,00	-	35 000 000,00	35 000 000,00
Total	53 028 599,10	-	53 028 599,10	53 028 599,10

Amounts owed to credit institutions Becoming due and payable after more than one year	Currency	30 Jun 2021	Interest rate
Loan - Financial institution	n/a	-	n/a
Total		-	-

Other creditors	Within one year	More than one year	30 Jun 2021	30 Jun 2020
A.D. Johnson	175 000,00	-	175 000,00	137 500,00
M.Vishnevetskaya	5 188,93	-	5 188,93	5 188,93
V.Vishnevetskiyy	5 961,26	-	5 961,26	5 961,26
Other creditors	88 847,61	-	88 847,61	-
Total	274 997,80	-	274 997,80	148 650,19

8 Staff costs

During 2021 FY and 2020 FY, the Company did not employ any staff and, consequently no payments for wages, salaries or social security were made.

9 Other operating income and charges

Other operating charges	30 Jun 2021	30 Jun 2020
Director's fees	37 500,00	25 000,00
Total	37 500,00	25 000,00

10 Income tax

The Company is subject to normal taxation under Luxembourg tax regulations.

The tax position until 2018 has been assessed by the Luxembourg tax authorities on the basis of a provisional tax assessment and may still be subject to a review by the authorities within five years following the date of the provisional tax assessment. The issuance of a final tax assessment could result in additional tax payable/ receivable.

11 Off balance sheet commitments and transactions

On 14 March 2014 the Company entered into a surety agreement with OTP Bank to act as a guarantor for securing obligations of "Donantratsit" LLC under factoring agreement Nr FT 14-090/100-3 in an amount not exceeding UAH 39,200,000.00.

12 Related party transactions

There were no transactions with related parties during the 2021 FY and 2020 FY.

13 Emoluments granted to the members of the managing and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

Remuneration granted to the members of the managing and supervisory bodies acting in that capacity and any commitments arising or contracted in respect of retirement pensions for former members of those bodies for the financial year are broken down:

Remuneration members of managing and supervisory bodies	30 Jun 2021	30 Jun 2020
Managing bodies	37 500,00	25 000,00
Total	37 500,00	25 000,00

14 Advances and loans granted to the members of the managing and supervisory bodies

There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during 2021 FY and 2020 FY.

15 Subsequent events

Over 2021 FY, due to the escalation of the military unrests in the region of the Company's assets and headquarters, the Company's further development has remained uncertain, as well as the audit procedure for the annual accounts as at 30 June 2021 has been postponed until further notice.

signed
Viktor Vyshnevetsky, Director A

signed
Arthur David Johnson, Director A

signed
Oleksandr Reznik, Director A

signed
Diyor Yakubov, Director B

COAL ENERGY S.A.
Société Anonyme
205, route d`Arlon, L-1150 Luxembourg
R.C.S. Luxembourg: B 154.144
Capital social: USD 450.111,20
(the **Company**)

STATEMENT OF MANAGEMENT RESPONSIBILITY

To the best of our knowledge, the financial statements as at 30 June 2021 of Coal Energy S.A. have been prepared in accordance with LUX GAAP accounting standards give a true and fair view of the assets, liabilities, financial position and result of its operations for the year ended 30 June 2021. The annual management report includes a fair review of the information required under article 3(3) of the Transparency Law.

Luxembourg

On behalf of management

Directors A:

Director B:

_____ signed _____
Chairman of the Board of Directors
Viktor Vyshnevetsky

_____ signed _____
Independent Non-executive Director
Diyor Yakubov

_____ signed _____
Business Development Director
Oleksandr Rezyk

_____ signed _____
Independent Non-executive Director
Arthur David Johnson

Luxembourg, 29 October 2021