



**commodities
for the future**

Annual Report 2023



HMS

BERGBAU AG

commodities for the future

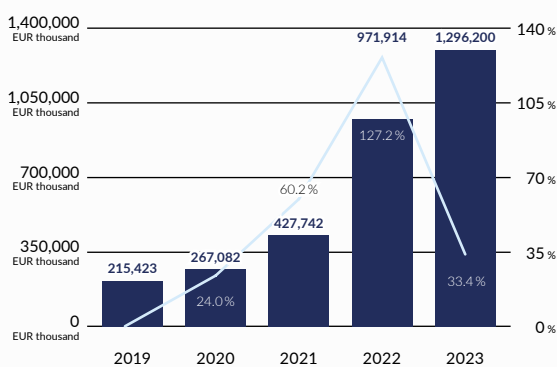
Group Key Figures

BALANCE SHEET FIGURES

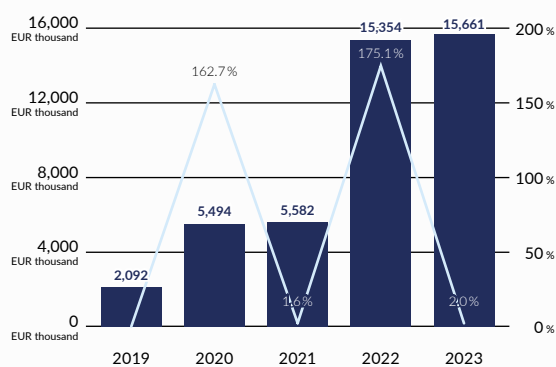
	31/12/2021 EUR thousand	31/12/2022 EUR thousand	31/12/2023 EUR thousand
Total assets	98,834	130,472	281,596
Non-current assets	22,194	19,724	21,116
Current assets	74,013	108,553	257,818
Shareholders' equity	21,128	32,155	40,714
Provisions	10,985	14,229	13,990
Liabilities	66,720	84,089	226,892

INCOME STATEMENT FIGURES

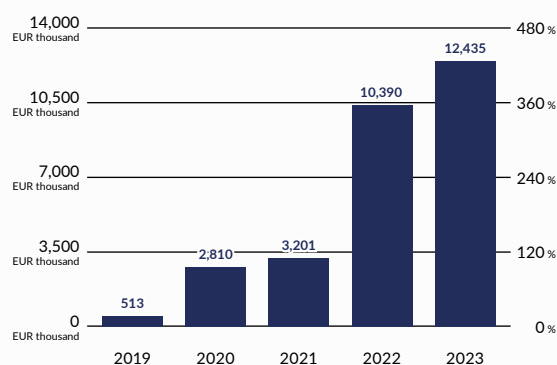
SALES EUR THOUSAND | GROWTH %



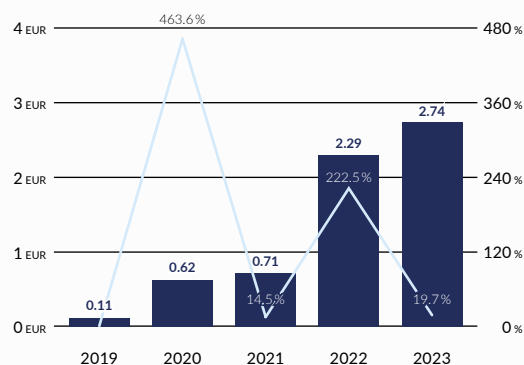
EBITDA EUR THOUSAND | GROWTH %



NET PROFIT EUR THOUSAND



EARNINGS PER SHARE EUR | GROWTH %



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Financial Calendar

1 January 2024	Start of the financial year
13 August 2024	Annual General Meeting
30 September 2024	Interim Report 2024
31 December 2024	End of the financial year 2024
30 June 2025	Annual financial statements 2023

Letter to Shareholders

DEAR SHAREHOLDERS,

The 2023 financial year significantly exceeded the historic record year of 2022. Despite significant declines in some raw material prices that have continued in the current 2024 financial year, HMS Bergbau AG was able to further solidify its market position in the various regional markets. Geopolitical crises, persistent global core inflation rates above central bank target corridors, as well as trade conflicts and wars all led to subdued global economic development. As an international raw materials trader, HMS Bergbau AG once again took advantage of this difficult-to-predict market environment.

International structures in the 2023 financial year continued to be adapted and made more agile, trading relationships were expanded, and new raw material agreements were concluded. Another strategic success was achieved with the acquisition of two majority stakes in Kazakh companies possessing mining and exploration licences for lithium, cobalt, nickel, tantalum and rare earths. Through these new majority shareholdings, HMS Bergbau AG is not only consolidating its position in Kazakhstan, but also sees the transactions as a further milestone in its transformation process from a coal trader to an international raw materials trading and marketing group.

The specific milestones achieved to date include the following:

- Significant expansion in the scope of financing

- Adjustment to risk diversification
- Optimisation of the value chain through the vertical integration of production, handling and transportation
- Expansion as planned in markets such as the USA, Africa and the Far East by strengthening the trading business
- Broader trading to include ores, metals, cement products and petcoke (in addition to coal)
- Commencement of operations at subsidiaries established in 2022 in Zimbabwe and in Dubai, one of the most important global trading centres for commodities
- Commissioning of a production plant for cement products, quartz sand and tile adhesives in Durban, South Africa, in July 2023

The positive operating activities were also reflected in the results for the past 2023 financial year, which marked another record year.

Sales of EUR 1,298 million were generated as at 31 December 2023, corresponding to an increase of around 33.4 per cent versus the previous year (2022: EUR 973 million). The increase in sales of EUR 325 million, which was driven primarily by higher volumes, led to EBITDA of EUR 15,661 thousand in the 2023 financial year compared to EUR 15,354 thousand in the 2022 financial year. At EUR 12,435 thousand, net profit as at 31 December 2023 was approximately 20 per cent higher compared to the lev-

el as at 31 December 2022 (2022: EUR 10,390 thousand).

Cash and cash equivalents of around EUR 36.0 million as at the 31 December 2023 reporting date (31 December 2022: EUR 31.0 million) and a rise in equity of EUR 8.6 million to EUR 40.7 million also give HMS Bergbau AG more room for manoeuvre.

The management also plans to have shareholders participate in the Company's performance this year and will propose a dividend of EUR 0.92 (2023: EUR 0.77) and put it to vote at the Annual General Meeting on 13 August 2024.

Thanks to the flexibility of HMS Bergbau AG's structures, the Company has been able to hold its own amid the difficult market conditions of recent years and continue its development as part of the transformation process that has been initiated. Management believes that the sustained positive upward trend in the commodities markets remains intact.

HMS Bergbau AG is therefore planning sales in the order of EUR 1.3 billion in the 2024 financial year, despite lower raw material prices. It is also forecasting a gross margin at the previous year's level and a positive EBITDA in the lower double-digit million euro range.

The Management Board
Berlin, May 2024



DENNIS SCHWINDT
Chief Executive Officer



JENS MOIR
Chief Financial Officer



Report of the Supervisory Board

LADIES AND GENTLEMEN,

During the 2023 financial year, the Supervisory Board of HMS Bergbau AG carried out its tasks as stipulated by law and the Company's Articles of Association and continuously monitored and advised the Management Board in its work. The Supervisory Board obtained comprehensive information on the current economic and financial position of the Group; its business performance; financial, investment and personnel planning, as well as its strategic development at regular board meetings and through additional verbal and written reports submitted to the Supervisory Board by the Management Board. The reports also pertained to the current earnings situation, opportunities and risks and risk management. The Supervisory Board discussed all fundamentally important decisions in-depth with the Management Board. The Supervisory Board assessed any business transactions requiring its approval in detail before the relevant resolutions were adopted. The Supervisory Board voted on reports and proposals put forward by the Management Board when required by law or the Articles of Association.

KEY ITEMS OF DISCUSSION IN THE MEETINGS

The Supervisory Board of HMS Bergbau AG held a total of 4 meetings in the 2023 financial year. Subjects that were regularly discussed included the current business performance of the Company and its subsidiaries, as well as its liquidity, net assets and financial position. All of the resolutions required by law and the Articles of Association were passed. The Management Board informed the Supervisory Board promptly between meetings about important matters. When required, resolutions were passed by circular procedure.

The central topics in the Supervisory Board meetings in the 2023 financial year, as in previous years, were the Group's strategic focus and corporate planning, the corresponding adjustments to the organisational structure and personnel at the Company and its subsidiar-

ies. The strategic position of Maatla Resources (Pty.) Ltd, the Silesian Coal International Group of Companies S.A., the projects in Kazakhstan, the funding of operational activities, the international footprint of the HMS Group, the development and volatile price trends in the global coal markets – particularly given the changed environment brought on by the energy crisis – were regular topics for discussion at the meetings. The rapid growth of the HMS Group and the related challenges were also discussed. The Supervisory Board also dealt with options relating to the financing of the local subsidiaries' trading activities and the provision of the necessary guarantees by HMS Bergbau AG. Issues relating to the current crises and wars, the short-, medium-, and long-term geopolitical changes, environmental protection, global CO₂ developments, ESG conformity and sustainable business practices, including implementation in trade agreements, were also discussed at the Supervisory Board meetings. HMS Bergbau AG has once again made its operations CO₂-neutral in the 2023 financial year.

The Management Board regularly informed the Supervisory Board about general market developments, price and earnings forecasts and intended actions. The Management Board also presented and discussed additional potential future projects with the Supervisory Board. Important transactions approved by the Supervisory Board are described in the combined management report for the Company and the Group.

NO PERSONNEL CHANGES IN EITHER THE MANAGEMENT BOARD OR SUPERVISORY BOARD: MANAGEMENT BOARD CONTRACT OF JENS MOIR EXTENDED AHEAD OF SCHEDULE

The Supervisory Board remained unchanged in the 2023 financial year. In addition to Heinz Schernikau (Chairman of the Supervisory Board), the founder of HMS Bergbau AG, Dr. h. c. Michael Bärlein (Deputy Chairman of the Supervisory Board) and Patrick Brandl are represented

on the Supervisory Board of HMS Bergbau AG.

There were also no changes in the Management Board of HMS Bergbau AG in financial year 2023. In addition to Dennis Schwindt, the Chief Executive Officer (CEO), Jens Moir, whose contract at the beginning of 2023 was extended until 31 March 2026, continues to serve on the Management Board as Chief Financial Officer (CFO). The Management Board therefore consists of two members.

2023 ANNUAL FINANCIAL STATEMENTS

The annual and consolidated financial statements of HMS Bergbau AG for the 2023 financial year were prepared in accordance with provisions of the German Commercial Code (Handelsgesetzbuch – HGB). The Company's auditor for the 2023 financial year, PANARES GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, was appointed to audit the annual and consolidated financial statements of HMS Bergbau AG, as well as the combined management report and the report of the Management Board on the relationships with associated companies in the 2023 financial year, in accordance with a resolution of the Annual General Meeting.

The auditor reviewed the annual and consolidated financial statements of HMS Bergbau AG and the combined management report for the Company and the Group, including the accounting system, in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW) and issued unqualified audit opinions. The internal control system was also deemed to be effective.

All Supervisory Board members had access in due time to the annual and consolidated financial statements, the combined management report for the Company and the Group and the corresponding audit reports. The documents

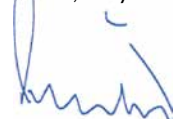
were reviewed and discussed in detail by the Supervisory Board at the meeting on 30 May 2024. Both the Management Board and auditor were present at the meeting and provided detailed answers to all questions posed by the Supervisory Board. The auditor also reported on the key findings of the audit. The examination of the annual and consolidated financial statements, as well as the combined management report for the Company and the Group by the Supervisory Board, did not lead to any objections, resulting in the approval of the audit results. Based on the final review of all documents, the Supervisory Board did not raise any objections and approved the annual financial statements of HMS Bergbau AG as at 31 December 2023 and the consolidated financial statements as at 31 December 2023, as prepared by the Management Board, at its meeting on 30 May 2024. The 2023 annual financial statements have therefore been adopted in accordance with Section 172 of the German Stock Corporation Act (AktG).

The Supervisory Board also examined and approved the proposal of the Management Board dated 30 May 2024 to distribute a dividend of EUR 0.92 per ordinary share entitled to a dividend and to carry forward the remaining unappropriated retained earnings of HMS Bergbau AG of EUR 2,505,043.01 in full to the new account.

There were no conflicts of interest of members of the Supervisory Board during the reporting period.

The Supervisory Board would like to thank the Management Board and all employees for their commitment and dedication in the 2023 financial year.

Berlin, May 2024



HEINZ SCHERNIKAU

Chairman of the Supervisory Board



Members of the Management Board

DURING REPORTING PERIOD

DENNIS SCHWINDT

CHIEF EXECUTIVE OFFICER

Dennis Schwindt is Chief Executive Officer of HMS Bergbau AG. Mr Schwindt holds a degree in economics from the Humboldt University in Berlin and has been managing several operating projects at HMS Bergbau AG as the Company's authorised representative and in the area of commodity trading since 2012. He gained extensive experience in the oil and gas industry and in plant engineering in his previous positions at both medium-sized German companies and international groups.



JENS MOIR

CHIEF FINANCIAL OFFICER

Jens Moir is Chief Financial Officer of HMS Bergbau AG. Mr Moir has more than 20 years of hands-on experience as a CFO and financial executive in international steel construction, oil and gas, renewable energy and entertainment companies. In his latest role, he oversaw various technology start-ups. Mr Moir is a British and German national with international experience in Germany, Poland, Austria and the USA.

Members of the Supervisory Board

DURING REPORTING PERIOD

HEINZ SCHERNIKAU

CHAIRMAN OF THE SUPERVISORY BOARD

DR, H, C, MICHAEL BÄRLEIN

DEPUTY CHAIRMAN OF THE SUPERVISORY BOARD

PATRICK BRANDL

MEMBER OF THE SUPERVISORY BOARD

Investor Relations

PERFORMANCE OF THE STOCK MARKETS

Economic development in 2023 was significantly influenced by global factors and slowed by a number of challenges. As a result, the global economy grew by only a moderate 3.1 per cent. Especially the emerging markets, and Asia in particular, recorded significantly higher growth rates than the industrialised countries. According to the latest IMF forecast, these trends will continue in 2024, with the same growth prospects and an expected increase of 3.1 per cent.

Geopolitical tensions caused by the war in Ukraine and the conflict in the Middle East were the primary disruptors of international economic development. At a global level, trade conflicts, the sharp rise in central bank interest rates to combat global inflation, and a strong reluctance to invest also continued, leading to international market uncertainties.

High interest rates triggered a reaction in global consumer prices. Inflation rates fell year-on-year to an annual average of 6.4 per cent in the eurozone in 2023 and 3.0 per cent in the United States. The sharp slowdown in inflation momentum – particularly in the fourth quarter – and falling prices on the global energy markets ultimately led to a moderate global economic recovery at the end of 2023. As a result, the major Western central banks (Federal Reserve, ECB, Bank of England) paused their cycle of interest rate hikes.

Optimism that the positive trends would continue led to a sharp rally in global share indices in 2023. The prospect of central bank policies having an impact on inflation rates and the hope of potential interest rate cuts in 2024 boosted

global equity markets in the fourth quarter of the reporting period. After starting the 2023 calendar year at 33,138 points, the Dow Jones Index had climbed around 13.28 per cent by 31 December 2023.

The European EuroStoxx 50 and DAX stock market indices realised price gains of 19.26 and 20.31 per cent, respectively, over the course of 2023. As at 31 December 2023, the EuroStoxx 50 stood at 4,521 points and the DAX closed at around 16,751 points.

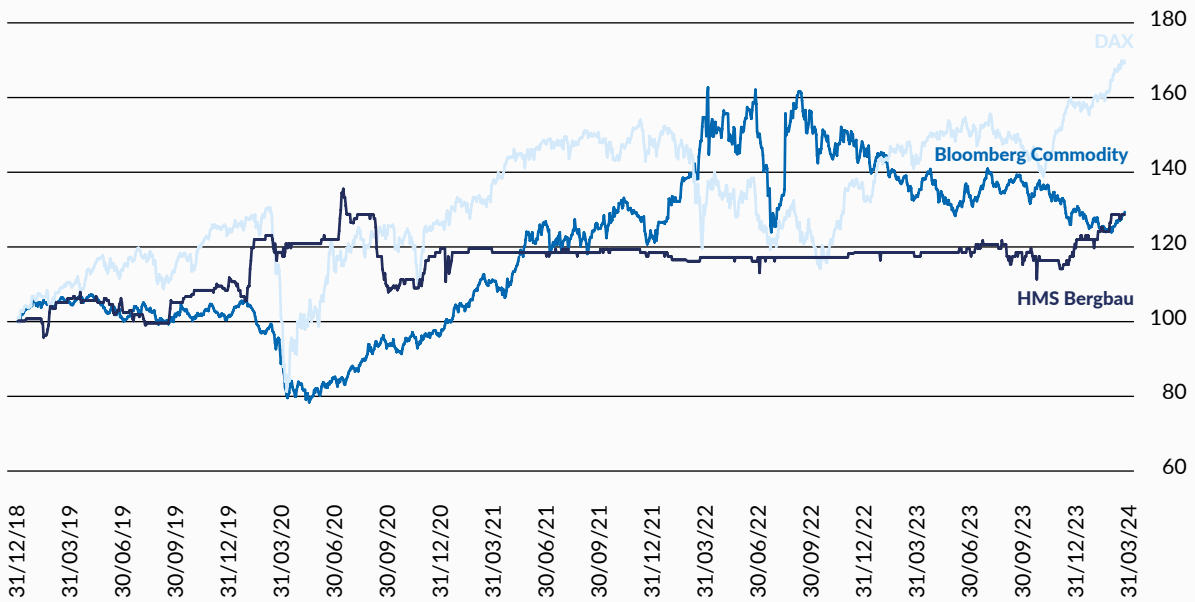
DEVELOPMENT OF THE HMS SHARE

The trend on the capital markets towards big caps continued over the course of 2023. The performance of the HMS Bergbau AG share was mixed compared to the DAX and the Bloomberg Commodity indices. While the DAX Performance Index increased in value by a notable 20.31 per cent over the course of 2023, the Bloomberg Commodity Index lost around 11.7 percentage points in value over the same period. The HMS Bergbau share closed at EUR 21.60 on 31 December 2023 (31 December 2022: EUR 21.00), for a year-on-year gain of around 3 percentage points.

The market capitalisation of HMS Bergbau AG equalled EUR 99.2 million at the end of the reporting period on 31 December 2023, compared to EUR 96.4 million on 31 December 2022. At the end of March 2024, the market capitalisation of HMS Bergbau AG stood at approximately EUR 105.6 million.

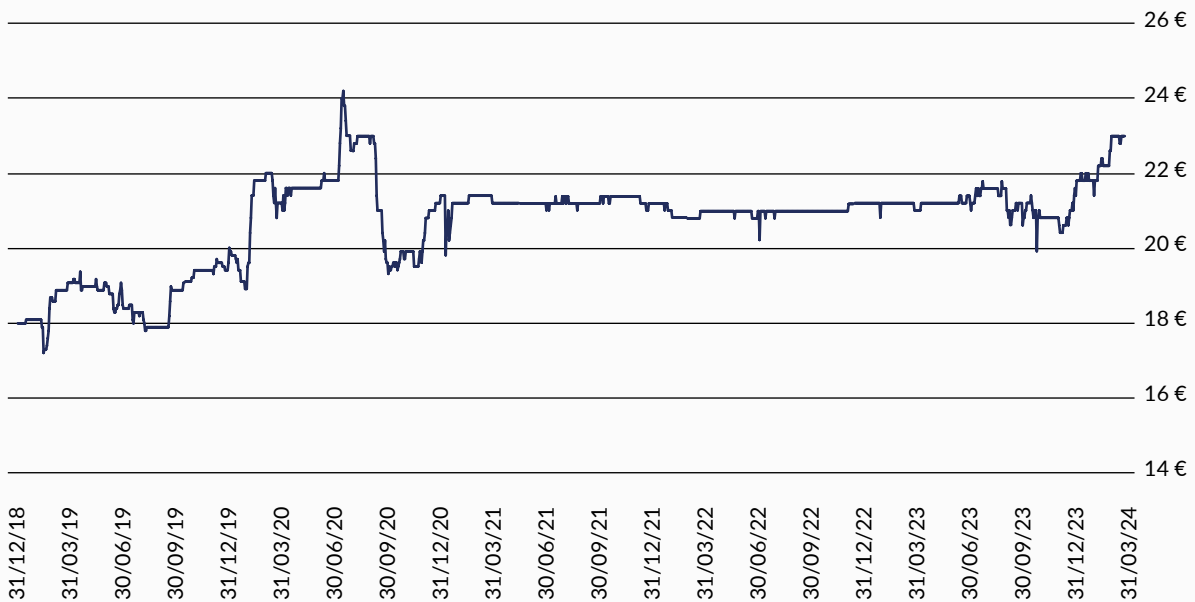
Overall, the HMS Bergbau share continued the longstanding positive performance it has delivered over the past several years.

PERFORMANCE OF HMS SHARES IN COMPARISON TO THE DAX AND BLOOMBERG COMMODITY INDICES FROM THE BEGINNING OF 2019 THROUGH 31 MARCH 2024



Source: Finanzen.net, HMS Bergbau AG

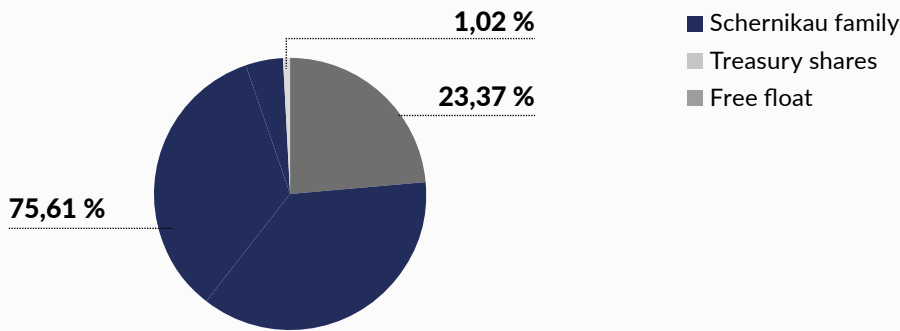
HMS BERGBAU AG SHARE PRICE FROM THE BEGINNING OF 2019 THROUGH 31 MARCH 2024



Source: Deutsche Börse AG, HMS Bergbau AG

SHAREHOLDER STRUCTURE UNCHANGED AS AT 31 DECEMBER 2023

SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2023



Source: HMS Bergbau AG

As at 31 December 2023, the share capital of HMS Bergbau AG continued to consist of 4,590,588 shares with a nominal value of EUR 1.00 each, for a total of EUR 4,590,588.00. ERAG Energie und Rohstoff AG holds 36.98 per cent of the shares, and LaVo Verwaltungsgesellschaft mbH holds 34.28 per cent. The Schernikau family holds 4.36 per cent. A total of 1.02 per cent is held as treasury shares by HMS Bergbau AG, and 23.37 per cent of the shares are in free float.

ANNUAL GENERAL MEETING 2023 – DIVIDEND PAYMENT OF EUR 0.77 RESOLVED

The ordinary Annual General Meeting of HMS Bergbau AG was held on 29 August 2023. In addition to the usual proposed resolutions on the discharge of the Management Board and Supervisory Board and the election of the auditor, the agenda once again included a proposed resolution for a dividend distribution. Following the resolution and dividend payment of EUR 0.04 in 2022, a resolution was made for this year's dividend payment in the amount of EUR 0.77 per share. HMS Bergbau AG is thereby enabling shareholders to participate in the solid operating results of 2022. All items on the agenda of the 2023 Annual General Meeting were passed by 100 per cent or close to 100 per cent of the votes present.

ANNUAL GENERAL MEETING 2024 - DIVIDEND PROPOSAL OF EUR 0.92

The Management Board and the Supervisory Board will propose a dividend of EUR 0.92 per no-par value share to the shareholders at the 2024 Annual General Meeting to be held on 13 August 2024.

INVESTOR RELATIONS ACTIVITIES

In addition to the publication of the annual and half-year reports, the Management Board of HMS Bergbau AG informs shareholders promptly and comprehensively about current developments at HMS Bergbau AG via capital market announcements. All news relevant to the capital market is written and published in German and English, which exceeds the disclosure requirements for a Basic Board Listing on the Frankfurt Stock Exchange. In addition, the Management Board is available at all times to exchange with institutional investors, financial journalists and industry analysts on topics such as the Company's business model, future prospects and other topics relevant to the capital market.

KEY SHARE DATA AS AT 31 DECEMBER 2023

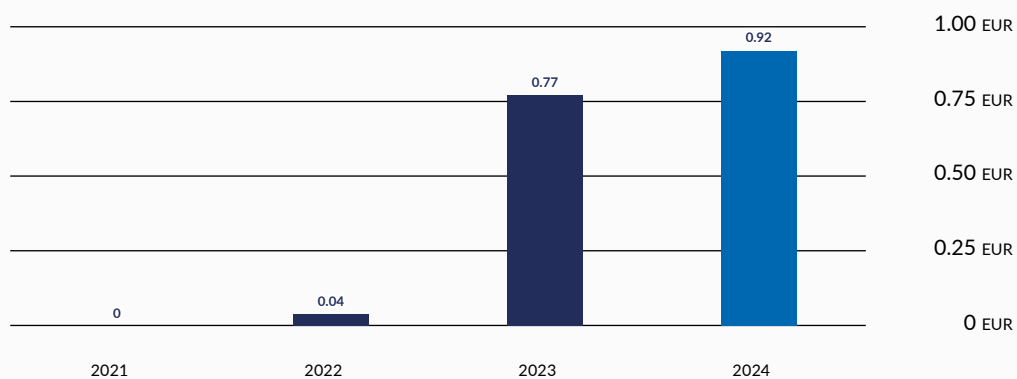
BASIC DATA

ISIN/WKN	DE0006061104
WKN	606110
Ticker symbol	HMU
Bloomberg symbol	HMU GY
Reuters symbol	HMUG.DE
Market segment / Transparency level	Open Market / Basic Board
Designated sponsor	mwb fairtrade Wertpapierhandelsbank AG
Investor relations	GFEI Aktiengesellschaft
Share capital	4,590,588.00 Euro
Number of shares	4,590,588
Free float	23.37 %

PERFORMANCE DATEN

Share price as at 31/12/2023 (Xetra closing price)	EUR 21.60
Share price as at 31/12/2022 (Xetra closing price)	EUR 21.00
Market capitalisation as at 31/12/2023	EUR 99,156,701
Market capitalisation as at 31/12/2022	EUR 96,402,348

DIVIDENDS



COMBINED MANAGEMENT REPORT OF THE COMPANY AND THE GROUP FOR FINANCIAL YEAR 2023

1. OVERVIEW OF ACTIVITIES AND SUSTAINABILITY

The HMS Bergbau Group is a globally active group of companies serving as trading and distribution partners to supply renowned international electricity producers, cement manufacturers and industrial consumers with energy raw materials, such as oil products, coking coal and coke products. As part of a strategic transformation process, other raw materials such as ores, cement, oil products and fertilisers are increasingly becoming the focus of supply activities. The Group recently acquired exploration licences for lithium, tantalum and rare earths in Kazakhstan.

HMS Bergbau AG is increasingly developing into a diversified international commodity trading group. In the 2023 financial year, the Group continued its strategy of expanding its business activities to include other raw materials such as lithium, sand, tile adhesives, cement, oil products, beryllium, manganese ore, chrome ore, clinker, and phosphates. The focus of its activities remains the coal business. HMS Bergbau AG has spent decades building up its widely recognised expertise throughout the entire value chain, from the mining of raw materials and transport logistics to customer deliveries. HMS Bergbau AG trades coal, the majority of which is used in industrial applications. The main users are steel and cement producers. Glassworks, paper mills and waste processing plants are also among our customers. Our customer base consists of private and state-owned companies from Asia, Europe, the Middle East and Africa.

HMS Bergbau AG exports about 90 per cent of its coal trading volume to developing countries such as Bangladesh, Pakistan, Vietnam, China and India that lack alternatives to coal for basic energy supply. These countries, including China, were exempted in the Paris Climate Agreement from the global decisions on CO₂ reduction in the interest of the climate. The background to these exemptions is precisely this lack of alternatives to coal for basic energy supply. These countries often lack both the financial resources and sufficient capacities for the development of wind or solar energy, or they are growing too rapidly to safely and cost-effectively supply their economies with energy from non-dispatchable energy sources. For this reason, all UN resolutions support developing countries in their use of fossil fuels until viable alternatives are available to them. By supplying these countries, we believe we are contributing to economic development and thus to greater prosperity and a higher life expectancy. This economic development is a prerequisite for the inflow of financial resources that can be made available for the development of infrastructure for alternative energy production.

The HMS Bergbau Group cooperates with renowned and reliable producers, mainly in Indonesia, South Africa, Australia, and North and South America. We also represent numerous selected international raw material producers. The HMS Bergbau Group handles the complete marketing of fuel and ore products in selected markets.

GROUP STRUCTURE

The HMS Bergbau Group has established an international network of long-term business partners and consistently pursues its philosophy of building long-term and profitable business relationships with international producers and consumers. The Group's internationality is also a result of its subsidiaries HMS Bergbau Africa (Pty) Ltd., HMS Bergbau Singapore Pte Ltd., PT. HMS Bergbau Indonesia, HMS Bergbau Dubai FZCO, and HMS Bergbau USA Corp.

As of 31 December 2023, HMS Bergbau AG held a 55.38 per cent stake in the Group subsidiary Silesian Coal International Group of Companies S.A., Poland, which has already carried out geological explorations for the Orzesze area in Silesia. We are continuously working not only on the operational side of the project but also on further financing measures.

The group structure of the HMS Bergbau Group and its major subsidiaries as at 31 December 2023 was as follows

GROUP STRUCTURE AS AT 30 JUNE 2023



Source: HMS Bergbau AG

HMS Bergbau AG also holds two majority interests in companies with mining and exploration licences for lithium, cobalt, nickel, tantalum and rare earths in the Alatau region in the Republic of Kazakhstan. These exploration licences are valid for documented deposits of lithium, cobalt and nickel.

The Federal Republic of Germany and the Republic of Kazakhstan have a raw materials partnership agreement that provides for the deepening of economic and political relations through partnership-based cooperation in the areas of raw materials, industry and technology.

CORPORATE SOCIAL RESPONSIBILITY AT HMS BERGBAU AG – SUSTAINABLE ACTION

Trends such as energy efficiency, stronger environmental consciousness and globalisation are currently leading to a rethink and, consequently, to a change in behaviour in almost all industries and services worldwide. The energy sector is also continuously working on new, more efficient energy generation systems, which at the same time should cause a minimum of emissions. The main focus is on the general supply of energy to the globally increasing population, but also on energy storage, which should enable a steady supply. According to leading energy analysis companies, these two objectives can only be achieved through a mix of “renewable” and fossil energy sources, such as coal, gas, and nuclear.

At the same time, the steadily increasing awareness of sustainable energy supply and production is leading to changes in business processes and practices. The aforementioned global trends ultimately lead to sustainable changes in working and trading conditions within the value chains. HMS Bergbau AG has also started to optimise its global footprint in recent years.

HMS Bergbau AG is convinced that the Group’s targeted growth can be reconciled with sustainable and environmentally friendly production and sales processes. Sustainable action that is in balance with people, the environment and economic success is an important long-term success factor for HMS Bergbau AG.

CO₂ COMPENSATION OF OWN ACTIVITIES

In accordance with international requirements and expectations, the HMS Bergbau AG began having its operating activities certified as early as September 2020. For this purpose, independent analysts determined the carbon balance, or CO₂ footprint, of the HMS Group, including all of its locations. The CO₂ emissions calculated in this manner, which includes factors such as energy and water consumption, travel expenses, self-transport of goods, and the commuting behaviour of the approximately 40 employees, have been compensated annually as of the past financial year. To achieve this compensation, shares are acquired in international climate protection projects that are designated according to gold standards, which aim to sustainably reduce greenhouse gases and, at the same time, support the climate goals of the UN.

1.1 DEVELOPMENT OF COMMODITY PRICES

In 2023, international commodity prices fell sharply for the first time after the steep price increases in 2021 and 2022. While stock markets recorded double-digit percentage gains, the Bloomberg Commodity Index, which tracks 20 commodities, lost almost 11 per cent. Gas and coal prices in particular fell sharply, but oil and industrial metal prices also declined over the course of the year. The price of gold on the other hand reached new all-time highs.

After strong volatility in the coal price in 2022, the price declined significantly in the 2023 financial year. The coal price fell from around USD 188 per tonne at the beginning of the year to around USD 114 per tonne at the end of December 2023. In the current 2024 financial year, the price level of coal has at times reached USD 92 per tonne. As at 31 March 2024, the coal price per tonne was hovering around USD 100.

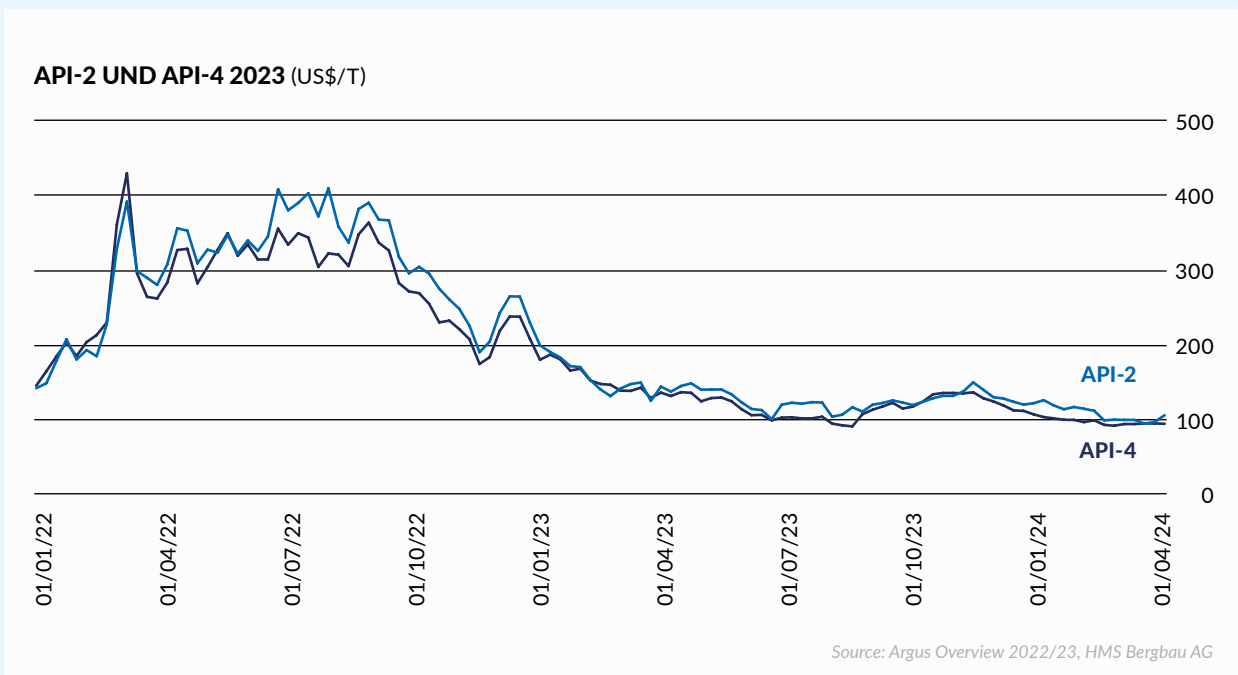
According to estimates by the International Energy Agency (IEA), global demand for coal in the 2023 financial year reached an all-time high. Strong increases in demand were recorded in the emerging economies in particular. Total consumption of the fossil fuel rose by 1.4 per cent to 8.5 billion tonnes. A new consumption record for coal was just set in 2022. IEA experts predict that coal consumption has peaked; however, not all international energy agencies (see EIA, USA) nor the management of the HMS share this assessment.

To effectively compensate for possible future market fluctuations, HMS Bergbau AG optimises its value creation through the vertical integration of extraction, handling and transport, taking into account current and future price increases. The Company is also expanding into new markets and other product categories.

Given the high degree of uncertainty, it is not possible at this time to make a reliable price forecast.

The oil price was also volatile in 2023. A barrel of Brent crude traded between USD 70 and USD 96 and closed the year at around USD 79 after ending 2022 at around USD 83.

The price of natural gas also fluctuated strongly and more than halved over the course of 2023. The futures contract for Dutch natural gas (Dutch TTF), which is relevant for Europe, stood at over EUR 80/MWh at the start of 2023 and is currently trading at around EUR 35/MWh.

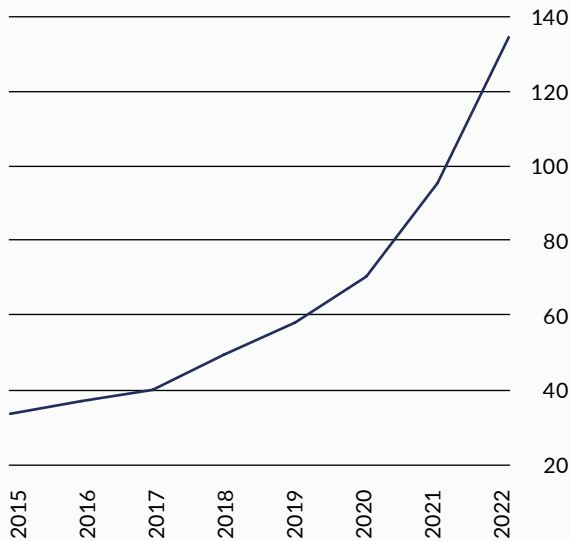


LITHIUM

Demand is growing for commodities important for electrification, such as nickel, manganese, graphite and, above all, cobalt and lithium. An estimated 180,000 tonnes of lithium were produced worldwide in 2023, representing around 34,000 tonnes more than in 2022. The most important production countries for this coveted metallic

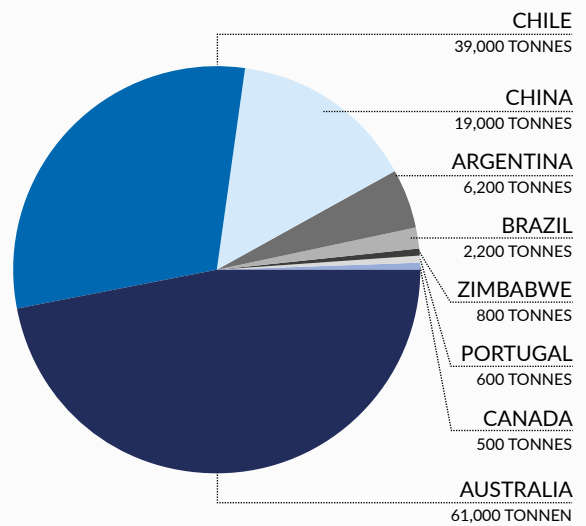
raw material in 2023 were Australia, Chile and China. According to researchers at KU Leuven in Belgium, demand is expected to continue to rise sharply until 2050, reaching a demand level of 861,000 tonnes in the EU alone in 2050. The largest producers of lithium are currently Australia, Chile and China, which together account for over 90 per cent of global lithium production.

GLOBAL LITHIUM DEMAND
THOUSAND TONNES



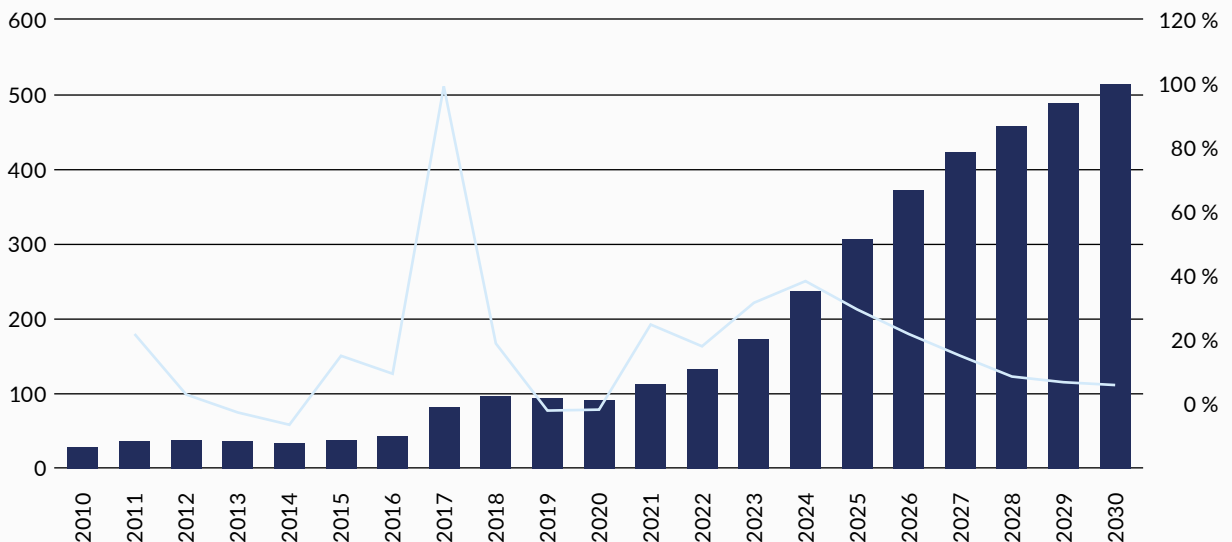
Source: US Geological Survey 2023

TONNES OF LITHIUM MINED
WORLDWIDE 2022



Source: US Geological Survey 2023

GLOBAL LITHIUM PRODUCTION
THOUSAND TONNES | GROWTH IN %



Source: US Geological Survey 2023

1.2 INTERNATIONALISATION OF MARKETS

Commodity markets continue to converge as a result of international trade and improved logistics. At the same time, market transparency is increasing through the use of trading platforms and index-based trading activities. Although these trends fuel higher competition, internationalisation also offers HMS Bergbau AG additional opportunities to expand its business into areas such as trading in additional commodities. At the same time, HMS Bergbau AG is entering new markets. At the end of 2018, for example, a new subsidiary in the United States was founded under the name HMS Bergbau USA Corp. and has recorded positive performance from the onset. In 2022, trading activities in the Middle Eastern and surrounding geographies were also strengthened through the establishment and initial consolidation of HMS Bergbau Dubai FZCO. In addition, we established HMS Bergbau Zimbabwe Private Limited in Zimbabwe, which focuses primarily on the sale of copper and other ore products.

In 2023, the geopolitical crisis with Russia led again to a continual discussion about Europe's energy supply and thus to a reassessment of independent energy supply. Considerations within large parts of the EU continue to widely rule out the import of raw materials from Russia. Thus, nuclear energy and also coal-fired power generation are increasingly becoming the focus of many Western countries in order to become independent of Russian gas for energy production in the short and medium term. HMS Bergbau AG sees opportunities for its business model, at least in the short term. The long-term development cannot currently be estimated.

1.3 VERTICAL INTEGRATION

In order to extend our coverage of the value chain from mining through logistics to customer delivery and ensure the future security of supply in the face of growing energy demand, it is imperative that we invest in our own resour-

es. In this context, it makes economic sense for HMS Bergbau AG to develop its own commodity resources and, above all, to invest in exclusive marketing agreements.

Our long-term strategy of vertical integration is based on the following pillars:

STRONG TRADING BUSINESS

Our future growth and business success are based on the continued expansion of our trading activities with solid, long-term supplier and customer relationships and steady value contributions.

GROWTH

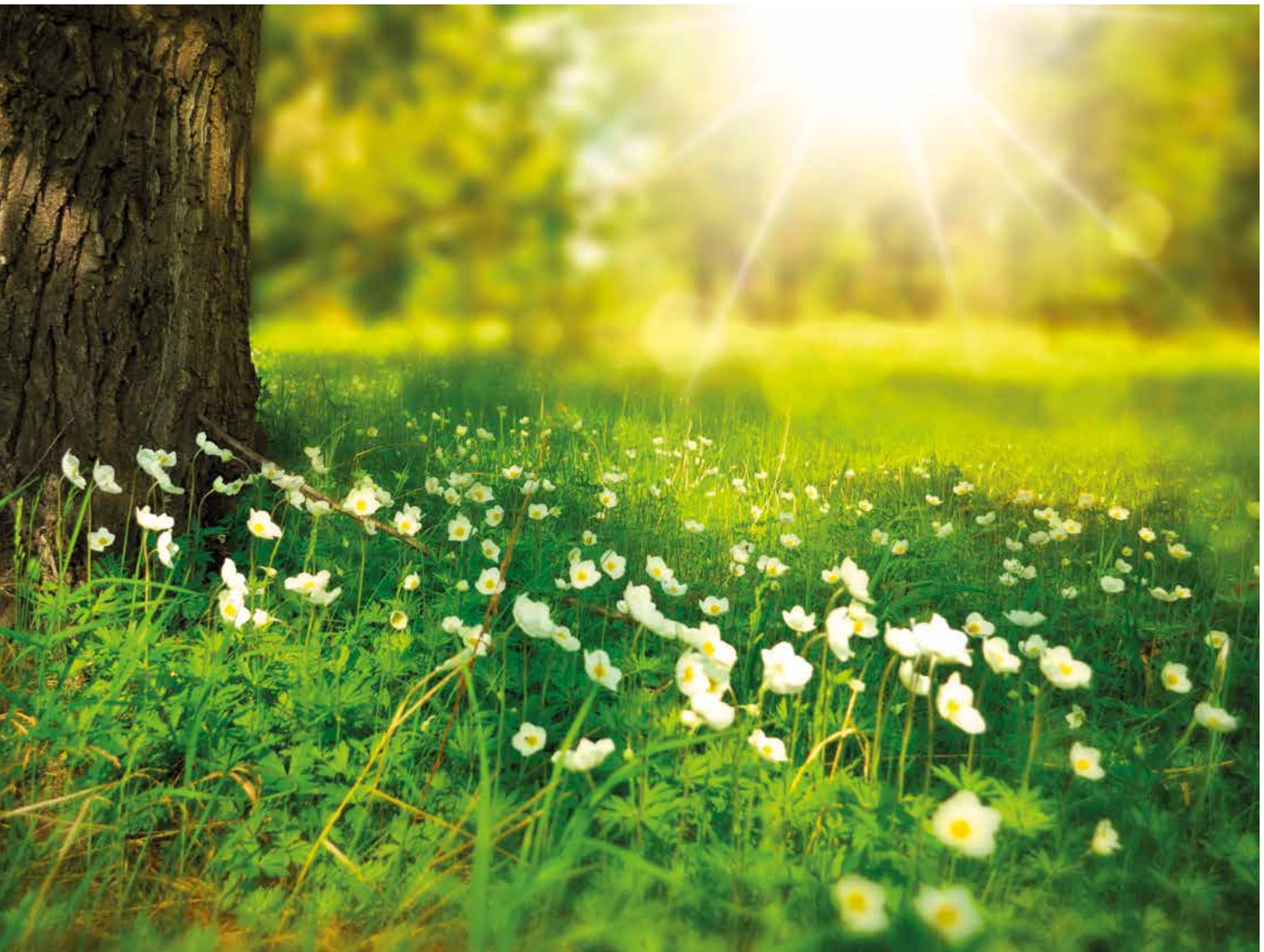
At HMS Bergbau AG, we strive to achieve sustainable earnings growth through vertical integration and the resulting competitive advantages. This strategy specifically includes expanding our international coal marketing activities in the South African and Asian coal markets. We are also working to build new business contacts and consolidate existing ones through our subsidiaries in the United States and Dubai. Additionally, we intend to identify and seize short- and medium-term opportunities in Europe.

CORPORATE CULTURE

Experiencing the everyday corporate culture of highly professional and ethical standards throughout the Group is a true advantage for HMS Bergbau Group in its competition for qualified international personnel who can drive forward our strategy.

SUSTAINABLE ACTION

Environmental protection is part of responsible and sustainable action for a modern company like HMS Bergbau AG. The Company endeavours to achieve environmental compatibility in all its business activities, with the aim of increasing their efficiency. HMS Bergbau AG is also CO₂-neutral certified. It considers its actions as a clear competitive advantage that is also offered to customers as additional added value.



1.4 HORIZONTAL INTEGRATION

The expansion of global trading to include other raw materials is to be another important pillar of HMS Bergbau AG in the medium term. The constantly growing demand for a wide variety of raw materials from existing and potential customers is to be offered and covered via the HMS Bergbau structures. New markets, especially in the USA, Asia, Africa and the Middle East, are now more in focus than ever before. The existing network and know-how built up over the years, as well as the proven transport capabilities, are not only used for the Com-

pany's coal activities but also increasingly for other raw materials and products such as ores, metals, cement products, petcoke, rare earths and lithium. This strategy offers the advantage of higher utilisation of existing capacities while offering attractive opportunities to diversify risk and increase gross margins.

The majority of deliveries were made to industries in which coal or its ashes are used as materials and can therefore be substituted to only a limited extent. The steel and cement industries play an overriding role in the customer portfolio.

2. BUSINESS AND MACROECONOMIC ENVIRONMENT

2.1 GLOBAL ECONOMY

Global economic growth proved to be more resilient than expected in 2023 and, according to OECD analysts, equalled 3.1 per cent (2022: 3.5 per cent), or slightly better than expected in the OECD economic outlook published in September 2023. Growth was moderate due to the high burden of elevated inflation, which is still well above the central banks' target corridors. The sharp global rise in interest rates is hitting the construction sector and housing market particularly hard and making urgently needed investments more costly. According to the OECD, one of the primary risks to future economic development is that inflation will not come down as expected.

According to the IMF World Economic Outlook (WEO), the emerging countries of Asia, which had GDP growth of 5.2 per cent by 2023, led by India (6.3 per cent) and China (5.4 per cent), are and will remain the global growth drivers. The Asia-Pacific region also contributed to this growth, although it is facing headwinds from the shift in global demand from goods to services and tighter monetary policies. The Asia-Pacific region is expected to grow by 4.6 per cent in 2023, up from 3.9 per cent in 2022.

Above all, some emerging and developing economies that were already facing economic challenges at the onset of the COVID-19 pandemic and due to the sharp increases in numerous commodity prices accompanying the war in Ukraine, are now dealing with the impact of strong interest rate increases in the advanced economies.

According to IMF projections, growth in the eurozone fell from 3.3 per cent in 2022 to 0.7 per cent in 2023. The OECD expectations for

economic growth in the eurozone are almost identical at 0.6 per cent growth for 2023 and 1.1 per cent for the current 2024 financial year.

Gross domestic product in the United States is expected to have grown by 2.1 per cent in 2023, which is higher than expected at the beginning of 2023. This positive development is attributable to stronger corporate investment and robust consumption growth.

In contrast to North America, China surprised on the downside in the final months of 2023. Persistent serious problems in the property market are having a noticeable impact on the economy and undermining consumer confidence. This, combined with the uncertainty in the labour market, has put consumption under pressure. At the same time, industrial production, corporate investment and exports are weakening. Nevertheless, the growth rate for China's economy in 2023 is still expected to have reached 5 per cent.

The German economy contracted towards the end of 2023. According to the Federal Statistical Office, gross domestic product fell 0.3 per cent in the fourth quarter versus the prior quarter. In comparison to the fourth quarter of 2022, the decline was 0.2 per cent. Germany's gross domestic product declined 0.3 per cent in 2023 as a whole (2022: +1.8 per cent).

Analysts expect a steady decline in global inflation, which stood at 6.9 per cent in 2023 after 8.7 per cent in 2022. Tight monetary policy and lower international commodity prices should lead to the forecast inflation rate of 5.8 per cent in 2024. Generally the assumption is that core inflation in most countries will not return to the central banks' target levels until 2025.

ECONOMIC FORECASTS

Global growth is slowly stabilising, although the pace continues to vary from region to region and inflation continues to exceed central banks' targets, according to the OECD.

In its May forecast, the OECD expects global GDP growth of 3.1 per cent in 2024 and a slight improvement to 3.2 per cent in 2025. As in 2023, Asia is likely to make a significant contribution to global economic growth in both 2024 and 2025.

In the eurozone, a recovery in real household income, tense labour markets and lower key interest rates are expected to facilitate a gradual economic recovery. OECD experts are forecasting GDP growth for the eurozone of 0.7 per cent in 2024 and 1.5 per cent in 2025.

In the United States, growth is expected to reach 2.6 per cent in 2024 and 1.8 per cent in 2025 as the economy adjusts to high borrowing costs and weaker domestic demand.

In China, projections assume a growth rate of 4.9 per cent for 2024 and 4.5 per cent for 2025. The causes for the expected unusually low growth in China are weak consumer demand and structural problems in the property markets.

In India, 6.6 per cent growth is expected in both 2024 and 2025. Around 1.4 billion people are responsible for economic growth in India.

Forecasts for Russia have improved significantly. The IMF sees a positive economic development in Russia of 2.6 per cent in 2024 and 1.0 per cent in 2025.

In Germany, gross domestic product (GDP) is expected to grow again marginally by 0.2 per cent in 2024. IMF experts expect this to be followed by growth in the economic output of 1.1 per cent in 2025.

Given the ease in cost pressure, the gradual decline in inflation is likely to continue. Overall inflation in the G20 countries is anticipated to fall from 5.0 per cent in 2024 to 3.4 per cent in 2025. Core inflation in the advanced G20 economies is likely to fall to 2.5 per cent in 2024 and 2.1 per cent in 2025, bringing it back within the central bank target corridors.

ECONOMIC POLICY RISKS

The OECD still foresees considerable economic policy uncertainty in its current forecast.

Inflation, for example, could be more persistent than currently expected, which would lead to a slower reduction in key interest rates and further financial vulnerabilities. The OECD sees another major factor of uncertainty in the ongoing weakness of the property markets in China, which may have a strong impact on China's economic development in the years to come. High geopolitical tensions remain a significant risk for investment and inflation in the short term, particularly if the evolving conflict in the Middle East and the attacks in the Red Sea spread or escalate. On a positive note, demand growth could be stronger than expected if households and companies were to utilise the savings accumulated during the COVID-19 crisis more than has been the case to date.

The OECD believes that monetary policy will need to remain prudent to ensure inflationary pressures are contained in the long term.

There will only be room to reduce key interest rates when there is a sustainable reduction in inflation. Monetary policy is therefore likely to remain restrictive in most major economies for some time to come.

Governments are facing growing budgetary challenges due to high debt levels and considerable added spending pressure due to an ageing population and the need to adapt to and mitigate climate change. To avoid a sharp increase in the debt burden in the future,

OECD analysts believe that greater short-term efforts are needed to curb expenditure growth. These include improving public spending efficiency, reallocating expenditure to take advantage of and support improved growth opportunities, and optimising tax revenues.

2.2 GLOBAL PRIMARY ENERGY CONSUMPTION

The increase in global goods trade, steadily rising goods production and ongoing population growth continue to lead to strong increases in global energy consumption. In the past four decades, consumption has more than doubled. In addition to a rise in the absolute consumption of respective energy sources, the energy mix has also changed, among others, due to the increase in “renewable energies”.

The year 2023 was a turbulent year for the global energy markets due to the energy crisis. Global energy demand rose by 1.3 per cent, in line with the recent average. At the same time, leading energy analysts have been forecasting annual growth of 0.7 per cent.

The accelerated expansion of lower-emission but weather-dependent energy, particularly solar PV and wind power, is leaving less room for growth in fossil fuels. The IEA World Energy Outlook 2023 is projecting for the first time that demand for oil, natural gas and coal will peak before 2030, although this assessment is not supported by all energy experts or by the HMS management. As energy consumption increases, the share of fossil fuels in primary energy demand is expected to fall from around 80 per cent to around 73 per cent by 2030, according to the IEA (STEPS) scenario. Electricity supply will become increasingly dependent on wind and solar as the increase in the number of lower-emission sources outpaces demand. This development however poses a significant negative impact on overall energy costs and energy security. This is now increasingly being

highlighted by a large number of institutions, including the German Federal Audit Office in March 2024.

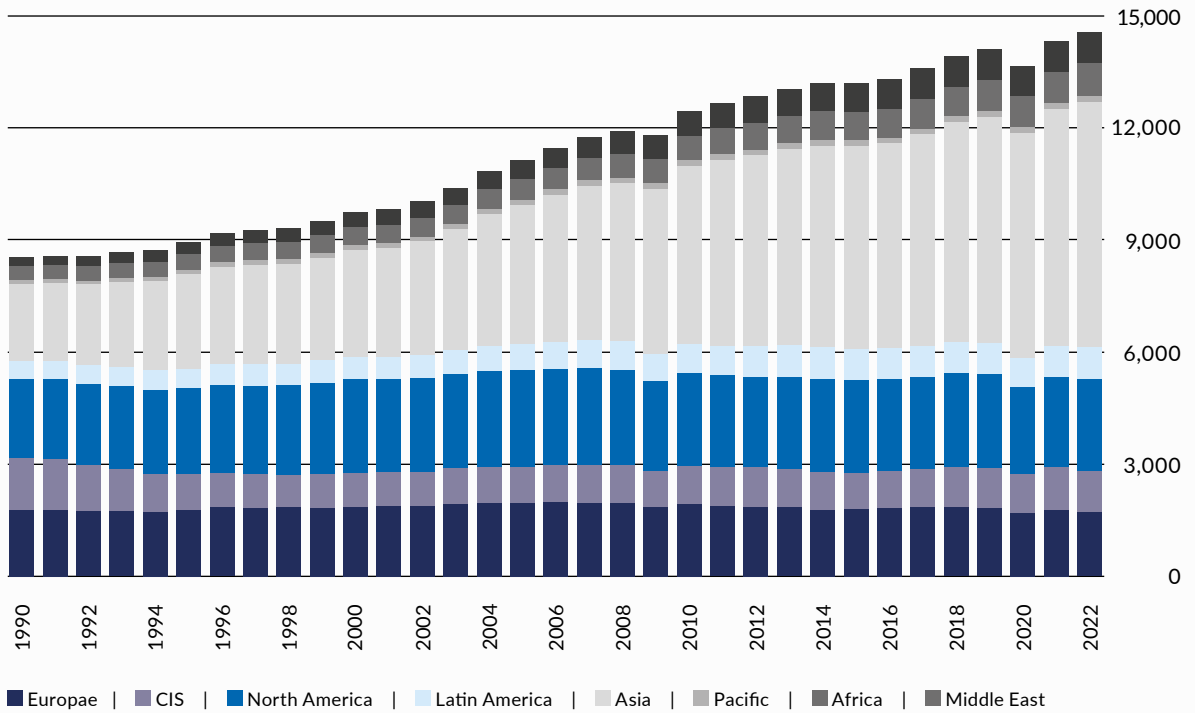
According to International Energy Agency (IEA) estimates, demand for coal in 2023 was higher than ever before. Total consumption of the fossil fuel rose by 1.4 per cent to 8.5 billion tonnes. IEA analysts expect coal consumption to have peaked in 2023, as international efforts to reduce CO₂ emissions are anticipated to lead to a decline in coal demand in the years ahead. By the end of 2030, demand is expected to be around 9 per cent lower than at the start of the decade. However, experts believe demand for coal in the years to come will stay above 8 billion tonnes p.a.

Accounting for 27 per cent of the primary energy mix, coal remained one of the most important and flexibly available energy source in the global energy mix in 2022, behind oil (30 per cent) and ahead of gas (23 per cent) despite all of the market turbulence and efforts to cut emissions. Furthermore, it is not yet possible to produce solar panels without coal. This is not only due to the fact that China’s energy and heat primarily come from coal, but also to the fact that coal is required for the material production and processing of silicone, glass, steel, aluminium, copper and much more.

Even according to IEA estimates, fossil fuels such as oil, natural gas and coal will continue to account for over 60 per cent of global primary energy consumption in 2040.

GLOBAL ENERGY CONSUMPTION 1990 - 2022

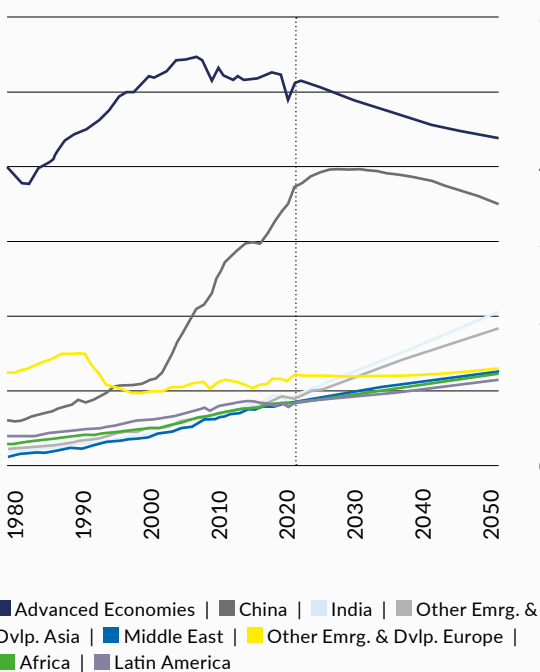
MTOE



Source: Enerdata 2023

PRIMARY ENERGY CONSUMPTION WORLDWIDE BY REGION

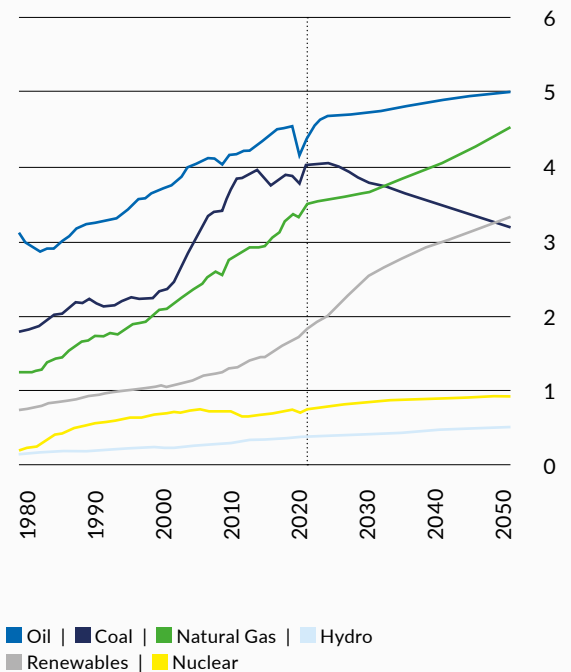
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Source: IEJ Outlook 2024

PRIMARY ENERGY CONSUMPTION WORLDWIDE BY ENERGY SOURCE

MTOE



Source: IEJ Outlook 2024

Although the share of non-fossil energy in the energy mix increases substantially in the IEEJ scenario, it does not seem realistic that non-fossil energy can cover all energy consumption in the future. In the time axis up to 2050, it can therefore be assumed that a combination of fossil fuels and non-fossil energy will be made available globally. This is especially true in emerging and developing countries, where consumption will continue to increase significantly.

2.3 COAL

COAL CONSUMPTION

Global energy consumption has risen sharply over the last 150 years. As early as the 19th century, coal was traded as the main source of energy and gained strong importance alongside natural gas and oil. Today, fossil fuels account for around 80 per cent of primary energy consumption worldwide. Although energy use is becoming more and more efficient in principle, economic growth and increased consumption are causing a steady rise in energy consumption.

In the last 20 years, global coal consumption has risen by 2.7 per cent p.a., reaching an all-time high of around 8.5 billion tonnes in 2023. In the mid-2020s, global coal consumption is anticipated to peak and then decline slightly until 2040. The slight drop in coal is due to the increased use of mainly “renewable” energy sources in China. Nevertheless, China remains the most important market for coal and will consume almost half of this resource in 2040.

Demand for coal is particularly high in Asia. According to the IEA, consumption has risen in China by 220 million tonnes (+4.9 per cent) this year compared to 2022, in India by 98 million tonnes (+8 per cent), and in Indonesia by 23 million tonnes (+11 per cent).

Developments in China are expected to continue to have the greatest impact on global coal demand in the years ahead, as China’s energy sector alone accounts for one-third of global coal consumption. Coal consumption in China is expected to grow 0.7 per cent per year on average through 2025. At the same time, “renewable” power generation capacity in China is expanding. In the period 2022 to 2025, China’s “renewable” power generation is projected to expand by about 1,000 TWh, which is equivalent to Japan’s total power generation today.

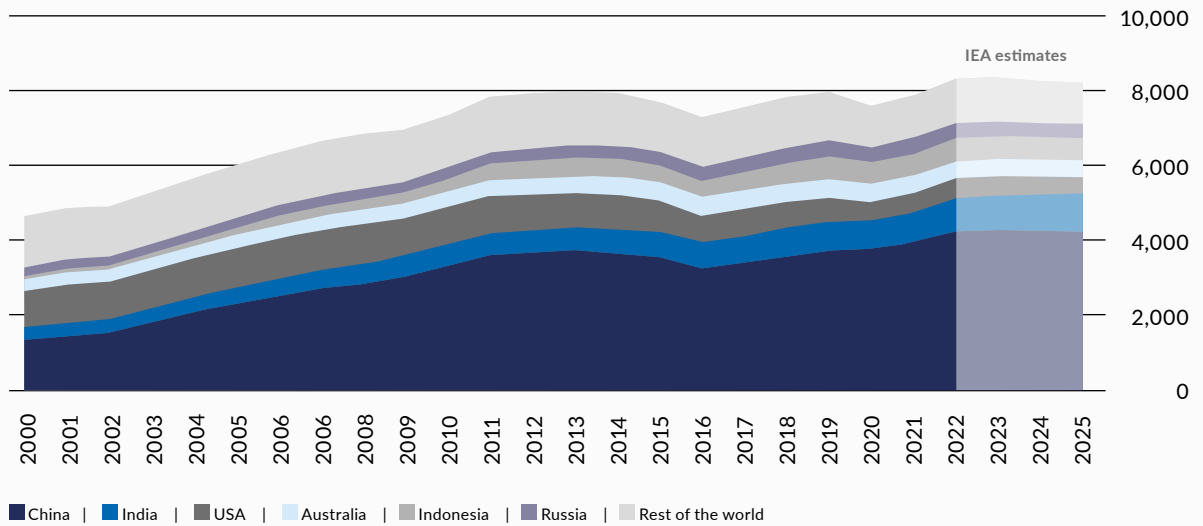
India’s coal consumption has seen a multi-fold increase since 2007. This trend will continue, with annual growth rates projected at around 6 per cent.

Coal consumption in the United States and the European Union, in contrast, is forecast to decline significantly. Europe’s consumption fell by 23 per cent, or around 107 million tonnes, compared to 2022. The US also recorded a decline of 95 million tonnes (-21 per cent). This reversal is mainly due to the gradual phase-out of coal.

Coal remains a flexible, low-cost resource worldwide. IEA experts forecast that coal demand in advanced economies will decline in the years to come as “renewables” increasingly displace it for power generation. The decline in coal demand in industrialised nations however will be largely offset by increased demand in emerging and developing countries in Asia, Brazil and the Middle East. These countries are expected to increase their coal consumption in an effort to generate economic growth and prosperity. These countries are still however expected to increasingly invest in the expansion of “renewable energies”.

GLOBAL COAL PRODUCTION 2000 TO 2025

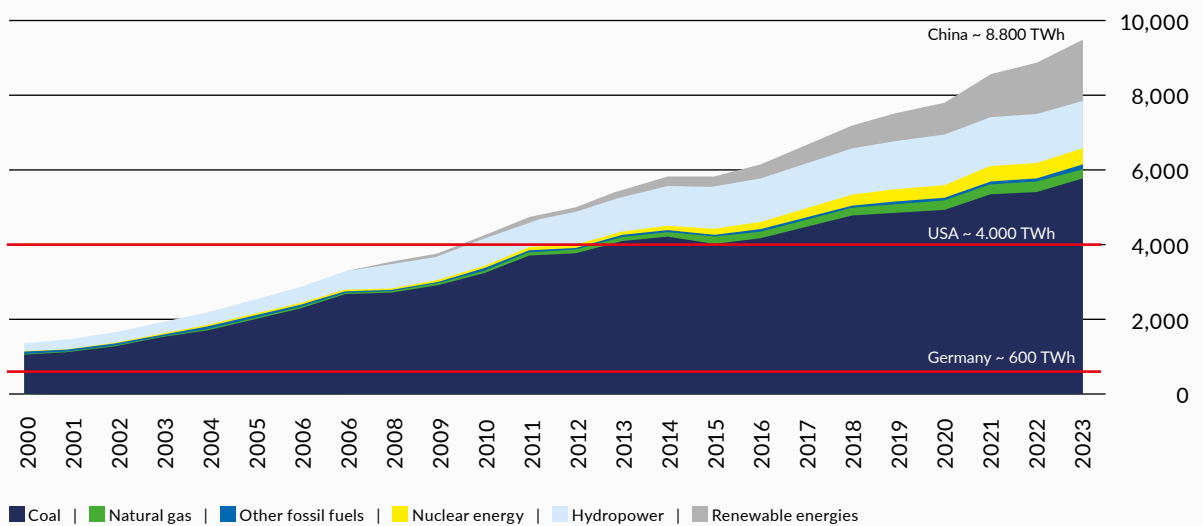
MILLION TONNES



Source: IEA 2023

ELECTRICITY GENERATION IN CHINA 2000 TO 2022

TERAWATT HOURS



Source: Ember Electricity Data Explorer 2024

COAL TRADE AND PRODUCERS

In 2023, an all-time high for coal production was recorded by China and India. The world's two largest coal consumers are also the largest coal producers and coal importers.

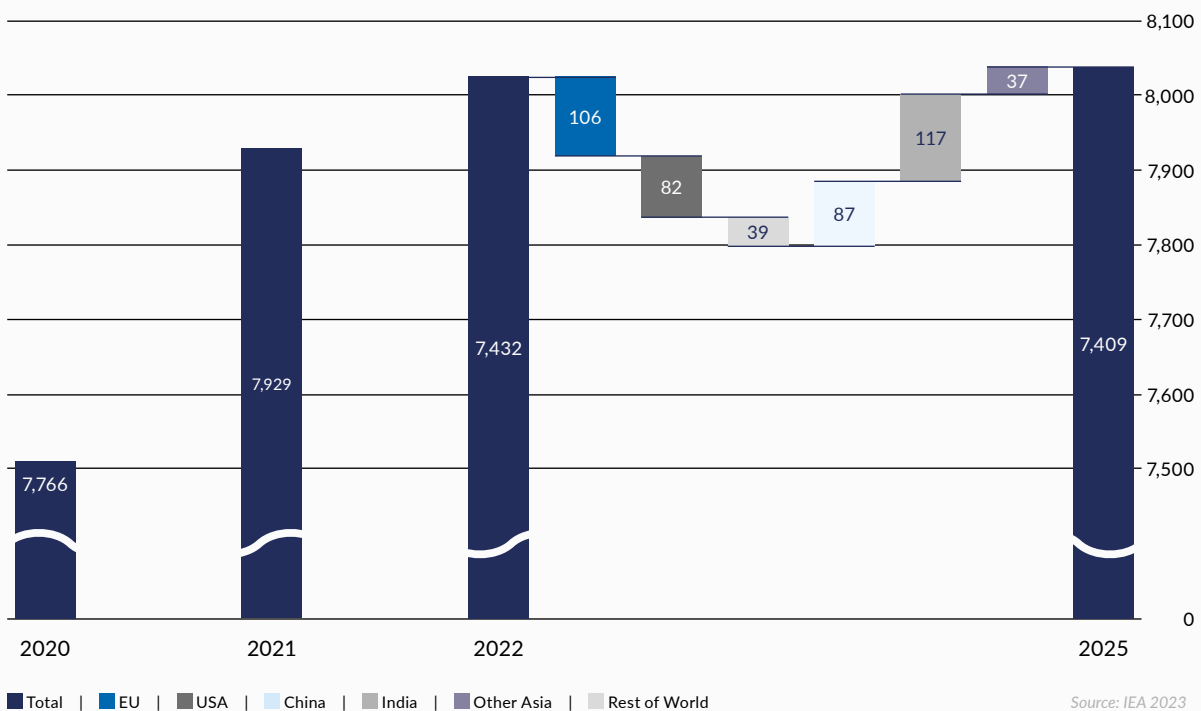
In India, coal production reached 800 million tonnes for the first time in 2021. Around 1 billion tonnes of coal are set to be produced by 2025.

Indonesia, the third-largest global coal producer, also reached a peak in coal production in 2023. In contrast to coal importers India and China, coal exports in Indonesia play an important economic role.

China, India and the ASEAN countries together account for around three-quarters of global coal demand.

CHANGES IN GLOBAL COAL CONSUMPTION BY REGION

BILLION TONNES OF OIL EQUIVALENT



According to calculations of the Coal Importers Association e. V. (VDKi), global hard coal production rose by more than 8.3 per cent to just under 8 billion tonnes in 2021. At 460 million tonnes in 2022, China once again recorded a sharp increase in production of around 11.4 per cent. India, Indonesia, Colombia, South Africa, Kazakhstan and the USA were also able to benefit from the high demand and increase their own production.

Seaborne trade also increased by 1.1 per cent to 1.1 billion tonnes. The exports increased of the largest hard coal exporting countries, such as Indonesia, Australia, South Africa, and Russia.

The large producer countries China and India are at the same time large consumers of imported coal and an important pillar of world trade in hard coal.

The increase in world trade in hard coal in 2022 is, as in the years before the pandemic year 2020, due in particular to growing demand in the ASEAN countries, and this, in turn, is driven by growing demand in the manufacturing sector. The construction of modern hard coal-fired power plants and growing steel production are leading to additional demand for coking and steam coal. The development model of these countries is based on hard coal, similar to that of China, and will only expand to include “renewable” energy sources with a time lag.

2.4 TRADING

Trustworthy, stable business relationships with customers and suppliers are the basis of the HMS Bergbau Group’s successful international trading activities.

The primary customers of the HMS Bergbau Group include steel and cement producers, followed by industrial companies such as glassworks, paper mills and waste processing plants. Our clientele consists of private and state-owned companies from Asia, Europe, the Middle East and Africa.

The HMS Bergbau Group cooperates with renowned and reliable producers, mainly in Indonesia, South Africa, Australia, Poland and North and South America. We are also responsible for representing numerous international coal producers. The HMS Bergbau Group handles their complete marketing of coal in selected markets.

2.5 LOGISTICS BUSINESS SEGMENT

The HMS Bergbau Group offers its customers and business partners a complete range of services, starting with the timely supply of raw materials to the organisation of the entire transport logistics. The service portfolio of our highly professional and experienced team ranges from ship charters to the organisation of inland transports, port handling, storage man-

agement and coal preparation to technical supervision. The HMS Group organises the entire logistics requirements for its partners in South Africa, for example, from truck transport to rail transport to port handling, which ensures a high level of delivery reliability for its suppliers and customers.

2.6 RESEARCH AND DEVELOPMENT

HMS Bergbau AG does not conduct any research or development.

2.7 EMPLOYEES

International competition for qualified personnel remains intense. Management continues to focus on sustainable employee development in an effort to bind employees to the HMS Group for the long term. To pursue its strategic goals, the HMS Group places a particular emphasis on qualified, ongoing training and further education. New employees were recruited – especially in the Asian and South African markets – and more are still planned. The risks associated with employee fluctuation are offset by having succession plans in place and grooming employee deputies. Employee training was offered primarily to new employees in the reporting year.



3. GROUP RESULTS OF OPERATIONS

The results of operations of the HMS Group for the 2023 financial year compared to the previous year are as follows:

	2023 EUR thousand	%	2022 EUR thousand	%	Change EUR thousand	%
TOTAL PERFORMANCE	1,296,200	100	971,914	100	324,286	33
Cost of materials	1,260,384	97	943,834	97	316,550	34
Personnel costs	10,065	1	6,629	1	3,436	52
Depreciation and amortisation	516	0	681	0	-166	-24
Other operating expenses						
/, other operating earnings	9,867	1	5,874	1	3,994	68
Taxes (excluding income taxes)	5	0	5	0	0	-3
OPERATING EXPENSES	1,280,837	99	957,023	99	323,814	34
OPERATING RESULT	15,363	1	14,891	2	473	3
Financial result	-585		-836		251	30
Allocation to pension provisions <small>(1/15 of allocation under German Accounting Law Modernisation Act [BilMoG])</small>	-223		-223		0	0
EBITDA <small>(earnings before interest, taxes, depreciation and amortization)</small>	15,661		15,354		307	2
EARNINGS BEFORE INCOME TAXES	14,555		13,831		724	5
Income taxes	-2,121		-3,441		1,320	38
NET PROFIT*	12,435		10,390		2,044	20

Sales increased significantly once again in the 2023 financial year compared to 2022. Despite a downtrend in coal prices during the year, HMS Bergbau AG's trading business had higher tonnages and continued high demand for raw materials. The 33 per cent increase in sales was largely driven by the trading business in Asia and Africa. In 2023, as in the previous year, around 95 per cent (2022: 95 per cent) of the volumes traded by the Group were generated in Asia and Africa. The largest sales drivers were primarily countries such as Vietnam, India, China and Bangladesh. There was a minor change in the cost of materials ratio compared to the prior year, from 97.1% in 2022 to 97.2% in the 2023 reporting year.

Personnel costs in 2023 increased sharply year-on-year from EUR 6,629 thousand to EUR 10,065 thousand in line with business development. At 0.8%, the personnel cost ratio was

only slightly higher than the ratio of 0.7% in 2022.

Depreciation and amortisation amounted to EUR 516 thousand in 2023 after EUR 681 thousand in the 2022 financial year.

Other expenses, net of other income, resulted primarily from legal and consulting fees, vehicle and travel costs, fulfilment costs and occupancy costs. Combined, these costs totalled EUR 9,867 thousand in 2023 (previous year: EUR 5,874 thousand).

EBITDA totalled EUR 15,661 thousand in the 2023 reporting period, representing a slight improvement compared to the 2022 financial year (2022: EUR 15,354 thousand). This minor year-on-year increase was due to higher costs for personnel, materials and other operating expenses.

4. GROUP NET ASSETS

The net assets of HMS Group as at 31 December 2023 can be summarised as follows:

	31/12/2023 EUR thousand	%	31/12/2022 EUR thousand	%	Change EUR thousand	%
ASSETS						
Non-current assets	21,116	8	19,724	15	1,391	7
Advance payments	9,547	3	10,608	8	-1,061	-10
Receivables	198,140	70	62,901	48	135,239	> 100
Cash and cash equivalents	35,985	13	31,049	24	4,936	16
Other assets	16,809	6	6,189	5	10,620	> 100.0
	281,596	100	130,472	100	151,124	> 100.0
CAPITAL						
Shareholders' equity	41,120	15	32,560	25	8,559	26
Own shares	-405	0	-405	0	0	0
Non-current liabilities	18,622	7	17,788	14	834	5
Current liabilities	222,260	79	80,530	62	141,731	> 100.0
	281,596	100	130,472	100	151,124	> 100.0

Non-current assets as at 31 December 2023 amounted to EUR 21,116 thousand, or approximately EUR 1,391 thousand more than as at the 31 December 2022 reporting date. The change resulted primarily from a repurchase of 5 per cent of the shares in Silesian Coal S.A. and the associated year-on-year increase in goodwill amounting to around EUR 1,481 thousand. Other non-current asset line items recorded only minor changes as part of the growing operating business.

Advance payments, for example, decreased from EUR 10,608 thousand as at 31 December 2022 to EUR 6,909 thousand as at 31 December 2023. In 2023, a warehouse was established, which was capitalised at the actual merchandise value of EUR 2,637 thousand.

Receivables increased significantly by EUR 135,239 thousand to EUR 198,140 thousand as at the 31 December 2023 reporting date, compared to EUR 62,901 thousand as at 31 December 2022. The change is largely due to the increase in trade receivables as at the reporting

date, which are related to the development of sales and will gradually decrease after the 31 December 2023 reporting date. Cash and cash equivalents increased by around 16 per cent, or EUR 4,936 thousand, to EUR 35,985 thousand as at 31 December 2023.

Non-current liabilities, including pension and similar obligations, amounted to EUR 18,622 thousand as at 31 December 2023. At the end of 2022, non-current liabilities were EUR 17,788 thousand. The position includes a bond in the amount of EUR 8,753 thousand.

Current liabilities amounted to EUR 222,260 thousand as at 31 December 2023 (2022: EUR 80,530 thousand) and mainly comprise liabilities to suppliers and trade finance liabilities. The trade payables line item amounted to EUR 207,096 thousand compared to EUR 63,220 thousand as at 31 December 2022. As in previous years, the increase in current liabilities was reporting date-related and a result of higher sales volumes.

5. GROUP FINANCIAL POSITION

Cash and cash equivalents in the 2023 financial year developed as follows:

	2023 EUR thousand	2022 EUR thousand
1. Cash flow from current operating activities	9,978	-1,228
2. Cash flow from investment activities	-1,316	2,253
3. Cash flow from financing activities	-3,962	-360
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents affecting payment	4,701	665
Cash and cash equivalents at the start of the period	23,900	23,235
Cash and cash equivalents at the end of the period	28,601	23,900
5. Composition of cash and cash equivalents		
Cash and cash equivalents	35,985	31,049
Current liabilities to credit institutions	-7,384	-7,149
Cash and cash equivalents at the end of the period	28,601	23,900

In the 2023 financial year, cash flow from operating activities was clearly positive at EUR 9,978 thousand (2022: EUR -1,228 thousand). Important to note in comparison to the previous year is that around EUR 9 million of the Company's own cash and cash equivalents were tied up in short-term trading transactions as at 31 December 2022 and, in contrast to previous years, were not financed via external credit lines from banks.

Cash flow from operating activities increased as a result of the higher sales volumes. Trade receivables increased from EUR 62,901 thousand to EUR 198,140 thousand as at 31 December 2023. At the same time, trade payables increased from EUR 63,221 thousand in 2022 to EUR 207,096 thousand as at the 2023 reporting date.

Cash flow from investing activities amounted to EUR -1,316 thousand in the 2023 financial

year, compared to EUR 2,253 thousand as at 31 December 2022. The negative balance was mainly due to the payment for the purchase of minority interests in consolidated subsidiaries in the amount of EUR 1,800 thousand and payments for investments in equity investments in the amount of EUR 400 thousand.

Cash flow from financing activities amounted to EUR -3,962 thousand as at 31 December 2023 after EUR -360 thousand in 2022. In addition to interest payments on loans of EUR 220 thousand and loan repayments of EUR 243 thousand, dividend of EUR 3,499 thousand were paid in 2023.

Cash and cash equivalents at the end of the period increased by EUR 4,701 thousand from EUR 23,900 thousand as at 31 December 2022 to EUR 28,601 thousand as at the 2023 reporting date.

6. INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS OF HMS BERGBAU AG

HMS Bergbau AG is the parent company of the HMS Group. HMS Bergbau AG remains responsible for the central management functions – strategy, finance, accounting/controllers – and all key trading activities. A significant number of trade agreements are conducted via the parent company. In other words, the activities of HMS Bergbau AG still determine the situation

of the entire HMS Group however, it is expected that this role will continue to decline over time. The annual financial statements of HMS Bergbau AG are prepared in accordance with German Commercial Law (HGB) and the German Stock Corporation Act (AktG). The following table provides an overview:

	2023 EUR thousand	%	2022 EUR thousand	%	Change EUR thousand	%
TOTAL PERFORMANCE	1,161,252	100	860,556	100	300,695	35
Cost of materials	1,143,525	99	849,187	99	294,338	35
Personnel costs	5,393	1	3,935	1	1,458	37
Depreciation and amortisation	59	0	17	0	42	> 100.0
Other operating expenses						
./. other operating earnings	8,895	1	4,594	1	4,301	94
Taxes (excluding income taxes)	5	0	5	0	0	-3
OPERATING EXPENSES	1,157,877	100	857,738	100	300,139	35
OPERATING RESULT	3,375	0	2,818	0	556	20
Financial result	-1		-162		161	99
Allocation to pension provisions (1/15 of allocation under German Accounting Law Modernisation Act [BilMoG])	-223		-223		0	0
EBITDA (earnings before interest, taxes, depreciation and amortization)	3,216		2,617		599	23
EARNINGS BEFORE INCOME TAXES	3,150		2,433		717	30
Income taxes	-704		-1,711		1,007	59
NET PROFIT*	2,447		722		1,725	> 100.0

6.1 RESULTS OF OPERATIONS

The results of operations of HMS Bergbau AG are largely influenced by the Company's primary trading activities. The significant increase in sales of around 34.9 per cent was on the back of the strong trading business in Asia with higher tonnages. HMS Bergbau AG, along with local Group companies, also serves the increasingly strong demand in the Asian markets. Over 95 per cent of sales were generated through customer and supplier relationships based in Africa and Asia. HMS Bergbau AG's cost of materials ratio improved slightly from 98.7 per cent in the 2022 financial year to 98.5 per cent in the

2023 reporting period. This was primarily due to higher demand for coal in the first half of 2023. Other operating expenses net of other income resulted largely from the cost of goods sold, oncharging of other services from Group companies, vehicle and travel costs, as well as legal and consulting fees.

Earnings before income taxes in the 2023 reporting year amounted to EUR 3,150 thousand, or around 30 per cent higher than the previous year's figure of EUR 2,433 thousand. The main driver for the better year-on-year result was a slightly better cost of materials ratio.

6.2 NET ASSETS

	31.12.2023 EUR thousand	%	31.12.2022 EUR thousand	%	Change EUR thousand	%
ASSETS						
Non-current assets	16.624	6	14.817	13	1.807	12
Advance payments	7.874	3	10.608	9	-2.734	-26
Receivables	197.028	75	59.119	51	137.909	> 100
Cash and cash equivalents	34.236	13	28.295	25	5.941	21
Other assets	5.890	2	2.612	2	3.277	> 100,0
	261.653	100	115.452	100	146.201	> 100,0
CAPITAL						
Shareholders' equity	21.202	8	22.254	19	-1.052	-5
Own shares	-381	0	-381	0	0	0
Non-current liabilities	18.479	7	17.645	15	834	5
Current liabilities	222.354	85	75.935	66	146.419	> 100,0
	261.653	100	115.452	100	146.201	> 100,0

The sharp increase in sales at HMS Bergbau AG in 2023 also resulted in a change in the balance sheet ratios. Non-current assets amounted to EUR 16,624 thousand as at 31 December 2023, compared to EUR 14,871 thousand at the end of 2022. The change is primarily due to the increase in shares in affiliated companies of EUR 1,800 thousand as a result of a repurchase of 5 per cent of the shares in Silesian Coal S.A. Other non-current asset line items recorded only minor shifts as part of the growing operating business.

Advance payments amounted to EUR 7,874 thousand as at 31 December 2023, compared to EUR 10,608 thousand on the same reporting date in the previous year, recording a reporting date-related reduction. HMS Bergbau AG also financed business activities with its own liquidity in 2023.

Due to the expansion of HMS Bergbau AG's trading activities and the increase in commodity prices, receivables increased from EUR 59,119 thousand as at 31 December 2022 to

EUR 197,028 thousand as at 31 December 2023. Cash and cash equivalents on the balance sheet increased to EUR 34,236 thousand as at the year-end reporting date after EUR 28,295 thousand at the end of 2022.

On the equity and liabilities side of the balance sheet, equity decreased from EUR 21,872 thousand at the end of the 2022 financial year to EUR 20,820 thousand as at 31 December 2023, which is attributable to the relatively high dividend payment to shareholders.

Non-current liabilities amounted to EUR 18,479 thousand as at 31 December 2023, compared to EUR 17,645 thousand as at 31 December 2022. Current liabilities, which largely consist of trade payables to suppliers and trade finance payables, increased from EUR 75,935 thousand to EUR 222,354 thousand as at 31 December 2023. Changes in this line item were mainly due to volume and reporting date factors, which are attributable to the expansion of the operating business.

6.3 FINANCIAL POSITION

The financial position of the HMS Group is significantly influenced by HMS Bergbau AG; in this respect, reference is made to the corresponding explanations.

6.4. GENERAL STATEMENT

Our financial performance indicators, according to which the Management Board manages and monitors activities on an ongoing basis, are sales, gross margin and EBITDA. In the HMS Group, we were able to largely reach the EBITDA forecast made in the previous year due to a solid trading result, despite highly volatile coal prices. The EBITDA of the HMS Group amounted to EUR 15,661 thousand in the 2023 financial year, compared to EUR 15,354 thousand in 2022. The EBITDA of HMS Bergbau AG also

increased slightly in the 2023 financial year, totalling EUR 3,216 thousand after EUR 2,617 thousand in 2022.

Group sales in the 2023 financial year were 33 per cent higher year-on-year, amounting to EUR 1,296,200 thousand (2022: EUR 971,914 thousand). HMS Bergbau AG's sales also increased by a notable 35 per cent from EUR 860,556 thousand in the 2022 financial year to EUR 1,161,252 thousand.

The Group's gross margin deteriorated slightly from 2.98 per cent in 2022 to 2.88 per cent in 2023. The gross margin of HMS Bergbau AG in the 2023 financial year improved slightly and amounted to 1.59 per cent (previous year: 1.42 per cent). Despite the challenging market conditions, HMS Bergbau AG was able to achieve its targets at Group level.

7. RISKS AND OPPORTUNITIES

The Group's risk management, for which the Management Board of HMS Bergbau AG has overall responsibility, is integrated as a process into the operating procedures of HMS. Opportunities and risks are identified, classified, evaluated, controlled and monitored in a forward-looking manner as an integral part of business activities. According to the unchanged principles of the Company, risks should only be assumed if they are associated with significant earnings opportunities at the same time. Risks should be minimised or, if reasonable, transferred to third parties. Opportunities are examined for their inherent earnings potential. The opportunities and risks that could have a significant impact on the Company's net assets, financial position and results of operation are explained below.

7.1 PRICE FLUCTUATIONS

In the traditional business of the HMS Group – coal trading based on back-to-back contracts

and index- or fixed-price-based purchasing and sales agreements – there are, by definition, no effects on contractually agreed margins of individual transactions. If there is a deviation from the pure “back-to-back” principle, which, for example, provides for different base values for calorific value settlements on the purchase and sales side, price risks can arise, which are reassessed daily within the framework of the risk management system, taking into account current forward prices and expected volatilities. It remains a principle of the Company not to enter into any significant risk positions in purchasing and sales and to exclude such risks when concluding contracts. The management of HMS Bergbau AG continues to strive for the realisation of “back-to-back” transactions.

7.2 FINANCIAL RISKS

Fluctuations in currencies and interest rates can have a significant impact on the results of the HMS Group. The Company strives to

eliminate currency differences in financing, purchasing and sales. The Group companies are obliged to assess and, if necessary, hedge all currency risks. Changes in the area of interest rates – that is to say, changes in risks from interest-bearing liabilities, are included in the assessment of the respective trading transactions as financing costs, taking into account a risk premium as well as currency-specific differences. If it makes sense in the long term from a risk management standpoint, variable interest rates are swapped for fixed interest rates after evaluating all possible scenarios.

7.3 CREDIT RATINGS OF BUSINESS PARTNERS AND COUNTERPARTY RISK

Credit risks arise from our business relationships with customers and are increasing on account of ongoing growth in the proportion of our business partners located in Asia and Africa. In this context, the implemented risk management system aims to obtain adequate collateral for risk-bearing transactions or to insure receivables where financially practicable. Furthermore, we secure payment promises in advance of deliveries using letters of credit. Failure or partial failure to deliver on the part of suppliers may also give rise to risks that cannot be transferred completely to the purchaser. Our risk management policies attempt to address these risks appropriately by deploying staff in the regions to examine individual terms and specifications of contracts in detail.

7.4 POLITICAL RISK

With the expansion of business activities in the Asian and African markets, the Group is increasingly exposed to legal and regulatory risks, such as political influence, supply chain disruptions, civil unrest and adverse economic policies. Risks from environmental and other geographical influences are also included in these considerations. Furthermore, uncertainties arise from the respective legal frameworks, which are and will be subject to constant change. In both Asia and Africa, greater opportunities are accompa-

nied by higher risks. In response to individual risks, the management of the Company tries to make appropriate contractual arrangements within the framework of the existing risk management or to eliminate the risks by involving experienced local partners. Realistically, such risks cannot be fully excluded.

7.5 INVESTMENT RISK

By constantly monitoring the marketing strategy and its implementation successes, the Company's management attempts to recognise possible negative economic effects at an early stage within the framework of risk management and to take appropriate countermeasures by adjusting the strategy.

7.6 RISKS AND OPPORTUNITIES RESULTING FROM THE CORPORATE STRATEGY

Decisions on investments and acquisitions are examined and made by the Management Board of HMS Bergbau AG within the framework of an assessment and approval process, which also provides for the involvement of relevant experts, if necessary, due to the considerable associated opportunities and risks. To the extent that these decisions are of fundamental importance, the approval of the Supervisory Board is also obtained. Especially when concluding long-term agreements, opportunities and risks must be weighed and thoroughly examined. Particularly, the size of the deposit, the logistical infrastructure, the financial situation, the legal situation, the management and the political environment must also be considered. This also involves the involvement of experts and obtaining corresponding expert opinions on the measures of our risk management system.

In the Trading business segment, intensive observation and analysis of markets and competitors enable opportunities and risks to be identified as early as possible. Overall, with the help of its risk management, HMS Bergbau AG is always in a position to mitigate the aforemen-

tioned risks and take advantage of opportunities as they arise.

There is also considerable potential for HMS Bergbau AG to expand its sales activities in new markets in Asia, particularly in Malaysia, Vietnam and Thailand. Furthermore, the Management Board sees considerable potential in the United States of America.

7.7. COVID-19 RISK

The Company no longer sees any risk arising from the global impact of the coronavirus (COVID-19), provided that no further societal or economic restrictions are applied by policymakers.

7.8. RISK OF GEOPOLITICAL CONFLICTS

The full consequences and developments in Ukraine and the sanctions adopted against Rus-

sia are still unclear. The same applies to the conflict in the Gaza Strip between Israel and Hamas. Political and economic tensions between the People's Republic of China and the United States of America also continue to increase. We expect such conflicts to continue to have a strong impact on both the procurement and purchasing prices of our products. Price volatility is expected to continue to increase due to geopolitical tensions and to have an impact on the transportation and logistics of our products. It is virtually impossible to calculate and assess what short- and medium-term impact global political developments will have on the demand and supply side. An early warning system has been implemented to enable us to react as quickly as possible to changes in the market. We cannot yet estimate the full impact of these events on our net assets, financial position and results of operations.

8. REPORT ON FORECASTS

In comparison to other energy resources, coal represents the largest reserves and resources reported globally. According to calculations by the Federal Office for Geosciences and Natural Resources (BGR), reserves should still last for 120 to 200 years, depending on the type of coal and the level of global economic development. It remains undisputed, however, that the potential of existing coal is sufficient enough to meet the foreseeable demand for many decades to come. In addition, scientific analysis and market surveys indicate that the share of coal in global electricity generation will remain stable. In addition to the growing world population, which is anticipated to increase to 8.2 billion by 2030, the strongest driver of this development is undoubtedly growing energy

consumption. Therefore, a primary energy matrix without coal is inconceivable for the next 50 years.

The management of HMS Bergbau AG assumes that the Pacific Rim region will continue to gain in importance as an important sales market. As in previous years, Asia is increasingly becoming the focus of HMS Bergbau AG's strategic orientation. In addition to South Africa, Indonesia is one of the most important production markets in the next few years from the management's point of view because of the resources available, the favourable mining conditions and the central location in the Pacific region. Significant growth potential, especially in securing substantial coal resources, continues to be essen-

tial in order to operate as a dependable trading partner in volatile markets. By securing its own resources, the management wants to guarantee the supply of end-users in the Asian market as well as in southern Africa in the long run.

Securing our own resources and the related expansion of the value chain – from production to the sale to the end customer – is an essential component in sustainably consolidating our market position. Particularly given the known risks in nuclear energy and the current difficulties in implementing the “energy transition” in Germany, management does not expect declining demand for fossil fuels in Europe as a whole. As an agile energy supplier, coal-fired power generation will retain its importance, above all, in Eastern Europe. Our efforts in Europe continue to focus on closing new contracts with European non-power plant customers and power plant operators and expanding and consolidating our market position in niche products such as petcoke, coking coal and coke products to achieve even better product diversification. In Africa and Asia, the Company is focusing on building long-term supplier and customer relationships to participate in the growing importance of both regions in world coal trading. The continuous development of trading activities in the USA is also one of HMS Bergbau AG's main tasks. At the same time, the strategy of expanding the value chain, particularly through the conclusion and successful implementation of exclusive marketing agreements and cooperations and the development of our own production resources, must be consistently pursued.

In addition to expanding business volumes, HMS Bergbau AG's activities focus on im-

proving its market position in strategically important markets and business segments. The focus continues to be on global positioning, above all in South Africa, India and Indonesia, but also in the US. In addition to the coal business, the Company's activities are centred on the expansion of trade in other raw materials, such as ores, copper, oil products, fertilisers and cement products. In the medium term, this trading business should become another pillar of HMS Bergbau AG.

The flexible structures of HMS Bergbau AG have enabled the Company to assert itself and develop well in a difficult market environment over the past few years. Next to making its structures even more flexible, the Company has also tapped new markets as part of its vertical and horizontal integration. This development should lead to better results in the future and allow HMS Bergbau AG to continue to participate in the market on a lasting basis and participate in the long-term positive upward trend emerging in the commodity markets. Management will continue to pursue these goals in the 2024 financial year.

Despite lower raw material prices, the Company is planning to generate sales of around EUR 1.3 billion in 2024, with a gross margin at the previous year's level of around 3 per cent and a positive EBITDA in the low double-digit million euro range.. Based on this premise, and without taking into account possible and currently unquantifiable consequences from the Russia-Ukraine war and other geopolitical upheavals that are difficult to predict, risks that could jeopardise the company's continued existence cannot be ruled out at present, but are also not discernible.

9. KEY FEATURES OF THE REMUNERATION SYSTEM

The Supervisory Board decides upon the remuneration system for the Management Board of HMS Bergbau AG, including all material contractual elements, and reviews it regularly. It also determines the remuneration for individual Management Board members. Management Board remuneration consists of fixed elements alongside variable, performance-related components. Fixed remuneration is paid

as a monthly salary, regardless of performance. Management Board members also receive additional non-cash fringe benefits, which mainly consist of the value under tax law for the private use of a company car. Performance-related remuneration is dependent on the Company's result for the financial year and the personal performance of the Management Board member in question.

10. HEDGE TRANSACTIONS

The HMS Group enters into price and hedge transactions on individual physical transactions when necessary.

11. CLOSING COMMENTS PURSUANT TO SECTION 312 (3) AKTG

There were no dependencies in the reporting period as defined under Section 312 (3) AktG.

12. FORWARD-LOOKING STATEMENTS

This management report contains forward-looking statements that reflect the current opinion of the HMS Bergbau AG management with regard to future events. Any statement contained in this report reflecting or building upon intentions, assumptions, expectations, forecasts, or underlying assumptions is a forward-looking statement. These statements are based upon plans, estimates and forecasts that are currently available to the HMS Bergbau AG management and, therefore, only refer

to the point in time at which they were made. Forward-looking statements are inherently subject to risks and uncertainties, which could result in actual developments differing significantly from these forward-looking statements or events implied or expressed therein. HMS Bergbau AG does not assume any responsibility for such statements and does not intend to update such statements in light of new information or future events.

Berlin, 27 April 2024



DENNIS SCHWINDT
Chief Executive Officer



JENS MOIR
Chief Financial Officer

Consolidated Balance Sheet

AS AT 31. DECEMBER 2023

ASSETS

	EUR	31/12/2023 EUR	31/12/2022 EUR
A. NON-CURRENT ASSETS			
I. Intangible assets			
1. Software	52,009.00		10,257.00
2. Company value	3,849,610.35		2,368,405.90
		3,901,619.35	2,378,662.90
II. Fixed assets			
1. Technical equipment and machinery	704,842.07		872,465.45
2. Other equipment, office and factory equipment	202,847.42		55,981.01
3. Advance payments and assets under construction	8,391,547.99		7,786,016.81
		9,299,237.48	8,714,463.27
III. Financial assets			
1. Shares in associated companies	425,176.98		25,171.49
2. Other loans receivable	7,489,531.33		8,606,142.32
		7,914,708.31	8,631,313.81
		21,115,565.14	19,724,439.98
B. CURRENT ASSETS			
I. Inventories			
1. Advance payments	6,909,390.77		10,608,126.55
2. Finished products and goods	2,637,292.47		0.00
		9,546,683.24	10,608,126.55
II. Receivable and other assets			
1. Trade receivables	198,139,752.79		62,901,215.38
2. Receivables from associates	11,117,277.76		3,381,856.23
3. Other assets	3,028,947.73		612,631.34
		212,285,978.28	66,895,702.95
III. Cash and cash equivalents		35,985,307.78	31,049,392.80
		257,817,969.30	108,553,222.30
C. ACCRUALS AND DEFERRALS		703,363.67	407,472.80
D. DEFERRED TAXES		1,959,286.70	1,787,329.67
		281,596,184.81	130,472,464.75

LIABILITIES

	EUR	31/12/2023 EUR	31/12/2022 EUR
A. SHAREHOLDERS' EQUITY			
I. Subscribed equity		4,543,804.00	4,543,804.00
II. Capital reserve		10,399,081.94	10,399,081.94
III. Profit reserves			
1, Statutory reserve	5,112.92		5,112.92
2, Other profit reserves	273,158.45		273,158.45
		278,271.37	278,271.37
IV. Consolidated net profit	24,034,745.74		15,161,760.47
V. Exchange differences	-1,149,193.17		-772,520.73
		22,885,552.57	14,389,239.74
VI. Minority interests		2,607,422.11	2,544,525.48
		40,714,131.99	32,154,922.53
B. PROVISIONS			
1, Pension provisions and similar obligations	9,320,058.60		8,766,085.20
2, Tax provisions	1,721,542.95		2,921,012.07
3, Other provisions	2,948,715.45		2,541,487.03
		13,990,317.00	14,228,584.30
C. LIABILITIES			
1, Bonds	8,752,500.00		8,472,500.00
2, Liabilities to banks	7,790,538.89		7,798,188.50
3, Advance payments received	2,998,664.21		3,881,320.17
4, Trade payables	207,096,352.97		63,220,937.14
5, Liabilities to shareholders	0.00		11,228.31
6, Other liabilities			
- thereof from taxes EUR 194 thousand (previous year: EUR 74 thousand)			
- herof for social security EUR 5 thousand (previous year: EUR 8 thousand)	253,679.75		704,783.80
		226,891,735.82	84,088,957.92
		281,596,184.81	130,472,464.75

Consolidated Income Statement

(1 JANUARY - 31 DECEMBER 2023)

	2023 EUR	2022 EUR
1. Sales	1,296,200,233.41	971,913,778.95
2. Other operating earnings	1,602,505.82	905,157.22
- thereof from currency translation: EUR 1,184 thousand (previous year: EUR 853 thousand)		
	1,297,802,739.23	972,818,936.17
3. Cost of materials		
a) Costs for goods purchased	-1,260,384,383.01	-943,834,318.72
b) Costs for services purchased	0.00	0.00
	-1,260,384,383.01	-943,834,318.72
4. Personnel costs		
a) Wages and salaries	-8,884,287.87	-6,410,108.16
b) Social security costs and pension support costs - thereof for pensions EUR -894 thousand (previous year: EUR 47 thousand)	-1,180,471.96	-219,130.78
	-10,064,759.83	-6,629,238.94
5. Amortisation		
a) Amortisation of intangible assets and fixed assets	-515,608.30	-681,123.40
6. Other operating expenses		
- thereof from currency translation: EUR -2,192 (previous year: EUR -453 thousand)	-11,692,870.93	-7,001,755.67
7. Other interest and similar earnings	717,784.12	447,794.95
8. Interest and similar expenses		
- davon aus Aufzinsung von Pensionsverpflichtungen: TEUR -117 (Vj. TEUR -265)	-1,303,006.89	-1,284,272.68
9. Income taxes		
- thereof from the allocation to deferred assets : EUR -172 thousand (previous year: EUR -265 thousand)	-2,120,544.71	-3,440,929.19
10. EARNINGS AFTER TAXES	12,439,349.68	10,395,092.52
11. Other taxes	-4,738.70	-4,886.07
12. NET PROFIT FOR THE PERIOD*	12,434,610.98	10,390,206.45
13. Profit carried forward	15,161,760.47	4,823,882.26
14. Withdrawal from retained earnings (dividend)	-3,498,729.08	-181,719.76
15. Result to be allocated to minorities interest (loss)	-62,896.63	129,391.52
16. CONSOLIDATED BALANCE SHEET PROFIT	24,034,745.74	15,161,760.47
17. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	15,660,725,46	15,353,622.84

Consolidated Cash Flow Statement

(1 JANUARY - 31 DECEMBER 2023)

	2023 EUR thousand	2022 EUR thousand
1. CASH FLOW FROM CURRENT OPERATING ACTIVITIES		
Net earnings for the period	12,435	10,390
Depreciation and amortisation of fixed assets	516	681
Increase (+)/decrease (-) in provisions	-2,648	-511
Other non-cash expenses/income	-585	1,066
Increase (+)/decrease (-) in inventories, trade receivables and other assets	-144,918	-29,641
Increase (+)/decrease (-) in inventories, trade payables and other liabilities	142,530	12,481
Interest expenses (+)/interest income (-)	528	865
Income tax expense (+)/tax benefit (-)	2,121	3,441
Cash flow from current operating activities	9,978	-1,228
2. CASH FLOW FROM INVESTMENT ACTIVITIES		
Cash outflow for investments in property, plant and equipment	-568	-346
Cash outflow for investments in intangible assets	-47	-14
Cash outflow the purchase of minority interests in consolidated subsidiaries	-1,800	0
Cash outflow for investments in participations	-400	-70
Cash inflow from the repayment of loans	1,500	2,682
Cash flow from investment activities	-1,316	2,253
3. CASH FLOW FROM FINANCING ACTIVITIES		
Cash outflow from dividend payments	-3,499	-182
Interest payments on long-term loans	-220	85
Repayment of long-term loans	-243	-271
Cash flow from financing activities	-3,962	-360
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Changes affecting payment (Subtotals 1 - 3)	4,701	665
Cash and cash equivalents at the start of the period	23,900	23,235
Cash and cash equivalents at the end of the period	28,601	23,900
5. COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	35,985	31,049
Current liabilities	-7,384	-7,149
Cash and cash equivalents at the end of the period	28,601	23,900

Consolidated Statement of Changes in Shareholders' Equity

AS AT 31. DECEMBER 2023

	GROUP'S EQUITY		
	Subscribed capital common shares	Capital reserve	Generated consolidated shareholders' equity
	EUR	EUR	EUR
31/12/2021	4,543,419.00	9,669,579.35	5,102,153.63
Issue of treasury shares	385.00	8,125.00	0.00
Conversion of convertible loans	0.00	721,377.59	0.00
Currency differences	0.00	0.00	0.00
Dividend	0.00	0.00	-181,719.76
	4,543,804.00	10,399,081.94	4,920,433.87
Consolidated net income	0.00	0.00	10,519,597.97
31/12/2022	4,543,804.00	10,399,081.94	15,440,031.84
Currency differences	0.00	0.00	0.00
Dividend	0.00	0.00	-3,498,729.08
	4,543,804.00	10,399,081.94	11,941,302.76
Consolidated net income	0.00	0.00	12,371,714.35
31/12/2023	4,543,804.00	10,399,081.94	24,313,017.11

		MINORITY SHAREHOLDERS			
Accumulated remaining consolidated income Currency translation adjustments	Group's share	Minority interest	Accumulated remaining consolidated income Currency translation adjustments	Shareholders' equity	Group equity
EUR	EUR	EUR	EUR	EUR	EUR
-860,726.52	18,454,425.46	2,873,687.30	-199,770.30	2,673,917.00	21,128,342.46
0.00	8,510.00	0.00	0.00	0.00	8,510.00
0.00	721,377.59	0.00	0.00	0.00	721,377.59
88,205.79	88,205.79	0.00	0.00	0.00	88,205.79
0.00	-181,719.76	0.00	0.00	0.00	-181,719.76
-772,520.73	19,090,799.08	2,873,687.30	-199,770.30	2,673,917.00	21,764,716.08
0.00	10,519,597.97	0.00	-129,391.52	-129,391.52	10,390,206.45
-772,520.73	29,610,397.05	2,873,687.30	-329,161.82	2,544,525.48	32,154,922.53
-376,672.44	-376,672.44	0.00	0.00	0.00	-376,672.44
0.00	-3,498,729.08	0.00	0.00	0.00	-3,498,729.08
-1,149,193.17	25,734,995.53	2,873,687.30	-329,161.82	2,544,525.48	28,279,521.01
0.00	12,371,714.35	0.00	0.00	62,896.63	12,434,610.98
-1,149,193.17	38,106,709.88	2,873,687.30	-329,161.82	2,607,422.11	40,714,131.99

Statement of Changes in Current Assets

AS AT 31. DECEMBER 2023

PROCUREMENT AND MANUFACTURING COSTS						
	01/01/2023	Currency conversion	Additions	Disposals	Re-classifications	31/12/2023
	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets						
1. Software	57,187.22	0.00	46,606.00	0.00	0.00	103,793.22
2. Goodwill	3,239,705.34	0.00	1,800,000.00	0.00	0.00	5,039,705.34
	3,296,892.56	0.00	1,846,606.00	0.00	0.00	5,143,498.56
II. Property, plant and equipment						
1. Technical equipment and machinery	1,093,606.83	-120,880.06	47,894.24	0.00	0.00	1,020,621.02
2. Other equipment, office and factory equipment	558,168.89	-9,354.89	208,490.59	0.00	0.00	757,304.59
3. Deposits paid / plant under construction	7,786,016.81	293,463.94	312,067.24	0.00	0.00	8,391,547.99
	9,437,792.54	163,228.99	568,452.06	0.00	0.00	10,169,473.60
III. Investments						
1. Investments	290,390.58	-0.02	400,005.00	0.00	0.00	690,395.56
2. Other loans receivable	10,306,142.32	0.00	382,914.73	1,499,525.72	0.00	9,189,531.33
	10,596,532.90	-0.02	782,919.73	1,499,525.72	0.00	9,879,926.89
	23,331,218.00	163,228.97	3,197,977.79	1,499,525.72	0.00	25,192,899.05

ACCUMULATED AMORTISATION AND DEPRECIATION						BOOK VALUES	
01/01/2023	Currency conversion	Additions	Disposals	Re-classifications	31/12/2023	31/12/2023	31/12/2022
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
46,930.22	0.00	4,854.00	0.00	0.00	51,784.22	52,009.00	10,257.00
871,299.44	0.00	318,795.55	0.00	0.00	1,190,094.99	3,849,610.35	2,368,405.90
918,229.66	0.00	323,649.55	0.00	0.00	1,241,879.21	3,901,619.35	2,378,662.90
221,141.38	-36,065.37	130,702.93	0.00	0.00	315,778.94	704,842.07	872,465.45
502,187.89	-8,986.55	61,255.82	0.00	0.00	554,457.16	202,847.43	55,981.01
0.00	0.00	0.00	0.00	0.00	0.00	8,391,547.99	7,786,016.81
723,329.27	-45,051.92	191,958.75	0.00	0.00	870,236.11	9,299,237.49	8,714,463.27
265,218.58	0.00	0.00	0.00	0.00	265,218.58	425,176.98	25,171.49
1,700,000.00	0.00	0.00	0.00	0.00	1,700,000.00	7,489,531.33	8,606,142.32
1,965,218.58	0.00	0.00	0.00	0.00	1,965,218.58	7,914,708.31	8,631,313.81
3,606,777.51	-45,051.92	515,608.30	0.00	0.00	4,077,333.90	21,115,565.15	19,724,439.98

Notes to the Consolidated Financial Statements

HMS BERGBAU AG, BERLIN

FINANCIAL YEAR 2023

I. GENERAL COMPANY INFORMATION

HMS Bergbau AG is headquartered in Berlin, Germany. The Company has been entered into the commercial register of the District Court of Berlin-Charlottenburg under HRB 59190.

II. GENERAL INFORMATION ON THE CONTENT AND STRUCTURE OF THE CONSOLIDATED FINANCIAL STATEMENTS

HMS Bergbau AG is a **large stock corporation** as defined in Section 267 (3) HGB.

included in the consolidated financial statements corresponds to the calendar year.

The consolidated financial statements of HMS Bergbau AG for the financial year from 1 January to 31 December 2023 were prepared in accordance with the accounting and valuation principles under German commercial law and the provisions of the German Stock Corporation Act (AktG).

In addition to the balance sheet, income statement and notes, the cash flow statement and statement of changes in equity are presented separately pursuant to Section 297 (1) HGB.

The income statement was prepared using the total cost method.

The financial year of the Group and all entities

III. SCOPE OF CONSOLIDATION

1. INFORMATION ON ALL GROUP ENTITIES

All German and foreign associated subsidiaries were included in the consolidated financial statements.

In the 2021 financial year, 51% of the shares in Maatla Energy (Pty) Ltd, Botswana, were acquired for a purchase price of EUR 0.2 thousand; the acquisition was still subject to conditions precedent as at 31 December 2023.

Company name	Headquarters	Interest in %	Equity in EUR thousands	Annual result in EUR thousands
HMS Bergbau Africa (Pty) Ltd.	Johannesburg	100	-132	184
HMS Bergbau Singapore (Pte) Ltd.	Singapore	100	14,817	2,010
PT. HMS Bergbau Indonesia	Jakarta	100	-4,531	-94
Silesian Coal International Group of Companies S.A.	Katowice	55.4	337	161
HMS Bergbau USA Corp.	Miami	100	2,693	2,112
HMS Bergbau FZCO Dubai	Dubai	100	8,963	5,881
HMS BERGBAU ZIMBABWE PVT LTD	Harare	100	-172	-94

IV. CONSOLIDATION PRINCIPLES

The annual financial statements of the subsidiaries included in the consolidated financial statements were prepared as at 31 December 2023, which is the reporting date of the parent company.

The annual financial statements of the subsidiaries included in the consolidated financial statements were prepared in a uniform manner, using the accounting and valuation principles of HMS Bergbau AG pursuant to legal provisions.

The consolidated financial statements were prepared as at the reporting date of the parent company.

1. INFORMATION ON THE CAPITAL CONSOLIDATION METHOD APPLIED

For fully consolidated subsidiaries acquired prior to 1 January 2010, capital consolidation was carried out as at the date of acquisition according to the book value method pursuant to Section 301 (1) no. 1 HGB (old version), whereby the acquisition costs were offset against the pro rata equity of the subsidiaries as at the time of acquisition or their first-time consolidation. For subsidiaries acquired after 1 January 2010, capital consolidation is carried out as at the time of acquisition according to the revaluation method pursuant to Section 301 (1) HGB. Equity is recognised at the amount equivalent to the present value of the assets, liabilities, accruals and deferrals, and special items included in the consolidated financial statements applicable as at the time of acquisition.

2. DATE OF FIRST-TIME CONSOLIDATION

The date on which the entity is established by the parent company always represents the date on which capital is consolidated within

the meaning of Section 301 (2) HGB. As a result, the capital was consolidated based on the values as at the entities' establishment, also in the case of entities established prior to the reporting year. Any profits or losses generated by subsidiaries before 1 January 2010 were included in and offset against the parent company's retained earnings. For these companies, the consolidation did not result in a difference within the meaning of Section 301 (1) HGB (old version). Entities acquired after 1 January 2010 are included as at the time they became subsidiaries of the parent company pursuant to Section 301 (2) HGB.

3. DEBT CONSOLIDATION

Mutual receivables and liabilities between the consolidated entities are offset against each other and eliminated within the context of debt consolidation. Any resulting differences from the consolidation of intra-group receivables and liabilities denominated in foreign currencies are directly recognised in equity.

4. CONSOLIDATION OF INCOME AND EXPENSES, ELIMINATION OF INTRA-GROUP PROFITS

Intra-group sales are offset against the corresponding intra-group expenses.

Expenses and income from other business transactions between consolidated entities are also offset against each other.

There were no intra-group profits from deliveries and services within the Group

V. CURRENCY TRANSLATION PRINCIPLES

The consolidated financial statements are prepared in euros, the functional and reporting currency of the parent company.

The balance sheets of foreign subsidiaries are translated using the spot exchange rate prevailing on the reporting date in accordance with Section 308a sentence 1 HGB, and the income statements using the average annual rate in accordance with Section 308a sentence 2 HGB. Shareholders' equity is translat-

ed at the historical rate.

Differences arising from the currency translation of assets and liabilities are recognised directly in equity.

Exchange rate differences arising from the currency translation of items of the income statement and the annual results are reported as income or expenses within the consolidated net profit.

VI. ACCOUNTING AND VALUATION PRINCIPLES

ACCOUNTING AND VALUATION

The consolidated financial statements comply with the applicable provisions of Section 298 HGB.

Intangible assets are carried at cost less scheduled amortisation.

Property, plant and equipment are carried at cost less straight-line depreciation over the expected useful life.

Financial assets are carried at cost. In cases of permanent impairment, financial assets are impaired at their lower fair value. If the reasons for the impairment no longer exist, the impairment loss is reversed.

Receivables and other assets are recognised at the lower of their nominal value or fair value as at the reporting date.

Cash and cash equivalents are recognised at their nominal amounts.

Deferred tax assets result from differences in the carrying amounts of assets, liabilities, accruals and deferrals under commercial law and tax law. These differences are expected to be reversed in later years. Deferred tax assets are based on the company-specific tax rate at

the time of the reversal of the differences. The amounts recognised are to be released when the tax burden or relief occurs or is no longer expected to occur.

Pension obligations related to fixed pensions are calculated based on the projected unit credit method, using the "2018 G" mortality tables compiled by Prof Dr Klaus Heubeck, assuming an unchanged staff turnover and salary tend of 0%, a discount rate of 1.82% (previous year: 1.78%) and an unchanged pension trend of 2.0%. The difference between the seven-year and ten-year average interest rate, which is restricted from distribution (Section 253 [6] sentence 2 HGB), amounted to EUR 83 thousand (previous year: EUR 361 thousand). The first-time application of the German Accounting Law Modernisation Act (BilMoG) in the 2010 financial year resulted in an amount to be allocated to pension provisions of EUR 3,341 thousand in accordance with actuarial principles, which is spread over a period of 15 years pursuant to Article 67 (1), sentence 1 of the Introductory Act to the German Commercial Code (EGHGB). A total of EUR 3,119 thousand of this amount was allocated as at 31 December 2023. The remaining amount of EUR 223 thousand will be allocated to pension obligations in yearly instalments of EUR 223 thousand until the year 2024 and recognised as an expense.

Other provisions consider all foreseeable risks and uncertain obligations and are recognised at their settlement amount, i.e. including expected increases in prices and costs.

Liabilities are recognised at their repayment amount.

The translation of **business transactions in foreign currencies** is based on the spot exchange rate in accordance with Section 256a HGB.

VII. NOTES TO THE CONSOLIDATED BALANCE SHEET

The statement of changes in **non-current assets** shows the development of the individual line items within non-current assets.

Goodwill resulted from the repurchase of an interest in Silesian Coal International Group of Companies S.A. in 2019 and 2020. In 2023, a further 5% of the shares in Silesian Coal International Group of Companies S.A. were acquired from a minority shareholder. The useful life of goodwill is 10 years.

The additions to **property, plant and equipment** are mainly the result of modernisation measures in the Berlin office.

Advance payments and assets under construction relate to exploration and development costs associated with the acquisition of a mining licence for the coalfield in Orzesze, Poland.

An approximate 1% **interest** in a trading software company was acquired in the financial year.

Other loans are to affiliated companies. Disposals and additions resulted from the repayment or extension of loans.

Advance payments are related to trade transactions that will be settled in subsequent periods; in the prior year, they were due from shareholders.

Finished goods and merchandise concern trading goods already contracted at the South African site, which were loaded and sold in the first few weeks of the new year.

As in the previous year, **all receivables and other assets** had remaining terms of less than one year.

Deferred tax assets result from the difference in valuation of the pension provision (EUR 1,926 thousand: previous year: EUR 1,736 thousand) and unrealised foreign currency effects (EUR 33 thousand: previous year: EUR 51 thousand). The calculation of temporary differences is based on the respective company-specific overall tax rate of 30.18%. The measurement of deferred taxes as at 31 December 2023 continued to result in a surplus of deferred tax assets over liabilities, as was the case on the prior year's reporting date. The amount of capitalised deferred tax assets (EUR 1,926 thousand: previous year: EUR 1,787 thousand) is restricted from distribution.

Subscribed capital of EUR 4,590,588.00 (previous year: EUR 4,590,588.00) continues, as in the previous year, to consist of 4,590,588 ordinary bearer shares with a nominal value of EUR 1.00 each. A total of 46,784 (0.01%) treasury shares, each with a value of EUR 1.00, were held as at the reporting date.

The **capital reserve** of EUR 10,399,081.94 results from the difference between the nominal amount and the issue amount achieved.

Authorised capital amounts to EUR 2,295,294.00. The authorisation expires at the end of 7 August 2024. **Conditional capital** amounts to EUR 2,245,294.00.

Pension provisions amounted to EUR 9,320 thousand. In 2023, pension expenses of EUR 636 thousand were recognised, taking into account an adjustment to the current pension trend. The adjustment to the general pension trend and actuarial reasons resulted in an addition to the provisions in the amount of EUR 850 thousand recognised in personnel expenses. The compounding of interest and the change in the discount rate resulted in an interest expense of EUR 117 thousand

(previous year: EUR 265 thousand), which was recognised in the income statement.

Other provisions concern primarily costs for the preparation and audit of the financial statements (EUR 173 thousand, previous year: EUR 150 thousand), Supervisory Board remuneration (EUR 62 thousand, previous year: EUR 62 thousand) and personnel provisions (EUR 2,629 thousand, previous year: EUR 2,322 thousand).

Liabilities to banks included EUR 7,384 thousand (previous year: EUR 7,149 thousand) of trade financing of individual back-to-back transactions and EUR 406 thousand for a KfW development loan. Of this KfW development loan, a total of EUR 250 thousand (previous year: EUR 250 thousand) has a remaining term of between 1 and 5 years, and EUR 156 thousand (previous year: EUR 156 thousand) has a remaining term of more than 5 years. As in the previous year, the other components have a remaining term of less than 1 year.

As in the prior year, all **trade payables and other liabilities** have a remaining term of less than 1 year.

CONTINGENT LIABILITIES AS DEFINED BY SECTION 251 HGB

HMS Bergbau AG issued a letter of comfort to Duisport agency GmbH according to which it undertakes to meet the financial obligations of HMS Bergbau Coal Division GmbH (formerly: HMS Bergbau AG Coal Division) relating to a coal handling and processing contract with Duisport agency GmbH. This letter of comfort is currently not expected to be utilised as no liabilities exist.

OTHER FINANCIAL OBLIGATIONS

As at 31 December 2023, the purchase obligations from contracts concluded amounted to EUR 167,572 thousand, all relating to the 2024 financial year.

Additional other financial obligations mainly result from rental and lease agreements. The maturities of these obligations are as follows:

Up to 1 year	EUR 294 thousand
Between 1 and 5 years	EUR 187 thousand

VIII. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Sales of EUR 1,296,200 thousand were generated in the financial year, mainly from trading coal products such as steam coal, coking coal, anthracite, ores and cement products. On a regional basis, sales originated from Asia (91%), Africa (3%), Europe/Other countries (6%).

Cost of materials resulted from the global purchase of steam coal, coking coal and anthracite.

Other operating income includes, among other items, income from currency translation amounting to EUR 1,184 thousand (previous year: EUR 853 thousand).

Other operating expenses are mainly attributable to legal and consulting fees of EUR 2,572

thousand (previous year: EUR 2,543 thousand), vehicle and travel expenses of EUR 975 thousand (previous year: EUR 770 thousand), fulfilment costs of EUR 4,663 thousand (previous year: EUR 1,340 thousand), occupancy costs of EUR 252 thousand (previous year: EUR 216 thousand), and 1/15th of the allocation to pension provisions, equal to EUR 223 thousand (previous year: EUR 223 thousand), resulting from the change in measurement pursuant to Section 253 (1) sentence 2 HGB. Expenses from currency translation amounted to EUR 2,192 thousand (previous year: EUR 453 thousand).

The **financial result** includes interest expenses on pension obligations of EUR 117 thousand (previous year: EUR 265 thousand).

The expense from **income taxes** resulted from the carryover of deferred tax assets (addition recognised in profit or loss of EUR 172 thousand; previous year: addition of EUR 48 thousand).

IX. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents include cash and liabilities to banks due on demand as well as other current borrowings related to the disposition of cash and cash equivalents.

X. OTHER NOTES

1. NAMES OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

During the past financial year, the Company's business was conducted by the following **Management Board** members:

Mr Dennis Schwindt	Chief Executive Officer
Mr Jens Moir	Chief Financial Officer

Disclosure of the Management Board remuneration was waived by exercising the option granted by Section 286 (4) HGB.

During the financial year, the **Supervisory Board** consisted of the following members:

Mr Heinz Schernikau
retired, Chairman of the Supervisory Board
Mr Dr h.c. Michael Bärlein
Attorney, Berlin, Deputy Chairman of the Supervisory Board
Mr Patrick Brandl
Merchant

In 2023, the members of the Supervisory Board received remuneration of EUR 242 thousand and advances and cost reimbursements of EUR 450 thousand for their activities as members of the Supervisory Board or additional advisory activities. There are provisions for unpaid statutory remuneration in the total amount of EUR 62 thousand.

2. AUDITOR'S FEE

The fee for the audit of the financial statements amounted to EUR 55 thousand (previous year: EUR 45 thousand). In addition, the auditing company provided other assurance services amounting to EUR 0 thousand (previous year: EUR 0 thousand) and other services amounting to EUR 0 thousand (previous year: EUR 9 thousand) in the year 2023.

3. AVERAGE NUMBER OF EMPLOYEES IN THE FINANCIAL YEAR

In the 2023 financial year, an average of 35 employees (16 women, 19 men) were employed.

4. AMOUNTS RESTRICTED FOR DISTRIBUTION

The difference between seven-year and ten-year average interest rates for the valuation of pension provisions (Section 253 (6) sentence 2 HGB) of EUR 83 thousand and deferred tax assets (Section 268 (8) HGB) of EUR 1,926 thousand are restricted from distribution, for a total of EUR 2,009 thousand (previous year: EUR 2,097 thousand).

5. SUBSEQUENT EVENTS

There were no events after the reporting date that would be of particular significance for the assessment of the net asset, financial position and results of operations.

6. APPROPRIATION OF PROFIT OF THE PARENT COMPANY

The unappropriated retained earnings for the past 2023 financial year reported in the annual financial statements of HMS Bergbau AG, which were prepared in accordance with the principles of German commercial law and stock corporation law, amount to EUR 6,685,342.69 (previous year: EUR 7,737,217.80). Of this amount, EUR 2,008,155.90 (previous year: EUR 2,096,585.77) is subject to a distribution restriction. At the Annual General Meeting, the Management Board and the Supervisory Board will propose to distribute a dividend of EUR 0.92 per ordinary share entitled to a

dividend. This corresponds to a distribution of EUR 4,180,299.68 from unappropriated retained earnings. The remaining amount of EUR 2,505,043.01 is to be carried forward. Any treasury shares held by the Company are not entitled to dividends. The number of ordinary shares entitled to dividends may change before the date of the Annual General Meeting. In this case, a correspondingly adjusted proposal for the appropriation of unappropriated retained earnings will be submitted to the Annual General Meeting, maintaining a distribution of EUR 0.92 per ordinary share entitled to a dividend.

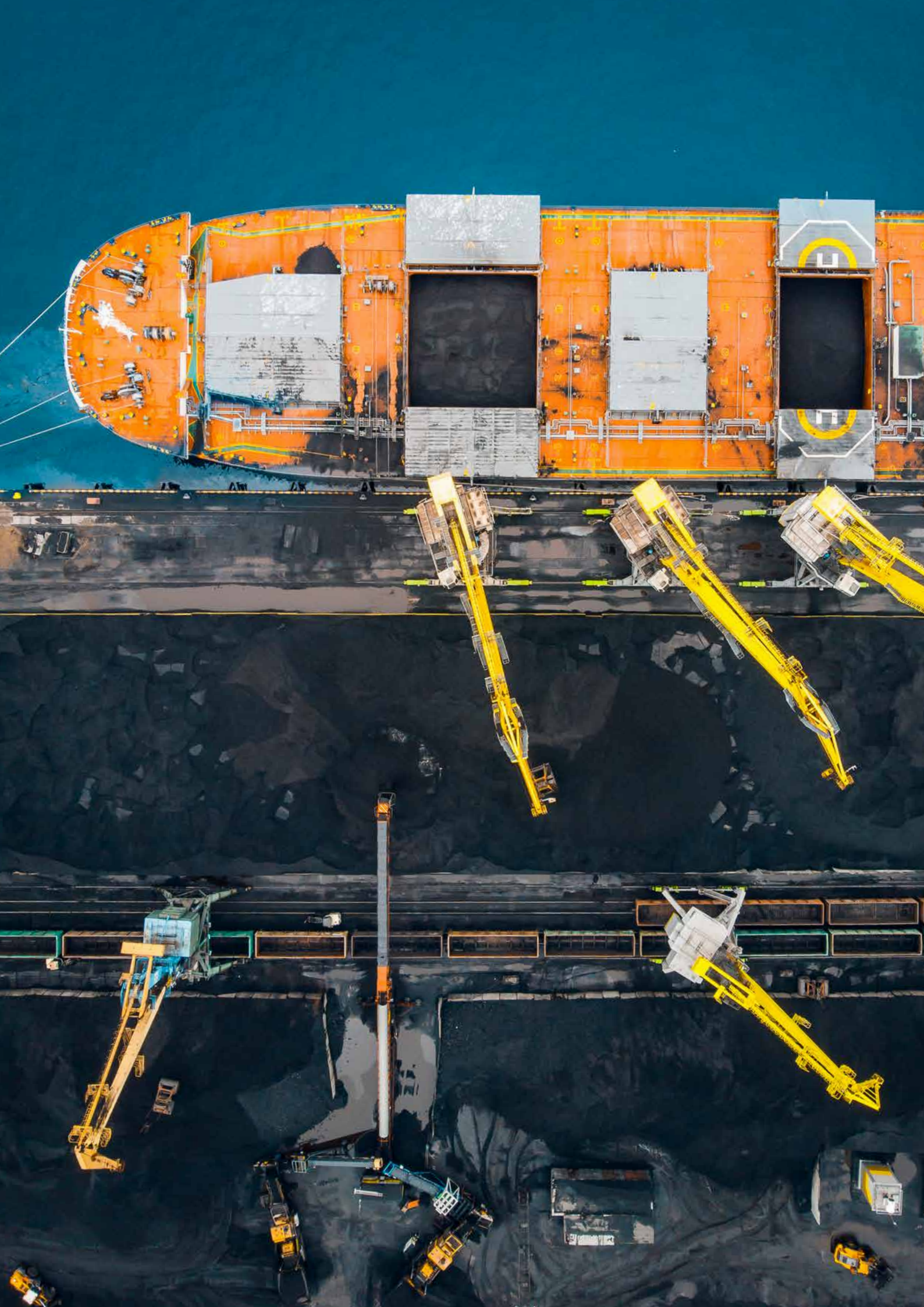
Berlin, 27 March 2024



DENNIS SCHWINDT
Chief Executive Officer



JENS MOIR
Chief Financial Officer



Independent Auditor's Report

TO HMS BERGBAU AG, BERLIN,

STATEMENT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINIONS

We audited the consolidated financial statements of HMS Bergbau AG, Berlin, and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity for the financial year from 1 January 2023 through 31 December 2023, as well as the notes to the consolidated financial statements, including the presentation of accounting policies. In addition, we audited the report on the situation of the Company and the HMS Bergbau AG Group for the financial year from 1 January 2023 through 31 December 2023.

In our opinion, based on the knowledge obtained in the course of the audit,

- the accompanying consolidated financial statements comply with German commercial law in all material respects and, in accordance with German generally accepted accounting principles, give a true and fair view of the net assets and financial position of the Group as of 31 December 2023 and its results of operations for the financial year from 1 January 2023 through 31 December 2023;
- the accompanying report on the situation of the Company and the Group as a whole gives a true picture of the situation of the Company. In all material respects, this combined management report is consistent with the annual financial statements, complies with German statutory provisions and accurately presents the opportunities and risks of the future development.

In accordance with Section 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any objections to the regularity of the consolidated financial statements or the report on the situation of the Company and the Group.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the report on the situation of the Company and the Group in accordance with Section 317 HGB and the generally accepted German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). Our responsibilities under these rules and policies are further described in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and the management report" of our audit opinion.

We are independent of the Group companies in accordance with German commercial law and rules of professional conduct and have fulfilled our other German professional obligations in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to form the basis for our audit opinion on the consolidated financial statements and the report on the situation of the Company and the Group.

The legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the report on the situation of the Company and the Group do not extend to the other information and, accordingly, we provide neither an audit opinion nor any other form of audit conclusion on these issues.

In connection with our audit, we have the responsibility to read the other information and to evaluate whether the other information

- has material inconsistencies with the consolidated financial statements, the report on the situation of the Company and the Group or with our knowledge obtained during the audit;
- or otherwise appears significantly misrepresented.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with German commercial law in all material respects, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with generally accepted accounting principles. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate the preparation of consolidated financial statements that are free from any intentional or unintentional material misstatements.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern and for disclosing matters relating to the

continuation of the business, where relevant. In addition, they are responsible for accounting on the basis of the going concern accounting principle, unless contrary to fact or law.

In addition, the legal representatives are responsible for the preparation of the report on the situation of the Company and the Group, which overall conveys a true picture of the Group's position and is consistent with the consolidated financial statements in all material respects, complies with German statutory provisions and accurately presents the opportunities and risks of the future development. In addition, the legal representatives are responsible for the arrangements and measures (systems) that they deem necessary to enable the preparation of a group management report in accordance with the applicable German statutory provisions and to provide sufficient and suitable evidence for the statements in the group management report.

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from intentional or unintentional material misstatements, and whether the report on the position of the Company and the Group as a whole provides a true picture of the Company's situation and in all material respects is consistent with the consolidated financial statements and the knowledge obtained in the course of the audit, complies with German statutory provisions, accurately presents the opportunities and risks of the future development and to issue an audit opinion that includes our audit opinion on the consolidated financial statements and the report on the position of the Company and the Group.

Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if individually or together could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the report on the position of the Company and the Group.

During the audit, we exercise due discretion and maintain a critical attitude. In addition, we

- identify and assess the risk of any intentional or unintentional material misstatements in the consolidated financial statements and the group management report, plan and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 overriding of internal controls;
- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of the arrangements and measures relevant to the audit of the report on the position of the Company and the Group, in order to plan audit procedures that are appropriate for the circumstances but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company;
- evaluate the appropriateness of the accounting policies used, as well as the feasibility of accounting estimates and related disclosures made by the legal representatives;
- draw conclusions as to the appropriateness of the legal representatives' 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 to this fact in our auditor's report to the related disclosures in the consolidated financial statements and report on the position of the Company and the Group or, if such disclosures are inadequate, to modify our particular 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 un-

derlying transactions and events in a manner that gives a true and fair view of the Group's net assets, financial position, and results of operations in accordance with German generally accepted accounting principles;

- obtain sufficient and 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 and the report on the position of the Company and the Group.

We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our audit opinions;

- evaluate the consistency of the report on the position of the Company and the Group with the consolidated financial statements, its legal compliance and the presentation of the Company's position;
- perform audit procedures on the prospective information presented by the legal representatives in the report on the position of the Company and the Group. Based on sufficient and appropriate audit evidence, we hereby, in particular, review the significant assumptions used by the legal representatives as a basis for the prospective information and assess the appropriate derivation of the prospective information from these assumptions.

We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events will deviate significantly from the prospective information.

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 the internal control system that we identify during our audit.

Berlin, 30 May 2024

PANARES GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

WENNING

Auditor

Imprint

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Legal Notice

The report includes forward-looking statements that reflect the current opinion of HMS Bergbau AG's management with regard to future events. Any statement contained in this report reflecting or building upon intentions, assumptions, expectations, forecasts and underlying assumptions is a forward-looking statement. These statements are based upon plans, estimates and forecasts that are currently available to HMS Bergbau AG's management. They therefore only refer to the day on which they were made. Forward-looking statements are naturally subject to risks and uncertainties, which could result in actual developments differing significantly from these forward-looking statements or events implied or expressed therein. HMS Bergbau AG does not assume any liability for such statements and does not intend to update such statements in view of new

information or future events. This annual report of HMS Bergbau AG does represent annual financial statements in accordance with German commercial law and the regulations of the German Stock Corporation Act; information or figures contained in this report have been subject to an official audit by an auditor. This report is for reference only within the scope of HMS Bergbau AG's disclosure obligations in accordance with the general terms and conditions of Deutsche Börse AG concerning OTC trading on the Frankfurt Stock Exchange.

The English version of the annual report and the consolidated financial statements 2021 of HMS Bergbau AG is a one-to-one translation. The English version is not audited; in the event of variances, the German version shall take precedence over the English translation.

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