SEVEN GLOBAL INVESTMENTS

Consolidated Annual Report 2023

www.7gi.com

Table of Contents

Foreword

Dear Colleagues, Partners, and Stakeholders,

We had an amazing year 2023. We have identified and thoroughly analysed over 200 potential investments, and we have proudly achieved some significant milestones. Let me highlight the historic entry into the Asian market with the signed agreement of acquisition of the Mong Duong 2 power plant in Vietnam, the return to the UK power market via the acquisition of InterGen gas-fired powerplants, and our strategic move into the U.S. market with additional mining rights acquisitions and opening of our permanent office in New York City to stay close to the US growth opportunities. Year 2023 was busy also in managing the already acquired businesses, especially the incorporation of the recently acquired Australian assets.

I would like to express my heartfelt thanks to all our employees, partners, and the entire team that have contributed to the growth and success of our Group. The hard work, dedication, and commitment to excellence have been instrumental in our success. Together, we have achieved significant milestones, and I am confident that with dedicated team and continued support of our partners, we will reach even greater heights in the future.

As we move forward, we will continue to actively seek out new business opportunities in various regions and sectors and apply the same level of scrutiny and analysis to ensure that Sev.en Global Investments a.s. remains agile and competitive in the ever-evolving market.

I am confident that we will continue to achieve long-term success and deliver value to all our stakeholders.

Alan Svoboda

CEO and Chairman of Board of Directors

Who we are

Sev.en Global Investments a.s. ("the Group" or "Sev.en GI") is a family office investment group known for its astute approach and tenacious spirit. Headquartered in the Czech Republic, our presence spans four continents: North America, Australia, Asia, and Europe.

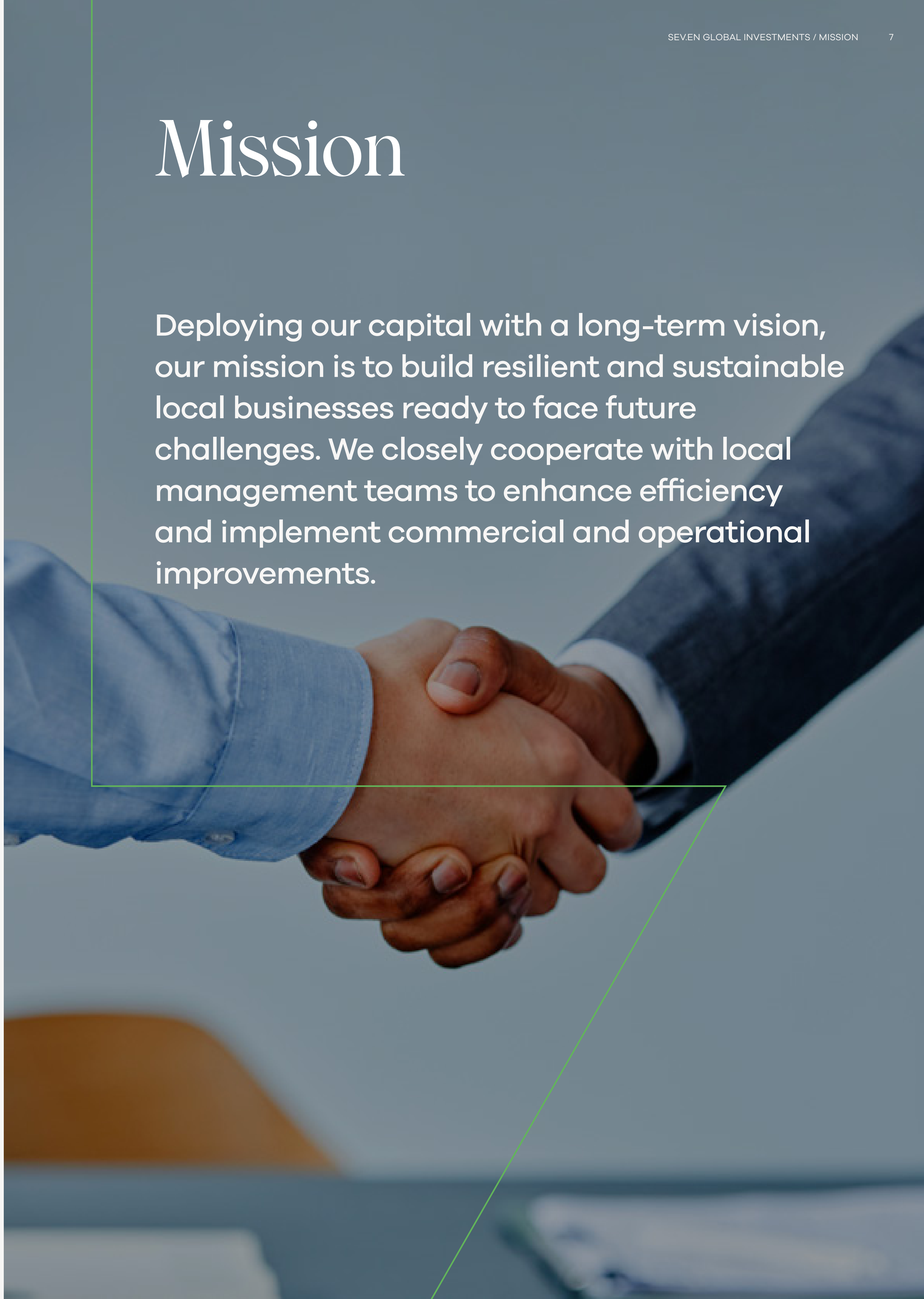
As a family office with a long-term vision, we deploy private capital into opportunities, primarily in power generation, metallurgical coal mining, mining rights, and natural resources mining, all offering strong risk-adjusted return.

- **We provide long-term private capital to navigate a fast-changing world.**
- **We target restructuring and growth acquisition opportunities across various industries worldwide.**
- **We aim to develop robust and resilient businesses that benefit stakeholders, employees, shareholders, and communities and are prepared to face future challenges.**

	2023
Revenues	1,854 MEUR
EBITDA	432 MEUR
Total assets	1,895 MEUR
Number of employees	2,750+

	2023
Total installed generation capacity[1]	5,880 MW
Coal mined per annum	10+ m tons
Coal reserves	2.2+ bn tons
Sulphate of potash capacity	9.3 m tons

[1] Total installed generation capacity includes 100% of each power generation entity.



Mission

Deploying our capital with a long-term vision, our mission is to build resilient and sustainable local businesses ready to face future challenges. We closely cooperate with local management teams to enhance efficiency and implement commercial and operational improvements.

Values

We have extensive and credible experience and expertise in asset management within the energy industry, including coal and mineral mining. Our success is the result of several key characteristics of our group and the people we work with.

Family Office Benefits

As a family office for strategic investments, we benefit from flexibility and agility, unencumbered by the lengthy robust processes typical for large corporate groups. Deploying our capital enables us to invest swiftly and efficiently, responding promptly to market opportunities.

Technical Expertise

Our team has a profound understanding of technologies in the industries we focus on, enabling us to implement innovative solutions that enhance operational efficiency and drive growth.

Extensive Experience

We have a wealth of experience across various sectors and geographies, allowing us to navigate complex challenges and capitalize on emerging opportunities.

Global Scale and Knowledge

Our global presence provides us with a comprehensive view of market dynamics and trends, ensuring informed decision-making and strategic planning.

Vision

Our vision is to lead the way in responsible investing in our focused industry sectors, creating strong, resilient, and successful local businesses that benefit our stakeholders, the environment and contribute to the sustainable global economy.

Key Highlights

Divestiture of UK Assets

In January 2023, the Group sold its 50% stake in InterGen's UK utility group. The exit followed significant operational improvements and a quadrupling of EBITDA over three years, reflecting the Group's strategy to enhance value through active management.

Major Acquisition of Coal Mining Rights in the US

In March 2023, the Group, through its subsidiary Golden Eagle Land Company, LLC acquired Colt, LLC and Ruger Coal Company, LLC, gaining control over 120,000 hectares of mineral rights in the Illinois Basin and secured mining rights to more than 2 billion tons of recoverable thermal coal reserves in the same region. This acquisition positions Golden Eagle as one of the largest coal royalty firms in the USA.

Expansion in Australia with New Mining Royalties

In March 2023, the Group expanded its Australian portfolio by acquiring land parcels with mining royalty rights from Coca-Cola Europacific Partners. The acquisition, covering 8,000 hectares, reinforces Group's position in the Australian mining sector.

Entry into the Asian Market

In November 2023, Sev.en Global Investments a.s. made a historic entry into Asia with the agreement on purchase of a 51% stake in the Mong Duong 2 coal-fired power plant in Vietnam. In August 2024, the Group announced the acquisition of an additional 19% stake from China Investment Corporation. This acquisition is expected to be closed in 2025 due to necessary regulatory approvals and will mark the largest Czech investment in Vietnam.

Vales Point Power Station Life Extension

Delta Electricity has advised the Australian Energy Market Operator of a 2033 technical life assessment for the Vales Point Power Station. The purpose of this assessment is to provide the Electricity Statement of Opportunities with a condition assessment of the existing generation equipment, ash dam capacity and general condition of the facility. The previous closure date provided to the Electricity Statement of Opportunities was 2029, which was based on a nominal 50-year asset life. As the 2029 date draws closer, Delta has been able to estimate plant technical capabilities with a greater level of accuracy.

InterGen's UK Gas Power Plants Portfolio Acquired

In February 2024, InterGen´s gas-fired power plants portfolio which includes three combined-cycle plants in Rocksavage, Coryton, and Spalding, and an open-cycle plant in Spalding, become a part of the Group. The acquisition included 100 % stake of gas-fired power plants portfolio but does not include Gateway Energy Centre's battery energy storage system project and other battery storage systems projects under development.

US Market Expansion

With the opening of a new office in New York City, the Group aims to further enhance its presence in the power generation and gas sectors. This strategic move demonstrates the commitment to diversifying portfolio and pursuing new growth opportunities in the United States. We are excited to have Robert K. Simmons on board as our new US Country Manager, leading this expansion.

Investment Strategy

Our investment strategy, while opportunistic in pursuing the right private transactions, is centered around three key sectors: mining of metallurgical coal and other essential minerals, energy generation including gas and coal-fired power, and mining royalties.

Our investment portfolio spans 4 continents. In the USA, we have a mining company focused on metallurgical coal, Blackhawk Mining, and Golden Eagle Land Company owning mining rights to over 2 billion tons of coal reserves. In Australia, we own Delta Electricity- a coal-fired power plant Vales Point, with an adjacent underground mine Chain Valley and Sev.en Royalties that possess coal mining rights, furthermore we co-own Genuity that holds shares in power stations Callide C and Millmerran. In the region we also focus on the production of sulphate of potash, having SO4 company in our portfolio. In the UK, we hold a company InterGen with 4 gas-fired power plants. Recently we have expanded to Vietnam, where we signed an acquisition of the majority stake in Mong Duong 2 power plant, with the completion of the transaction expected in 2025.

Our targeted equity investment ticket ranges from EUR 500 million to 1 billion, allowing us to act swiftly and efficiently with our private funds. By working closely with the management teams of our portfolio companies, we achieve strong growth and high returns on invested capital.

Pre-acquisition Phase

- We consider technical due diligence as a vital element in asset evaluation.
- By leveraging our in-house expertise and knowledge gained from operating existing assets we verify technical value drivers and quantify potential opportunities and risks.

Post-acquisition Phase

- We monitor and optimize operations.
- We strive for peak efficiency, outstanding performance, and robust economic returns.
- We look for the optimal balance between reliability and maintenance costs while maintaining safety standards.
- We work diligently on reducing emissions and pursue the sustainability of operations.

Our Group is a seasoned operator of coal-fired power plants in Australia, soon to be present in Asia, and the operator of gas-fired power plants in the UK. We focus on sustainable business development and efficient asset management, ensuring energy security and reliable operations.

We have a deep understanding of the mining industry, thanks to managing businesses including a met coal company Blackhawk Mining in the United States, and a potash mining company SO4 in Australia.

We build our business upon long standing history and success of our sister group, Sev.en Česká energie a.s. and its predecessors in the energy generation and mining sectors. Sev.en Česká energie a.s. operates the largest lignite deposit in the Czech Republic and is the largest privately owned power generation group in the country.

Interest in Capital Shortage Sectors

As certain sectors experience capital shortage due to e.g. industry cycle volatilities, ESG disadvantages or high capital intensity, they often fall out of favor with large institutional investors. This shortage of capital and talent creates opportunities for the Group to acquire assets at favorable prices.

However, our interests extend beyond these sectors. We are also keen on identifying opportunities in investments, where restructuring is needed or in prospects, where there is a clear path to achieving operational control and growth. With our global reach, technical expertise, and highly skilled team, we are well-positioned to manage our assets efficiently and to unlock their full potential.

Mining

Sev.en Global Investments aims to capitalize on experience from its successful coal mining operations around the world and expand to mining of other ores and minerals. The primary targets are coal, copper, uranium, lithium etc., where Sev.en GI can play a significant role globally.

Mining Rights

Portfolios of land and mining rights are assets which generate royalty income to the owner, when the underlying minerals are mined from the property. Since the royalty is often tied to the volumes and prices of the extracted commodity, they provide an indirect exposure to markets. Sev.en GI sees royalty rights as a valuable complement to direct commodity exposure held in operating mines or power plants.

Mining rights are often held in family estates for many generations and the heirs often have little connection to the assets themselves. Sev.en GI adds value by offering to acquire the assets to give the existing owners the chance to invest into other assets closer to their investment objectives.

Potash

Sulphate of potash (SOP) is a fertiliser that is commonly used on high-value and chloride-sensitive crops, and for crops that are intolerant to chloride or grown in soils that are prone to drought, where excessive chloride can potentially accumulate. It is an environmentally friendly fertiliser, the application of which has no major impact on water contamination or soil degradation. With a growing pressure to increase global agricultural yields, we see a strong potential in the mineral fertiliser market globally.

Steel

The conventional carbon-intensive methods used to manufacture steel result in high carbon emissions, presenting a significant challenge for the steel industry. However, the transition to more sustainable methods is not as clear-cut as in the energy sector.

This highlights the need for innovative solutions that can reduce emissions while maintaining high-quality production. We are well positioned to successfully invest in the steel sector.

Conventional Energy Generation

Coal and gas fired power plants play a crucial role in providing stable energy supply to the national grids, at least until renewable energy sources are fully developed and widespread. These plants have several further years of remaining useful life; shutting them down prematurely could result in a risk of energy shortages. Therefore, while transitioning towards cleaner energy sources, coal and gas-fired power plants will still play a vital role in most economies. Sev.en Česká energie has a strong historical experience from the Sev.en group in Europe and Delta Electricity in Australia to efficiently acquire, refurbish and operate conventional power plants worldwide.

Lithium and other Battery Metals

Battery production is one of the fastest growing energy sectors. Batteries play a crucial role in decarbonization of transport and power generation through possible grid energy storage applications. Sev.en Global Investments aims at entering the ambitious mining and processing projects to enable the scale-up of global battery production capacity.

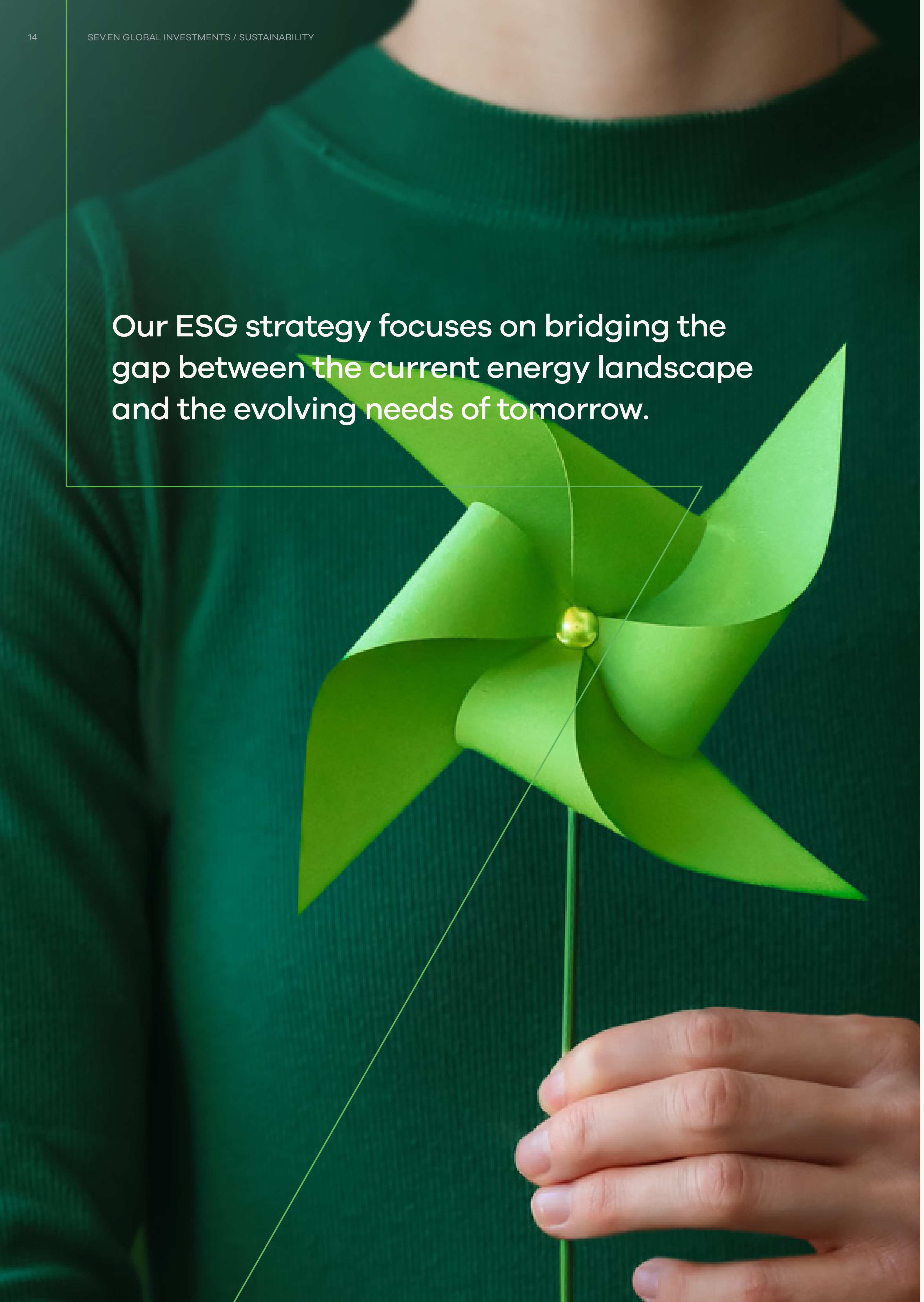
Uranium

Nuclear power is gaining substantial momentum globally. Sev.en GI believes that nuclear power should and will play a major role in the energy transition. We welcome opportunities to get involved in the sector and help unlock the potential of such power generation.

Uranium is the source of clean and safe baseload power for areas deprived of renewable energy. There is a high density of energy in uranium: 1 uranium pellet 2 cm small can replace 1 ton of coal. Uranium supply is very limited, controlled and underinvested, but it is experiencing very stable and rising demand.

"Expanding beyond our core business segments, in 2023 and onwards we have been seeking opportunities in steelmaking, metals and oil & gas segments. We are also opportunistic in other industries including pharmaceuticals, chemicals or sustainable technologies projects."

Petr Štulc
Chief Strategy Officer



Our ESG strategy focuses on bridging the gap between the current energy landscape and the evolving needs of tomorrow.

Sustainability

Through the pursuit of best practices, adherence to environmental standards, identification of sustainable investments, and a focus on social and economic responsibility, we strive to create a resilient energy sector.

By upholding operational excellence, financial stability, and transparent business practices, we aim to honor our environmental commitments and contribute to a greener future in the long term.

- We're taking decisive action to reduce air pollution and protect the environment.
- We explore opportunities to recycle and reuse materials within the mining and power generation processes.
- We prioritise social responsibility by fostering a positive impact on the community in which we operate.
- We strive for operational excellence, ensuring the safety and well-being of our employees and stakeholders. Additionally, we support initiative that contribute to local development, education, and social welfare. Our intention is to build long-lasting partnerships with local communities.
- Transparency is a core value at Sev.en Global Investments a.s. We are committed to implementing and maintaining transparent business practices and ensuring clear communication with our stakeholders.

Sustainable Projects Case Studies

Blackhawk Mining Reclamation Projects

Land restoration is a key component of Blackhawk Mining's operations. In collaboration with regulatory agencies and local communities, the company has reclaimed over 10,000 acres (4,000 Ha) in the past four years, earning the Phase I release and nine awards for outstanding reclamation, including the Environmental Excellence Award for its Rockwell Complex in 2024. Since 2020, Blackhawk Mining has taken over mining permits for over 7,000 acres (2,800 Ha) from a bankrupt coal company, focusing on restoration and achieving significant progress with Phase I bond releases.

Additionally, since 1997, Blackhawk Mining has partnered with local agencies to reintroduce elk to eastern Kentucky, where the population has grown from 1,500 to over 7,000.

Battery Energy Storage Systems in New South Wales

Repurposing retired power station sites for large-scale energy storage offers significant benefits, including utilizing existing workforce skills and infrastructure while reducing environmental impacts. The former Vales Point A-Station (875 MW) was fully dismantled by 2014, leaving a concrete pad. Delta is considering developing a 300 MW/600 MWh battery energy storage system at this site. This storage could provide enough energy to power approximately 250,000 homes for two hours. Delta is assessing this and other projects to support the transition to a low-emissions future and reach the goal of 30% emission reduction by 2030.

Vales Point Solar Farm

Delta has received approval for a 55 MW solar farm on the Vales Point Ash dam, generating 110,000 MWh of renewable energy annually, enough for about 15,000 homes. This 25 year project will create up to 100 construction jobs and 5 ongoing operational roles. Located in the Hunter Renewable Energy Zone, it offers multiple grid connection options and potential for expansion.

SO4 First Nations People Approach

Our SO4 team works closely with native title partners, community members, and regulators to ensure a sustainable and socially responsible project. We aim to develop the company operations in a way that is respectful of the major significance that its location has in Indigenous Australian culture. It is also a priority for the company to be a good neighbour to the local community, consisting primarily of First Peoples, and to provide employment and material support.

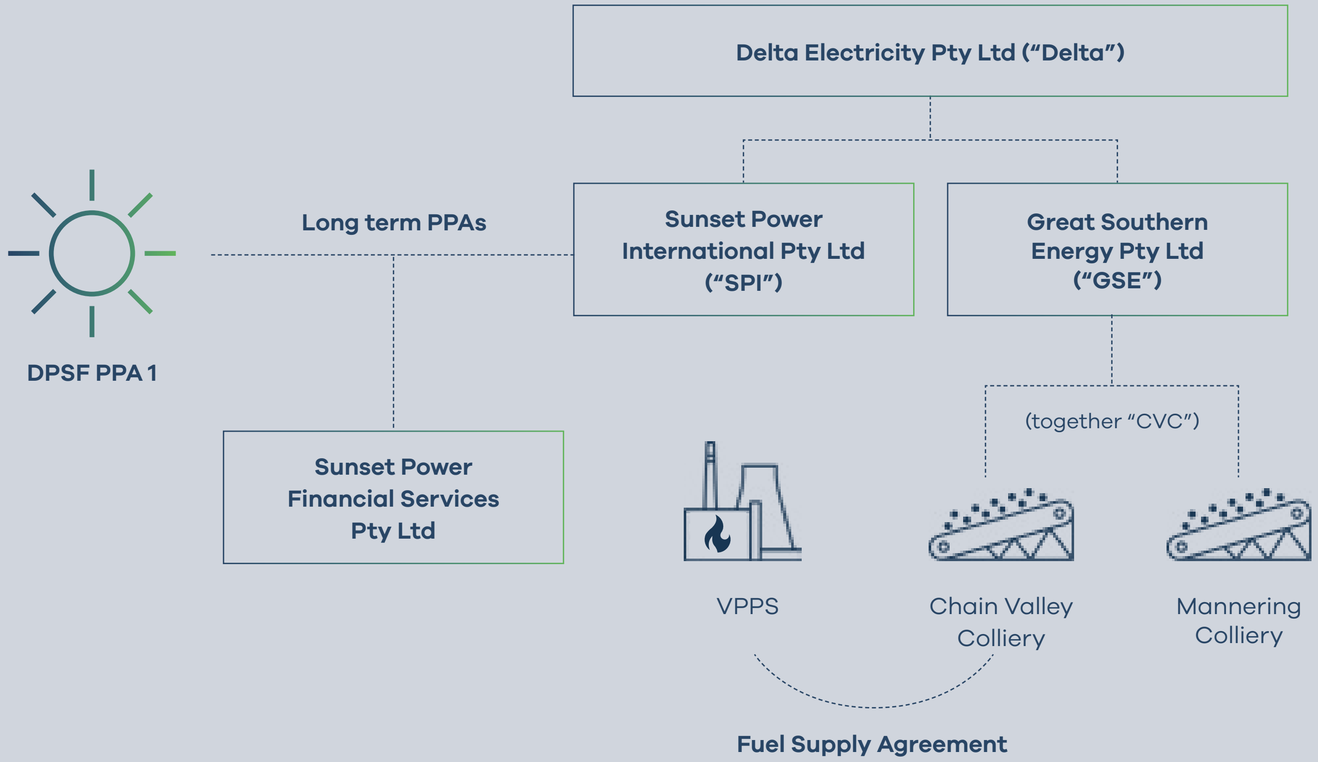
Circular Economy: Utilizing By-products of Energy Production

Energy companies are increasingly focused on the efficient use of by-products from electricity and heat production, such as fly ash, bed ash, and slag. These certified building materials are popular in the construction market due to their low cost and high quality, contributing to a circular economy.

By-products replace natural materials like gravel and sand, reducing the consumption of non-renewable resources and lowering emissions of pollutants and CO2. These materials are used in concrete, cement, brick, plasterboard, paving, and road construction. Research and testing with specialized laboratories continue to explore further applications in the construction industry.

Darlington Point Solar Farm in Australia

Delta Electricity collaborates with Darlington Point Solar Farm through a Power Purchase Agreement, securing 150 MW of its 275 MW capacity. This allows Delta to incorporate green energy when conditions permit, while maintaining stable baseload output.

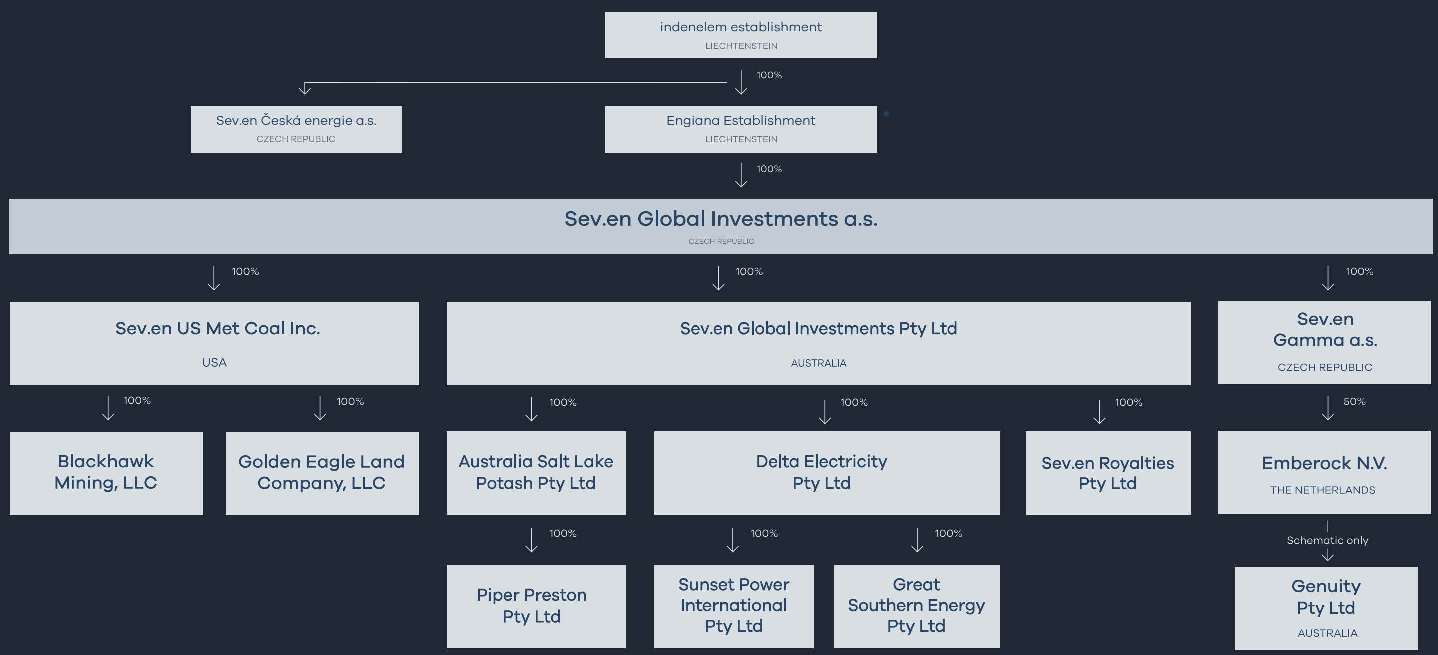


Governance

The group structure is divided across regions and is prepared for further expansion in each of the geographic areas.

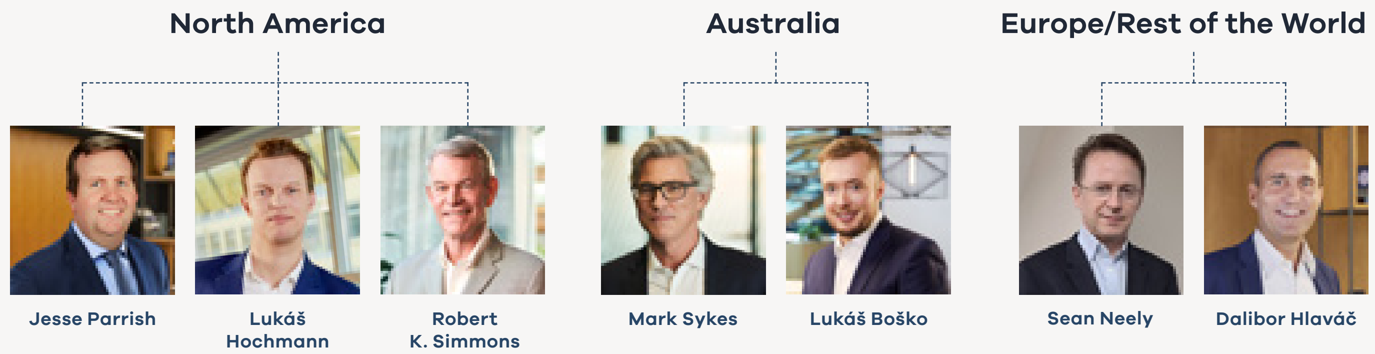
Sev.en Global Investments a.s. is an active holding management company that performs all key holding functions. Our stakes in Blackhawk Mining, Golden Eagle Land Company, InterGen, Delta Electricity, Australia Salt Lake Potash (SO4), Sev.en Royalties and Genuity are the key operating assets for the Group.

Internally, the teams of experienced investment managers and project teams focus on their sectors and regions of responsibility – North America, Europe and Asia, Australia, and are supported by other functions.



The simplified organisational chart as of 31 December 2023.

Regional Managers and M&A Coverage



All our projects and prospective acquisitions are carefully screened and analyzed by the respective regional and industry-focused managers.

Sev.en Global Investments a.s. maintains representation on main governing bodies of its portfolio companies. Management boards typically meet monthly to ensure transparency and information flow between Sev.en Global Investments a.s. as an investor and the respective local management. Each subsidiary regularly reports its operating and financial results and provides annual third-party audits.

Beyond formal procedures focused on control and governance, the governance team also prioritizes supporting local management and ensuring that the Group companies adhere to best practices to facilitate future growth. The legal governance team remains committed to maintaining the highest standards of corporate governance, which includes the continuous monitoring and updating of internal processes to align with international best practices and the needs of Group members.

Supporting functions (globally)

Management

Our success is built on the foundation of a professional team and strong management, who bring valuable experience and expertise to every aspect of our operations. Below we introduce the key members of our management team, highlighting their unique skills and contributions to our continued growth and success.

Alan Svoboda
Chief Executive Officer

Alan, CEO of Sev.en Global Investments a.s., specializes in acquiring and integrating businesses globally. He has over 25 years of experience in top management roles in the energy and utilities sectors and management consulting with McKinsey&Co. He holds three master's degrees, including an MBA in Finance and a Master's in Economics, and is a certified CFA.

Zdeněk Čihák
Chief Financial Officer

Zdeněk has over 10 years of experience in finance management within the energy trading sector and leading international teams. He began his career at EY in the utility sector and later held key roles at Alpiq, including Head of Finance International and Country Manager for the Czech Republic. Zdeněk is a chartered accountant with an EMBA from the University of Pittsburgh and a master's degree from the University of Liberec.

Petr Štulc
Chief Strategy Officer

Petr has over 25 years of experience in the energy and financial sectors, specializing in business strategy, transactions, market analysis, new technologies, large investment projects, and asset management. He has worked for leading consultancies and industry players. Petr holds a PhD and MSc in geophysics from Charles University in Prague.

Michal Soukup
Chief Operations Officer

Michal, COO of the Group, combines deep company knowledge with international expertise in corporate practices. He oversees Group's portfolio, maximizing performance, minimizing risks, and seizing opportunities. Michal holds a master's degree in Power Engineering and has over 15 years of experience in the energy sector.

Petr Šlechta
Vice President

Petr leads global M&A transactions in energy, mining, and financial services. As supervising director, he oversees Group's energy investments in the UK and Australia. With 15 years as a transaction manager and partner at a global consultancy and M&A advisory, Petr holds a PhD in clinical psychology and an MBA in Finance from INSEAD, France.

Dalibor Hlaváč
Vice President

Dalibor, an investment manager with over 25 years of experience, has a strong track record in M&A, strategic development, and private equity. He has advised on over 50 corporate acquisitions across various sectors. Dalibor holds a master's degree from the University of Economics in Prague and is certified in Corporate Finance by the Institute of Chartered Accountants in England and Wales.

Lukáš Boško
Vice President

Lukáš leads transactions in energy, mining, and steelmaking, and oversees Group's investments in Australia. He previously worked in a global management consultancy, focusing on metals, mining, and manufacturing. Lukáš holds an MBA in Finance from Wharton School, University of Pennsylvania, and a bachelor's degree from Oxford University.

Lukáš Hochmann
Vice President

Lukáš oversees investments and acquisitions in North America, focusing on mining, power generation, and steel processing. Before joining Sev.en Global Investments a.s., he was an in-house consultant for a large utility company. Lukáš holds a master's in physical chemistry and a bachelor's in economic studies from Charles University in Prague.

Financial Performance

Group Performance and Outlook

The Group's 2023 financial results and economic position demonstrate its strong and improving operating performance.

In 2023, the Group achieved a significant increase in both consolidated revenues and total assets. With realized EBITDA of MEUR 432, the year marked the second-highest result in the Group's history, surpassed only by 2022, a year characterized by unprecedented commodity price volatility. This achievement was driven by sustained strength in commodity markets and the full-year contribution from the Australian entities acquired in late 2022.

The Australian businesses have become an integral part of the Group's portfolio, contributing to almost quarter of the Group's total EBITDA.

Performance

The strong 2023 EBITDA results were supported by a robust net operating cash-flow of MEUR 222 (13% increase from MEUR 197 in 2022).

The reported net loss of MEUR 11 was primarily due to one-off, non-cash accounting impacts, mainly driven by extraordinary impairments recognized within the Group's Australian subsidiaries, Delta and SO4. These impairments were largely associated with:

- **Delta:** Supplier coal contracts recognized at the time of acquisition. The impairments reflect (i) the introduction of coal price caps by the NSW Government, and (ii) disruptions in supply from one of the coal contracts.
- **SO4:** The asset impairments stemmed from several factors: (i) two unprecedented floods, (ii) a prolonged trial production period, and (iii) the need for further efficiency improvements. As a result, SO4 assets were partially impaired in line with a prudential accounting approach.

Furthermore, the Group's profit and loss was negatively impacted by temporary movements in the value of energy contracts with delivery in the future. However, these were more than offset from positive revaluation of energy contracts classified as cash flow hedges and reported in OCI. As a result, the Group achieved a positive total comprehensive income of MEUR 142.

Financial Position

The Group's financial position in 2023 was significantly strengthened by positive operating cash flows from its business portfolio (MEUR 222) and capital contributions from the parent company of the Group (MEUR 161).

The equity increased by 85%, rising from MEUR 358 to MEUR 661, driven by the Group's results and the aforementioned shareholder contributions.

As a result, the Group's liquidity and indebtedness improved markedly from both short-term and long-term perspectives, with the current ratio increasing from 0.77 to 1.66 and the gearing ratio[1] decreasing from 1.76 to 1.01.

Majority of 2023 proceeds (investments totalling MEUR 342) were further reinvested in organic growth and the development of current businesses as well as in acquisitions of new assets, primarily in the area of mineral rights, which are expected to generate high returns in coming years.

Outlook

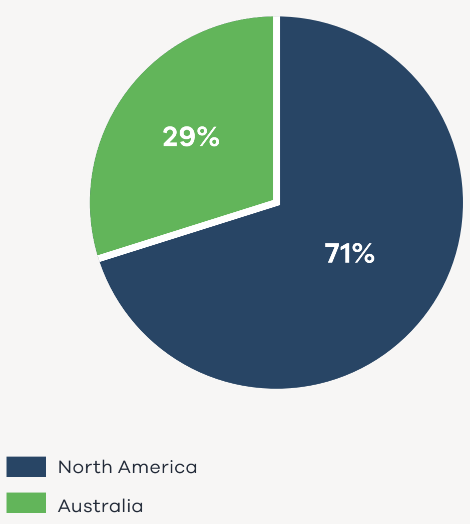
The Group plans to continue developing its current businesses with a focus on enhancing operational efficiency and commercial capabilities to ensure resilience against potentially more volatile or less favourable commodity market movements.

The Group adheres to a prudent capital structure policy and maintains a conservative approach to further investments and external funding.

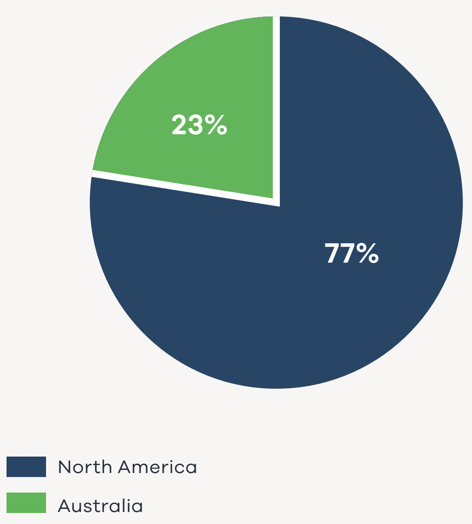
Following the acquisition of InterGen's UK gas power plants in February 2024, further expansion and step-up in the total value of the portfolio and asset balance of the Group are anticipated in the following year.

[1]Gearing ratio calculated as Loans and Borrowings divided by Total Equity.

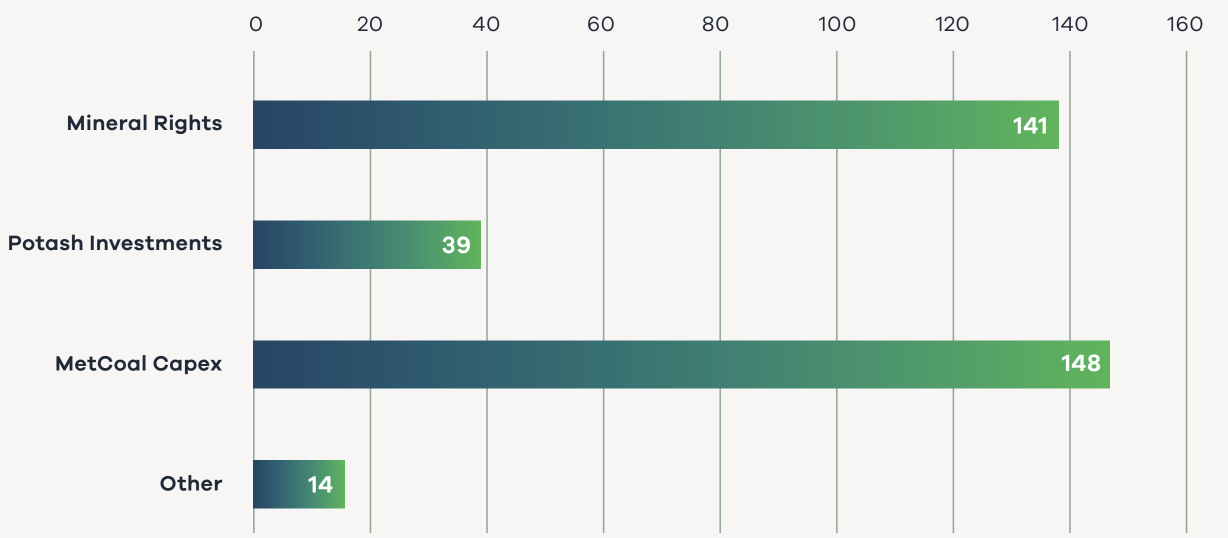
2023 Revenues generated by region



2023 EBITDA generated by region



2023 Investment cash flow (MEUR)



Financial Performance

in MEUR	2023	2022
Revenues	1,854	1,504
Expenses	(1,422)	(845)
EBITDA*	**432**	**659**
Depreciation & Amortisation and Impairment	(450)	(98)
Finance and Derivatives result	(124)	(42)
Profit / (loss) before tax	**(142)**	**519**
Income tax	131	(27)
Profit / (loss)	**(11)**	**492**
OCI	153	16
Total comprehensive income / (loss)	**142**	**508**

*EBITDA

This is a supporting indicator, intended primarily for investors, creditors and financing banks, enabling the analysis of profitability in comparison to peer companies and the industry, excluding the effects of financing and capital expenditures. EBITDA is calculated as follows:

in MEUR	2023	2022
Operating profit / (loss)	(92)	380
Depreciation and amortisation	204	94
(Reversal) / write-down of inventories	46	2
(Reversal) / impairment loss on receivables and loans	(1)	2
(Reversal) / impairment loss on goodwill and other assets	200	––
(Gains) / losses from derivatives	70	4
Share on profit / (loss) of equity-accounted investees, net of tax	5	177
EBITDA	**432**	**659**

in MEUR	2023	2022
Non-current assets	1,263	1,253
Current assets	632	497
Total Assets	**1,895**	**1,750**
Non-current liabilities	854	748
Current liabilities	380	645
Total Liabilities	**1,234**	**1,393**
Equity	661	357
Total equity and liabilities	**1,895**	**1,750**

"The strong financial performance in 2023 demonstrated our ability to capitalize on favourable market movements and effectively integrate and manage newly acquired assets. The expansion in Australia has proven to be highly successful, with Delta becoming a significant backbone of the Group's portfolio. Strengthening of the Group's capital structure has been an important milestone, providing a solid foundation for further growth within the current portfolio as well as through expected acquisitions.

Looking ahead, we remain committed to exploring new opportunities that align with our strategic vision while continuing to enhance operational efficiencies across our businesses. Our focus will be on leveraging our strengths in our focus industries to navigate potential market challenges and deliver long-term value for our shareholders."

Zdeněk Čihák
Chief Financial Officer

Timeline

Jun 2019

2019
Acquisition of a 50% stake in InterGen N.V.

May 2020

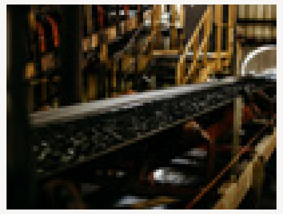
2020
Acquisition of a 17% stake in Corsa Coal Corp.

Jun 2020

2020
Acquisition of Blackhawk Mining, LLC group.

Dec 2020

2020
Acquisition of Wildcat Coal fund portfolio of mining rights and leases.



2021

2021
Sev.en Global Investments spin-off from the Sev.en Energy AG.

Jan 2022

2022
Sev.en Global Investments formed to become a new international vehicle of Sev.en group.

Mar 2022

2022
Divestiture of all shares of Corsa Coal Corp.

Oct 2022

2022
Acquisition of Australia Salt Lake Potash (SO4).

Dec 2022

2022
Acquisition of Delta Electricity and Delta Coal.

Jan 2023

2023
Divestiture of 50% stake in UK assets of Intergen N.V.

Mar 2023

2023
Acquisition of Colt & Ruger mining rights.

Mar 2023

2023
Acquisition of a land portfolio under Sev.en Royalties Pty.

Nov 2023

2023
Signed an agreement to acquire majority stake (51%) in Mong Duong 2.

Feb 2024

2023
InterGen's UK gas power plants acquired by Sev.en Global Investments.

Aug 2024

2024
Signed an agreement to acquire additional stake (19%) in Mong Duong 2.

North America

Golden Eagle Land Company

Selected portfolio of over twenty mineral mining rights and land in the United States including coal and metallurgical coal mining rights across multiple states.

Blackhawk Mining

Blackhawk is the fourth largest metallurgical coal producer in the US operating 8 efficient mining complexes in West Virginia and Kentucky with 6 million tons of annual metallurgical coal production. Met coal is the key chemical ingredient for the steelmaking industry worldwide.

North America is a Region Rich in Natural Resources

"North America is a region rich in natural resources with a strong mining experience, history, experienced workforce, and well-established regulatory framework.

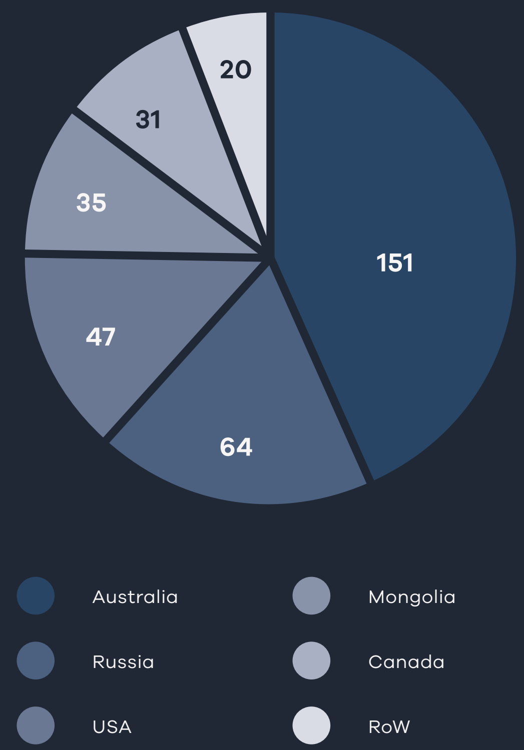
Also, predictability of the legal system is a big advantage of North America. Enforceability of law gives Sev.en GI the confidence to invest, and in the presence of a stable jurisdiction, we can focus on evaluating the market and the business and technical fundamentals of the assets – which are our core competences."

Lukáš Hochmann
Vice President
l.hochmann@7gi.com

Our North American portfolio in the United States includes Blackhawk Mining, LLC, a major metallurgical coal producer based in the Appalachian Mountains, and Golden Eagle Land Company, LLC, our portfolio company aggregating several royalty and land investments from various parts of the United States. While different in focus, the companies work closely together and leverage the experience of their leadership teams and deep knowledge of the industries to create additional value.

In addition to our current coal investments, Sev.en GI explores a multitude of additional mining opportunities in other minerals including uranium, lithium, copper, and other metals. We also actively search for additional portfolios of mining rights and strive for further acquisitions in mining, royalty, and power generation sectors.

Five countries make 94% of seaborne met coal market (volumes in metric tonnes in 2023)



Metallurgical Coal Market Trends

The global market has seen fluctuations in both supply and demand. Demand has been driven by increased consumption of metallurgical coal from India, leading to price hikes, while China remains a major player with high steel production. Europe, on the other hand, has experienced a decline in steel demand due to various factors. Disruptions in Australia and sanctions on Russia have affected supply levels, with Australia expected to increase exports in the coming years. However, challenges such as taxation and safety concerns may impact this growth.

The future of Chinese steel production remains uncertain, with predictions of a decline due to economic development and specific issues like an aging population and real estate crisis. Other factors such as EU economic recovery and green policies will also influence demand in the medium term.

In a more general and optimistic outlook, we expect cooling down in the metallurgical coal market for the year 2024, with a potential return to long-term stable prices. Overall, while there are challenges ahead, there is potential for a stabilization and growth in the metallurgical coal market in the long run.

Thermal Coal Market Trends

The thermal energy market in the United States is currently facing challenges due to various factors such as weak demand, oversupply of coal, and regulatory pressure from the Environmental Protection Agency. Despite the low demand and coal-to-gas switching, prices for thermal energy remain relatively stable compared to the peak of the Covid-19 pandemic. Looking ahead to 2024, we may expect a slight downturn or cooling in the market, with a potential return to long-term stable prices. With the ongoing changes in the industry, the US thermal market is expected to experience further shifts in the near future.

Blackhawk Mining

Blackhawk Mining

Blackhawk operates with 700+ millions tons of reserves, over 70% of which is high-quality metallurgical coal.

In June 2020, Sev.en Global Investments a.s. acquired Blackhawk Mining, one of the largest U.S. metallurgical coal producers with over 2,000 employees.

The company operates eight mining complexes across southern West Virginia and eastern Kentucky. Blackhawk is a leading supplier of premium metallurgical coal to domestic and international steelmaking facilities.

in MEUR	2023	2022
Revenues	1,301	1,476
Expenses	(989)	(986)
EBITDA	**312**	**490**
Depreciation & Amortisation and Impairment	(110)	(89)
Finance and Derivatives profit / (loss)	(34)	(30)
Profit / (loss) before tax	**168**	**371**
Tax income / (expense)	(1)	(22)
Profit / (loss)	**167**	**349**
OCI	(6)	(12)
Total comprehensive income / (loss)	**161**	**337**

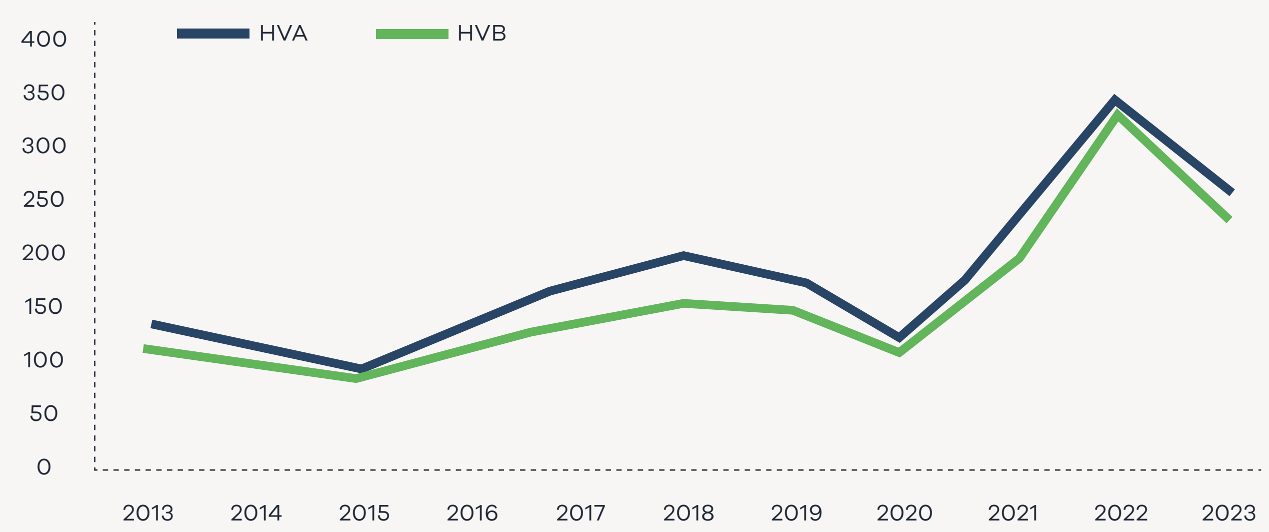
in MEUR	2023	2022
Non-current assets	431	391
Current assets	270	201
Total Assets	**701**	**592**
Non-current liabilities	263	287
Current liabilities	229	191
Total Liabilities	**492**	**478**
Equity	209	114
Total equity and liabilities	**701**	**592**

Blackhawk Mining Performance and Outlook

2023 was the second-best year in Blackhawk Mining´s history (after unprecedently successful 2022) with EBITDA of MEUR 312 and generated revenues of MEUR 1,301. After 2022 record prices for both metallurgical and thermal coal that were fostered by the growth in steel industry and energy markets worldwide, 2023 saw longer-term stabilization of prices at lower levels which were from a historical point of view still remarkably high. Coal production reached approximately 9 million metric tons.

In 2022 the company successfully finalized its operational and financial turnaround and stabilized its long-term financial position with new external bank financing. The strong results achieved in 2022 and 2023 enabled repayment of initial shareholder loans together with extraordinary shareholder distributions. Furthermore, it supported the realization of two key development projects - Winchester 2 and Sydney Eagle that will secure long-term sustainability of production. Overall investments for these 2 projects exceeded MEUR 60.

US met coal average indexes 2013 - 2023 (USD/mt)



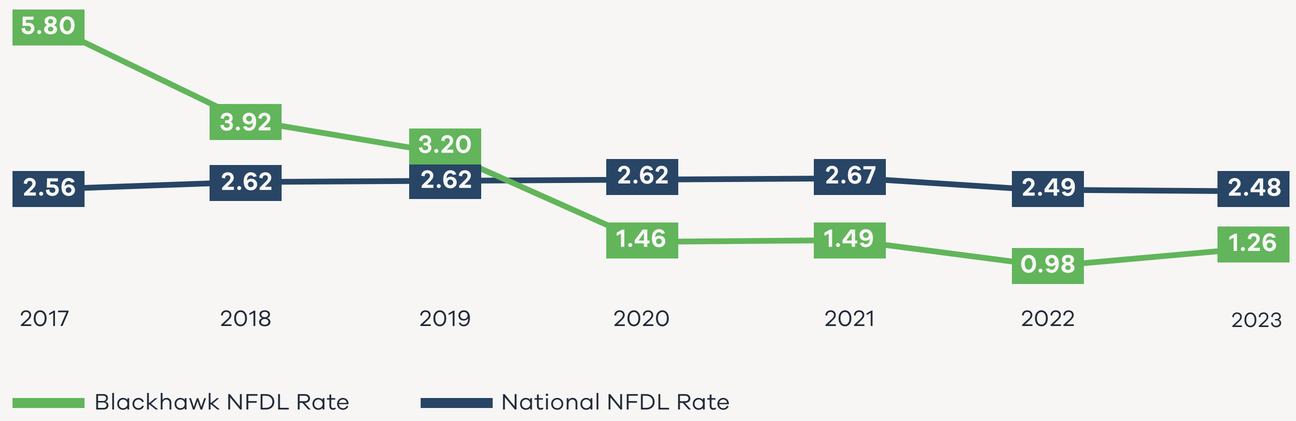
Blackhawk Mining

Blackhawk Mining's Approach to ESG

Blackhawk Mining received numerous safety awards, highlighting their commitment to operational excellence. Beyond mining, they are exploring opportunities in land development, including potential wind farm projects. Blackhawk is dedicated to responsible operations, with a strong emphasis on safety, environmental stewardship, employee well-being, community engagement, and robust governance. Their goal is to be recognized as the top employer, supplier, and operator in their industry.

Safety is paramount at Blackhawk. Through the TEAM Blackhawk program, daily safety meetings are held, and employees are empowered to halt operations if any risks are detected. NFDL (non-fatal days lost injuries) rate decreased in last years significantly compared to the years 2017-2019. In 2023, the Company's NFDL rate was 1.26 compared to the national average of 2.48, meaning that employees at Blackhawk were half as likely to get injured on the job as the industry average.

Safety Performance



"2023 was another strong year in metallurgical and thermal coal markets and Blackhawk was well positioned to generate significant cash flow and shareholder returns during the period.

In addition, the company made significant investments to sustain its industry leading metallurgical coal portfolio for the next decade by advancing the development of two new coal mines (Sydney Eagle and Winchester 2) to replace existing operations. By continuing to reinvest in its mines and employees, Blackhawk remains poised to succeed in all periods of the commodity cycle."

Jesse Parrish
CEO, Blackhawk Mining

Golden Eagle Land Company

Golden Eagle Land Company

Golden Eagle Land Company (GELC) was founded in August 2021 to acquire and manage land and mineral rights in the United States. Currently it is spanning four states - Wyoming, Ohio, Illinois, and West Virginia. Its portfolio includes mining rights for the Jim Bridger, Black Butte, Kemmerer, and Blue Creek mines.

In March 2023, GELC expanded the portfolio by acquiring Colt, LLC and Ruger Coal Company, LLC, bringing the total to over 240,000 hectares of mineral rights and over 2 billion metric tons of proven and probable coal reserves. With these acquisitions, Golden Eagle Land Company became one of the largest coal royalty firms in the United States.

Geographical Location Of Golden Eagle

"GELC's objective is to acquire land and mineral rights leveraging Group's long-term belief of energy and commodity markets. The company focuses on low-cost mining operations that are integral to providing coal to the nation's baseload power plants. In 2023 the Company completed its largest acquisition to date with the purchase of Colt, LLC and Ruger Coal Company, LLC.

This acquisition included over 120,000 hectares of mineral rights in southern Illinois that is leased to low-cost longwall mines in the Illinois coal basin. GELC continues to evaluate additional growth opportunities and look to future expansion of its property rights for renewable energy opportunities as well."

Jesse Parrish
Director, GELC

Golden Eagle Land Company Performance and Outlook

GELC expanded its portfolio in Q1 2023. The acquisition contributed to the growth of company's 2023 EBITDA up to MEUR 21.

The royalty business model has been proved to be less sensitive to development of the market prices and a further increase of EBITDA up to MEUR 40-50 p.a. is expected in the following years with the commencement of royalties from Arch's Guffey reserve.

in MEUR	2023	2022
Revenues	27	15
Expenses	(6)	(2)
EBITDA	**21**	**13**
Depreciation & Amortisation and Impairment	(6)	(3)
Finance and Derivatives result	(6)	0
Profit / (loss) before tax	**9**	**10**
Income tax	(2)	(2)
Profit / (loss)	**7**	**8**
OCI	(1)	0
Total comprehensive income / (loss)	**6**	**8**

in MEUR	2023	2022
Non-current assets	109	22
Current assets	11	15
Total Assets	**120**	**37**
Non-current liabilities	78	––
Current liabilities	11	6
Total Liabilities	**89**	**6**
Equity	31	31
Total equity and liabilities	**120**	**37**

Australia

Sev.en Royalties

Portfolios of land parcels and mining rights covering parts of the Rolleston and Meteor Downs South coal mines in Queensland, Australia with the area of 8,000 hectares.

SO4

Australia Salt Lake Potash Pty Ltd with its subsidiary Piper Preston Pty Ltd are at very advanced stage of developing a unique project for the production of potassium fertilizers in Western Australia.

Callide C And Millmerran

In Australia, Sev.en GI co-owns two supercritical coal fired power plants in Queensland. Callide C and Millmerran operate with a total capacity of 1.7 GW.

Delta Electricity

Delta Electricity operates a coal-fired power plant Vales Point Power Station with total installed capacity of 1.3 GW and the Chain Valley Colliery mining complex in New South Wales, Australia.

"At Sev.en GI, we have prioritised Australia as a highly attractive region for investment. Australia contains abundant resources of high-quality minerals complemented with established supporting infrastructure. We are also excited by the growing number of investment opportunities in Australia's energy sector.

With Australia actively delivering on an ambitious energy transition towards renewables, we consider this a unique opportunity for further energy investments. As a company with a commitment to sustainable growth, we are thrilled to be part of this exciting energy transition. Equally we are excited to bring our global expertise and knowledge to the Australian energy sector."

Mark Sykes
Country Manager – Australia
m.sykes@7gi.com

Our current portfolio in Australia was established during 2022 and 2023 and includes Delta Electricity which operates the coal-fired power producer Vales Point Power Station and the adjacent Chain Valley Colliery, Australia Salt Lake Potash, the SO4 potash mining project, minority stake in Genuity (former InterGen Australia) power plants Callide C and Milmerran and most recently also Sev.en Royalties, the portfolio of land and mining rights acquired in March 2023.

Energy Market Trends

The year 2023 was marked by significant events that have had a notable impact on the energy market in Australia. The introduction of price caps for gas and coal in December 2022 led to a decrease in electricity production costs, influencing the pricing strategies of electricity suppliers throughout the year. Additionally, the closure of the Lidell coal-fired power plant in New South Wales in April contributed to a rise in electricity prices.

In 2023, a surge in renewable energy output and a mild winter season drove energy prices back to their early-year levels. 2024 introduced new elements of uncertainty in Australian energy markets regarding the phasing out of the coal caps and ongoing discussions about lifespan of coal-fired power plants.

Furthermore, September 2023 marked the lowest level of operational electricity demand in Australia in all times influenced by the growing adoption of rooftop solar panels, which reduce reliance on grid-supplied electricity. These events underscore the dynamic nature of the energy market and the importance of adapting to emerging trends in the industry.

Highly attractive for minerals and energy generation investments

"For future years, with an energy transition that seeks a shift from traditional forms of fossil fuel energy generation to low emission technologies, we need to ensure that the development pathway finds a balance between energy affordability, reliability and sustainability and we are prepared to play a significant role in the process. With a wealth of active opportunities in this thriving market, we are confident that we can contribute to the sustainable growth of Australia's economy."

Lukáš Boško
Vice President

Forward Cal24

Delta Electricity

Delta Electricity

In December 2022, the Group acquired Delta Electricity, which operates the 1,320 MW Vales Point Power Station and the nearby Chain Valley coal mine in New South Wales, Australia. The power station is a primarily coal-fired power plant providing a reliable supply of 24-hour baseload electricity. The coal-fired power plant supplies 4% of electricity to the Australian National Electricity Market and 10% to New South Wales, with some operations co-fired with biomass. Delta Electricity also contracts 150 MW from Darlington Point Solar Farm and provides 400 regional jobs.

Delta is a critical asset in the NSW generation market – the largest state in Australia. Delta brings a strong combination of a safe reliable power station, Vales Point, a sophisticated trading function and secure coal supply from its adjacent mine, Chain Valley. Chain Valley provides almost half of Vales Point's coal consumption that is delivered via conveyor belts directly to the power plant, making the complex highly efficient. The underground mining complex produces approximately 1.3 million tons of high-quality coal annually.

Delta believes that through the energy transition and ramp up in renewable power generation, market volatility will make stable reliable electricity supply become indispensable. Delta, with its share in NSW power generation, is well positioned to maintain competitive energy supply whilst continuing to support system reliability in NSW.

Thanks to its location, large land size and unconstrained connection to the grid, Vales Point's site provides number of new opportunities for power projects such as battery and solar investments.

Delta Performance and Outlook

Delta went through a year of exciting transformation across all functions under the leadership of new and continuing management. The transformation effort has started in the last quarter of 2023 driven by the onboarding of the new CEO, Richard Wrightson. Focus of the improvement programmes was mine performance, trading capability upgrade, increased reliability of the asset and integration of processes across the power generation and mining part of the business.

Delta has closed the 2023 with an EBITDA of MEUR 99 thanks to solid contract performance and strong market fundamentals. Despite increasing market volatility, requirements on maintenance capital expenditures, and changes in energy policies, Delta demonstrates strong financial performance and positive shareholder return.

2023 PBT is significantly affected by non-cash accounting impacts that consist mainly of depreciation & amortisation and impairment relating to the supplier coal contracts recognized at acquisition date. The impairment reflects (i) introduction of coal price caps by NSW Government and (ii) one of the coal contract suppliers not being able to deliver timely and in required volumes. Furthermore, the PBT is negatively influenced by the movement in the value of energy contracts with delivery in future, these are compensated by gains recognized in OCI.

"Since Group acquired the Delta business in December 2022, there has been a focus on investing in the business to both improve the assets we do have, but to also find the growth opportunities to support the long-term future of the Delta business."

Richard Wrightson
CEO, Delta Electricity

in MEUR	2023	2022
Revenues	523	17
Expenses	(424)	(22)
EBITDA	**99**	**(5)**
Depreciation & Amortisation and Impairment	(208)	(5)
Finance and Derivatives result	(64)	(3)
Profit / (loss) before tax	**(173)**	**(13)**
Income tax	68	4
Profit / (loss)	**(105)**	**(9)**
OCI	142	60
Total comprehensive income / (loss)	**37**	**51**

in MEUR	2023	2022
Non-current assets	208	416
Current assets	171	168
Total Assets	**379**	**584**
Non-current liabilities	48	106
Current liabilities	120	243
Total Liabilities	**168**	**349**
Equity	211	235
Total equity and liabilities	**379**	**584**

Going forward, Delta will focus on the reliability of the underlying assets to ensure availability to energy consumers during times of increasing volatility. With a stronger Energy Markets team led by Andrew O'Farrell, we expect to see innovative trading products being implemented and a culture of data-driven hedging and trading decisions being adopted. Special consideration is given to continuous fuel supply, whether from internal or external sources.

Delta will be working on site development and growth projects to maximize the optionality and technical conditions the site provides for the benefit of future renewable energy systems. Delta Electricity will continue the business integration of the power and mining parts of the company, with a focus on modern IT, finance and energy market systems.

Delta's Approach to ESG

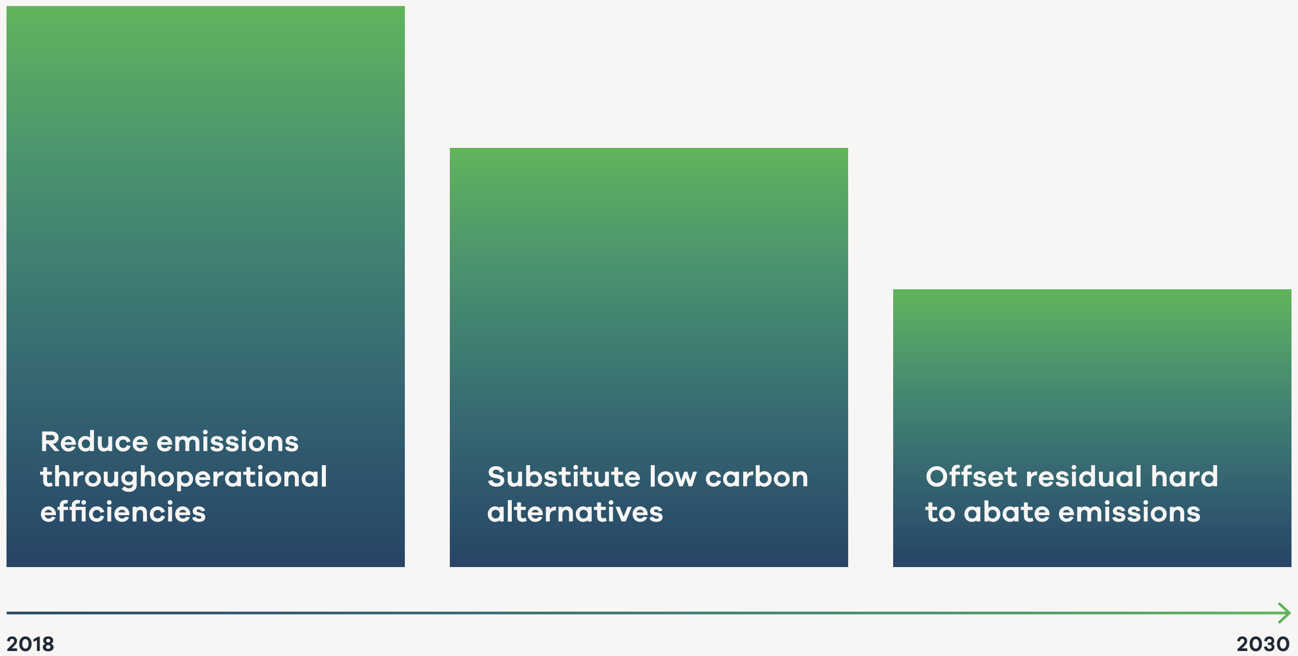
The primary focus is on reducing the greenhouse gas (GHG) emission intensity of its operations, meeting community expectations and regulatory obligations. To achieve this, Delta adopts a hierarchical approach: prioritising emissions reductions, transitioning to low-carbon alternatives, and using offsetting strategies for emissions that are difficult to eliminate. Delta aims for a 30% reduction in Scope 1 and 2 emissions by 2030, based on a 2018 baseline.

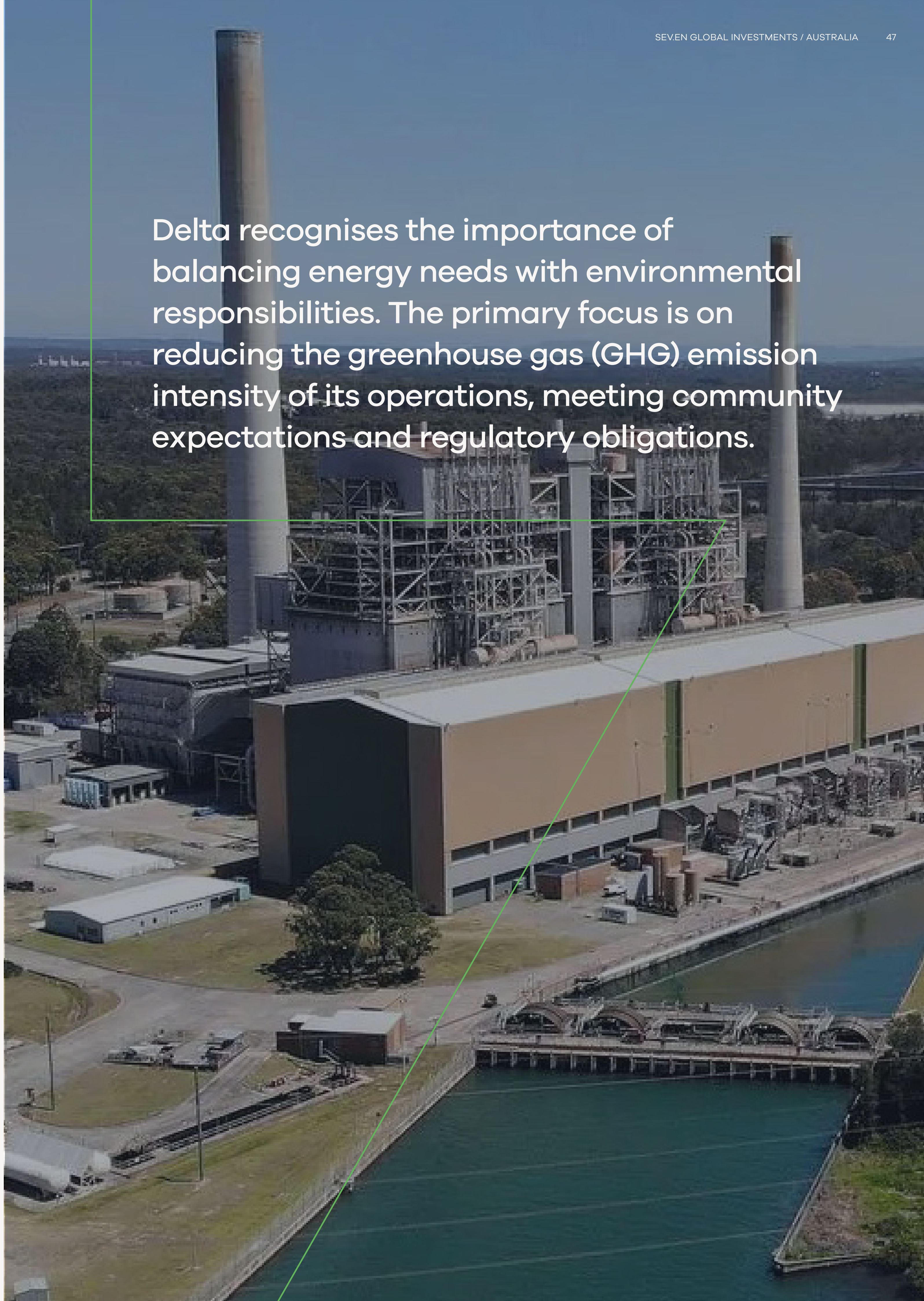
Delta actively reduces emissions by optimizing combustion processes, upgrading equipment, utilizing advanced mining methods, embracing new technologies, and reducing waste across the business.

Delta has a robust approach to environmental stewardship, focusing on responsible management of natural resources, protecting local biodiversity, increasing energy efficiency, reducing emissions, and contributing towards a more circular economy by minimising waste.

Goal: 30% emission reduction by 2030

Scope 1&2 emissions from a 2018 baseline





Delta recognises the importance of balancing energy needs with environmental responsibilities. The primary focus is on reducing the greenhouse gas (GHG) emission intensity of its operations, meeting community expectations and regulatory obligations.

SO_4

SO4

In October 2022, the Group acquired Australia Salt Lake Potash, which owns the Lake Way Sulphate of Potash (SOP) project in Western Australia. This project stands out for its environmentally friendly method of extracting SOP from naturally occurring brines through solar evaporation, unlike the Mannheim process.

The development challenges of this new project became evident in 2023. Under previous ownership, pond construction and the processing plant were completed in 2020/2021, but production was halted due to technical difficulties with the flotation cell, leading to voluntary administration in Q4 2021.

In 2023, the company focused on enhancing the capacity and efficiency of bore fields, trenches, and ponds, as well as improving flotation units in preparation for potential scaling. Recognizing the opportunity to boost primary production capacity to 220 kt per annum of SOP (267 kt per annum including MOP to SOP conversion), significant capital expenditures were made to develop bore fields, rectify trenches, and optimize pond flow systems. The process plant's capacity was also expanded with new flotation cells and refurbished centrifuges.

However, the year was marked by extreme spring flooding, which caused substantial delays in construction and harvesting, requiring significant investments to mitigate its impacts. In February 2024, another flood further delayed harvesting and necessitated additional cash investments. Despite these challenges, the team successfully optimized process plant runs and produced potash (K2SO4) in summer 2024, meeting required specifications. The focus now shifts to ramping up production to achieve marketable volumes of potash, underscoring the commitment to quality and operational efficiency essential for meeting market demand and driving future growth.

What is SOP

Sulphate of potash (K2 SO4) is primarily used as a fertilizer delivering potassium, one of the three primary nutrients plants need for their growth. It is the second most widely used potassic fertilizer, after Muriate of Potash – MOP. Compared to MOP, SOP is a premium "green"product, that is not manufactured artificially, but extracted from the earth and purified without the use of chemicals and chemical processes.

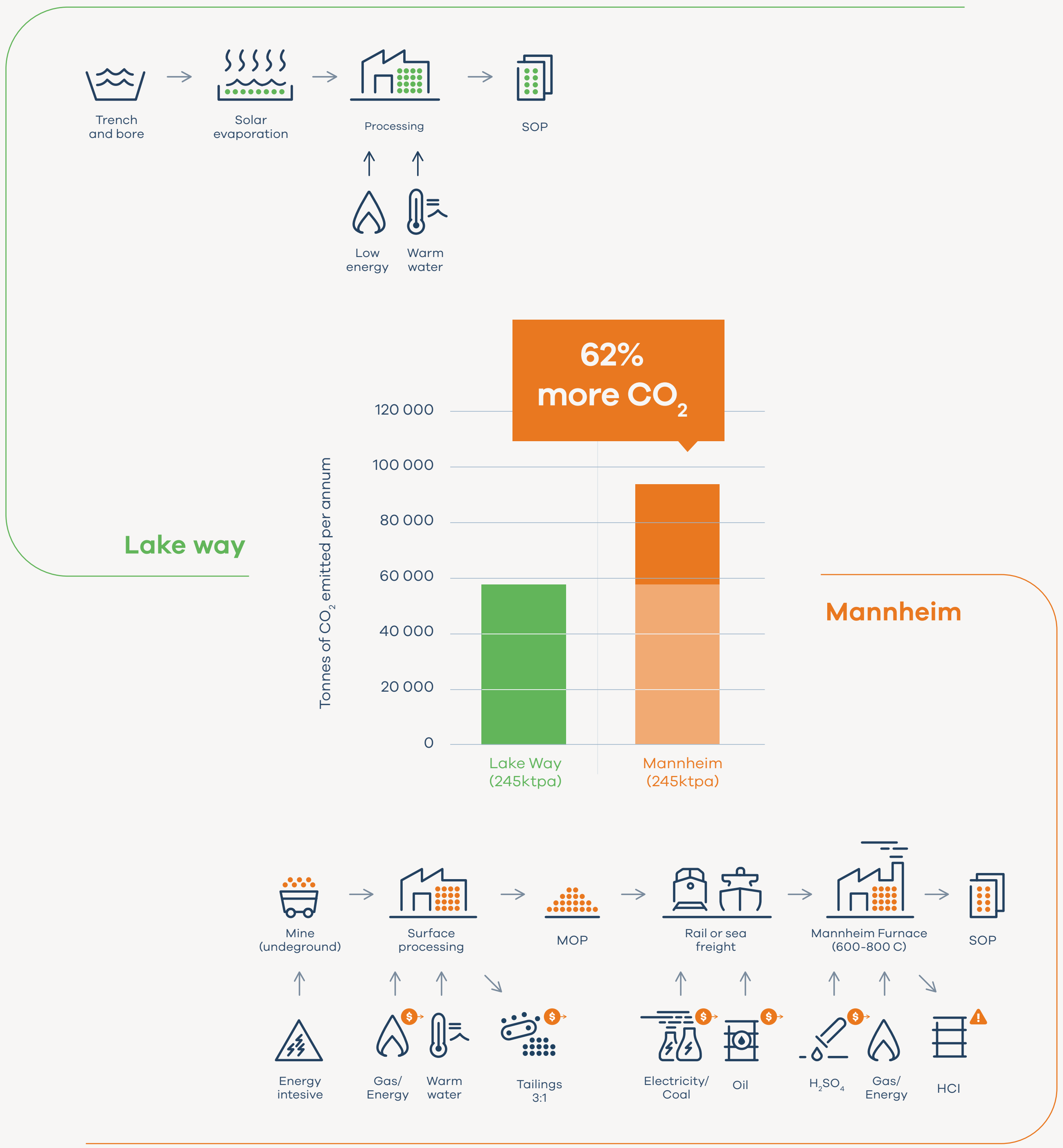
This "green" potash is delivering superior results, especially when used with plants with a low tolerance for chlorine – mostly crops like fruits and vegetables, as well as environments with acidic soils or prone to drought. Potassium sulphate itself is an environmentally friendly fertiliser, the application of which has no major impact on water contamination or soil degradation.

"In more than one way, the acquisition of SO4 was Group's first venture into a variety of promising new transaction and business models.

As such, it has been one of our most challenging undertakings and we have dedicated a considerable amount of focus and resources to support the firm's restart. But it is exactly this level of commitment that is needed to generate above-average returns over the long-term."

Václav Štindl
Investment Manager

Mannheim equivalent produces 62% more CO2



SO4 Performance and Outlook

Since the acquisition in 2022, Sev.en Global Investments a.s., in collaboration with the SO4 team, has implemented a comprehensive overhaul and investment program for the process plant, pond network, and brine supply. This initiative aims to rectify the original production flaws and enhance the overall capacity and effectiveness of the project.

The investment activities and reported results for 2023 were adversely affected by a series of unprecedented floods and technological complexities, leading to impairments of selected assets, which were recognized in accordance with prudent accounting principles.

In 2024, the plan is to further enhance the processing plant and commence full-scale production in the upcoming years. The viability of the concept has been successfully demonstrated in June 2024, when the SO4 team produced the first product meeting specifications, thereby confirming the capability to operate a complex SOP production facility in Australia effectively. This has been further corroborated via more robust September 2024 tests.

A price premium can be attained through superior quality characteristics and reduced logistics costs in the domestic market compared to current European suppliers. SO4 Project is positioned with a pathway to becoming the largest SOP producer in Australia, projecting a positive EBITDA of mAUD 100 million by 2027, thanks to its extensive brine resources, state-of-the-art processing plant, and series of cost advantages.

in MEUR	2023	2022
Revenues	––	––
Expenses	(9)	(5)
EBITDA	**(9)**	**(5)**
Depreciation & Amortisation and Impairment	(121)	(1)
Finance and Derivatives result	(6)	(1)
Profit / (loss) before tax	**(136)**	**(7)**
Income tax	20	––
Profit / (loss)	**(116)**	**(7)**
OCI	––	4
Total comprehensive income / (loss)	**(116)**	**(3)**

in MEUR	2023	2022
Non-current assets	9	57
Current assets	12	4
Total Assets	**21**	**61**
Non-current liabilities	64	47
Current liabilities	157	155
Total Liabilities	**221**	**202**
Equity	(200)	(141)
Total equity and liabilities	**21**	**61**

Sev.en Royalties

Sev.en Royalties

In March 2023, the Group completed the acquisition of two land parcels that contain mining royalty rights from CocaCola Europacific Partners. The land parcels cover parts of the Rolleston and Meteor Downs South coal mines in Queensland, Australia, and encompass an area of almost 8,000 hectares. After establishing a substantial portfolio of mining rights in the United States, the Group is excited to enter the royalty's asset class in Australia and is actively seeking further opportunities to expand its footprint.

Sev.en Royalties Performance and Outlook

In 2024, miners (Glencore and Sojitz) have maintained their excavations, with Glencore submitting an application for a further mining extension affecting company's area. This ongoing activity is expected to enhance the royalty revenues, positioning Sev.en Royalties for robust performance as it capitalizes on the growing demand for coal in the region.

in MEUR	2023	2022
Revenues	11	––
Expenses	0	––
EBITDA	**11**	**––**
Depreciation & Amortisation and Impairment	(3)	––
Finance and Derivatives result	(1)	––
Profit / (loss) before tax	**7**	**––**
Income tax	(2)	––
Profit / (loss)	**5**	**––**
OCI	––	––
Total comprehensive income / (loss)	**5**	**––**

in MEUR	2023	2022
Non-current assets	36	––
Current assets	0	––
Total Assets	**36**	**––**
Non-current liabilities	30	––
Current liabilities	1	––
Total Liabilities	**31**	**––**
Equity	5	––
Total equity and liabilities	**36**	**––**

Genuity

Genuity

The Group owns minority interests in two modern coal-fired power stations in Australia – Callide C and Millmerran, with a combined total capacity of 1,700 MW. The Australian assets are operated under the brand name Genuity.

Genuity has a well-established and experienced commodity trading team based in Brisbane, Australia, electricity is sold directly into the National Electricity Market grid in addition to contracting directly with industrial and commercial customers in Queensland.

Callide C

In 2021 and 2022, Callide C has faced 2 adverse technical events and has been offline since November 2022 until August 2024, when the power station has been fully restored. Due to uncertainties on timeline of restoration and financing, Callide C was placed under voluntary administration in March 2023. Callide C has been operated as JV partnership between CS Energy and Genuity. The Group is an indirect minority shareholder with no governance, managerial or operational control. The Group remains engaged as one of the largest creditors in Callide C. Discussion is ongoing on how to restructure Callide C ownership post-administration.

Millmerran

In Millmerran, it was overall a successful year with production exceeding 5.6 TWh. Gross margin and EBITDA were satisfactory, mostly due to effective hedging. The year unfolded nicely with positive results throughout.

Genuity's Approach to ESG

Millmerran is one of the most efficient coal fired power producers in Australia, supplying 1.1 million homes with electricity, creating 10% less emissions than conventional generation, and consuming less than 10% of the water used by a typical station of equivalent size.

Millmerran was the first power station in Australia to use air-cooled supercritical boiler technology, thereby using less fuel and less water than conventional stations to produce the same amount of electricity.

Europe/Rest of the World

We aim to increase the portfolio and are closely following the ongoing spin offs and divestiture processes in major European countries. Energy generation, gas and biomass are our areas of current focus.

Our Strategy

In wider Europe, some North African and certain Middle Eastern countries, we are focused on energy, natural resources, and steel sectors, although we would also look into acquisition opportunities in other industries business segments.

In particular, Sev.en GI is open to consider investments in gas, coal and biomass fired plants, thermal and metallurgical coal mines, minerals businesses and adjacent (typically asset heavy, e.g. steel manufacturing) business industries, where we aim to add value thanks to our long-term operating expertise and hands-on shareholder involvement. When exploring acquisitions investment opportunities in wider Europe, strong country macroeconomic fundamentals are of key essence.

Sev.en GI does not invest in speculative rating countries but only in advanced emerging and developed economies with stable legal and regulatory environment. It is vital that the legal system is robust enough to enable contract enforcement, and to prevent any misappropriation of assets or rights of businesses.

Restructuring and transitional situations are on our everyday radar screen including possibilities for joint ventures and local partnerships privatizations.

We are comfortable with equity only deals due to scarcity of available bank debt not only in carbon intensive industries, but also in transactions involving complex solutions
and reorganizations.

"Sev.en GI's interest in investment opportunities in the old continent and neighbouring regions spans mainly energy, mining, and other commodity-based industries.

We prefer various types of special situations such as non-core assets disposals, spin-offs by strategic investors and insolvencies, where often there is scarcity of capital from other funders, either due to political or regulatory reasons, or because a particular business faces strategic or financial challenges that only few players have the capabilities to adequately address and resolve."

Dalibor Hlaváč
Vice President
d.hlavac@7gi.com

InterGen

In February 2024, the Group acquired a 100% share in InterGen's gas-fired power generation business in the United Kingdom. InterGen, one of the UK's largest independent power producers, operates three combined-cycle gas plants in Rocksavage, Coryton, and Spalding, as well as an open-cycle turbine in Spalding, with a total capacity of 2,860 MW. The company, headquartered in Edinburgh with nearly 190 employees, generated over 4.4 TWh of electricity in 2023.

InterGen's minimal debt provides the Group with opportunities for capital structure optimization and further growth. This acquisition solidifies Group's market position in the UK, opening new avenues in gas power generation across Europe and beyond, while delivering long-term value to our stakeholders.

InterGen's Approach to ESG

InterGen is deeply committed to ESG principles, focusing on minimizing environmental impact, ensuring safety, supporting communities, and maintaining responsible business practices. The safety of its employees is a top priority, highlighted by regular safety communications and strong internal policies. InterGen also invests in employee development through training programs and actively supports the communities in which it operates, ensuring positive societal and environmental contributions.

InterGen invests in innovative technologies like battery storage, hydrogen, and carbon capture to support the energy transition and reduce its carbon footprint. A key example is the recent mGBP 1,2 investment in the Rocksavage power plant in Cheshire, which resulted in a 1% efficiency improvement, significantly reducing fuel use and greenhouse gas emissions. Additionally, InterGen adheres to international and national regulations to minimize harmful air pollutants, such as nitrogen oxides (NOX), sulfur oxides (SOX), and carbon monoxide (CO), which successfully decreased over the past three years.

Other Mandatory Disclosures

Research and Development

The Group did not carry out any material applied research and development in 2023 as defined per Czech tax legislation, nevertheless the Group makes significant investments into the expansion and growth of its global assets, particularly SO4 in Western Australia is still project in progress.

Own Shares

The parent company Sev.en Global Investments a.s. has not acquired any of its own shares in 2023.

Risk Management

The Group has exposure to the following risks arising from financial instruments:

- **credit risk**
- **liquidity risk**
- **market risk**

Disclosure in the consolidated financial statements presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Subsequent Events

Material subsequent events are described in the enclosed consolidated financial statements.

Other than those, the Group's management is not aware of any other events that have occurred since the reporting date that would have any material impact on the consolidated annual report as at 31 December 2023.

Alan Svoboda

Chairman of Board of Directors

Jiří Postolka

Member of Board of Directors

In Prague, on 10th October 2024.

Consolidated Financial Statements for the year ended 31 December 2023

prepared in accordance with International Financial Reporting Standards as endorsed by the European Union

Table of Contents

Consolidated statement of comprehensive income for the year ended 31 December 2023.

In thousands of EUR ("TEUR")

	NOTE	31 DECEMBER 2023	31 DECEMBER 2022
Revenues	**7**	**1,854,062**	**1,503,988**
Costs of goods sold	8	(213,019)	(51,981)
Materials and consumables	8	(305,485)	(199,902)
Services	8	(457,353)	(451,145)
Personnel expenses	9	(364,335)	(272,271)
Employee benefits	9, 27	(16,131)	(12,064)
Depreciation and amortisation	14, 15	(204,487)	(93,650)
Reversal / (write-down) of inventories	10	(45,895)	(2,116)
Reversal / (impairment loss) on receivables and loans	10	549	(2,284)
Reversal / (Impairment loss) on goodwill and other assets	10	(199,857)	--
Changes in estimates relating to provisions for restoration and renewal	26	470	48,324
Gains / (losses) from derivatives	29	(69,870)	(4,318)
Other operating expenses	11	(87,754)	(94,621)
Other operating income	11	16,858	11,606
Operating profit / (loss)		**(92,247)**	**379,566**
Finance income	12	22,511	14,286
Finance costs	12	(77,634)	(51,969)
Net finance income / (costs)		**(55,123)**	**(37,683)**
Gain / (loss) on disposal of subsidiaries and associates		(2)	--
Share on profit / (loss) of equity accounted investees, net of tax	16	4,953	176,867
Profit / (loss) before income tax		**(142,419)**	**518,750**
Income tax	13	131,331	(26,500)
Profit / (loss) for the period		**(11,088)**	**492,250**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	13, 23	(11,048)	(17,422)
Remeasurement of defined benefit liability (asset)	13, 27	(2,543)	2,318
Share of other comprehensive income of equity-accounted investees	16, 23	21,997	(27,731)
Net change in fair value of cash-flow hedges, after tax	13, 23	144,649	59,183
Other comprehensive income / (loss) for the period, net of tax		**153,055**	**16,348**
Total comprehensive income / (loss) for the period		**141,967**	**508,598**
Total comprehensive income attributable to owners of the Company		141,967	508,598
Total comprehensive income / (loss) for the period		**141,967**	**508,598**

The notes presented form an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2023.

In thousands of EUR ("TEUR")

	NOTE	31 DECEMBER 2023	31 DECEMBER 2022
Total Assets		**1,894,835**	**1,750,187**
Non-current assets		**1,262,576**	**1,253,248**
Property, plant and equipment	14	476,626	483,799
Goodwill	15	4,036	6,116
Intangible assets	15	223,910	314,442
Equity-accounted investees	16	335,602	308,652
Provided loans	17	61,499	52,761
Trade and other receivables	19	33,870	33,286
Other investments including derivatives	20, 29	30,758	20,678
Restricted bank deposits	21	22,913	33,514
Deferred tax assets	13	73,362	--
Current assets		**632,259**	**496,939**
Inventories	18	157,393	90,391
Provided loans	17	60,396	49,633
Trade and other receivables	19	231,797	178,000
Other investments including derivatives	20, 29	13,919	52,792
Restricted bank deposits	21	31,910	27,134
Cash and cash equivalents	22	125,134	74,181
Current income tax assets	13	11,710	24,808
Total equity and liabilities		**1,894,835**	**1,750,187**
Total equity		**660,534**	**357,628**
Total equity attributable to owners of the Company		**660,534**	**357,628**
Share capital	23	78	78
Capital reserves	23	273,024	112,085
Hedging reserve	23	209,807	37,267
Translation reserve	23	(48,088)	(31,146)
Retained earnings	23	236,801	(252,906)
Profit / (loss) for the period		(11,088)	492,250
Total Liabilities		**1,234,301**	**1,392,559**
Non-current liabilities		**854,370**	**747,861**
Loans and borrowings	24	578,071	399,086
Lease liabilities	25	20,606	21,035
Provisions for restoration and renewal	26	221,844	218,823
Employees benefits	27	20,375	20,450
Trade and other payables	28	--	4,483
Other financial instruments including derivatives	29	13,474	34,578
Deferred tax liabilities	13	--	49,406
Current liabilities		**379,931**	**644,698**
Loans and borrowings	24	90,086	230,926
Lease liabilities	25	4,216	7,847
Provisions for restoration and renewal	26	5,430	6,209
Employee benefits	27	37,774	31,373
Payables to employees	27	5,833	5,189
Trade and other payables	28	188,539	182,685
Other financial instruments including derivatives	29	31,903	168,090
Current income tax liabilities	13	16,150	12,379

The notes presented form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2023.

In thousands of EUR ("TEUR")

	NOTE	SHARE CAPITAL	CAPITAL RESERVES	HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 January 2023		**78**	**112,085**	**37,267**	**(31,146)**	**239,344**	**357,628**
Profit / (loss) for the period		--	--	--	--	(11,088)	(11,088)
Foreign currency translation differences	13, 23	--	--	--	(11,048)	--	(11,048)
Share of OCI of equity-accounted investees	16, 23	--	--	27,891	(5,894)	--	21,997
Other comprehensive income	13, 23	--	--	144,649	--	(2,543)	142,106
Total comprehensive income for the period		**--**	**--**	**172,540**	**(16,942)**	**(13,631)**	**141,967**
Other capital contributions	23	--	160,939	--	--	--	160,939
Balance as at 31 December 2023		**78**	**273,024**	**209,807**	**(48,088)**	**225,713**	**660,534**

Consolidated statement of changes in equity for the year ended 31 December 2022.

In thousands of EUR ("TEUR")

	NOTE	SHARE CAPITAL	CAPITAL RESERVES	HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 January 2022		**78**	**189**	**(21,807)**	**13,898**	**(255,224)**	**(262,866)**
Profit / (loss) for the period		--	--	--	--	492,250	492,250
Foreign currency translation differences	13, 23	--	--	--	(17,422)	--	(17,422)
Share of OCI of equity-accounted investees	16, 23	--	--	(109)	(27,622)	--	(27,731)
Other comprehensive income	13, 23	--	--	59,183	--	2,318	61,501
Total comprehensive income for the period		**--**	**--**	**59,074**	**(45,044)**	**494,568**	**508,598**
Other capital contributions	23	--	111,896	--	--	--	111,896
Balance as at 31 December 2022		**78**	**112,085**	**37,267**	**(31,146)**	**239,344**	**357,628**

The notes presented form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December 2023.

In thousands of EUR ("TEUR")

	NOTE	31 DECEMBER 2023	31 DECEMBER 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		**(11,088)**	**492,250**
Adjustments for:			
Depreciation and amortisation	14, 15	204,487	93,650
(Reversal) / write-down of inventories	10	45,895	2,116
(Reversal) / impairment loss on receivables and loans	10	(549)	2,284
(Reversal) / impairment loss on other assets	10	197,994	--
Impairment loss on goodwill	10	1,863	--
Unwind of discount rate on provision for restoration and renewal	12, 26	7,344	4,175
(Gain) / loss from derivatives	29	69,870	4,318
(Gain) / loss on sale of PPE and intangibles	11	4,629	198
(Gain) / loss on sale of material	11	309	--
(Gain) / loss on disposal of financial assets at FVTPL	12	--	98
Change in fair value of financial assets at FVTPL	12	(16)	--
Foreign exchange (gains) / losses, net	12	6,350	4,822
Interest (income) / expense, net	12	36,090	24,307
Share of (profit) / loss of equity accounted investees, net of tax	16	(4,953)	(176,867)
Tax expense	13	(131,331)	26,500
Operating profit before changes in working capital and provisions		**426,894**	**477,851**
(Increase) / decrease in inventories		(117,545)	(6,552)
(Increase) / decrease in trade and other receivables		(62,455)	(49,961)
(Increase) / decrease in restricted bank deposits		3,623	(21)
Increase / (decrease) in provisions		4,190	(53,091)
Increase / (decrease) in employee benefits and payables to employees		4,083	4,987
Increase / (decrease) in trade and other payables		8,579	(110,697)
Proceeds from / (payments of) derivatives		12,957	(6,694)
Cash generated from / (used in) operations		**280,326**	**255,822**
Interest paid for loans and borrowings	24	(30,441)	(20,258)
Interest paid for lease liabilities	24	(390)	(1,291)
Interest received		3,273	4,621
Income taxes paid		(30,971)	(42,374)
Net cash generated from / (used in) operating activities		**221,797**	**196,520**

Consolidated statement of cash flows for the year ended 31 December 2023.

In thousands of EUR ("TEUR")

	NOTE	31 DECEMBER 2023	31 DECEMBER 2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of PPE and intangibles		6,022	28,691
Acquisition of PPE and intangibles		(344,102)	(146,944)
Acquisition of subsidiaries, net of cash acquired		--	(175,973)
Loans provided		(3,871)	(52,751)
Net cash generated from / (used in) investing activities		**(341,951)**	**(346,977)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	24	1,731,817	2,026,847
Repayments of loans and borrowings	24	(1,712,468)	(1,918,950)
Repayments of lease liabilities	24	(6,483)	(6,908)
Other capital contributions	23	160,939	111,896
Net cash generated from / (used in) financing activities		**173,805**	**212,885**
Net increase/(decrease) in cash and cash equivalents		53,651	62,428
Cash and cash equivalents at beginning of the year		**74,181**	**9,769**
Effect of exchange rate fluctuations on cash held		(2,698)	1,984
Cash and cash equivalents at end of the year		**125,134**	**74,181**

The notes presented form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Sev.en Global Investments a.s. ("the Company" or "the Group") is a company domiciled in the Czech Republic. The address of the Company's registered office is V celnici 1031/4, Nové Město, 110 00 Praha 1, registration number 079 05 114 and the Company is registered in the Commercial Register kept by the Municipal Court in Prague under file B 24217.

Establishment of the Company and primary activities of the Group

The Company. was registered on 18 February 2019. The Company formed a consolidated group in the first half of 2020 by investing into subsidiaries in the USA. In 2022, the Company expanded its investment porftolio into the new region – Australia.

The principal activities of the Group consist of operating mining facilities and facilities for the generation and supply of electricity. Furthermore, the Group owns the royalties on mineral rights and develops the project to produce Sulphate of Potash (SOP).

Ownership structure of the Company as at 31 December 2023

Ownership structure	%	REGISTERED OFFICE
Engiana Establishment (former 7 Global Investment Anstalt)	100%	Zollstrasse 82, 9494 Schaan, Liechtenstein, Reg. No.:FL-0002.646.427-2

Members of Board of Directors and Supervisory Board of Company as at 31 December 2023

	POSITION	NAME
Board of Directors	Chairman	Ing. Alan Svoboda
	Member	Ing. Petr Antoš
	Member	Ing. Jiří Postolka

There were no changes to the Board of Directors in 2023.

Two members of the Board of Directors can at all times act together on behalf of the Company.

	POSITION	NAME
Supervisory Board	Chairman	Michal Tykač, Ph.D.
	Member	Ing. Pavel Tykač
	Member	Jan Chudomel
	Member	Ing. Luboš Pavlas
	Member	Ing. David Knop-Kostka

There were no changes to the Supervisory Board in 2023.

2. Identification of the Group

a) Subsidiaries

NAME OF THE COMPANY	COUNTRY OF INCORPORATION	CONSOLIDATION METHOD	OWNERSHIP INTEREST 31/12/2023	31/12/2022
Sev.en Gamma a.s.	Czech Republic	Full	100%	100%
Seven Sigma Ltd	United Kingdom	Full	100%	100%
Sev.en US Met Coal Inc.	USA	Full	100%	100%
Golden Eagle Land Company, LLC	USA	Full	100%	100%
Ruger Coal Company, LLC[1)]	USA	Full	100%	--
Colt, LLC[1)]	USA	Full	100%	--
Wildcat Coal, LLC	USA	Full	100%	100%
Blue Creek Minerals, LLC	USA	Full	100%	100%
Blackhawk Mining, LLC	USA	Full	100%	100%
Blackhawk DRE, LLC	USA	Full	100%	100%
Blackhawk Sub, LLC	USA	Full	100%	100%
Spruce Pine Land Company	USA	Full	100%	100%
Blackhawk Land and Resources, LLC	USA	Full	100%	100%
Blackhawk River Logistics, LLC	USA	Full	100%	100%
Blue Creek Mining, LLC	USA	Full	100%	100%
Panther Creek Mining, LLC	USA	Full	100%	100%
Rockwell Mining, LLC	USA	Full	100%	100%
Guyandotte Mining, LLC	USA	Full	100%	100%
Kanawha Eagle Mining, LLC	USA	Full	100%	100%
Blackhawk Coal Sales, LLC	USA	Full	100%	100%
Spurlock Mining, LLC	USA	Full	100%	100%
FCDC Coal Inc.	USA	Full	100%	100%
Redhawk Mining, LLC	USA	Full	100%	100%
Eagle Shield, LLC	USA	Full	100%	100%
Blue Diamond Mining, LLC	USA	Full	100%	100%
Hampden Coal, LLC	USA	Full	100%	100%
Logan & Kanawha, LLC	USA	Full	100%	100%
Triad Mining, LLC	USA	Full	100%	100%
Triad Trucking, LLC	USA	Full	100%	100%
Pine Branch Mining, LLC	USA	Full	100%	100%
Pine Branch Resources, LLC	USA	Full	100%	100%
Pine Branch Land, LLC	USA	Full	100%	100%
BHM-WW, LLC	USA	Full	100%	100%
Camphell´s Creek Mining, LLC	USA	Full	100%	100%
Black Oak Mining, LLC	USA	Full	100%	100%
Wells Prep Plant, LLC	USA	Full	100%	100%
Fanco Plant Loadout, LLC	USA	Full	100%	100%
Rock Lick Prep Plant, LLC	USA	Full	100%	100%
Gateway Eagle Mining, LLC	USA	Full	100%	100%

NAME OF THE COMPANY	COUNTRY OF INCORPORATION	CONSOLIDATION METHOD	OWNERSHIP INTEREST 31/12/2023	31/12/2022
Glancy Surface Mining, LLC	USA	Full	100%	100%
Sev.en US Resources, LLC[1)]	USA	Full	100%	--
Sev.en CRN Holding, LLC[1)]	USA	Full	100%	--
Sev.en Global Investments Pty Ltd	Australia	Full	100%	100%
Delta Electricity Pty Ltd	Australia	Full	100%	100%
Sunset Power International Pty Ltd	Australia	Full	100%	100%
Sunset Power Financial Services Pty Ltd	Australia	Full	100%	100%
Great Southern Energy Pty Ltd	Australia	Full	100%	100%
Australia Salt Lake Potash Pty Ltd	Australia	Full	100%	100%
Piper Preston Pty Ltd	Australia	Full	100%	100%
Sev.en Royalties Pty Ltd[1]	Australia	Full	100%	--
Sev.en MTW Pty Ltd[2]	Australia	Full	--	100%
Sev.en HVO Pty Ltd[2]	Australia	Full	--	100%

[1] In 2023, Ruger Coal Company, LLC and Colt, LLC were acquired and Sev.en US Resources, LLC; Sev.en CRN Holding, LLC and Sev.en Royalties Pty Ltd were established.

[2] In 2023, Sev.en MTW Pty Ltd and Sev.en HVO Pty Ltd were dissolved.

b) Associates and joint-ventures

NAME OF THE COMPANY	COUNTRY OF INCORPORATION	CONSOLIDATION METHOD	OWNERSHIP INTEREST 31/12/2023	31/12/2022
Emberock N.V. (former InterGen N.V.)	The Netherlands	Equity	50%	50%

c) Changes in the Group

On 7 March 2023 a newly established subsidiary of the Group (Sev.en Royalties Pty Ltd) acquired royalty rights in Queensland. The acquisition price was [CONFIDENTIAL] with additional fees paid. The two plots of land have two open pit mines operated by unrelated parties which from Q2 2023 pay royalties to Sev.en Royalties Pty Ltd based on a percentage derived from the realized sales price of the extracted coal. The acquired plots of land do not constitute a business and the transaction was treated as an asset deal.

On 30 March 2023 a subsidiary of the Group (Golden Eagle Land Company, LLC) acquired mining rights/mineral interests and surface interests in 2 companies – Colt, LLC & Ruger Coal Company, LLC. The acquisition price of mining rights after deductions was [CONFIDENTIAL], paid in cash. Entities do not constitute a business and the transaction was treated as an asset deal.

3. Basis of preparation

A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IASs), promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB as endorsed by the European Union.

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries (together referred as "the Group") as at 31 December 2023.

The consolidated financial statements were authorised for issue by the Board of Directors on 10 October 2024.

(B) MANAGEMENT'S STATEMENT OF GOING CONCERN

As of 31 December 2023, the Group's total equity was positive TEUR 660,534 and even though was in loss for the period of TEUR 11,088 (caused primarily by the non-cash depreciation and amortisation and impairment of the assets), yet generated total comprehensive income of TEUR 141,967 and net operating cash-flow of TEUR 221,797. Current assets exceeded the Group's current liabilities by TEUR 252,328 and the Group had robust cash balance of TEUR 125,134.

In view of the above no indicators for events or conditions exist that may cast significant doubt on the Company's / Group's ability to continue as a going concern. Management has assessed that it is appropriate to prepare the Group's financial statements on a going concern basis.

(C) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a going-concern basis using the historical cost method except for the following material items in the statement of financial position, which are measured at fair value:

- Derivative financial instruments
- Financial assets and liabilities at fair value through profit or loss

The accounting policies described in the following paragraphs have been consistently applied by the Group entities and between accounting periods.

(D) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in the Euros (EUR).

The functional currency for each Group company is determined based on the primary economic environment in which the entity operates and factors specific to the company. The functional currency is:

- Czech crown (CZK) for entities in Czech Republic
- United States dollar (USD) for entities in USA
- Australian dollar (AUD) for entities in Australia
- British pound (GBP) for entities in United Kingdom and the Netherlands

All financial information presented in EUR has been rounded to the nearest thousands, unless otherwise indicated. Any supplemental information presented in a currency other than the presented currency also shows the equivalent in the presented currency calculated using the 31 December 2023 closing exchange rate.

The following exchange rates have been used for the purpose of consolidation:

	YEARLY AVERAGE EXCHANGE RATE 2023	EXCHANGE RATE AS AT 31 DECEMBER 2023	YEARLY AVERAGE EXCHANGE RATE 2022	EXCHANGE RATE AS AT 31 DECEMBER 2022
EUR/CZK	0.04166	0.04045	0.04071	0.04147
EUR/USD	0.9248	0.9050	0.9497	0.9376
EUR/AUD	0.6139	0.6149	0.6593	0.6372
EUR/GBP	1.1497	1.1507	1.1727	1.1275

(E) USE OF ESTIMATIONS AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies and about estimates and underlying assumptions that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Accounting for business combinations and recognition of goodwill/gain on bargain purchase: Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed or distinguishing between business combination and an asset deal.
- Financial instruments: key assumptions in determining valuation of derivatives.
- Estimated useful lives of property, plant and equipment and intangible assets.
- Assessment of indicators of impairment and impairment testing.
- Leases: estimated borrowing rate used for the discounting of right-of-use asset and lease liabilities.
- Recognition and measurement of provisions for restoration and renewal: Calculation of provisions includes estimates and assumptions about range of geological, technical and economic factors. Changes in the estimates that underlie the calculation of renewal provisions would also impact the assessment of recoverability of property, plant and equipment at the same time.
- Valuation of employee benefits: actuarial estimates and assumptions are required for projected remuneration rates, discount rates and timing of entitlement use when determining the provision for employee benefits.
- Recognition of deferred tax assets: availability of future taxable profits against which deferred tax assets can be used.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(A) BASIS OF CONSOLIDATION

Accounting for acquisition of subsidiaries

a. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b. Acquisitions of subsidiaries under common control

Acquisition under common control which is a combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the acquisition, and that control is not transitory. Such acquisitions are excluded from the scope of IFRS 3. The assets and liabilities acquired are recognised at the carrying amounts of the acquiree (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). The difference between fair value of consideration transferred in the acquisition and net assets acquired is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee under equity method or as a financial asset measured at fair value through profit or loss (FVTPL) depending on the level of influence retained.

Interest in equity-accounted investees

The Group's interests in equity-accounted investees represent interests in associates and joint-ventures.

Associates are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. In determining the level of influence the Group assumes that 20% voting rights in general represents significant influence unless other factors would warrant a higher or lower threshold (such as concentration of ownership, ability to appoint directors etc.).

Joint-ventures are entities in which the Group has joint control over the financial and operating policies.
Interest in associates and joint-ventures are accounted for under the equity method and are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the total profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of or has made payments on behalf of the associate or joint venture.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Unification of accounting policies

The accounting policies and procedures applied by the consolidated entities in their financial statements were unified in the consolidation, and are consistent with the accounting policies applied by the parent company.

(B) FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the relevant entity at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the respective national banks official exchange rates. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss within "Finance income or Finance costs".

Translation to presentation currency – foreign operations

The assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated from functional currency into EUR at foreign exchange rate determined by the European Central Bank (ECB) at the reporting date. The income and expenses are translated from functional currency into EUR using an average foreign exchange rate determined from the ECB exchange rates valid in the reporting period.

Foreign exchange differences arising on translation of the results and financial positions of all the Group entities (none of which has the currency of a hyper-inflationary economy) are recognised in other comprehensive income and presented in the "Translation reserve" in equity. The relevant proportion of the translation difference is allocated to non-controlling interests if applicable. At disposals relevant part of translation reserve is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(C) REVENUES

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Payment terms are in line with industry practices, without any significant financing components with prices either fixed or derived from indices.

Sale of electricity

Revenue from the sale of electricity is recognised when the electricity has been transferred to the Australian Energy Market Operator or contract counterparties.

Sale of coal

Revenue from the sale of coal is recognised when the coal is delivered and have been accepted by the customer or shipping company, either at the premises of the customer or at the place of loading, depending on the point of transfer of substantially all risks and rewards of ownership. The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale (incoterms).

(D) FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested, foreign exchange gain and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on funds obtained, foreign exchange loss, unwinding of the discount on provisions and changes in the fair value of financial assets at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(E) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognised in profit or loss within the line "Other operating income and expense" in Statement of comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives or unit of production basis of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Right of use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and Tangible assets under construction are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- vehicles, computers — 3-5 years
- machinery and equipment — 5 years
- leasehold improvement — lesser of 15 years or lease term
- buildings — up to 40 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(F) INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For measurement of goodwill at initial recognition, see note 4 (a).

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Mineral rights

Mineral resources and rights (together "Mineral rights") which can be separately identified and reasonably valued, are recognised only as part of business combinations at their assessed fair values or when acquired in an asset transaction at cost. Mineral rights represent the legally enforceable right to extract mineral resources and can be separated from ownership of land under which the mineral resources are located and these rights can be sold or leased to mining companies. Mineral rights are not internally generated assets and do not represent the value of the current unmined minerals but a right to extract these minerals.

Mineral rights for which values cannot be reasonably determined are not recognised.

Mineral rights are assessed for impairment only when facts and circumstances suggest that the carrying amount exceed the recoverable amount. Impairment test is carried out in line with Group accounting policy at higher level which is allowed by IAS 36.

Development expenditure

The Group is not prospecting for mineral resources but instead either acquiring existing mining companies or mineral rights. As such the Group does not incur any significant exploration costs.

When commercially recoverable reserves exist and decisions are made to develop the mining site and commence mining activities all relevant costs (such as site preparation, mine development and stripping costs incurred before the mine (or pit) production commences) are capitalized and recognized as mine development costs. All subsequent development expenditure of the mining complex is similarly capitalised, provided commercial viability conditions continue to be satisfied. Mine development costs are classified under the Property, plant and equipment.

Upon completion of development and commencement of production, capitalised development costs are depreciated using the units-of-production method (UOP).

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets comprise primarily from favourable coal contracts recognised as a consequence of business combination with Delta Electricity Pty Ltd.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives or unit of production basis of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The amortization method for the current and comparative periods are as follows:

- mineral rights — units of production
- supplier coal contracts — term of the contract

(G) LEASING

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the rights to control the use of identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components, as they were not material, and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate.

The incremental borrowing rate is determined by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in ´property, plant and equipment´ and lease liabilities separately in the statement of financial position.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including cars. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(H) IMPAIRMENT

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are companied together into the smallest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows of other assets (cash-generating units).

Impairment losses are recognised in profit or loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Reversal of the impairment of goodwill is not allowed under IAS 36.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For assets, other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(I) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(J) FINANCIAL INSTRUMENTS

(i) Non-derivative financial assets

The Group initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss - FVTPL) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

– Financial assets measured at amortised costs

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised costs comprise trade and other receivables, bank deposits and cash and cash equivalents. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

– Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised costs as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit or loss are measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

– Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

(ii) Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to economically hedge its exposure to interest rate risk and to risk of fluctuation in prices of commodities. The Group uses interest rate swaps and commodity derivatives.

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss and/or in hedging reserve based on the following classification:

– Derivatives held for trading

Changes in the fair value of derivatives held for trading are recognised immediately in profit or loss.

– Derivatives classified as hedging instruments

The Group designated certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in prices of commodities.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. The Group likewise assesses whether the effect of credit risk does not dominate the value changes that result from that economic relationship, whether the hedge ratio is within reasonable range and whether the economic relationship persists during the period and as of the date of the financial statements.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedging instrument is traded on a commodity exchange the clearing center of the exchange calculates the changes in the fair value of the hedging instrument and on a daily basis either requires payment to cover decreases in value or makes a payment to the Group for increases in value of the hedging instrument. As a result changes in the fair value of hedging instrument reflected in the hedging reserve within equity do not have a corresponding receivable or payable within the statement of financial position.

The amount accumulated in equity from hedging instrument is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit of loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(K) SHARE CAPITAL

Finacial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Other capital contributions

Other capital contributions represent additions to equity by shareholders out of the share capital (without issue of new shares).

(L) PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for restoration and renewal

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance arises through the development or ongoing production and the Group is liable for environmental damage caused by its activities.

The future costs generally include restoration and remediation of land and disturbed areas, mine closure costs, including the dismantling and demolition of infrastructure and the removal of residual materials, and damage costs. A third-party or internal estimate of the costs of reclamation work is obtained and discounted using the current risk free rate over the estimated period of time until reclamation work will begin.

Determining the cost of restoration and renewal during activities in accordance with the Group's accounting policy requires the use of significant estimates and assumptions.

Changes in the estimates and assumptions used to determine the cost of restoration and renewal could have a material impact on the carrying value of the restoration and renewal provision. The provision is recognised as the net present value of the estimated outflow of economic resources to settle the obligation. The provision recognised is reviewed at each reporting date and updated based on facts and circumstances available at that time.

The timing of each renewal and restoration obligation has been estimated based on the expected start of restoration (which is typically the physical or economical end of life of the relevant asset) and the expected duration of the restoration activities given the assumed adopted technological approach.

(M) EMPLOYEE BENEFITS

(i) Payables to employees

Liabilities for wages and salaries are recorded under Payables to employees.

(ii) Employee benefits

Liabilities for employee bonuses, long service leave, annual leave and other employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Such liabilities are recorded under Employee benefits – current.

(iii) Post-employment obligations

For entities other than in Delta Electricity Pty Ltd subgroup, the Group does not pay any mandatory social security premiums to state authorities as set by local law regulations on behalf of the employees ensuring post-employment benefits. All payments represent either mandatory state social security and health insurance which represents an incremental payroll cost without a post-employment obligation for the Group or voluntary contributions to private employee pension plans that likewise do not represent a future obligation for the Group.

Defined benefit liability

Delta Electricity Pty Ltd subgroup has defined benefit scheme (post-employment obligations) in place.

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed New South Wales public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations. Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures relate to total assets of the Pooled Fund.

Defined benefit superannuation schemes

In respect of defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the Group is demonstrably committed to the curtailment or settlement. Past services costs are recognised immediately.

(N) INCOME TAX

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

5. New standards and interpretations

The Group is assessing the impact of the following new standards, amendments and interpretations approved by the EU but not yet effective:

Effective for the annual reporting period beginning on 1 January 2024

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Statement of Cash Flows (Amendments to IAS 7)
- Financial instruments Disclosures: Supplier Finance (Amendments to IFRS 7)

Effective for the annual reporting period beginning on 1 January 2025

- Lack of Exchangeability (Amendments to IAS 21)

Effective for the annual reporting period beginning on 1 January 2026

- Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

Effective for the annual reporting period beginning on 1 January 2027

- Presentation and Disclosure in Financial Statements (IFRS 18 – New standard)

Effective date not yet stated:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IAS 28 and IFRS 10)

Based on assessments undertaken to date, the Group does not expect the adoption of these standards to have a material impact on the financial statements. The actual impacts of adopting the standards as at 1 January 2024 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

Where transition provisions in adopted, IFRS gave an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elected to apply the Standards prospectively from the date of transition.

6. Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group applies IFRS 13 as a source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It also requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data.

For valuation of derivative financial instruments, the Group uses level 2 of fair value measurement hierarchy. The Group uses quotations from commodity exchange for determining fair value of commodity contracts and market quoted swaps yield curves for interest rate swaps. Fair value of derivatives is measured using the discounted cash flows method, whereby the contractual cash flows are discounted by the market discount rate prevailing as at the reporting date, adjusted for relevant risks if applicable.

Fair values of financial assets and liabilities not measured at fair value are determined using level 3 of fair value measurement hierarchy except for fair values of cash and cash equivalents that is determined using level 1 of fair value measurement hierarchy. Carrying values of financial assets and liabilities not measured at fair value (except for finance lease liabilities and deferred consideration receivables) are a reasonable approximation of their fair value and therefore are not shown separately in Notes, except the tables on the following pages.

There were no transfers between levels of fair value measurement hierarchy during current year 2023 and previous year 2022.

Balance 31 December 2023	Carrying value				
	FVOCI – hedging instruments	FVTPL – others	Financial assets at amortised costs	Other financial liabilities	Total
Financial assets measured at fair value					
Hedging derivative instruments	32,492	--	--	--	32,492
Derivative instruments at FVTPL	--	12,185	--	--	12,185
Financial assets not measured at fair value					
Trade and other receivables[1]	--	--	232,718	--	232,718
Provided loans	--	--	121,895	--	121,895
Cash and cash equivalents and Restricted bank deposits	--	--	179,957	--	179,957
Financial liabilities measured at fair value					
Hedging derivative instruments	18,745	--	--	--	18,745
Derivative instruments at FVTPL	--	26,632	--	--	26,632
Financial liabilities not measured at fair value					
Bank loans	--	--	--	139,972	139,972
Loans from related parties	--	--	--	515,618	515,618
Loans from third parties	--	--	--	12,567	12,567
Lease liabilities	--	--	--	24,822	24,822
Trade and other payables[2]	--	--	--	165,977	165,977

[1] Excluding non-financial assets (see Note 19) [2] Excluding non-financial liabilities (see Note 28)

Balance 31 December 2022	Carrying value				
	FVOCI – hedging instruments	FVTPL – others	Financial assets at amortised costs	Other financial liabilities	Total
Financial assets measured at fair value					
Hedging derivative instruments	33,302	--	--	--	33,302
Derivative instruments at FVTPL	--	33,540	--	--	33,540
Financial assets not measured at fair value					
Trade and other receivables[1]	--	--	184,711	--	184,711
Debt instruments at amortised cost	--	--	6,628	--	6,628
Provided loans	--	--	102,394	--	102,394
Cash and cash equivalents and Restricted bank deposits	--	--	134,829	--	134,829
Financial liabilities measured at fair value					
Hedging derivative instruments	191,037	--	--	--	191,037
Derivative instruments at FVTPL	--	11,631	--	--	11,631
Financial liabilities not measured at fair value					
Bank loans	--	--	--	199,395	199,395
Loans from related parties	--	--	--	337,195	337,195
Loans from third parties	--	--	--	93,422	93,422
Lease liabilities	--	--	--	28,882	28,882
Trade and other payables[2]	--	--	--	153,654	153,654

[1] Excluding non-financial assets (see Note 19) [2] Excluding non-financial liabilities (see Note 28)

Balance 31 December 2023	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Hedging derivative instruments	--	32,492	--	32,492
Derivative instruments at FVTPL	--	12,185	--	12,185
Financial assets not measured at fair value				
Trade and other receivables[1]	--	--	--	--
Provided loans	--	--	121,895	121,895
Cash and cash equivalents and Restricted bank deposits	--	--	--	--
Financial liabilities measured at fair value				
Hedging derivative instruments	--	18,745	--	18,745
Derivative instruments at FVTPL	--	26,632	--	26,632
Financial liabilities not measured at fair value				
Bank loans	--	--	139,972	139,972
Loans from related parties	--	--	515,618	515,618
Loans from third parties	--	--	12,567	12,567
Lease liabilities	--	--	24,822	24,822
Trade and other payables[2]	--	--	--	--

[1] Excluding non-financial assets (see Note 19) [2] Excluding non-financial liabilities (see Note 28)

Balance 31 December 2022	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Hedging derivative instruments	--	33,302	--	33,302
Derivative instruments at FVTPL	--	33,540	--	33,540
Financial assets not measured at fair value				
Trade and other receivables[1]	--	--	--	--
Debt instruments at amortised cost	--	--	6,628	6,628
Provided loans	--	--	102,394	102,394
Cash and cash equivalents and Restricted bank deposits	--	--	--	--
Financial liabilities measured at fair value				
Hedging derivative instruments	--	191,037	--	191,037
Derivative instruments at FVTPL	--	11,631	--	11,631
Financial liabilities not measured at fair value				
Bank loans	--	--	199,395	199,395
Loans from related parties	--	--	337,195	337,195
Loans from third parties	--	--	93,422	93,422
Lease liabilities	--	--	28,882	28,882
Trade and other payables[2]	--	--	--	--

[1] Excluding non-financial assets (see Note 19) [2] Excluding non-financial liabilities (see Note 28)

7. Revenues

Revenues per type of products / services

	2023	2022
Revenues from sale of coal	1,297,762	1,476,901
Revenues from sale of electricity	509,995	16,322
Revenues from sale of green certificates	5,920	--
Revenues from royalties	29,823	9,944
Other revenues	10,562	821
Total	**1,854,062**	**1,503,988**

Revenues pursuant to geographic regions

	2023	2022
Czech Republic	366	--
Europe	164,012	217,312
USA	875,436	845,575
Australia	534,645	16,541
Asia	236,607	385,280
Other	42,996	39,280
Total	**1,854,062**	**1,503,988**

Revenues in other regions are attributable mostly to Blackhawk Mining, LLC's export to South America.

Timing of revenue recognition

	2023	2022
Revenues recognized at a point in time	1,330,298	1,487,447
Revenues recognized over time	523,764	16,541
Total	**1,854,062**	**1,503,988**

2023 increase in revenues from sale of electricity, Australia sales and revenues recognized over time is caused by the acquisition of Delta Electricity Pty Ltd in December 2022. 2023 decrease in Asia sales is caused by the lower coal export sales of Blackhawk Mining, LLC.

8. Expenses

	2023	2022
Costs of goods sold	(213,019)	(51,981)
Materials and consumables	(305,485)	(199,902)
Services	(457,353)	(451,145)
Total	**(975,857)**	**(703,028)**

Materials and consumables

	2023	2022
Coal	(143,535)	(10,070)
Electricity	(30,543)	(30,914)
Gas	(25)	(28)
Fuel	(51,782)	(57,812)
Water	(968)	(225)
Other materials and consumables	(78,632)	(100,853)
Total	**(305,485)**	**(199,902)**

Other materials and consumables represent mainly consumption of material in the extraction of coal in Blackhawk Mining, LLC.

2023 increase in coal expenses is due to the acquisition of Delta Electricity Pty Ltd in December 2022.

Services

	2023	2022
Repairs and maintenance	(116,472)	(98,552)
Transport and travel	(142,583)	(192,364)
Production related services and subdeliveries	(88,363)	(47,813)
Royalties	(58,226)	(69,829)
Fees and commissions	(18,223)	(23,614)
Rental	(2,457)	(606)
IT expenses	(4,435)	(2,097)
Marketing and advertising	(3,483)	(6,436)
Other services	(23,111)	(9,834)
Total	**(457,353)**	**(451,145)**

9. Personnel expenses

	2023	2022
Average numbers	2,769	2,068
Wages and salaries	(263,174)	(207,453)
Compulsory social security contributions	(23,559)	(16,758)
Other personnel expenses	(77,602)	(48,060)
Total personnel expenses	**(364,335)**	**(272,271)**
Expenses related to employee benefits	(16,131)	(12,064)
Total	**(380,466)**	**(284,335)**

Other personnel expenses include expenses such as voluntary health insurance paid on behalf of workers and costs paid under the Workers Comp program in the United States.

10. Impairment and write-down

Reversal / (write-down) of inventories

	2023	2022
Reversal / (write-down) of raw materials	(1,170)	(2,116)
Reversal / (write-down) of work-in-progress [1]	(44,725)	--
Total	**(45,895)**	**(2,116)**

Reversal / (impairment loss) on receivables and loans

	2023	2022
Reversal / (impairment loss) on trade and other receivables	549	(595)
Reversal / (impairment loss) on loans and borrowings	--	(1,689)
Total	**549**	**(2,284)**

Reversal / (Impairment loss) on goodwill and other assets

	2023	2022
(Impairment loss) on goodwill	(1,863)	--
(Impairment loss) / Reversal of impairment loss on PPE[1]	(74,017)	--
(Impairment loss) / Reversal of impairment loss on intangibles[2]	(123,977)	--
Total	**(199,857)**	**--**

[1] Due to the Piper Preston Pty Ltd prolonged trial production period and further efficiency improvements requirements, Piper Preston Pty Ltd's work-in-progress and PPE have been impaired as at period end to stay compliant with prudential accounting approach.

[2] As a result of impairment testing in the period, the Group recognised impairment loss on intangibles primarily related to coal purchase contracts of the subgroup Delta Electricity Pty Ltd.

11. Other operating income and expenses

Other operating income

	2023	2022
Rentals	1,053	3,047
Gain on sale of material	2	--
Subsidies	13,646	--
Other operating income	2,157	8,559
Total	**16,858**	**11,606**

Other operating expenses

	2023	2022
Other tax expenses	(59,004)	(79,278)
Loss on sale of material	(311)	--
Loss on sale of PPE and intangibles	(4,629)	(198)
Costs from settlement agreement	--	(60)
Insurance expenses	(19,615)	(13,823)
Other operating expenses	(4,195)	(1,262)
Total	**(87,754)**	**(94,621)**

Other tax expenses include mainly mainly severance tax, tangible tax, excise tax, sales and use tax and property tax of Blackhawk Mining, LLC.

12. Finance income and costs

Other operating income

	2023	2022
Interest income on debt instruments at amortised costs	--	69
Interest income on bank deposits	3,273	422
Interest income on loans and receivables	18,906	10,613
Change in fair value of financial assets and liabilities at FVTPL	16	--
Foreign exchange gain	--	2,968
Other finance income	316	214
Total finance income	**22,511**	**14,286**
Interest expenses on loans	(57,879)	(34,120)
Interest expenses on lease liabilities	(390)	(1,291)
Bank charges	(791)	(748)
Net loss on disposal of financial assets at FVTPL	--	(98)
Unwind of discount rate on provisions for restoration and renewal	(7,344)	(4,175)
Foreign exchange loss	(6,350)	(7,790)
Other finance costs	(4,880)	(3,747)
Total finance costs	**(77,634)**	**(51,969)**
Net finance income / (costs) recognised in profit or loss	**(55,123)**	**(37,683)**

13. Income tax

Current tax expense / (benefit)

	2023	2022
Current period	48,037	23,025
Adjustment for prior periods	1,560	--
Total	**49,597**	**23,025**

Deferred tax expense / (benefit)

	2023	2022
Origination and reversal of temporary differences	(179,827)	8,030
Change in unrecognized deductible temporary differences	(1,101)	(4,555)
Total	**(180,928)**	**3,475**

Income tax expense / (benefit)

	2023	2022
Current tax expense / (benefit)	49,597	23,025
Deferred tax expense / (benefit)	(180,928)	3,475
Total	**(131,331)**	**26,500**

Current income tax assets / (liabilities)

	2023	2022
Current income tax assets	11,710	24,808
Current income tax liabilities	(16,150)	(12,379)
Total	**(4,440)**	**12,429**

Deferred tax benefit in 2023 mostly relates to formation of Tax Consolidated Group in Australia.

Current income tax assets and liabilities are not offset as they relate to income taxes levied by the different tax authorities on different taxable entities.

Deferred taxes are calculated using currently enacted tax rates expected to apply when the asset is realised or the liability settled. Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2023 and 2022 can be summarised as follows:

	2023	2022
Czech Republic[1)]	21.00%	19.00%
USA[2)]	21.00%	21.00%
Australia	30.00%	30.00%
United Kingdom	25.00%	19.00%

[1)] During 2023, it has been approved by the Czech government, that since 2024 the corporate income tax will rise to 21%

[2)] Blackhawk Mining, LLC and its subsidiaries are subject of U.S. federal income tax (21.00%) and state income taxes (appx. 6.00%)

Reconciliation of effective tax rate

	2023	2022
Profit / (loss) for the period	**(11,088)**	**492,250**
Total income tax (expense) / benefit	**131,331**	**(26,500)**
Profit / (loss) excluding income tax	**(142,419)**	**518,750**
Income tax using the Company's domestic tax rate	(27,060)	98,563
Effect of tax rates in foreign jurisdictions	(30,854)	4,166
Effect of special tax rates	1,703	2,052
Share of profit of equity-accounted investees reported net of tax	(941)	(33,605)
Tax on dividends paid within the consolidated group	--	3,818
Tax effect of consolidation	(78,894)	--
Tax effect of depletion	(18,384)	--
Non-deductible expenses	13,359	3,641
Tax-exempt income	(608)	(17,493)
Tax incentives and tax credits	(338)	(123)
Recognition of previously unrecognised tax losses	(1,346)	(98)
Derecognition of previously recognised tax losses	769	--
Utilization of previously unrecognized tax losses	--	(6,213)
Current year losses for which no deferred tax was recognised	655	1,932
Income tax adjustments for prior periods	(3,265)	(3,324)
Change in unrecognised temporary differences	13,016	(27,798)
Other	857	982
Effective tax rate	**(131,331)**	**26,500**

In 2023, the subgroup Sev.en Global Investments Pty Ltd has decided to form a Tax Consolidated Group comprising all of its Australian subsidiaries with effective date 2 January 2024. As a result of this tax consolidation the subgroup has reset its tax bases effective 31 December 2023, with the effects being included in the Tax consolidation impact.

In 2023, the Tax effect of depletion is attributable to the subgroup Blackhawk Mining, LLC.

In 2023, change in unrecognized temporary differences is attributable mainly to change in unrecognized deferred tax assets resulting from assets of the subgroup Australia Salt Lake Potash Pty Ltd.

In 2022, change in unrecognized temporary differences was attributable mainly to change in unrecognized deferred tax assets resulting from provisions and liabilities of the subgroup Blackhawk Mining, LLC.

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
PPE and intangibles	119,494	2,508	(79,823)	(123,275)	39,671	(120,767)
Inventories	7,646	1,733	(12,464)	(7,821)	(4,818)	(6,088)
Loans and borrowings	6,795	2,726	(314)	--	6,481	2,726
Employee benefits	6,865	6,608	--	--	6,865	6,608
Provisions	26,175	24,216	(992)	(1,059)	25,183	23,157
Liabilities	3,462	2,779	(1,427)	(1,478)	2,035	1,301
Hedging derivates	2,325	41,017	(14,334)	--	(12,009)	41,017
Tax losses carried forward	3,654	1,096	--	--	3,654	1,096
Other temporary differences	6,300	4,666	--	(3,122)	6,300	1,544
Deferred tax asset / (liability)	**182,716**	**87,349**	**(109,354)**	**(136,755)**	**73,362**	**(49,406)**
Tax off-set	(109,354)	(87,349)	109,354	87,349	--	--
Net deferred tax asset / (liability)	**73,362**	**--**	**--**	**(49,406)**	**73,362**	**(49,406)**

Movements in temporary differences during the year

	1 January 2023	Recognised in PL	Tax effect of consolidation – recognised in PL	Recognised in OCI	Translation differences	31 December 2023
PPE and intangibles	(120,767)	68,878	87,347	--	4,213	39,671
Inventories	(6,088)	(3,956)	5,032	--	194	(4,818)
Loans and borrowings	2,726	3,870	--	--	(115)	6,481
Employee benefits	6,608	(1,458)	823	1 090	(198)	6,865
Provisions	23,157	2,935	--	--	(909)	25,183
Liabilities	1,301	846	--	--	(112)	2,035
Hedging derivates	41,017	23,415	(14,310)	(60 588)	(1,543)	(12,009)
Tax losses carried forward	1,096	2,686	--	--	(128)	3,654
Other temporary differences	1,544	4,820	--	--	(64)	6,300
Total	**(49,406)**	**102,036**	**78,892**	**(59,498)**	**1,338**	**73,362**

Deferred tax recognised in other comprehensive income

	31 December 2023			31 December 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Foreign currency translation differences	(11,048)	--	(11,048)	(17,422)	--	(17,422)
Remeasurement of defined benefit liability / (asset)	(3,633)	1,090	(2,543)	3,312	(994)	2,318
Share of OCI of equity-accounted investees	21,997	--	21,997	(27,731)	--	(27,731)
Net change in fair value of cash flow hedges	205,237	(60,588)	144,649	86,974	(27,791)	59,183
Total	**212,553**	**(59,498)**	**153,055**	**45,133**	**(28,785)**	**16,348**

Unrecognised deferred tax assets

	2023	2022
Property, plant and equipment and intangibles	9,230	46,352
Provisions	28,937	34,751
Tax losses carried-forward	23,352	24,074
Other items	--	3,445
Total	**61,519**	**108,622**

Unrecognised deferred tax assets are attributable mainly to PPE, provisions and tax losses carried-forward of Blackhawk Mining, LLC. Tax losses in the USA can be carried forward for an indefinite period but with limitations on their usability (e.g. ring-fencing rules).

The unrecognized deferred tax asset from PPE of TEUR 9,230 and also part of the recognized deferred tax asset form PPE of TEUR 17,990 is created by the depletion in Blackhawk Mining, LLC. Depletion refers to the gradual degradation of natural resources reserves.

14. Property, plant and equipment

	Right-of-use asset	Land and buildings	Plant and equipment	Other tangible fixed assets	Tangible assets under construction	Total
Acquisition cost						
Balance as at 1 January 2022	**16,821**	**16,500**	**217,535**	**10,581**	**27,249**	**288,686**
Acquisitions through business combination	18,339	63,514	70,218	--	31,268	183,339
Additions	21,326	8,513	61,190	16,694	49,179	156,902
Disposals	--	(8,142)	(8,377)	(738)	(3,011)	(20,268)
Transfers	--	--	28,654	--	(28,654)	--
Effects of movements in FX rates	313	610	12,882	452	130	14,387
Balance as at 31 December 2022	**56,799**	**80,995**	**382,102**	**26,989**	**76,161**	**623,046**
Additions	1,674	1,005	79,248	35,554	88,764	206,245
Disposals	(1,215)	--	(15,660)	--	(5,019)	(21,894)
Changes recorded through R&R provision	--	21	--	--	--	21
Transfers	(19,319)	--	83,697	--	(64,378)	--
Effects of movements in FX rates	(2,027)	(2,829)	(15,274)	(1,699)	(2,621)	(24,450)
Balance as at 31 December 2023	**35,912**	**79,192**	**514,113**	**60,844**	**92,907**	**782,968**

	Right-of-use asset	Land and buildings	Plant and equipment	Other tangible fixed assets	Tangible assets under construction	Total
Depreciation and impairment losses						
Balance as at 1 January 2022	**(11,180)**	**--**	**(58,987)**	**(4,994)**	**--**	**(75,161)**
Depreciation for the year	(3,811)	--	(58,732)	(3,919)	--	(66,462)
Disposals	--	--	5,630	--	--	5,630
Effects of movements in FX rates	(645)	--	(2,349)	(260)	--	(3,254)
Balance as at 31 December 2022	**(15,636)**	**--**	**(114,438)**	**(9,173)**	**--**	**(139,247)**
Depreciation for the year	(3,838)	(1,184)	(98,704)	(6,922)	--	(110,648)
Impairment loss	(14,684)	(530)	(19,337)	(274)	(39,192)	(74,017)
Disposals	819	--	10,424	--	--	11,243
Transfers	188	--	(188)	--	--	--
Effects of movements in FX rates	554	(2)	5,366	473	(64)	6,327
Balance as at 31 December 2023	**(32,597)**	**(1,716)**	**(216,877)**	**(15,896)**	**(39,256)**	**(306,342)**

	Right-of-use asset	Land and buildings	Plant and equipment	Other tangible fixed assets	Tangible assets under construction	Total
Carrying amounts						
Balance as at 31 December 2022	**41,163**	**80,995**	**267,664**	**17,816**	**76,161**	**483,799**
Balance as at 31 December 2023	**3,315**	**77,476**	**297,236**	**44,948**	**53,651**	**476,626**

Major additions to property, plant and equipment in 2023 and 2022 relate mainly to the mining equipment, structures and machines.

The Group assessed the potential impairment triggers and recorded impairment of Property, plant and equipment of TEUR 74,017 as of 31 December 2023 (for more refer to Note 10).

15. Intangible assets

	Goodwill	Software	Mineral rights	Other intangible assets	Intangible assets in progress	Total
Acquisition cost						
Balance as at 1 January 2022	**--**	**--**	**136,337**	**59,699**	**--**	**196,036**
Acquisitions through business combination	6,171	835	--	229,610	57	236,673
Additions	--	--	13,136	--	--	13,136
Disposals	--	--	(20,251)	(64,210)	--	(84,461)
Effects of movements in FX rates	(55)	--	8,536	4,553	--	13,034
Balance as at 31 December 2022	**6,116**	**835**	**137,758**	**229,652**	**57**	**374,418**
Additions	--	--	141,115	--	256	141,371
Changes recorded through R&R provision	--	--	(1,298)	--	--	(1,298)
Effects of movements in FX rates	(214)	(29)	(6,919)	(8,037)	--	(15,199)
Balance as at 31 December 2023	**5,902**	**806**	**270,656**	**221,615**	**313**	**499,292**

	Goodwill	Software	Mineral rights	Other intangible assets	Intangible assets in progress	Total
Amortization and impairment losses						
Balance as at 1 January 2022	**--**	**--**	**(31,088)**	**(59,694)**	**--**	**(90,782)**
Amortisation for the year	--	(17)	(23,674)	(3,497)	--	(27,188)
Disposals	--	--	6,000	64,210	--	70,210
Effects of movements in FX rates	--	--	(1,701)	(4,399)	--	(6,100)
Balance as at 31 December 2022	**--**	**(17)**	**(50,463)**	**(3,380)**	**--**	**(53,860)**
Amortisation for the year	--	(325)	(28,418)	(65,096)	--	(93,839)
Impairment loss	(1,863)	--	(3,632)	(120,345)	--	(125,840)
Effects of movements in FX rates	(3)	--	2,379	(183)	--	2,193
Balance as at 31 December 2023	**(1,866)**	**(342)**	**(80,134)**	**(189,004)**	**--**	**(271,346)**

	Goodwill	Software	Mineral rights	Other intangible assets	Intangible assets in progress	Total
Carrying amounts						
Balance as at 31 December 2022	**6,116**	**818**	**87,295**	**226,272**	**57**	**320,558**
Balance as at 31 December 2023	**4,036**	**464**	**190,522**	**32,611**	**313**	**227,946**

In 2023, additions of mineral rights are attributable mainly to asset deals carried out by Sev.en Royalties Pty Ltd and Golden Eagle Land Company, LLC (for more refer to Note 2 (c)).

Disposals in 2022 comprised mainly from disposed (fully depreciated) customer-related contracts recognised as a consequence of business combination with BlackHawk Mining, LLC.

The Group assessed the potential impairment triggers and recorded impairment of intangible assets (namely mainly coal purchase contracts) of TEUR 125,840 as of 31 December 2023 (for more refer to Note 10). Goodwill recognized at acquisition of Australia Salt Lake Potash Pty Ltd was fully impaired in the amount of TEUR 1,863.

16. Equity accounted investees

	Ownership	Carrying value	Group's share of net assets	Group's share of profit / (loss)
2023				
Emberock N.V.[1]	50.00%	335,602	335,602	4,953
Total		**335,602**	**335,602**	**4,953**
2022				
Emberock N.V.	50.00%	308,652	308,652	176,867
Total		**308,652**	**308,652**	**176,867**

[1] Formerly named InterGen N.V.

Movements in carrying value of equity-accounted investee could be summarised as follows.

	2023	2022
Balance as at 1 January	**308,652**	**159,516**
Group's share of profit / (loss)	4,953	176,867
Group's share of other comprehensive income – translation reserve	(5,894)	(27,622)
Group's share of other comprehensive income – hedging reserve	27,891	(109)
Balance as at 31 December	**335,602**	**308,652**

The Group does not have any contractual relationship with the other investors in connection with this joint-venture. The Group does not have any risks associated with the equity-accounted investee other than potential risk to the carrying value of the investment. Voting rights of the Group in the joint-venture correspond to the ownership interest held.

Given that Emberock N.V. operates within the energy sector as the Group, the shares held in this equity-accounted investee are associated with similar risks despite a geographical separation between countries of their operations.

The following table summarises the financial information for equity-accounted investee adjusted for fair value adjustments at acquisition and differences in accounting policies as at 31 December 2023 and 2022.

	Emberock N.V. joint-venture 50.00% 2023	Emberock N.V. joint-venture 50.00% 2022
Summarised statement of financial position		
Non-current assets	617,618	63,876
Current assets	56,852	1,371,586
Cash and cash equivalents	*23,230*	*113,056*
Non-current liabilities	--	(2,652)
Current liabilities	(3,267)	(815,506)
Net assets (100%)	**671,203**	**617,304**
Group's share of net assets	335,602	308,652
Carrying amount of interest in equity – accounted investee	**335,602**	**308,652**
Summarised statement of comprehensive income		
Revenues	--	--
Depreciation and amortisation	--	--
Interest income	28,404	3,234
Interest expenses	(2,499)	(27,102)
Income tax (expense) / benefit	(5,554)	9,213
Profit / (Loss) for the year	**9,905**	**353,734**
Other comprehensive income	43,993	(55,462)
Total comprehensive income (100%)	**53,898**	**298,272**
Group's share of profit / (loss) for the year	4,953	176,867
Group's share of other comprehensive income	21,997	(27,731)
Group's share of total comprehensive income	**26,950**	**149,136**
Dividends received by the Group	**--**	**--**

As at 31 December 2023, Emberock N.V. had nil both non-current and current financial liabilities (excluding trade and other payables and provisions).

The year-over-year change of balances in summarised statement of financial position is mainly caused by the Emberock N.V.'s United Kingdom assets and liabilities being classified as "held for sale" in 2022 in accordance with IFRS guidelines. The formal sales process was launched in 2022 with the successful conclusion in January 2023. Since that Emberock N.V. co-owned only two coal-fired plants in Australia (out of which one was put in voluntary administration in March 2023), that's the reasoning behind the year-over-year decrease in profit.

During 2023, Emberock N.V. utilized the excess cash received from the sale of the UK operations to fully repay outstanding USD bonds and enter into the new long-term loans to its shareholders, these loans create majort part of Emberock N.V.'s non-current assets as of 31 December 2023.

17. Provided loans

The provided loans represent financial assets measured at amortised cost.

	Currency	Interest rate	Maturity	2023	2022
Loan to related party 1	CZK	variable	31.01.2025	61,499	52,761
Loan to related party 2[1)]	EUR	fixed	31.03.2023	60,396	49,633
Total				**121,895**	**102,394**

[1)] The loan is past its maturity due to the counterparty being inoperative for certain period. The counterparty is fully operative since August 2024. Taking into consideration Group's assessment based on internal and external valuation of the company and its probable cash-flows, no additional impairment loss allowance (to the one stated in Note 30) has been recorded.

As at 31 December 2023, provided loans are shown net of impairment loss allowance of TEUR 1,678 (2022: TEUR 1,720). For credit risk information refer to Note 30.

18. Inventories

	2023	2022
Raw materials	44,259	37,673
Work in progress	206	--
Own products	111,072	49,135
Green certficates	1,856	3,583
Total	**157,393**	**90,391**

As at 31 December 2023, total net value of inventories comprises also adjustment allowance to net realisable value of TEUR 47,984 (2022: TEUR 2,089), majority of that is attributable to work in progress of Australia Salt Lake Potash Pty Ltd (for more refer to Note 10). The difference to inventory write-downs recognised in Note 10 results from the effect of movements in FX rates.

19. Trade and other receivables

	2023	2022
Trade and other receivables due from related parties	2,393	163
Trade receivables due from third parties	165,333	140,167
Security deposits provided	56,135	30,192
Other receivables	8,857	14,189
Subtotal financial assets	***232,718***	***184,711***
Prepaid expenses	30,755	25,792
Advances paid	354	--
Other tax receivables	1,840	783
Subtotal non-financial assets	***32,949***	***26,575***
Total	**265,667**	**211,286**
Non-current	33,870	33,286
Current	231,797	178,000
Total	**265,667**	**211,286**

The security deposits are attributable mostly to cash collateral provided by Blackhawk Mining, LLC in connection to workers compensation insurance provider.

Prepaid expenses consist primarily of prepaid royalties and insurance by Blackhawk Mining, LLC.

As at 31 December 2023, trade and other receivables are shown net of impairment loss allowance of TEUR 46 (2022: TEUR 603). For credit risk information refer to Note 30.

20. Other investments including derivatives

	2023	2022
Non-current investments including derivatives		
Derivatives not used for hedging at FVTPL	6,252	17,507
Hedging derivatives at FVOCI	24,506	3,171
Total non-current investments including derivatives	**30,758**	**20,678**
Current investments including derivatives		
Debt instruments at amortized costs	--	6,628
Derivatives not used for hedging at FVTPL	5,933	16,033
Hedging derivatives at FVOCI	7,986	30,131
Total current investments including derivatives	**13,919**	**52,792**
Total non-current and current investments including derivatives	**44,677**	**73,470**

As at 31 December 2023, the Group uses derivatives to manage its risk, for more details refer to Note 29 and Note 30.

21. Restricted bank deposits

	2023	2022
Restricted bank deposits non-current	22,913	33,514
Restricted bank deposits current	31,910	27,134
Total	**54,823**	**60,648**

Majority of the non-current balance relates to Blackhawk Mining, LLC that is entitled to use restricted bank deposits only for the purpose of legally required restoration and renewal. The bank does not release any funds without relevant statutory requirements being met. Under US law a mining company does not need to hold restricted bank deposit to cover the entire restoration obligation, but may engage a third party guarantor which guarantees the restoration work will be performed in exchange for only a portion of restoration obligation being secured by restricted bank deposit.

22. Cash and cash equivalents

	2023	2022
Bank balances	61,909	74,143
Term deposits	63,225	38
Total	**125,134**	**74,181**

As at 31 December 2023, term deposits balances predominantly arise on the level of Sev.en Global Investments a.s. and Sev.en Global Investments Pty Ltd.

23. Equity

(a) Share capital

As at 31 December 2023 and 2022, the Group's share capital of TEUR 78 is composed of 2,000,000 registered ordinary shares with a nominal value of CZK 1. All shares were fully paid.

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

(b) Capital reserves

As at 31 December 2023, capital reserves amounted to TEUR 273,024 (2022: TEUR 112,085). Additional other capital contribution to capital reserves provided by the sole shareholder during the year 2023 amounted to TEUR 160,939 (2022: TEUR 111,896).

(c) Hedging reserve

As at 31 December 2023 the hedging reserve amounted to TEUR 209,807 (2022: TEUR 37,267).

In 2023 the share on hedging reserve of equity-accounted investee was recognised in amount of TEUR 27,891 (2022: TEUR (109)). In 2023 net change in fair value of cash-flow hedges recognized in hedging reserve was TEUR 144,649 (2022: TEUR 59,183).

(d) Translation reserve

The translation reserve comprises of the foreign exchange differences arising on translation that are charged to other comprehensive income. As at 31 December 2023 the translation reserve amounted to TEUR (48,088) (2022: TEUR (31,146)). In 2023 the share on translation reserve of equity accounted investee was recognised in amount of TEUR (5,894) (2022: TEUR (27,622)).

(e) Retained earnings

The Group's operating business model should generally generate positive operating profits and the Group expect this model to be sustainable for the foreseeable future. Remeasurement of defined benefit liability (asset) net of tax is recorded under Retained earnings.

(f) Dividends

In 2023 and 2022, the Group paid out no dividends.

24. Loans and borrowings

	2023	2022
Non-current loans and borrowings		
Bank loans	59,703	106,871
Loans from related parties	515,618	216,101
Loans from third parties	2,750	76,114
Total non-current loans and borrowings	**578,071**	**399,086**
Current loans and borrowings		
Bank loans	80,269	92,524
Loans from related parties	--	121,094
Loans from third parties	9,817	17,308
Total current loans and borrowings	**90,086**	**230,926**
Total non-current and current loans and borrowings	**668,157**	**630,012**

	Currency	Interest rate	Maturity	2023	2022
Bank loan 1 [1)]	USD	variable	31.12.2024	58,142	24,350
Bank loan 2 [2)]	USD	variable	01.07.2026	71,536	86,028
Bank loan 3	EUR	variable	--	--	49,273
Bank loan 4	CZK	variable	--	--	33,498
Bank loan 5 [3)]	AUD	variable	20.12.2024	6,026	6,246
Bank loan 6 [3)]	AUD	variable	31.07.2024	4.268	--
Subtotal bank loans				***139,972***	***199,395***
Loan from related parties 1	AUD	variable	31.12.2027	218,925	126,714
Loan from related parties 2	CZK	fixed	--	--	6,637
Loan from related parties 3	EUR	fixed	--	--	82,750
Loan from related parties 4	EUR	variable	--	--	121,094
Loan from related parties 5	EUR	variable	31.01.2025	20,059	--
Loan from related parties 6	USD	fixed	17.01.2028	230,012	--
Loan from related parties 7	USD	fixed	20.10.2028	46,622	--
Subtotal loans from related parties				***515,618***	***337,195***
Loan from third parties 1	USD	fixed	16.09.2024	209	495
Loan from third parties 2	USD	fixed	--	--	347
Loan from third parties 3	USD	fixed	--	--	498
Loan from third parties 4	USD	fixed	31.05.2024	150	516
Loan from third parties 5	USD	fixed	01.09.2024	214	503
Loan from third parties 6	AUD	fixed	--	--	516
Loan from third parties 7 [4)]	AUD	fixed	30.04.2024	6,764	9,558
Loan from third parties 8	CZK	variable	--	--	25,463
Loan from third parties 9	CZK	fixed	--	--	49,682
Loan from third parties 10	CZK	fixed	--	--	5,844
Loan from third parties 11	AUD	fixed	30.05.2024	300	--
Loan from third parties 12	AUD	fixed	31.07.2024	496	--
Loan from third parties 13	USD	fixed	31.10.2024	93	--
Loan from third parties 14	USD	fixed	15.05.2026	1,443	--
Loan from third parties 15	USD	fixed	26.05.2027	2,300	--
Loan from third parties 16	USD	fixed	31.05.2025	598	--
Subtotal loans from third parties				***12,567***	***93,422***
Total				**668,157**	**630,012**

[1)] Bank loan that is secured by shares and assets of the borrower and its subsidiaries.

[2)] Bank loan that is secured by shares and assets of the borrower, by guarantees of its subsidiaries and related parties, and since 2024 by shares of the borrower´s holding entity.

[3)] Bank loan that is secured by shares and assets of the borrower and guarantees of its subsidiaries.

[4)] Loan from third party that is secured by shares and assets of the borrower.

All covenants contained in agreements in respect of loans have been fulfilled and complied with in all material aspects in both 2023 and 2022. There were no specific covenants in respect to loans from related parties.

The reconciliation of liabilities and equity arising from financing activities during the year 2023:

	Loans and borrowings	Lease liabilities	Equity	Total
Balance as at 1 January 2023	**630,012**	**28,882**	**357,628**	**1,016,522**
Acquisitions through business combination	--	--	--	--
Changes from financing cash flows				
Proceeds from loans and borrowings	1,731,817	--	--	1,731,817
Repayments of loans and borrowings	(1,712,468)	--	--	(1,712,468)
Repayments of lease liabilities	--	(6,483)	--	(6,483)
Total changes from financing cash flows	***19,349***	***(6,483)***	***--***	***12,866***
Other changes				
New lease agreements	--	3,514	--	3,514
Interest expenses	57,879	390	--	58,269
Interest paid [1]	(30,441)	(390)	--	(30,831)
Total liability-related other changes	***27,438***	***3,514***	***--***	***30,952***
Other capital contributions	--	--	160,939	160,939
Equity-related other changes	--	--	153,015	153,015
Effect of movements in FX rates	(8,642)	(1,091)	(11,048)	(20,781)
Balance as at 31 December 2023	**668,157**	**24,822**	**660,534**	**1,353,513**

[1] In the case the interest is capitalized, the interest payment is presented under the Repayments of loans and borrowings.

25. Leases

Leases as lessee

The right-of use asset and the related lease liability is recognised primarily in relation to equipment. Significant lease arrangements relate to Australia Salt Lake Potash PTY Ltd's power supply and gas pipeline, these bear fixed monthly lease payments for 10 and 20 years respectively with possibility of early termination payments. The leases expire in 2031 and 2041 respectively.

The Group leases also cars and equipment based on short-term lease agreements and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use asset

For right-of-use asset movements in 2023 and 2022 refer to Note 14.

(b) Lease liabilities

As at 31 December 2023 and 2022, present value of minimum lease payments were as follows:

	2023	2022
Less than 1 year	4,216	7,847
Between 1 and 5 years	9,027	7,526
More than 5 years	11,579	13,509
Total	**24,822**	**28,882**

(c) Profit and loss impact

	2023	2022
Interest on lease liabilities	390	1,291
Expenses related to short-term leases and leases of low-value assets	2,457	59
Total	**2,847**	**1,350**

(d) Cash flow impact

	2023	2022
Lease payments for the principal portion of the lease liability	6,483	6,908
Lease payments for the interest portion of the lease liability	390	1,291
Total	**6,873**	**8,199**

26. Provisions

The following table summarises the development of Provision for restoration and renewal in 2023 and 2022.

	2023	2022
Balance as at 1 January	**225,032**	**241,461**
Acquisitions through business combination	--	17,181
Provisions created / (released) during the period	10,726	8,795
Provisions used during the period	(7,344)	(13,562)
Changes in estimates during the period	(470)	(48,324)
Unwind of discount rate	7,344	4,175
Effect of movements in FX rates	(8,014)	15,306
Balance as at 31 December	**227,274**	**225,032**
Non-current	221,844	218,823
Current	5,430	6,209
Total	**227,274**	**225,032**

Changes in estimates in 2022 were consisting primarily of changes in US treasury rates in 2022.

In USA the restoration and renewal works are carried out continuously, meanwhile in Australia the commencement of planned restoration and renewal is within the time period of 2029 and 2046.

Sensitivity analysis

A change in the risk-free interest rate and timing of restorarions at the reporting date would have the effect on the provision as shown below. The effects of changes shown are independent of each other with all other factors remaining constant.

	2023		2022	
	Decrease	Increase	Decrease	Increase
Effect of discount rate (50 bps)	10,838	(10,100)	11,640	(10,829)

	2023		2022	
	Earlier	Later	Earlier	Later
One year change in timing of restoration	2,641	(2,868)	1,627	(2,518)

27. Employee benefits

(a) Payables to employees

Liabilities for wages and salaries of TEUR 5,833 (2022: TEUR 5,189) are recorded under Payables to employees.

(b) Employee benefits

	2023	2022
Retirement - defined benefit liability	20,003	17,274
Long service leave	13,415	13,828
Annual leave	6,504	6,268
Employee bonuses	12,898	9,390
Other	5,329	5,063
Total	**58,149**	**51,823**
Non-current	20,375	20,450
Current	37,774	31,373
Total	**58,149**	**51,823**

(c) Defined benefit liability

Reconciliation of the net defined benefit liability / (asset)

	2023	2022
Net defined benefit liability / (asset) as at 1 January	**17,274**	**--**
Acquisitions through business combinations	--	20,100
Current service and interest cost	1,165	775
Past service cost	--	--
(Gains)/losses arising from settlements	--	--
Actual return on fund assets less interest income	(2,210)	(453)
Actuarial (gains) / losses arising from changes in demographic assumptions	--	--
Actuarial (gains) / losses arising from changes in financial assumptions	7,135	(5,117)
Actuarial (gains) / losses arising from liability experience	(1,292)	2,258
Adjustment for effect of asset ceiling	--	--
Employer contributions	(1,471)	(392)
Effects of movements in FX rate	(598)	103
Net defined benefit liability / (asset) as at 31 December	**20,003**	**17,274**

There were no fund amendments, curtailments or settlements during the period.

Reconciliation of the fair value of fund assets

	2023	2022
Fair value of fund assets as at 1 January	**74,595**	**--**
Acquisitions through business combinations	--	75,355
Interest income	4,083	2,027
Actual return on fund assets less interest income	2,210	453
Employer contributions	1,471	392
Contributions by participants	469	296
Benefits paid	(6,437)	(3,816)
Taxes, premiums & expenses paid	219	(149)
Effects of movements in FX rate	(2,607)	37
Fair value of fund assets as at 31 December	**74,003**	**74,595**

Class of asset

	2023	2022
Short term securities	2,725	3,317
Australian fixed interest	63	63
International fixed interest	676	939
Australian equities	3,200	4,657
International equities	8,295	9,212
Property	1,752	548
Alternatives	5,612	5,491
Total	**22,323**	**24,227**

Profit and loss impact

	2023	2022
Current service and interest cost	1,165	775
Past service cost	--	--
(Gains) / losses arising from settlements	--	--
Profit and loss impact	**1,165**	**775**

Other comprehensive income impact

	2023	2022
Actuarial (gains) / losses on liabilities	5,843	(2,859)
Actual return on fund assets less interest income	(2,210)	(453)
Adjustment for effect of asset ceiling	--	--
Other comprehensive income impact	**3,633**	**(3,312)**

Description of risks

There are a number of risks to which the fund exposes the Group. The more significant risks relating to the defined benefits are:

- Investment risk - the risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall
- Salary growth risk - the risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional Group contributions
- Pension indexation risk – the risk that pensions will increase at a rate greater than assumed, increasing future pensions
- Longevity risk – the risk that pensioners live longer than assumed, increasing future pensions
- Legislative risk - the risk is that legislative changes could be made which increase the cost of providing the defined benefits

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

Significant actuarial assumptions at the reporting date

	2023	2022
Discount rate	5.26%	5.89%
Future salary increases	5.74% for 23/24; 3.65% for 24/25; 3.20% p.a. thereafter	3.19% for 22/23; 3.68% for 23/24; 2.87% for 24/25; 2.74% for 25/26; 3.20% p.a. thereafter
Rate of CPI	4.50% for 23/24; 3.25% for 24/25; 2.75% for 25/26, 2.50% p.a. thereafter	7.00% for 22/23; 3.50% for 23/24; 2.75% for 24/25; 2.50% p.a. thereafter
Pensioner mortality	The pensioner mortality assumptions are those used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report on the trustee's website. The report shows the pension mortality rates for each age	

Sensitivity Analysis

A change in the discount rate, rate of CPI, salary inflation and mortality would have the effect on defined benefit obligation as shown below. The effects of changes shown are independent of each other with all other factors remaining constant.

	2023		2022	
	Decrease	Increase	Decrease	Increase
Effect of discount rate (50 bps)	4,780	(4,366)	4,462	(4,080)
Effect of CPI rate (50 bps)	(3,956)	4,323	(3,562)	3,890
Effect of salary inflation rate (50 bps)	(735)	755	(838)	865

	2023		2022	
	Scenario A[1]	Scenario B[2]	Scenario A[1]	Scenario B[2]
Effect of mortality	861	(803)	919	(484)

[1] Assumes the short term pensioner mortality improvement factors for years 2023-2026 also apply for years after 2026

[2] Assumes the long term pensioner mortality improvement factors for years post 2026 also apply for the years 2023 to 2026

Asset-liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash-flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury. Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Expected contributions

	2023	2022
Expected employer contributions	2,975	853

Maturity profile of defined benefit obligation

As at 31 December 2023, the weighted average duration of the defined benefit obligation is 11.4 years (2022: 11.9 years).

28. Trade and other payables

	2023	2022
Trade payables due to related parties	258	779
Trade payables due to third parties	119,375	87,697
Accrued expenses	40,776	56,651
Other payables	5,568	8,527
Subtotal financial liabilities	***165,977***	***153,654***
Deferred revenues	8,609	3,743
Advances received	1	--
Other tax payables	13,952	29,771
Subtotal non-financial liabilities	***22,562***	***33,514***
Total	**188,539**	**187,168**
Non-current	--	4,483
Current	188,539	182,685
Total	**188,539**	**187,168**

As at 31 December 2023 and 31 December 2022, other tax payables include mainly tangible, property and coal taxes paid by Blackhawk Mining, LLC. Additionally, in 2022 tax payable for stamp duty was levied towards Sev.en Global Investments Pty Ltd for the acquisition of Delta Electricity Pty Ltd.

29. Derivatives

The Group uses commodity derivatives to manage its exposure to commodity market risk. Part of the derivative instruments are designated as hedging instruments within a cash flow hedge and are measured at fair value through other comprehensive income ("FVOCI"). Derivative instruments that are not measured at FVOCI are measured at fair value through profit and loss ("FVTPL") and represent financial instruments not designated or effective as a hedging instrument.

Derivative financial instruments are net settled by clearing centers of relevant commodity exchanges that act as center counterparties for all market participants. This net-settlement is not considered to represent the offsetting of financial assets and liabilities as defined by accounting standards.

Gains / (losses) from derivatives recognized in profit and loss

	2023	2022
Electricity contracts	(64,301)	2,371
Solar PPA green certificates	1,274	(5,515)
Coal futures	(6,843)	(3,648)
Interest rate swap	--	2,474
Total	**(69,870)**	**(4,318)**

Derivatives recognized in statement of financial position

As at year-end, the Group disclosed the following derivative instruments classified as non-current and current assets with the settlements until 2030:

	2023	2022
Commodity derivatives used for hedging (FVOCI)	32,492	33,302
Other derivative instruments - commodities (FVTPL)	12,185	32,208
Other derivative instruments – interest rate swap (FVTPL)	--	1,332
Total	**44,677**	**66,842**
Non-current	30,758	20,678
Current	13,919	46,164
Total	**44,677**	**66,842**

As at year-end, the Group disclosed the following derivative instruments classified as non-current and current liabilities with the settlements until 2030:

	2023	2022
Commodity derivatives used for hedging (FVOCI)	(18,745)	(191,037)
Other derivative instruments - commodities (FVTPL)	(26,632)	(11,631)
Total	**(45,377)**	**(202,668)**
Non-current	(13,474)	(34,578)
Current	(31,903)	(168,090)
Total	**(45,377)**	**(202,668)**

The Group does not apply the own use exemption to specific contracts for the purchase or sale of commodities as applicable.

30. Financial management

(a) Information about risks arising from financial instruments

The Group has exposure to the following risks arising from financial instruments as described in the financial statements:

- credit risk
- liquidity risk
- market risk

This disclosure presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(b) Risk management framework

Risk is defined by the Group as a potential deviation of real development from planned development and is measured by the amount of deviation and probability of the deviation arising. The basic objective of risk management of the Group is to reduce the potential negative impact on profit. The Group applies a risk averse approach, seeking to prevent risks or bear only a level of risk that is acceptable in terms of the benefits associated with the given financial instrument.

Individual risk takers monitor risks and continually, when needed, perform their evaluation with the objective of estimating the potential losses arising from the existence of given risks and thereby to identify the seriousness of the specified risk type. The Group actively manages the risks that are assessed as serious. Generally, rules for risk management are implemented directly in relevant work instructions that cover individual processes.

The Group carries out its business primarily through sale of coal and electricity to a wide range of customers. That is why market risks (commodity price, currency risk and interest rate risk) are among the most significant risks that the Group is exposed to.

Market risk is the risk of losses arising from changes in market conditions, namely market prices and the demand for commodities, products or services, and their impact on the Group's figures.

Currency risk lies primarily in deviation from planned profit due to unexpected movements of foreign currency rates (transaction risk) or losses in relation to revaluation of assets or liabilities denominated in foreign currency (translational risk).

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

A concentration of risk is mitigated as the end users of key products (coal and electricity) are not concentrated in a single industry, nor in a single country. As a result management has concluded that a concentration risk does not arise.

Credit risk is managed on a group basis and each subgroup basis. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

	2023	2022
Provided loans	121,895	102,394
Trade and other receivables[1)]	232,718	184,711
Other investments[2)]	--	6,628
Restricted bank deposits	54,823	60,648
Cash and cash equivalents	125,134	74,181
Total	**534,570**	**428,562**

[1)] Excluding non-financial assets (see Note 19)

[2)] Excluding derivatives

Provided loans

The Group's exposure to credit risk related to provided loans is influenced mainly by the individual characteristics of each debtor. The Group takes this into consideration and choose an individual approach. The Group has established policies under which each new debtor is analysed individually for creditworthiness. Based on the analysis, an approach to debtor is chosen, binding limits and payment terms are established, and where appropriate, suitable securing of future receivables or prepayment is required. The Group has also established a system of monitoring and analysing debtors' payment discipline. If a shortfall in payments is detected, the Group responds in compliance with internally established instructions, with the objective of ensuring prompt collection of due loan receivables and preventing shortfalls of other potentially threatened receivables. The Group annually performs tests for impairment losses on loan receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group takes this into consideration and choose an individual approach, while the history of mutual business relationships also plays a role. In the case of new customers, a cautious approach is applied. The Group has established policies under which each new customer is analysed individually for creditworthiness. Based on the analysis, an approach to a customer is chosen, binding limits and payment terms are established, and where appropriate, suitable securing of future receivables or prepayment is required. The Group has also established a system of monitoring and analysing customers' payment discipline. If a shortfall in payments is detected, the Group responds in compliance with internally established instructions, with the objective of ensuring prompt collection of due receivables and preventing shortfalls of other potentially threatened receivables. The Group annually performs tests for impairment losses on trade receivables, other receivables and financial investments.

As the counterparties for significant trade and other receivables are significant stable companies it is not expected that counter-parties will not meet their obligations in those transactions.

Cash and cash equivalents and restricted bank deposits

Restricted bank deposits comprise funds deposited in bank accounts (refer also to Note 21). Current financial investments are revaluated based on a liquidity test. Investments in marketable securities that are readily convertible due in 0–3 months are classified as Cash and cash equivalents.

The Group held cash and cash equivalent of TEUR 125,134 (2022: TEUR 74,181) and restricted bank deposits equivalent of TEUR 54,823 (2022: TEUR 60,648) as at 31 December 2023. Based on the assessment of ECLs for cash and cash equivalents and restricted bank deposits no impairment allowance as at 31 December 2023 and as at 31 December 2022 was recognised.

Credit risk of trade receivables pursuant to geographic regions

The maximum exposure to credit risk for trade and other receivables (excluding non-financial assets) at the end of the reporting period by geographic region was as follows.

	2023	2022
Czech Republic	609	31
Europe	7,736	23,091
USA	141,843	94,112
Australia	60,494	63,264
Asia	19,709	--
Other	2,327	4,213
Total	**232,718**	**184,711**

Impairment losses

The movement in the allowance for impairment in respect of provided loans during the year was as follows.

	2023	2022
Balance as at 1 January	**(1,720)**	**--**
Impairment loss	--	(1,689)
Effects of movements in FX rates	42	(31)
Balance as at 31 December	**(1,678)**	**(1,720)**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	2023	2022
Balance as at 1 January	**(603)**	**(15)**
Impairment loss	(9)	(595)
Reversal of impairment loss	558	--
Effects of movements in FX rates	8	7
Balance as at 31 December	**(46)**	**(603)**

ECL for provided loans and trade and other receivables as at 31 December 2023 and 31 December 2022 was calculated based on actual credit loss experience and the Group's assessment.

Classification of financial assets by credit risk

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables (excluding non-financial assets) as at 31 December 2023 and 31 December 2022. The trade and other receivables were subject to a lifetime ECL allowance.

31 December 2023	Gross carrying amount	Loss allowance	Amortised cost	Weighted average loss rate	Credit-impaired
Current (not past due)	221,945	(44)	221,901	0,02%	No
Past due 1-90 days	8,127	(1)	8,126	0,01%	No
Past due 91-180 days	46	--	46	0,00%	No
Past due 181-360 days	1	(1)	--	100,00%	Yes
More than 360 days past due	2,645	--	2,645	0,00%	Yes
Total	**232,764**	**(46)**	**232,718**	**--**	**--**

31 December 2022	Gross carrying amount	Loss allowance	Amortised cost	Weighted average loss rate	Credit-impaired
Current (not past due)	171,501	(37)	171,464	0,02%	No
Past due 1-90 days	10,490	(3)	10,487	0,03%	No
Past due 91-180 days	582	(563)	19	96,7%	No
Past due 181-360 days	--	--	--	0,00%	Yes
More than 360 days past due	2,741	--	2,741	0,00%	Yes
Total	**184,314**	**(603)**	**184,711**	**--**	**--**

As at 31 December 2023 and 2022, trade receivable of TEUR 2,645 (2022: TEUR 2,741) overdue more than 360 days related to one customer of the subsidiary Wildcat Coal, LLC. Taking into consideration Group's assessment and the fact that the court judgement was issued awarding TUSD 19,967 (TEUR 18,070) in favor of Wildcat Coal, LLC (refer to Note 33), no loss allowance has been recorded for this receivable.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset and as a result of the default will be exposed to financial penalties – losses.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The basis of liquidity management is a high quality system of cash flow planning. This is based on an annual cash flow plan which provides basic information about the expected development of financial flows in a given accounting period. In the course of the accounting period the annual cash flow plan is subsequently refined and complemented with quarterly plans incorporating changes that were not included in original plans. Own cash flow management is based on monthly cash flow plans that primarily reflect relevant data from accounting systems and other databases.

Management of the Group evaluates concentrations of risk taking into account financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. Shared characteristics identifying a concentration include a counterparty, currency or market. Loans and Borrowings disclosed in Note 24 are potentially subject to concentration risk, which is managed by the Group in drawing loans with long maturities and having sufficient cash available.

Information obtained from annual and quarterly plans serve as the input information for possible adjustment of its credit limits established with cooperating financial institutions. The Group has prepared credit limits and it has set up allowed debit balances on selected current accounts. High quality cash flow planning enables the Group to monitor its cash flow needs. Most important for the Group is to have sufficient funds on hand to cover operating expenses including debt service coverage for a period of 30 days in advance. In this matter, the Group prevents potential negative consequences of extreme situations that cannot be normally predicted.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities. The amounts disclosed in column contractual cash flows are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

31 December 2023	Carrying amount	Total contractual cash flows	0-3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	668,157	822,934	11,418	103,329	708,187	--
Lease liabilities	24,822	44,914	1,219	5,508	17,915	20,272
Trade and other payables [1]	165,977	165,977	165,298	679	--	--
Derivative financial liabilities						
Other financial instruments including derivatives	45,377	45,377	9,638	22,265	12,763	711
Total	**904,333**	**1,124,579**	**197,211**	**154,046**	**751,628**	**21,694**

31 December 2022	Carrying amount	Total contractual cash flows	0-3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	630,012	742,673	30,120	226,472	486,080	--
Lease liabilities	28,882	52,005	2,706	8,457	16,636	24,206
Trade and other payables[1]	153,654	153,654	141,290	9,631	2,733	--
Derivative financial liabilities						
Other financial instruments including derivatives	202,668	202,668	19,468	148,622	34,578	--
Total	**1,015,216**	**1,151,000**	**193,584**	**393,182**	**540,028**	**24,206**

[1] Excluding non-financial liabilities (see Note 28)

(e) Market risk

The Group understands market risk as the risk that the Group's income or the value of financial instruments owned by the Group will be negatively affected by changes in market parameters – mainly changes in FX rates, interest rates or prices of commodities.

Management of the Group evaluates concentrations of risk taking into account effects from changes in economic or other conditions. Shared characteristics identifying a concentration include a currency, commodity and sensitivity to fluctuation in interest rates. The specific risk concentrations are apparent from the individual categories of risk described below.

(i) Currency risk

The majority of currency risk arises on Group level as it provides intercompany loans to subsidiaries in their functional currencies. The inputs are mainly purchased in domestic currency of each subsidiary. Subsequent sales to end consumers are also carried out mainly in domestic currencies. The individual companies within the Group regularly assess open positions, monitors development of EUR/CZK, EUR/USD, EUR/AUD, CZK/USD, CZK/AUD and USD/AUD rate and where necessary performs hedging against currency risk with appropriate financial hedging instruments. Instructions for currency risk management, limits on the extent of open positions and other binding limits for trading and currency risk management are implemented in management methodology. This is managed first on a company level based on the functional currency of relevant company and also on Group level.

Financial instruments by currency (in TEUR)

31 December 2023	CZK	EUR	USD	AUD	Other	Total
Provided loans	61,499	60,396	--	--	--	121,895
Trade and other receivables[1]	2,548	3	169,673	60,494	--	232,718
Other investments including derivatives	--	--	51	44,626	--	44,677
Restricted bank deposits	--	--	22,913	31,910	--	54,823
Cash and cash equivalents	608	1,364	69,904	53,223	35	125,134
Loans and borrowings	--	(20,059)	(411,318)	(236,780)	--	(668,157)
Lease liabilities	--	--	(6,316)	(18,506)	--	(24,822)
Trade and other payables[2]	(1,452)	(85)	(121,172)	(43,255)	(13)	(165,977)
Other financial instruments including derivatives	--	--	--	45,377	--	(45,377)
Net exposure	**63,203**	**41,619**	**(276,265)**	**(153,665)**	**22**	**(325,086)**

31 December 2022	CZK	EUR	USD	AUD	Other	Total
Provided loans	52,761	49,633	--	--	--	102,394
Trade and other receivables[1]	31	163	119,250	65,267	--	184,711
Other investments including derivatives	7,960	--	1,476	64,034	--	73,470
Restricted bank deposits	--	--	23,899	36,749	--	60,648
Cash and cash equivalents	17,382	1,492	30,607	24,684	16	74,181
Loans and borrowings	(121,124)	(253,118)	(112,737)	(143,033)	--	(630,012)
Lease liabilities	--	--	(4,257)	(24,625)	--	(28,882)
Trade and other payables[2]	(1,520)	(17)	(117,534)	(34,578)	(5)	(153,654)
Other financial instruments including derivatives	--	--	--	(202,668)	--	(202,668)
Net exposure	**(44,510)**	**(201,847)**	**(59,296)**	**(214,170)**	**11**	**(519,812)**

[1] Excluding non-financial assets (see Note 19)

[2] Excluding non-financial liabilities (see Note 28)

The functional currencies for the Group companies in 2023 are primarily USD, AUD and CZK. Presentation currency of the Group is EUR.

Sensitivity analysis

This analysis is based on a foreign currency exchange rate variance that the Group considered reasonable at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Total comprehensive income	
31 December 2023	Strengthening	Weakening
CZK (10% movement)	--	--
EUR (10% movement)	(4,337)	4,337
USD (10% movement)	20,042	(20,042)
AUD (10% movement)	(99)	99
Other (10% movement)	(1)	1

	Total comprehensive income	
31 December 2022	**Strengthening**	**Weakening**
CZK (10% movement)	--	--
EUR (10% movement)	(20,013)	20,013
USD (10% movement)	606	(606)
AUD (10% movement)	10,857	(10,857)
Other (10% movement)	1	(1)

(ii) Interest rate risk

The Group uses external funds for its financing purposes and faces interest rate risk. The Group has prepared scenarios to deal with unexpected developments in the financial and capital markets leading to an unforeseen increase in interest rates. If such a situation arises, elimination of interest expenses through an operative reduction in external funds financing in the framework of a revolving loan (natural hedging) and their substitution by the Group's own resources (sale of selected financial assets) will be performed in combination with appropriate hedging financial instruments.

Financial instruments exposed to interest rate risk

At the end of the reporting period the interest rate profile of the Group's interest-bearing financial instruments was as follows.

Fixed rate instruments	2023	2022
Provided loans	60,396	49,633
Other investments[1]	--	6,628
Security deposits provided	37	38
Loans and borrowings	(289,201)	(157,347)
Lease liabilities	(24,822)	(28,882)
Subtotal	***(253,590)***	***(129,930)***
Effect of interest rate swaps	--	(73,908)
Total	**(253,590)**	**(203,838)**

Variable rate instruments	2023	2022
Provided loans	61,499	52,761
Security deposits provided	55,131	29,592
Loans and borrowings	(378,956)	(472,665)
Subtotal	***(262,326)***	***(390,312)***
Effect of interest rate swaps	--	73,908
Total	**(262,326)**	**(316,404)**

Non-interest bearing	2023	2022
Security deposits provided	967	562
Total	**967**	**562**

[1] Excluding derivatives

Interest rate sensitivity analysis

	2023		2022	
	+100 bps	**-100 bps**	**+100 bps**	**-100 bps**
Fair value sensitivity				
Fixed rate instruments	(2,536)	2,536	(1,992)	1,992
Cash flow sensitivity				
Variable rate instruments	(2,623)	2,623	(3,211)	3,211

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model.

Cash flow sensitivity analysis for variable rate instruments

This calculation includes instruments with a floating interest rate. For the following financial instruments, the impact of a change in interest rates on interest income/expenses from the instruments is calculated:

- Provided loans – variable IR based on PRIBOR
- Security deposits provided – variable IR based on various US corporate/government bonds
- Loans and borrowings – variable IR based on various base rates (EURIBOR, SOFR, RBA30 and 6M AUD Bank Bill Swap rate)

(iii) Commodity prices risk

The development of electricity and coal prices is a key commodity risk factor of the Group's value. The current system of commodity risk management is focused primarily on the margin from the own electricity and coal production sales, i.e. from trades resulting in optimizing the sales of the Group's production. The potential risk is managed on the EaR, GMaR and VaR bases and mitigated with designed hedging strategies that consists of forward and futures contracts concluded for future deliveries or other derivative products. Part of the production in Australia is hedged via cash flow hedge contracts.

Derivative assets and liabilities designated as cash flow hedges

The Group uses electricity derivatives to hedge against changes in prices of electricity. As there is a high correlation between the movement in prices of the hedged item (price of electricity produced and sold by the Group) and the hedging instrument (commodity traded derivatives) the Group has concluded that there is an economic relationship and set the hedge ratio to 1:1 for the purpose of hedge accounting. Sources of hedge ineffectiveness would be movements in prices of electricity on the commodity exchange of the hedging instruments that would not have a corresponding opposite movement in the value of the electricity sold by the Group.

As of 31 December 2023 and 2022, there was no ineffectiveness recognized in relation to designated hedging relationships.

As at 31 December 2023 and 2022, the Group held the following instruments to hedge exposures to changes in future electricity prices:

	Maturity	
31 December 2023	**1 - 12 months**	**More than 1 year**
Electricity contracts		
Net exposure (volume of electricity multiplied by unit price)	303,975	558,123

	Maturity	
31 December 2022	**1 - 12 months**	**More than 1 year**
Electricity contracts		
Net exposure (volume of electricity multiplied by unit price)	295,843	1,029,146

Maturity represents the period during which deliveries of electric energy are secured (an annual delivery contract secures the price of delivered energy evenly over the entire calendar year).

In 2023, there was no forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.

As at 31 December 2023 and 2022, the amounts relating to hedged items were as follows:

	31 December 2023		
	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve, before tax	Cost of hedge reserve
Electricity price	--	292,211	--

	31 December 2022		
	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve, before tax	Cost of hedge reserve
Electricity price	--	86,974	--

As at 31 December 2023 and 2022, the amounts relating to hedging instruments were as follows:

31 December 2023	Nominal amount (GWh)	Carrying amount		Change in the value of hedging instrument recognised in OCI, before tax
		Assets	Liabilities	
Electricity contracts	13,380	32,492	(18,745)	205,237

31 December 2022	Nominal amount (GWh)	Carrying amount		Change in the value of hedging instrument recognised in OCI, before tax
		Assets	Liabilities	
Electricity contracts	21,282	33,302	(191,037)	86,974

The hedging instruments are included in Other investments including derivatives, respectively Other financial instruments including derivatives in the statement of financial position.

(f) Capital management

In terms of capital management, the Group's objective is to ensure the Group's ability to continue as a going concern while ensuring returns on capital for shareholder, benefits for other stakeholders and maintaining the optimal structure of capital in order to reduce the cost of capital. Acquisitions of the Group are typically debt financed at first. This goal of the Group is for this initial debt to be repaid from operations of the acquired companies over the relevant investment horizon or to be capitalized in case of related party debt. The goal of the Group's capital management is to achieve a healthy balance of equity and liabilities that enables the development of individual companies within the Group based on their particular needs. The Group applies a reserved approach to external financing and the use of liabilities and its potential impact are examined in relation to the planned profit and target return on equity. The use of financial ratios corresponds with this reserved approach to the use of liabilities.

The Group supports management of equity and liabilities on the level of individual companies with focus on the individual needs of each company and its status within the Group. Methodical guidance is provided by treasury and financing department of the parent company. The capital structure of individual companies is evaluated once a year by the Group and changes are made when required. Changes are made based on the development of business environment and development goals of individual companies. Similarly to other companies in the sector, the Group monitors capital using the debt-to-capital ratio of individual companies within the Group. The consolidated capital structure is evaluated once a year as well.

31. Related parties

(a) Compensation of key management personnel

Key management personnel is defined as members of Board of Directors of parent company Sev.en Global Investments a.s. as well as key management personnel of its direct and indirect subsidiaries.

	2023	2022
Wages and salaries	11,869	6,616
Compulsory social security contributions	264	54
Other personnel expenses	83	26
Expenses related to employee benefits	--	6
Total	**12,216**	**6,702**

(b) Other related party transactions

The sole shareholder of the Group is Engiana Establishment. The ultimate controlling party is Tilia Foundation (Principality of Liechtenstein).

Transactions between the Group and related parties are stated below:

Revenues and expenses

	2023	2022
Revenues	2,712	602
Expenses	(689)	(1,801)
Finance income	6,464	7,351
Finance costs	(22,788)	(14,834)
Total	**(14,301)**	**(8,682)**

Receivables and payables

	2023	2022
Trade and other receivables	2,393	163
Trade and other payables	(258)	(779)
Total	**2,135**	**(616)**

Loans

	2023	2022
Non-current loans provided	61,499	52,761
Current loans provided	60,396	49,633
Non-current loans and borrowings	(515,618)	(216,101)
Current loans and borrowings	--	(121,094)
Total	**(393,723)**	**(234,801)**

32. Audit fees

	2023	2022
Statutory audit	1,021	495
Other assurance expenses	35	--
Tax advisory	407	275
Total	**1,463**	**770**

33. Contingencies

Litigations and claims

On 28 July 2022 areas surrounding Blackhawk Mining, LLC mining operations in eastern Kentucky were impacted by a significant rain event, resulting in flood damage. Blackhawk Mining, LLC is the defendant in a lawsuit. In May 2024 the court dismissed the case in which Blackhawk Mining, LLC was the defendant and as of the date of this consolidated annual report, the plaintiff has not filed an appeal. As the Group considers the probability of a potential loss from an appeal to be remote no provision has been created.

On May 6 2022 Wildcat Coal, LLC, a subsidiary of Golden Eagle Land Company, LLC with mineral interests in Wyoming, filed lawsuit against counterparty for its breach of a coal mining lease in regard to miscalculated advanced royalty payments. On October 12, 2023, a judgement was issued awarding TUSD 19,967 (TEUR 18,070) in favor of Wildcat Coal, LLC. The lessee has subsequently filed an appeal.

The Group is continuing to work with the Environmental Protection Authority (EPA) in respect to Sunset Power International Pty Ltd's 2018 self-reporting of contaminants discovered in virgin excavated natural material (VENM) and excavated natural material (ENM) used to cap the ash dam, which resulted in termination of the ash dam management contract and removal of the contractor engaged to manage the site.

The Group is also working with the EPA in relation to the investigation of fish kill events in Lake Macquarie during August and September 2022. On 5 September 2023 the EPA commenced a prosecution in the Land & Environment Court, with the Group pleading not guilty in April 2024. The parties are currently dealing with interlocutory matters and a hearing date has not been set on the substantive matter.

The Group is not aware of any additional known or threatened litigation after 31 December 2023 in relation to activities of 2023 or earlier.

Commitments

Counterparties of certain companies within the Group are entitled to standard royalties in mining sector from revenues generated. Royalty payments based on sales revenue are variable in nature as they depend on activities of the companies that are affected by different factors, like weather conditions, product prices and operational readiness. The Group considers that the terms of the royalty agreements and the nature of payments create a base for royalty payments to be expensed when they are incurred rather than be recognised as liability using the fair value method.

Pledged assets and guarantees

In connection with certain loans certain subsidiaries of the Group have pledged their assets and / or provided guarantees, for more refer to Note 24.

34. Subsequent events

Unless specifically stated as otherwise, all amounts below are translated to EUR using the closing exchange rate as of 31 December 2023.

Loans and borrowings

In January 2024, a subsidiary of the Group obtained loans from parent company of the Group for up to TEUR 452,900. The maturity date is 30 November 2024.

In August 2024, the Group obtained loan from related party in amount of TEUR 60,000. The maturity date is 30 November 2024. Subsequently, the Group provided loan to another related party in amount of TAUD 95,000 (TEUR 58,416). The maturity depends on the conditions in the loan agreement.

Equity contributions

In August 2024, Sev.en Global Investments a.s. has received an equity contribution of TEUR 100,000 through the promissory note provided by the parent company.

Group changes

On 2 February 2024, Sev.en Sigma Ltd. (subsequently renamed to Sev.en Global Investments U.K. Ltd) , a direct subsidiary of Sev.en Global Investments a.s., acquired through its newly established 100% owned direct and indirect subsidiaries a 100% share in the companies Coryton Energy Company, Ltd., Rocksavage Power Company, Ltd., Spalding Energy Company, Ltd., InterGen Operating Company (UK) Limited, InterGen Energy Trading and Shipping Limited, InterGen Enterprises (UK) Ltd., Spalding Energy Park Limited, Spalding Energy Expansion Ltd. and InterGen (UK) Ltd. These companies own and operate three combined-cycle gas turbine plants and one open-cycle gas turbine plant in the United Kingdom. The total capacity of these plants is over 2,800 MW. Total consideration for the acquisition was [CONFIDENTIAL], which was paid in cash in 2024 with no deferred or contingent consideration applicable (only a true-up payment for working capital as of the acquisition date which is reflected in the disclosed acquisition price). The most significant assets as of the acquisition date are property, plant and equipment. The fair value of net assets will be determined using a third party valuation. As of the date of issuance of these consolidated financial statements the valuation report of the acquired companies have not yet been finalized and therefore the calculation of goodwill/ bargain purchase is not yet available.

In August 2024, the Group has agreed to increase its stake in Mong Duong 2 to 70% (from previously agreed 51% in November 2023). Mong Duong 2 is a 1 200 MW coal-fired power plant in northern Vietnam that was commissioned in 2015. It is a strategic supplier of electricity to Hanoi and the northern part of the country. The whole acquisition is currently subject to approvals by the Vietnamese authorities.

Other

In late 2023, Sev.en Global Investments Pty Ltd has decided to form a Tax Consolidated Group comprising all of its Australian subsidiaries with effective date 2 January 2024. As a result of this tax consolidation the Sev.en Global Investments Pty Ltd subgroup has reset its tax bases effective 31 December 2023.

Group's management considers the development of the prices of key commodities, in particular coal and electricity after 31 December 2023 to represent a non-adjusting subsequent event that does not require any adjustment in the financial statements as of 31 December 2023.

Other than above, the Group's management is not aware of any other events that have occurred since the reporting date that would have any material impact on the financial statements as at 31 December 2023.

Alan Svoboda
Chairman of Board of Directors

Jiří Postolka
Member of Board of Directors

In Prague, on 10 October 2024

Audit report

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This document is an English translation of the Czech auditor's report. Only the Czech version of the report is legally binding.

Independent Auditor's Report

to the Shareholder of Sev.en Global Investments a.s.

Opinion

We have audited the accompanying consolidated financial statements of Sev.en Global Investments a.s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information. Information about the Group is set out in Note 1 and 2 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body and Supervisory Board for the Consolidated Financial Statements

The statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statutory Auditor Responsible for the Engagement

Petr Škoda is the statutory auditor responsible for the audit of the consolidated financial statements of Sev.en Global Investments a.s. as at 31 December 2023, based on which this independent auditor's report has been prepared.

Prague
10 October 2024

KPMG Česká republika Audit, s.r.o.
Registration number 71

Petr Škoda
Partner
Registration number 1842

Report on relations for the period from 1 January 2023 to 31 December 2023

prepared pursuant to Section 82 of Act No. 90/2012 Coll., on Corporations and Cooperatives ("the Corporations Act")

The board of directors of Sev.en Global Investments a.s., ID: 079 05 114, with its registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Municipal Court in Prague, under file number 24217, section B (" the Company"), has prepared and approved this report on relations between the Company and its controlling entity and between the Company and entities controlled by the same controlling entity ("the Report") for the accounting period from 1 January 2023 to 31 December 2023 (the "Accounting Period").

1) Structure of relations between entities

Controlling entity as at December 2023:

- **Tilia Foundation**

ID: FL-0002.543.048-7
registered office at Heiligkreuz 6, 9490 Vaduz, Liechtenstein

Entities controlled directly or indirectly by the same controlling entity:

Based on all relations known to the Company's statutory body, the entities directly or indirectly controlled by the same controlling entity as the Company, were as follows:

- **ABS Legacy Limited**

registered office at 7 Argyle Square, Morehampton Road, Donnybrook, Dublin 4 – D04 K3HO, Ireland

ABS Legacy Limited was controlled by Tilia Foundation, the sole shareholder, in the Accounting Period.

- **Adelamb Establishment in Liquidation**

ID: FL-0002.641.015-1

registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein,

registered in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in Adelamb Establishment in Liquidation was indenelem establishment (formerly 7 International Anstalt) in the Accounting Period.

- **Australia Salt Lake Potash Pty Ltd**

ACN 164 369 420

registered office at Level 38, 345 Queen Street, Brisbane QLD 4000

Australia Salt Lake Potash Pty Ltd was controlled by Sev.en Global Investments Pty Ltd, the sole shareholder, in the Accounting Period.

- **Blackhawk Mining, LLC**

ID: 1077967

registered office at 1209 Orange Street, Wilmington, Delaware 19801

as a holding company and its wholly-owned subsidiary companies, including Blackhawk DRE, LLC.

Blackhawk Mining, LLC, was controlled by Sev.en US Met Coal Inc., the sole shareholder, in the Accounting Period.

- **Cordatta s.r.o. (formerly Sev.en Administration and Business Consulting s.r.o.)**

ID: 109 06 347 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 350518, section C

Cordatta s.r.o. (formerly Sev.en Administration and Business Consulting s.r.o.) was controlled by Seviel Establishment (formerly, Sev.en Energy AG), the sole member, in the period until 16 October 2023.

- **Delta Electricity Pty Ltd**

ACN 620 205 263

registered office at Suite 5.01, 580 George St, Sydney 2000, Australia

as a holding company and its wholly-owned subsidiary company

Delta Electricity Pty Ltd was controlled by Sev.en Global Investments Pty Ltd., the sole shareholder, in the Accounting Period.

- **Dixtlar AG in Liquidation**

ID: CHE-311.948.175

registered office at Via Mezdi 35, 7500 St. Moritz, Switzerland

Dixtlar AG in Liquidation was controlled by Tilia Foundation, the sole shareholder, in the period from 1 January 2023 to 7 July 2023. On 7 July 2023, Dixtlar AG in Liquidation was deleted from the Commercial Register.

- **Elektrárna Chvaletice a.s.**

ID: 287 86 009 registered office at K Elektrárně 227, 533 12 Chvaletice

registered in the Commercial Register maintained by the Regional Court in Hradec Králové, under file number 2905, section B

Elektrárna Chvaletice a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 12 December 2023. In the period from 12 December 2023 to 31 December 2023, Elektrárna Chvaletice a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **Elektrárna Počerady, a.s.**

ID: 242 88 110, registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 2814, section B

Elektrárna Počerady, a.s. was controlled by Vršanská uhelná a.s., the sole shareholder, in the Accounting Period.

- **Engiana Establishment (formerly 7 Global Investments Anstalt)**

ID: FL-0002.646.427-2 registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein, recorded in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in Engiana Establishment was indenelem establishment (formerly 7 International Anstalt) in the Accounting Period.

- **Golden Eagle Land Company, LLC**

ID: 6201043 registered office at 1209 Orange Street, Wilmington, DE 19801

as a holding company and its wholly-owned subsidiary company

Golden Eagle Land Company, LLC was controlled by Sev.en US Met Coal Inc., the sole shareholder, in the Accounting Period.

- **HALTIXAR LIMITED**

ID: HE 286578 registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025, Larnaca, Cyprus, recorded in the Register of Companies of the Republic of Cyprus

HALTIXAR LIMITED was controlled by TEGLERION LIMITED, the sole shareholder in the Accounting Period.

- **HERTHEL LTD**

ID: HE 454319 registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025, Larnaca, Cyprus, recorded in the Register of Companies of the Republic of Cyprus

HERTHEL LTD was controlled by indenelem establishment, the sole shareholder, in the period from 6 December 2023 to 31 December 2023.

- **HG Správa a.s. v likvidaci**

ID: 254 24 734 registered office in Most, V. Řezáče 315, postal code 434 67

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 1341, section B

HG Správa a.s. was controlled by Severní energetická a.s., the sole shareholder, in the Accounting Period.

- **indenelem establishment (formerly 7 International Anstalt)**

ID: FL-0002.646.792-1 registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein, recorded in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in indenelem establishment (formerly 7 International Anstalt) was Tilia Foundation in the Accounting Period.

- **INDOVERSE (CZECH) COAL INVESTMENTS LIMITED**

ID: HE 175415 registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025 Larnaca, Cyprus,

registered in the Commercial Register of Business Companies of the Republic of Cyprus

INDOVERSE (CZECH) COAL INVESTMENTS LIMITED was controlled by TEGLERION LIMITED, the sole shareholder in the Accounting Period.

- **Infotea s.r.o.**

ID: 264 21 348 registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 20548, section C

Infotea s.r.o. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole member, from 1 January 2023 to 23 August 2023. In the period from 23 August 2023 to 31 December 2023, Infotea s.r.o. was controlled by Sev.en Česká energie a.s., the sole member.

- **Piper Preston Pty Ltd**

ACN 142 962 409

registered office at Level 38, 345 Queen Street, Brisbane QLD 4000

Piper Preston Pty Ltd was controlled by Australia Salt Lake Potash Pty Ltd., the sole shareholder, in the Accounting Period.

- **Powertica Commodities AG (formerly Sev.en Commodities AG)**

ID: FL-0002.554.740-9, registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein, recorded in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

Powertica Commodities AG (formerly Sev.en Commodities AG) was controlled by TEGLERION LIMITED, the sole shareholder, in the period from 1 January 2023 to 1 March 2023. In the period from 1 March 2023 to 31 December 2023, Powertica Commodities AG (formerly Sev.en Commodities AG) was controlled by Powertica Establishment (formerly Enerboos Establishment).

- **Powertica Energie a.s. (formerly Sev.en Industry Supply a.s.)**

ID: 173 23 886

registered office at V celnici 1031/4, Nové Město, 110 00 Prague 1

registered in the Commercial Register maintained by the Municipal Court in Prague, under file number 27442, section B

Powertica Energie a.s. (formerly Sev.en Industry Supply a.s.) was controlled by Powertica Establishment (formerly Enerboos Establishment) until 31 December 2023.

- **Powertica Establishment (formerly Enerboos Establishment)**

ID: FL-0002.647.070-5, registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein, recorded in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in Powertica Establishment (formerly Enerboos Establishment) was Tilia Foundation until 31 December 2023.

- **Powertica Materials a.s. (formerly Sev.en Raw Materials a.s.)**

ID: 178 56 353

registered office at V celnici 1031/4, Nové Město, 110 00 Prague 1

registered in the Commercial Register maintained by the Municipal Court in Prague, under file number 27798, section B

Powertica Materials a.s. (formerly Sev.en Raw Materials a.s.) was controlled by Powertica Establishment (formerly Enerboos Establishment), the sole shareholder, until 31 December 2023.

- **Příbramská teplárenská a.s.**

ID: 463 56 550 registered office at Obecnická 269, Příbram VI-Březové Hory, 261 01 Příbram, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 2120, section B

Příbramská teplárenská a.s. was controlled by Severní energetická a.s., owning shares in the nominal value of 94.95 % of the registered capital of Příbramská teplárenská a.s. in the period from 1 January 2023 to 4 April 2023. On 4 April 2023, Příbramská teplárenská a.s. was deleted from the Commercial Register.

- **REKULTIVACE a.s.**

ID: 254 16 456

registered office at Václava Řezáče 315, 434 01 Most

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 1280, section B

REKULTIVACE a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 30 August 2023. In the period from 30 August 2023 to 31 December 2023, REKULTIVACE a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **Remlan s.r.o.**

ID: 015 03 979 registered office at Most, V. Řezáče 315, 434 01,

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 32760, section C

The sole shareholder of Remlan s.r.o. was TEGLERION LIMITED in the Accounting Period.

- **Rental Servis a.s.**

ID: 274 21 686

registered office at Most, Václava Řezáče 315, postal code 43401

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 2247, section B

Rental Servis a.s. was controlled by Servis Leasing a.s., the sole shareholder, in the Accounting Period.

- **SATORANIX LIMITED**

ID: HE 347286

registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025, Larnaca, Cyprus

registered in the Commercial Register of Business Companies of the Republic of Cyprus

SATORANIX LIMITED was controlled by TEGLERION LIMITED, the sole shareholder in the Accounting Period.

- **SE I Dolní Litvínov s.r.o.**

ID: 173 68 081

registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 49128, section C

SE I Dolní Litvínov s.r.o. was controlled by Sev.en Inntech a.s., the sole member, in the Accounting Period.

- **SE II Centrum s.r.o.**

ID: 173 68 146

registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 49124, section C

SE II Centrum s.r.o. was controlled by Sev.en Inntech a.s., the sole member, in the Accounting Period.

- **SE III Ervěnice s.r.o.**

ID: 173 68 197

registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 49125, section C

SE III Ervěnice s.r.o. was controlled by Sev.en Inntech a.s., the sole member, in the Accounting Period.

- **SE IV Komořany s.r.o.**

ID: 173 68 197

registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 49126, section C

SE IV Komořany s.r.o. was controlled by Sev.en Inntech a.s., the sole member, in the Accounting Period.

- **SE V Saxonie s.r.o.**

ID: 173 68 341

registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 49127, section C

SE V Saxonie s.r.o. was controlled by Sev.en Inntech a.s., the sole member, in the Accounting Period.

- **Sentazen a.s.**

ID: 196 38 566 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 28317, section B

Sentazen a.s. was controlled by Sentisen Establishment, the sole shareholder, in the period until 21 December 2023.

- **Sentisen Establishment**

ID: FL-0002.697.739-4

registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein,

registered in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in Sentisen Establishment was Tilia Foundation in the Accounting Period.

- **Servis Leasing a.s.**

ID: 601 96 971

registered office in Most, Václava Řezáče 315, postal code 43401

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 2246, section B

Servis Leasing a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 8 September 2023. In the period from 8 September 2023 to 31 December 2023, Servis Leasing a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **Sev.en CRN Holding, LLC (formerly Small Eagle 2023, LLC)**

ID: 2376635

registered office at 850 New Burton Rd Suite 201, Dover, DE 19904,USA

Sev.en CRN Holding, LLC (formerly Small Eagle 2023, LLC) was controlled by Sev.en US Resources, LLC (formerly Big Eagle 2023, LLC), the sole shareholder, in the period from 19 September 2023 to 31 December 2023.

- **Sev.en Česká energie a.s. (formerly Sentypus a.s.)**

ID: 178 75 315

registered office at V celnici 1031/4, Nové Město, 110 00 Prague 1

registered in the Commercial Register maintained by the Prague Municipal Court, under file number 27865, section B

Sev.en Česká energie a.s. (formerly Sentypus a.s.) was controlled by Sentisen Establishment, the sole shareholder, in the period from 1 January 2023 to 27 June 2023. In the period from 27 June 2023 to 31 December 2023, Sev.en Česká energie a.s. was controlled by Sentisen Establishment, the sole shareholder.

- **Seviel Establishment (formerly Sev.en Energy AG)**

ID: FL-0002.577.705-3 registered office at Zollstrasse 82, 9494 Schaan, Liechtenstein

registered in the Commercial Register maintained by the Judicial Office of the Principality of Liechtenstein

The holder of the founder rights in Seviel Establishment (formerly Sev.en Energy AG) was indenelem establishment (formerly 7 International Anstalt) in the Accounting Period.

- **Sev.en Engineering s.r.o.**

ID: 062 61 451 registered office at K Elektrárně 227, 533 12 Chvaletice, recorded in the Commercial Register maintained by the Regional Court in Hradec Králové, under file number 39925, section C

Sev.en Engineering s.r.o. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole member, from 1 January 2023 to 23 December 2023. In the period from 23 August 2023 to 31 December 2023, Sev.en Engineering s.r.o. was controlled by Sev.en Česká energie a.s., the sole member.

- **Sev.en Financial Resources a.s.**

ID: 099 04 883, registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 26073, section B

Sev.en Financial Resources a.s. was controlled by indenelem establishment (formerly 7 International Anstalt), the sole shareholder, in the Accounting Period.

- **Sev.en Gamma a.s.**

ID: 077 49 911 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 24067, section B

Sev.en Gamma a.s. was controlled by Sev.en Global Investments a.s., the sole shareholder, in the Accounting Period.

- **Sev.en Global Investments a.s.**

ID: 079 05 114 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 24217, section B

Sev.en Global Investments a.s. was controlled by Engiana Establishment (formerly 7 Global Investments Anstalt), the sole shareholder, in the Accounting Period.

- **Sev.en Global Investments Pty Ltd**

ACN 661 272 233

registered office at Level 38, 345 Queen Street, Brisbane, 4000 QLD, Australia

Sev.en Global Investments Pty Ltd was controlled by

Sev.en Global Investments a.s., the sole shareholder, in the Accounting Period.

- **Sev.en HVO Pty Ltd**

ACN 660 114 910

registered office at Level 38, 345 Queen Street, Brisbane, 4000 QLD, Australia

Sev.en HVO Pty Ltd was controlled by Sev.en Global Investments a.s., the sole shareholder, in the period from 1 January 2023 to 18 September 2023. On 18 September 2023, Sev.en HVO Pty Ltd was deleted from the Commercial Register.

- **Sev.en Inntech a.s.**

ID: 287 27 932 registered office at Václava Řezáče 315, 434 01 Most

registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 2136, section B

Sev.en Inntech a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 8 September 2023. From 8 September 2023 to 31 December 2023, Sev.en Inntech a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **Sev.en MTW Pty Ltd**

ACN 660 114 983

registered office at Level 38, 345 Queen Street, Brisbane, 4000 QLD, Australia

Sev.en MTW Pty Ltd was controlled by Sev.en Global Investments a.s., the sole shareholder, in the period from 1 January 2023 to 18 September 2023. On 18 September 2023, Sev.en MTW Pty Ltd was deleted from the Commercial Register.

- **Sev.en Royalties Pty Ltd**

ACN 621 409 201

registered office at Level 38, 345 Queen Street, Brisbane, 4000 QLD, Australia

Sev.en Royalties Pty Ltd was controlled by Sev.en Global Investments Pty Ltd., the sole shareholder, in the period from 6 March 2023 to 31 December 2023.

- **Sev.en Services s.r.o.**

ID: 063 78 552 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 281242, section C

Sev.en Services s.r.o. was controlled by Seviel Establishment (formerly Sev.en Energy AG), the sole member, in the period from 1 January 2023 to 23 August 2023. From 23 August 2023 to 31 December 2023, Sev.en Services s.r.o. was controlled by Sev.en Česká energie a.s., the sole member.

- **Sev.en Sigma Ltd**

ID: 11910446 registered office at 10 Orange Street, London, England, WC2H 7DQ

Sev.en Sigma Ltd was controlled by Sev.en Global Investments a.s., the sole shareholder, in the Accounting Period.

- **Sev.en Smart EP s.r.o.**

ID: 014 40 853 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 362975, section C

Sev.en Smart EP s.r.o. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, owning an equity investment of 52% from 1 January 2023 to 23 May 2023, an equity investment of 76% from 23 May 2023 to 29 June 2023, and an equity investment of 80% from 29 June 2023 to 23 August 2023. From 23 August 2023 to 31 December 2023, Sev.en Smart EP s.r.o. was controlled by Sev.en Česká energie a.s., owning an equity investment of 80%.

- **Sev.en US Met Coal Inc.**

ID: 7969195

registered office at 920 N. King Street, 2nd Floor, Wilmington, New Castle County, Delaware 19801.

Sev.en US Met Coal Inc. was controlled by Sev.en Global Investments a.s., the sole shareholder, in the Accounting Period.

- **Sev.en US Resources, LLC (formerly Big Eagle 2023, LLC)**

ID: 2376554

registered office at 850 New Burton Rd Suite 201, Dover, DE 19904,USA

Sev.en US Resources, LLC (formerly Big Eagle 2023, LLC) was controlled by Sev.en US Met Coal Inc., the sole shareholder, in the period from 19 September 2023 to 31 December 2023.

- **Sev.en Zeta a.s.**

ID: 079 05 408 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 24219, section B

Sev.en Zeta a.s. was controlled by Seviel Establishment (formerly Sev.en Energy AG), the sole shareholder, in the Accounting Period.

- **Severní energetická a.s.**

ID: 286 77 986 registered office at Most, V. Řezáče 315, 434 01,

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 1986, section B

Severní energetická a.s. was controlled by HALTIXAR LTD., the sole shareholder, in the period from 1 January 2023 to 12 December 2023. From 12 December 2023 to 31 December 2023, Severní energetická a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **SIANCIS LIMITED**

ID: HE 442131

registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025, Larnaca, Cyprus

registered in the Commercial Register of Business Companies of the Republic of Cyprus

SIANCIS LIMITED was controlled by Sev.en Energy AG, the sole shareholder, in the period from 1 January 2023 to 31 May 2023. From 31 May 2023 to 31 December 2023, SIANCIS LIMITED was controlled by Sentisen Establishment, the sole shareholder.

- **SILO TRANSPORT, a.s.**

ID: 062 56 082

registered office at Jinonická 804/80, Košíře, 158 00 Prague 5

registered in the Commercial Register maintained by the Municipal Court in Prague, under file number 23973, section B

SILO TRANSPORT, a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 8 September 2023. From 8 September 2023 to 31 December 2023, SILO TRANSPORT, a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

- **TEGLERION LIMITED**

ID: HE 344725

registered office at Spartis 1, ANTONIOU BUILDING, 2nd floor, Flat/Office 201, 6025, Larnaca, Cyprus

registered in the Commercial Register of Business Companies of the Republic of Cyprus

TEGLERION LIMITED was controlled by Seviel Establishment (formerly Sev.en Energy AG)., the sole shareholder, in the Accounting Period.

- **Teplárna Kladno s.r.o.**

ID: 267 35 865 registered office at Kladno – Dubí, Dubská 257, 27203, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 90495, section C

Teplárna Kladno s.r.o. was controlled by Sev.en Zeta a.s., the sole member, from 1 January 2023 to 12 December 2023. From 12 December 2023 to 31 December 2023, Teplárna Kladno s.r.o. was controlled by Sev.en Česká energie a.s., the sole member.

- **Teplárna Zlín s.r.o.**

ID: 088 03 455 registered office at Hlavničkovo nábřeží 650, 760 01 Zlín,

recorded in the Commercial Register maintained by the Regional Court in Brno, under file number 115459, section C

Teplárna Zlín s.r.o. was controlled by Teplárna Kladno s.r.o., the sole member, in the Accounting Period.

- **Trekabis a.s.**

ID: 198 67 450 registered office at V celnici 1031/4, Nové Město, 110 00 Praha 1, recorded in the Commercial Register maintained by the Prague Municipal Court, under file number 28436, section B

Trekabis a.s. was controlled by Sentisen Establishment, the sole shareholder, in the period from 27 October 2023 to 31 December 2023.

- **Vršanská uhelná a.s.**

ID: 286 78 010

registered office at Václava Řezáče 315, 434 01 Most

recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem, under file number 1987, section B

Vršanská uhelná a.s. was controlled by INDOVERSE (CZECH) COAL INVESTMENTS LIMITED, the sole shareholder, in the period from 1 January 2023 to 12 December 2023. From 12 December 2023 to 31 December 2023, Vršanská uhelná, a.s. was controlled by Sev.en Česká energie a.s., the sole shareholder.

2) Role of Controlled Entity in the structure of relations

Sev.en Global Investments a.s. is included in the group companies listed in point 1. of the Report. The Company was controlled by Engiana Establishment, the sole shareholder, in the Accounting Period. The Company was the sole shareholder of Sev.en Gamma a.s., Sev.en Sigma Ltd, Sev.en US Met Coal Inc, and Sev.en Global Investments Pty Ltd. Its principal activity is the management of its own assets. At the same time, the Company uses services of the companies included in the group companies listed in point 1 of this Report, provided within the scope of the specialisation of these companies.

3) Means and methods of control

The companies listed in point 1. of this Report are directly or indirectly controlled by Tilia Foundation through direct or indirect exercise of founder / shareholder / member rights. Each of the group companies listed in point 1. of this Report is managed by its statutory body.

No controlling agreement has been executed. The means of control within the meaning of Section 81 (1) of the Business Corporation Act was not applied vis-à-vis the Company during the Accounting Period. The Company as part of the said group companies listed in point 1. of this Report is controlled in coordination with the control of other companies listed in point 1. of this Report, also with regard to people who are members of statutory bodies listed in point 1. of this Report.

4) Overview of acts made in the Accounting Period at the instigation or in the interest of the controlling entity or by entities controlled by this entity in relation to assets exceeding 10% of the Company´s equity ascertained from the most recent financial statements

In the Accounting Period, the Company did not undertake any acts at the instigation or in the interest of the controlling entity or by entities controlled by this entity in relation to assets exceeding 10% of the Company´s equity as ascertained from the most recent financial statements (with the exception of other capital contributions totalling TEUR 160,939 and contracts listed in bold in point 5. of the Report concluded as part of regular business activities)..

5) Overview of mutual contracts between the Company and the controlling entity/entities or between controlled entities

CONTRACT IDENTIFICATION	*SUBJECT MATTER*
Blackhawk Mining, LLC	
Advisory services contract	*Provision of advisory services*
Cordatta s.r.o.	
Services contract	*Provision of advisory services*
Elektrárna Chvaletice a.s.	
Service contract – technical advisory and services	*Provision of advisory services*
Elektrárna Počerady, a.s.	
Service contract – technical advisory and services	*Provision of advisory services*
Engiana Establishment	
Advisory services contract	*Provision of advisory services*
Golden Eagle Land Company, LLC	
Advisory services contract	*Provision of advisory services*
Infotea s.r.o.	
Services contract for information system support	*Provision of services for information system support*
Services contract for information system support	*Provision of services for information system support*
Amendment No. 1 to the services contract for information system support	*Price increase and change of contact persons*
Powertica Commodities AG (formerly Sev.en Commodities AG)	
Cash loan contract	Cash loan
Amendment No. 1 to cash loan contract	Extension of maturity
Amendment No. 2 to cash loan contract	Extension of maturity
Framework agreement on joint development	Cooperation in joint development
Amendment No. 2 to the framework agreement on joint development	Reduction of lump sum payment
Services contract – administrative activities and maintenance of a plant wall	Provision of administrative services
Servis Leasing a.s.	
Operating lease	Operating lease of a motor vehicle
Operating lease	Operating lease of a motor vehicle
Agreement No. 1 on the operating lease	Assignment of mutual rights and obligations and change of the lessee
Amendment No. 4 to the operating lease	Extension of the lease
Operating lease	Operating lease of a motor vehicle
Agreement No. 1 on the operating lease	Assignment of mutual rights and obligations and change of the lessee
Amendment No. 4 to the operating lease	Extension of the lease
Amendment No. 5 to the operating lease	Extension of the lease
Sev.en Engineering s.r.o.	
Services contract – technical advisory and services	Provision of advisory services
Amendment No. 3 to the service contract – technical advisory and services	Price increase

Services contract – technical advisory and services	Provision of advisory services
Services contract – technical advisory and services	Provision of advisory services

Sev.en Gamma a.s.

Loan contract	Loan
Amendment No. 1 to the loan contract	**Increase in the amount borrowed**
Services contract – organisational and administrative activities and controlling	Provision of organisational and administrative activities
Contract for sublease of premises used for business	Sublease of premises used for business

Sev.en Global Investments Pty Ltd

Advisory services contract	Provision of advisory services
Advisory services contract	Provision of advisory services
Services contract – administrative services and controlling	Provision of advisory services
Loan contract	Loan
Amendment No. 1 to loan contract	Conversion
Loan contract	Loan
Amendment No. 1 to loan contract	Conversion

Sev.en Inntech a.s.

Services contract – economic advisory and services	Provision of bookkeeping services
Amendment No. 3 to the services contract – economic advisory and services	Price increase
Amendment No. 4 to the services contract – economic advisory and services	Price increase

Sev.en Royalties Pty Ltd

Advisory services contract	Provision of advisory services

Sev.en Services s.r.o.

Services contract – HR and organisational activities	Provision of advisory services
Amendment No. 1 to the services contract – HR and organisational activities	Price increase
Amendment No. 2 to the services contract – HR and organisational activities	Price increase
Services contract – economic and financial advisory and services	Provision of advisory services
Amendment No. 1 to the services contract – economic and financial advisory and services	Price increase
Amendment No. 2 to the services contract – economic and financial advisory and services	Price increase
Services contract – communication	Provision of advisory services
Amendment No. 1 to the services contract – communication	Price increase
Contract for sublease of premises used for business and parking space and lease of movable assets	Sublease of premises used for business
Contract for sublease of premises used for business and parking space and lease of movable assets	Sublease of premises used for business

Sev.en US Met Coal Inc.

Services contract – organisational and administrative activities and controlling	Provision of advisory services
Loan contract	Loan

TEGLERION LIMITED

Loan contract	Loan

Teplárna Kladno s.r.o.

Services contract – technical advisory and services	Provision of advisory services

Teplárna Zlín s.r.o.

Services contract – technical advisory and services	Provision of advisory services

6) Advantages, disadvantages and risks arising from relations between the Company, entities controlling the Company and entities controlled by the same controlling entity

The Company benefits from its inclusion in the group companies listed in point 1. of the Report the opportunity to benefit from the supply of services by these companies, as the Company does not have to procure the necessary supply of services from third parties.

However, beyond the above-mentioned, the Company has not been provided with any substantial or otherwise prevailing advantages, disadvantages or risks resulting from the relations between the group companies listed in point 1. of the Report as mutual supplies of goods or services are carried out based on the arm's length principle.

7) Conclusion

The Board of Directors, as the statutory body of the Company, declares that information in this Report on Relations is true and that this Report was compiled within the scope of information and data available to the statutory body and ascertained with due managerial care.

Alan Svoboda
Chairman of Board of Directors

Jiří Postolka
Member of Board of Directors

In Prague, on 27 March 2024

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