ICHOR COAL N.V. GROUP (53748662)

Consolidated Financial Statements

31 December 2022

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Report of the Supervisory Board

Dear Shareholders,

In 2022 the Group continued the management and possible selling of our last remaining asset Mbuyelo Coal Pty Ltd ("Mbuyelo Coal").

Mbuyelo Coal underperformed due to various factors and did not declare any dividends in the year.

Cooperation with the Management Board

During the period under review, the Supervisory Board performed all of its obligations required by law and the Company's articles of association. The Management Board informed us regularly, promptly and comprehensively about business policy and other fundamental issues related to corporate management and planning. Moreover, the Supervisory Board was kept informed of the financial position and development of the Company as well as transactions and events of significance. We have advised the Management Board and monitored its management of the business. Important subjects and pending decisions were discussed at regular Board meetings.

Further, the Supervisory Board had insight into the assets, earnings and financial position of the Company at all times. Proposals and reports of the Management Board were carefully reviewed, discussed in detail and approved insofar as this is required by law and the Company's articles of association. Between meetings, the Management Board kept the Supervisory Board informed by written or verbal reports about ongoing business developments, projects, earnings and financial position of the Company.

Annual audit and consolidated financial statements

KPMG Accountants N.V. was reappointed as the auditors by the shareholders at the last annual general meeting. KPMG has audited the 2022 annual report including financial statements and management report prepared by the Management Board of Ichor Coal N.V. as at 31 December 2022 and has issued an unqualified audit opinion. The annual financial statements of Ichor Coal N.V. and the audit report from the auditors were submitted immediately upon completion to the Supervisory Board. These were discussed extensively at the Supervisory Board meeting held on 28 June 2024. After careful review, no objections were raised, and the Supervisory Board approved the annual financial statements of Ichor Coal N.V. for the year ended 31 December 2022.

Changes in the Supervisory Board

The Dutch Parliament adopted new legislation to amend the Dutch Civil Code in connection with the rules on management and supervision within public limited liability companies. In 2022, Ichor Coal N.V.'s Supervisory Board did not meet the new guidelines in terms of gender diversity but is committed to striving to achieve adequate and balanced Board composition when making future appointments. This will be done considering all relevant selection criteria, including, but not limited to, gender balance and executive experience.

Composition of the Supervisory Board:

Name	Age	Gender	Nationality	Appointed	Position	Meetings attended
Markus Meister	48	M	Austrian	23 Dec 2022	Chairman	1
Hans-Joerg Gatt	55	M	Austrian	23 Dec 2022	Member	1
Markus Mair	56	M	Austrian	23 Dec 2022	Member	1

On behalf of the Supervisory Board of Ichor Coal N.V., I wish to express my appreciation to all our stakeholders for their continuing support.

Amsterdam, 28 June 2024

For the Supervisory Board

Markus Meister

Chairman

Report of the Management Board

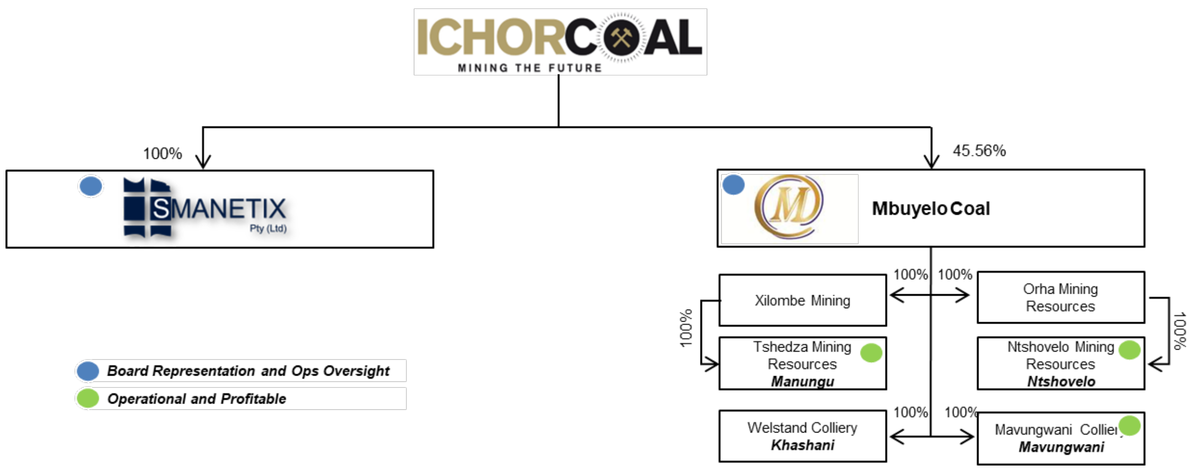
Group structure and activities

Ichor Coal N.V. KVK 53748662 ("Ichor Coal Group" or the "Group" or the "Company") is a public limited liability company incorporated in Amsterdam, the Netherlands with its shares listed on the High-Risk Market Hamburg and Hanover Stock Exchanges (non-regulated). The head office is located at 210 Amarand Ave, Menlyn Maine, Pretoria, South Africa.

Ichor Coal is an international investment holding company focusing on investments in thermal coal production in South Africa. The Company holds a substantial non-controlling interest in one South African coal mining company. Ichor Coal also holds a 100% stake in Ismanetix a non-operating subsidiary.

As at year-end 2022, Ichor Coal N.V. held an interest in the following entities:

IchorCoal Group Structure 31 Dec 2022



Mbuyelo Coal Performance

The group underperformed in the year ending February 2023 compared to the year ending February 2022. Revenue for the year increased by 22% year on year, gross profit increased by only 4%, with net profit dropping from €2 660 000 (ZAR48 000 000) to €1 836 000 (ZAR32 000 000) the year ending February 2023. The company did not declare any dividends in the financial year. Included in the consolidated financial statements are the Mbuyelo Coal figures as at 31 December 2022.

Vlakvarkfontein (Ntshovelo) – Coal sales for 2023 financial year improved and narrowly missed budgeted sales of 120 000 tonnes per months average. The colliery used both Mavungwani and Manungu coal supply agreements to supply coal to Eskom in the absence of its own Coal supply agreement. A new coal supply agreement with Eskom was signed towards the end of 2023.

Manungu Colliery – The mine has enjoyed good operational performance in 2023 which enabled the mine to achieve sales with average of 264,769 tonnes per month for the year, with a record monthly sale of 363,938 achieved in 2023. Revenue, gross profits and net profits were all up when compared to 2022.

Mavungwani Colliery – The company performed well below expectations in 2023. Various factors like production challenges, rain, geological issues, coal prices etc all impacted negatively the ability to generate satisfactory returns.

Khashani Colliery – The mine was opened during the 2023 financial year and only produced 465 000 tonnes of coal, the bulk of which was processed at Mavungwani Colliery for various markets. The mine received an urgent coal supply agreement offer from Eskom for 2 months in the beginning of the 2023/2024 financial year and signed a long-term coal supply agreement in February 2024.

Financial review

Analysis of consolidated statement of comprehensive income

Revenues

Reported revenues for Ichor Coal Group reached €NIL in the year ended 31 December 2022 (2021: €NIL). All operating subsidiaries have been sold, therefore no revenue is accounted for.

Cost of sales

Purchased goods and services amounted to €NIL (2021: €NIL). All operating subsidiaries have been sold, therefore no cost of sales is accounted for.

Income from investments

The Group recorded its share in the profit/loss from its equity accounted investees. The equity accounted investee recorded substantially lower contributions compared to the prior year, with the Group realising a profit of €580 000 (2021: €3 635 000).

Other income

Other income amounting to €35 000 (2021: €35 000) consists mainly of management and directors' fees received from Mbuyelo at Ichor Coal Group level.

Other operating expenses

Operating expenses decreased from €3 652 000 to €518 000 mainly due to various impairments booked in 2021.

General and administrative expenses

General and administrative expenses decreased from €345 000 to €316 000.

Financial result

Finance income increased from €49 000 to €85 000 in the current year. Finance costs increased from €494 000 to €550 000.

Income taxes

Income tax expense for the period of €NIL (2021: €NIL).

Result for the year

The Group reported a loss after tax of €684 000 for the year ended 31 December 2022 (2021: loss €772 000).

<u>Analysis of consolidated statement of financial position</u>

Investment in Equity accounted investee's

Investment in Equity accounted investee's increased from €46 929 000 to €47 280 000 mainly due to the profit of €580 000 and a reduction of €231 000 due to foreign exchange adjustments.

Net working capital

The following net working capital definition is used within the Group: total current assets excluding cash and cash equivalents less total current liabilities excluding interest bearing loans and borrowings.

The Group's net working capital as at 31 December 2022 increased by €307 000. The variance between the fiscal year 2022 and 2021 can be analysed as follows:

	31 Dec 2022	31 Dec 2021	Change
	€ k	€ k	€ k
Trade and other receivables	18	27	-9
Other current financial assets	103	455	-352
Trade and other payables	-288	-276	-12
Liabilities from income taxes	-41	-96	55
Other non-financial liabilities	-165	-176	11
	-373	-66	-307

More detailed information on the individual items of net working capital is set out in the notes to the consolidated financial statements.

Shareholder equity

As at year end, the issued and paid-up share capital amounted to €44 018 457 (2021: €44 018 457), and the share premium amounted to €97 932 000 (2021: €97 932 000). The authorised share capital amounted to €47 500 000 divided into 475 000 000 shares with a nominal value of €0.10 each. A detailed analysis of movements in equity during the year is presented in the 'Consolidated Statement of Changes in Equity' in the Group financial statements.

Shareholder equity attributable to the owners of the parent as at 31 December 2022 amounted to a positive equity of €36 713 000 (2021: €37 522 000).

The stand-alone financial statements as at 31 December 2022 report a positive net equity of €32 591 000 (2021: €34 268 000) and a loss after tax for the financial year of €1 614 000 (2021: loss €1 325 000). Please refer to page 79 for the reconciliation of equity in the stand-alone financials.

Financing and liquidity

In addition to shareholder support and asset disposal, the future liquidity and financial flexibility of the Group are provided through a combination of operational cash flows, its own liquidity as well as access to financing facilities provided by the majority shareholder.

Financial risk management policy

The Group is exposed to various financial risks which arise out of its business activities. These risks include investment risks, financial market risks such as currency and interest rate risks, liquidity risks, credit risks and commodity price risks.

The Group manages these risks in accordance with its risk strategy to mitigate any material negative effects on the financial performance of Ichor Coal Group. A detailed description of the Group’s financial risk management is disclosed in the notes to the consolidated financial statements.

Business risks

The Company’s only investment operates in the coal mining sector. The mining industry is a highly competitive and cyclical industry and therefore the risk of a downturn is ever present and continually monitored. There is a concentration risk, as the equity accounted investee deals with relatively few large customers. The equity accounted investee noted this risk and has put measures in place to manage and mitigate such risk to the extent possible. Please refer to note 10.3.

Risk appetite

The level of risk that the Ichor Coal Group is prepared to accept in pursuit of its objectives and before any action is deemed necessary to reduce these risks represents the Company’s risk appetite. Moreover, the risk appetite is a balance between the potential benefits and the threats that any change will bring.

Financial instruments can only be used to mitigate risks and not for trading and/or speculation purposes.

In Ichor Coal the risk appetite adopted as a response to the risks was set to a low to moderate level considering the nature of the environment in which the Company operates.

However, the appropriate approach may be different across the entire Group depending on the type of project, circumstances, and level of risk versus rewards. In each and every case the Supervisory Board has the ultimate decision, and it ensures that the Company’s view over the risk appetite is consistently applied. Moreover, a precise measurement is not always possible and risk appetite may be defined by a broad statement of approach, as the Company has an appetite for some types of risk as detailed below and might be averse to others, depending on the context and the potential losses or gains.

Management regularly assesses fraud risks in the company in the following areas:

Risk	Description	Mitigation
Asset Misappropriation	Low risk as the company only owns one major asset – Mbuyelo Coal. Other assets are negligible.	Major investments can only be sold with Supervisory Board and shareholder approval
Physical safety	Low risk – Ichor Coal has only one fulltime employee	None needed
Financial Reporting	Risk over influencing and manipulating financial reporting due to lack of internal controls and management override	Supervisory board oversight function. External audits performed yearly
Illegal acts	Risk of non-compliance with laws and regulations Risk of bribery and facilitation payments	Regularly assessing the company position with regard to various laws and regulations e.g., taxes, listing requirements, financial reporting standards etc.

Due to the limited personnel available and consequently limited internal controls, most of these functions are maintained by the management board, but oversight and monitoring performed by the supervisory board serves to mitigate such risks and ensure that possible fraud risks and risk of non-compliance are adequately addressed.

Please see below the risk appetite table for the main risks faced by the Group:

Risk Category	Category description	Risk mitigation	Risk appetite
Operational risk	The risk associated with the daily operational activities.	Management ensures that there are proper controls in place at a Company level and maintains an open communication with management at the investment level regarding operational risks that it faces	Low – moderate on a case-by-case basis in accordance with normal business operations
Financial risk	The risk associated with potential financial losses and the uncertainty of	Management ensures that there are proper controls in place at a Company level and	Low – moderate on a case-by-case basis in accordance with financing and cash flow activities

	returns, structure of debt and cash flows	the controls are reviewed regularly	
Business risk	This risk is associated with market conditions, primarily price and demand for coal in domestic and international markets. Management accepts this risk as being inherent in the industry sector in which we operate.	Management reviews the business plans in place at investment level and ensures that it gives input at board level and monitor that input regularly. Financial instruments are also used at investment level from time to time to hedge against price volatility.	Low – moderate
Environmental and compliance risk	The risks that may arise from health and safety and environmental matters, intellectual property rights, compliance with local and international laws	Management of investment ensures compliance with applicable laws and regulation, and continued education to members of staff on applicable legislation	Low
Interest rate risk	The risk that interest rates on long term borrowings can be high and unaffordable	Company management reviews interest rates on long-term borrowings. Interest rates are agreed on fixed rates and management can negotiate lower rates. At investment level, management reviews interest rates as and when facilities are renegotiated. Definite exposure to interest rate volatility.	Low

Credit risk	The risk that the group will not be able to collect from customers and make payment to suppliers when payments are due	Management ensures that the group deposits cash with major banks which have high credit standing and limits exposure to any one counter party. At investment level, counter parties are carefully selected and are for the most part well established and well know parties. Eskom being by far the largest.	Low
Liquidity risk	The risk associated with the inability to meet obligations when they fall due	Management continually monitors the operational and capital cash requirements and the availability of financial resources.	Low
Commodity price risk	The risk associated with commodity prices in the international coal markets	Management teams at investment level reviews prices and where possible, fixed sale prices are negotiated, and hedging instruments are considered	Low – moderate
Investment risk	The risk associated with selection of investments	Management ensures that all investment transactions are subject to due diligence and involvement of experts	Low

Please also refer to Note 10 for more information.

Going concern

The 2022 financial statements have been prepared on a going concern basis. In arriving at this conclusion, a number of factors were considered as outlined below.

Financial considerations

The Group´s balance sheet shows a positive equity of approximately €36 713 000, and a loss generated during the year of €684 000.

The main source of cash for the Group is director’s fee and dividends received from its equity accounted investee, Mbuyelo Coal. To the extent that there is a shortfall between these sources of income and cash requirements, the Group is dependent on its own cash reserves and to the extent necessary, will request financial support from its shareholders.

As at reporting date, Ichor Coal does not have any external liabilities other than loans to its shareholder, Montrachet Investments SA and Sapinda Invest s.a.r.l. Subsequent to year end, the Sapinda Invest s.a.r.l. loan was assigned and transferred to Montrachet Investments SA. The loans all have a maturity date of December 2025.

As at June 2024, Ichor Coal’s only remaining investment is Mbuyelo Coal, which is accounted for as an equity accounted investee.

Business performance

The Mbuyelo Coal business plan forecast assumes a continuation of export market conditions but with a sustained focus of ongoing supply of coal to Eskom. The equity accounted investee has operating entities that are producing coal and are generating positive cash flow from operations.

In 2022, Mbuyelo Coal declared no dividends.

Cash flow and liquidity

Ichor Coal’s expenditure and cash flow forecast mainly relates to the operational expenses of the holding Company in 2023 and the years thereafter. Furthermore, the Group may continue to receive dividends from the equity accounted investee until its disposal is successfully completed. Loans of €11 712 000 mature in December 2025.

Management and supervision

The Dutch Act on gender diversity in boardrooms of Dutch companies (the Diversity Act) provides a guideline for gender diversity with no sanctions imposed for non-compliance with the guideline. The act indicates target figures for a balanced gender distribution on Boards with at least 30% occupied by women and at least 30% by men. In 2022 Ichor Coal's Supervisory Board did not meet the guidelines in terms of gender diversity but it commits itself to striving to achieve adequate and balanced Board composition when making future appointments. This will be done taking into account all relevant selection criteria, including but not limited to gender balance and executive experience.

Composition of the Management Board

Pursuant to Dutch Law it is required that the Management Board contain a minimum of 30% male and 30% female Board members. Ichor Coal did not fulfil these criteria as the Management Board consisted of only one male. The Company believes that as currently constituted, the Management Board has the experience, expertise and background and appropriate independence and judgment that will allow the Board to fulfil its responsibilities and operate effectively.

Compliance statement

Other than the items mentioned above, the Management Board hereby declares that to the best of its knowledge, the financial statements for the year ended 31 December 2022 give a true and fair view of the assets, liabilities, financial position and profits or losses of Ichor Coal N.V. , that this report gives a true and fair view of the position on the reporting date as well as of the development and performance of the Company during the 2022 financial year and that the principal risks facing the Company have been adequately described herein.

Forward looking statements

This Management Board report includes forward looking statements that reflect the current opinion of 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 management. They therefore only refer to the point in time at 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.

Management does not assume any responsibility for such statements and does not intend to update such statements in view of new information or future events.

Non-Financial considerations

Social and environmental aspects of the operating business

The company holds a minority investment in Mbuyelo Coal and it has limited operations and consequently a limited number of staff. As a result, there is no focus on relevant environmental and social aspects at Ichor Coal level. With respect to its investment Mbuyelo – Environmental, Social and Governance issues are managed at associate level. Mbuyelo management and the board of Directors monitors and control the relevant aspects of the Environmental, Social and governance plans.

Payments to Government

Dividends

These comprise dividend payments other than dividends paid to a government as an ordinary shareholder of an entity unless paid in lieu of production entitlements or royalties.

Income taxes

This comprises any tax on the business calculated on the basis of its profits, income or capital gains. Typically, these taxes would be reflected in corporate income tax returns made to governments.

Payroll related taxes

These include PAYE payments. PAYE represents payroll and employer taxes payable as a result of a company’s capacity as an employer. Typically, these taxes would be reflected in payroll tax returns made to government and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year shortly after the submission of the return. These taxes form part of our operating costs.

Net indirect taxes

These comprise value added tax and other fuel levies or equivalent payments on goods and services we use within our operations (both domestic and international), less any refunds we may receive.

Research and Development

There was no research and development expenditure incurred by the Ichor Coal NV in the period under review.

Remuneration of Managing and Supervisory Directors

The remuneration policy is approved by shareholders and is available in full on the Company´s website at www.ichorcoal.com. For the Management Board, the remuneration elements are: base salary, short term variable incentive, long term variable incentive, retirement savings and other benefits.

Remuneration of the directors is as per table below:

2022 **Name**	**Board fees €k**	**Share based payments €k**	**Short term compensation €k**	**Total €k**
Reinhardt van Wyk	-	-	261	**261**
Paolo Barbieri	28	-	-	**28**
Ben Pourrat	37	-	-	**37**
Tarek Malak	74	-	-	**74**
Total	**139**	**-**	**261**	**400**

2021 **Name**	**Board fees €k**	**Share based payments €k**	**Short term compensation €k**	**Total €k**
Reinhardt van Wyk	-	-	262	**262**
Paolo Barbieri	9	-	-	**9**
Ben Pourrat	-	-	-	**-**
Tarek Malak	-	-	-	**-**
Total	**9**	**-**	**262**	**271**

The code of conduct (´Code´) was approved by the Supervisory Board of Ichor Coal on October 2014.

The Code is mandatory and applies to all Board members and employees of Ichor Coal and its subsidiaries. The Code represents a set of values recognised, adhered to and promoted by the Group which are based on the principles of integrity, diligence and fairness. During 2022 there were no identified instances of non-compliance with the Code

The company has limited operations and consequently a limited number of staff. Due to the limited personnel available and consequently limited internal controls, most of the business functions are maintained by the management board, but oversight and monitoring performed by the supervisory board. The target of the business is to host an annual general meeting and to have the supervisory board meet as often as is necessary.

The board of directors and supervisory board have meetings when it is deemed necessary, which are in line with the size and activities of the Company.

The internal organisation and staffing level

As at end 2022, Ichor Coal at Company level had a total of 1 employee with the following designations:

Designation	Number
Chief executive officer	1

Subsequent events

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 995 000 to Montrachet Investments SA as part of a commercial transaction.

Subsequent to year end the Sapinda Invest s.a.r.l loan, the Montrachet Investments SA - loan 1 and the Montrachet Investments SA – Loan 2 maturity dates were extended to 31 December 2025 and the interest rates all raised to 10%.

In October 2023, Ismanetix (Pty) Ltd was placed into liquidation.

There were no further significant subsequent events.

Pretoria, 28 June 2024

Reinhardt van Wyk
Management Board

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 € k	31 Dec 2021 € k
Assets			
Non-current assets			
Intangible assets	6.1	17	17
Property, plant and equipment	6.2	-	-
Equity-accounted investees	6.3	47 280	46 929
Deferred tax assets	6.4	-	-
		47 297	**46 946**
Current assets			
Trade and other receivables	6.5	18	27
Other current financial assets	6.6	103	455
Other assets	6.7	-	-
Cash and cash equivalents	6.8	1 501	1 890
		1 622	**2 372**
Total Assets		**48 919**	**49 318**
Equity and liabilities			
Equity			
Share capital	6.10	44 018	44 018
Share premium	6.10	97 932	97 932
Legal reserve participations		16 801	21 078
Retained earnings	6.10	-109 041	-109 001
Other reserves	6.10	-11 733	-12 098
Result for the year	6.10	-1 264	-4 407
Total equity		**36 713**	**37 522**
Non-current liabilities			
Other non-current financial liabilities	6.12	11 712	11 248
Deferred tax liabilities	6.4	-	-
		11 712	**11 248**
Current liabilities			
Trade and other payables	6.13	288	276
Liabilities from income taxes		41	96
Other liabilities	6.14	165	176
		494	**548**
Total liabilities		**12 206**	**11 796**
Total equity and liabilities		**48 919**	**49 318**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 € k	31 Dec 2021 € k
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income	7.2	35	35
Other operating expenses	7.3	-518	-3 652
General and administrative expenses	7.4	-316	-345
Operating profit or loss		**-799**	**-3 962**
Share of profit from equity accounted investees	7.1	580	3 635
Finance income	7.5	85	49
Finance costs	7.5	-550	-494
Profit or loss before income taxes		**-684**	**-772**
Income tax expense	7.6	-	-
Profit or loss for the year		**-684**	**-772**
Other comprehensive income			
Items that can be reclassified to profit or loss			
Foreign currency translation differences	7.7	-126	-111
Other comprehensive income		**-126**	**-111**
Total comprehensive income		**-810**	**-883**
Basic earnings/ Diluted earnings per share from operations attributable to owners of parent	7.8	**0.00**	**0.00**

The accompanying notes form part of these financial statements.

ICHOR COAL N.V. GROUP 53748662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Share Capital			Profit or loss for the period				
		Ordinary shares	Share premium	Retained earnings	Continuing operations	Foreign Currency Translation Reserve	Share Based Payment	Legal Reserve	**Total**
	Note	€ k	€ k	€ k	€ k	€ k	€ k		€ k
1 Jan 2022		**44 018**	**97 932**	**-109 001**	**-4 407**	**-12 098**	**0**	**21 078**	**37 522**
Appropriation of prior year results	6.10			-4 407	4 407	-			-
Transfer to legal reserve participations		-	-	4 858	-580	-	-	-4 277	-
Result for the period	6.10	-	-	-	-684	-	-	-	-684
Transfer from other comprehensive income		-	-	-491	-	491	-	-	-
Other comprehensive income - FCTR	6.10	-	-	-	-	-126	-	-	-126
Total comprehensive income		-	-	**4 367**	**-1 264**	**365**	**-**	**-4 277**	**-810**
31 Dec 2022	6.10	**44 018**	**97 932**	**-109 041**	**-1 264**	**-11 733**	**-**	**16 801**	**36 713**

The accompanying notes form part of these financial statements.

For changes in non-controlling interest during the financial year 2022, refer also to note 10.4: ‘Relationships with related parties’.

The loss for the year from continuing operations is made up from €684 000 less the amount related to the share of profit of the equity accounted investees, €580 000, which is transferred to the legal reserve.

ICHOR COAL N.V. GROUP 53748662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Share Capital Ordinary shares € k	Share premium € k	Retained earnings € k	Profit or loss for the Continuing operations € k	FCTR € k	Share Based Payment € k	Legal Reserve	**Total** € k
1 Jan 2021		**44 018**	**97 932**	**-97 028**	**-11 973**	**-11 987**	**0**	**17 443**	**38 405**
Appropriation of prior year results	6.10			- 11 973	11 973	-			-
Transfer to legal reserve participations		-	-	-	-3 635	-	-	3 635	-
Result for the period	6.10	-	-	-	-772	-	-	-	-772
Other comprehensive income - FCTR	6.10	-	-	-	-	-111	-	-	-111
Total comprehensive income		-	-	-	**-4 407**	**-111**	-	**3 635**	**-883**
31 Dec 2021	6.10	**44 018**	**97 932**	**-109 001**	**-4 407**	**-12 098**	**0**	**21 078**	**37 522**

The accompanying notes form part of these financial statements.

For changes in non-controlling interest during the financial year 2021, refer also to note 10.4: ‘Relationships with related parties’.

The loss for the year from continuing operations is made up from €772 000 less the amount related to the share of profit of the equity accounted investees, €3 635 000, which is transferred to the legal reserve.

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ICHOR COAL N.V. GROUP 53748662

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		31 Dec 2022 € k	31 Dec 2021 € k
Profit or loss for the period		**-684**	**-772**
Adjustments for:			
Depreciation, amortization and impairments		-	3 212
Profit or loss from investments in associates	6.3	-580	-3 635
Other interest on debts and borrowings		464	438
Changes due to foreign currency movement		87	64
Interest income		-	-2
Other non-cash items		-	116
Changes in:			
Taxes	6.4	-60	-130
Trade and other receivables		-27	1 226
Trade and other payables		15	-15
Provisions		-11	-137
Cash flow from operating activities		**-796**	**365**
Proceeds from interest-bearing loans and borrowings received		407	-
Cash outflow from interest-bearing loans and borrowings given		-	-812
Cash flow from financing activities		**407**	**-812**
Cash flow-related changes in cash and cash equivalents		**-389**	**-447**
Cash and cash equivalents at beginning of period		1 890	2 337
Cash and cash equivalents at end of period	6.8	**1 501**	**1 890**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial statements

1 General Information

Corporate information

Ichor Coal N.V. KVK53748662, is a public limited liability company incorporated in Amsterdam, the Netherlands. The shares of Ichor Coal N.V. are admitted for trading on the High-Risk Market of the Hamburg and Hanover Stock Exchanges (non-regulated market). The head office is located at 210 Amarand Ave, Menlyn Maine, Pretoria, South Africa.

Ichor Coal is an international investment holding company focusing on investments in thermal coal production in South Africa. The Company holds a substantial non-controlling interest in one South African coal mining company.

The financial statements were approved by the Supervisory Board for issuance on 28 June 2024.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Netherlands Civil Code unless otherwise disclosed. The financial statements have been prepared on the historical cost basis and are presented in euro with all values rounded to the nearest thousand (€ k) except where otherwise indicated.

The consolidated statement of comprehensive income is classified using the function of expense method.

Going concern

The 2022 financial statements have been prepared on a going concern basis.

Material Accounting policies

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by Ichor Coal in its annual financial statements as at 31 December 2021.

The financial year of the Group and all subsidiary companies included in the consolidated financial statements corresponds to the calendar year, i.e. from 1 January to 31 December, except for the financial year of the equity accounted investee Mbuyelo Coal, which has a February year end. The consolidated financial statements relate to the period from 1 January 2022 to 31 December 2022. The consolidated financial statements include the results of Mbuyelo Coal accounted for using the equity method.

Financial and Presentation currency

The Group's consolidated financial statements are presented in Euro. The functional currency of the Group entities is South African rand. The financial statements are presented in Euro and all values are rounded to the nearest thousand.

Basis of consolidation

The consolidated financial statements comprise Ichor Coal N.V., Ismanetix (Pty) Ltd (Subsidiary) and Mbuyelo (equity accounted investee) as at 31 December 2022.

Subsidiaries

Subsidiaries are entities on which the Company is able to exercise control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting, or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's own accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Equity accounted investees

An equity accounted investee is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in equity accounted investees are accounted for using the equity method of accounting. Under this method, the investment is initially recorded at cost, including any goodwill, and is subsequently adjusted by the Group's pro-rata share of the equity accounted investee's profit or loss and other comprehensive income post transaction date.

Transaction eliminated on consolidation

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

Companies included in the consolidated financial statements

The scope of consolidation, including Ichor Coal N.V. as parent Company, comprises the following consolidated companies:

Company	**Country of incorporation**	**31 Dec 2022 Shareholding in %**	**31 Dec 2021 Shareholding in %**
Ichor Coal N.V.	Netherlands		
Subsidiaries			
Ismanetix (Pty) Ltd	South Africa	100.00	100.00
Equity accounted investees			
Mbuyelo Coal (Pty) Ltd	South Africa	45.56	45.56
Xilombe Mining (Pty) Ltd***	South Africa	45.56	45.56
Tshedza Mining Resources (Pty) Ltd***	South Africa	45.56	45.56
Orha Mining Resources (Pty) Ltd***	South Africa	45.56	45.56
Ntshovelo Mining Resources (Pty) Ltd***	South Africa	45.56	45.56
Mavungwani Colliery (Pty) Ltd***	South Africa	45.56	45.56
Welstand Colliery (Pty) Ltd***	South Africa	45.56	45.56

*** These are investments held by Mbuyelo Coal

3 MATERIAL ACCOUNTING POLICIES

3.1 Foreign currency translation

Foreign currencies

The functional currency of the Company was changed to South African rand (ZAR) in the 2014 financial year but the presentation currency remains the euro. Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income and presented within finance costs. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at a revalued amount in a foreign currency are translated using the exchange rates at the date of transaction.

The exchange rates of foreign currencies to the rand that are relevant for the Group were subject to the following changes:

1 Euro in foreign currency	Average exchange rate	Average exchange rate	Exchange rate at reporting date	
	2022	2021	31 Dec 2022	31 Dec 2021
SA Rand (Ichor Coal NV)	17.21	17.49	18.12	18.04

3.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.
An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Initial recognition

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to brining the asset into operation.

The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Measurement subsequent to initial recognition

The assets are carried at cost less accumulated depreciation and impairment.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the time of disposal.

Impairment

At the end of each reporting period, the Company assesses whether there is any external or internal indication that an asset may be impaired - whether the carrying amounts may be higher than the recoverable amount. If there is an indication that an asset may be impaired, then the assets recoverable amount is calculated and impairment recognised in the Statement of Profit or Loss and Other Comprehensive Income if necessary. The company assets recoverable amount was determined by a value-in-use calculation.

	Useful life in years	**Depreciation method used**
Other operational and office equipment	Three	Straight line

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost including expenses incidental to the acquisition).. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

A summary of the policies applied to the Group's intangible assets is, as follows:

Item	Useful life	Amortisation method
Software	Three years	Straight line

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Estimated useful economic lives are determined as the period over which the Group expects to use the asset or the number of production (or similar) units expected to be obtained from the asset by the Group and for which the Group retains control of access to those benefits. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Impairment of non-financial assets

At each reporting date the Group assesses whether there is an indication that an asset (or cash-generating unit (CGU)) may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. Recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less cost of disposal, recent market transactions are taken into account if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover a period of five years. For longer periods a long-term growth rate is calculated and applied to projected future cash flows after the fifth year for the life of the asset.

Impairment losses of continuing operations are recognised in profit or loss, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase and is recognised through other comprehensive income.

Financial instruments

Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit and Loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Owners Company Interest (“FVOCI”) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

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

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or
– it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, including any restricted cash. Restricted cash is not available for use by the Group and therefore is not considered highly liquid — for example, cash set aside to cover rehabilitation obligations. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Share Capital

Ordinary shares issued by the Company are classified as equity and recorded at the net proceeds received, which is the fair value of the consideration received less incremental cost directly attributable to the issuance of new shares. The nominal par value of the issued shares is taken to the share capital account and any excess is recorded in the capital reserves account, including the costs that were incurred with the share issue.

Provisions

Provisions are recognised when:

the company has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.
Provisions are recognised when there is a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and that amount can be reliably estimated. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate. Over time, the discounted liability is increased for the change in present value based on the discount rates and the unwinding of the discount is included in interest expense.

Taxes

Current Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax legislation used to compute the tax obligation are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred taxes

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, equity accounted investees and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or joint venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investees and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

4 Accounting estimates and assumptions

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that affect the presentation of assets and liabilities, the disclosure of contingent liabilities at the reporting date, and the presentation of income and expenses. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Actual results may differ from these estimates under different assumptions and conditions.

Impairment of assets

The Group assesses each asset or cash generating unit (CGU) in each reporting period to determine whether any indication of impairment exists. These assessments require the use of estimates and assumptions such as commodity prices, discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and resources and operating performance. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Recovery of deferred tax assets

Deferred tax assets require Management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to utilise recognised deferred tax assets. This requires estimates of future taxable income based on forecasted cash flows as well as judgement about the application of existing tax legislation in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be adversely impacted.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 3).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Contingencies

Management assesses the existence and the economic effects of contingencies at each reporting date. The estimate of the economic effect is based on the outcome and the possibly resulting obligation and outflow of economic benefits.

5 New and amended standards and interpretations

5.1 Changes in accounting policies and interpretations

There were no changes in accounting policies during the 2022 financial year. The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its annual financial statements as at 31 December 2021, except as mentioned below.

5.2 Standards and interpretations adopted during the year

Standard	**Adopted in 2022**
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	**X**
Annual Improvements to IFRS Standards 2018–2020	**X**
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	**X**
Reference to the Conceptual Framework (Amendments to IFRS 3)	**X**

5.3 Standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects will have an impact on disclosures, financial position or performance when applied at a future date. The impact of the standards and interpretations mentioned below is not currently known or estimable, but no material impact is expected. The Group intends to adopt these standards and interpretations when they become effective.

Standard	**2023**	**Available for optional adoption/effective date deferred**
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	**X**	
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	**X**	
Definition of Accounting Estimates (Amendments to IAS 8)	**X**	
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	**X**	
IFRS 17 Insurance Contracts, including amendments to Initial Application of IFRS 17 and IFRS 9 – Comparative Information	**X**	
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) (issued on 9 December 2021)	**X**	
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	**X**	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	**X**	
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	**X**	
Lack of Exchangeability (Amendments to IAS 21)	**X**	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10		**X**

6 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.1 Intangible assets

The changes in intangible assets were as follows:

	Purchased rights	**Total**
	€ k	**€ k**
Acquisition or production cost		
1 Jan 2022	18	18
31 Dec 2022	**18**	**18**
Amortization and impairments		
1 Jan 2022	1	1
31 Dec 2022	**1**	**1**
Carrying amounts		
31 Dec 2022	**17**	**17**
1 Jan 2022	17	17

	Purchased rights	**Total**
	€ k	**€ k**
Acquisition or production cost		
1 Jan 2021	18	18
Effect of translation to presentation currency	-	-
31 Dec 2021	**18**	**18**
Amortization and impairments		
1 Jan 2021	1	1
Effect of translation to presentation currency	-	-
31 Dec 2021	**1**	**1**
Carrying amounts		
31 Dec 2021	**17**	**17**
1 Jan 2021	17	17

6.2 Property, plant and equipment

The following table shows the development of property, plant and equipment:

	Other equipment, operational and office equipment € k	Total € k
Acquisition or production cost		
1 Jan 2022	34	34
31 Dec 2022	**34**	**34**
Depreciation and impairments		
1 Jan 2022	34	34
31 Dec 2022	34	34
Carrying amounts		
31 Dec 2022	**-**	**-**
1 Jan 2022	-	-

	Other equipment, operational and office equipment € k	Total € k
Acquisition or production cost		
1 Jan 2021	35	35
Disposals	- 1	- 1
Effect of translation to presentation currency	-	-
31 Dec 2021	**34**	**34**
Depreciation and impairments		
1 Jan 2021	34	34
Additions - depreciation	1	1
Disposals	- 1	- 1
Effect of translation to presentation currency	-	-
31 Dec 2021	34	34
Carrying amounts		
31 Dec 2021	**-**	**-**
1 Jan 2021	1	1

6.3 Equity accounted investments

Investment in Mbuyelo Coal

The Group's share of profit of Mbuyelo Coal for the reporting period was €580 000 (2021: profit €3 635 000). Mbuyelo Coal declared and paid dividends with the Company's share of the dividend amounting to €NIL (2021: €NIL).

As at 31 December 2022, the carrying value of the investment in Mbuyelo Coal was €47 280 000 (2021: €46 929 000). The increase in the carrying amount of the investment is mainly due to the share of profits included in the financial year 2022.

Carrying amount as at 31 Dec 2021	**46 929 000**
Share of profit	580 000
Dividends received	-
Impairment	-
Foreign currency movement	(231 000)
Carrying amount as at 31 Dec 2022	**47 280 000**

An impairment assessment was performed on 31 December 2022 for the investment in Mbuyelo Coal, taking into account the economic and market conditions in the South African as well as worldwide coal industry.

The valuation models use a combination of internal sources and those inputs available to a market participant, which comprise the most recent Life of Mine estimates, relevant cost assumptions and where possible, market forecasts of commodity price and foreign exchange rate assumptions, discounted using operation specific post-tax real discount rates (unless otherwise indicated). The valuations generally remain most sensitive to price and a deterioration / improvement in the pricing outlook may result in additional impairments/reversals.

Some of the factors considered in the impairment assessment were:

- Market and world sentiment toward fossil fuels and climate change is negative but the fact remains that South Africa is very much dependent on coal.

- Volatile export coal prices and lack of availability of transport to relevant ports. The recent volatility can be explained by demand and supply disruptions caused by the COVID-19 pandemic logistics disruptions that are still to normalise.
- Higher cost assumptions due to direct and indirect inflationary pressure as well as supply chain constraints affect production capacity.
- In practice, in a sustained low price environment, management would alter mine plans to cut operating and capital costs, potentially at the expense of future volumes, in order to reduce the overall NPV impact.
- Lack of long-term coal supply agreements with Eskom remains a challenge.
- Factors such as political and industrial disruption, currency fluctuation, increased competition from other prospecting and Mining Rights holders and interest rates could have an impact on Mbuyelo's future operations, and potential revenue streams can also be affected by these factors. Most of these factors are, and will be, beyond the control of Mbuyelo or any other operating entity.

The investment has been valued using a value in use calculation and as such is classified as a Level 3 in Fair Value Hierarchy.

The recoverable amount was determined with reference to a value in use calculation using the discounted cash flow method. Management calculated the recoverable amounts for the assets by using the following assumptions:

- an estimate of the future cash flows the entity expects to derive from the asset
- an weighted average cost of capital ranging from 11.59% to 12.93%

In 2021 an impairment of €3 211 501 was booked against the investment. The investment is assessed yearly to determine if the impairment should be reversed.

Summarised 28 February 2023 financial statement information of Mbuyelo Coal, which is not adjusted for the percentage of ownership held by the Company, is disclosed below:

Year end Report	28-Feb-23 € k	28-Feb-22 € k
Current assets	37 527	32 231
Non-current assets	173 434	156 494
Total Assets	**210 961**	**188 725**
Equity	79 876	78 467
Current liabilities	47 874	45 110
Non-current liabilities	83 211	65 148
Total liabilities	**131 085**	**110 258**
Total equity and liabilities	**210 961**	**188 725**
Revenue	284 907	228 818
Profit(loss) after tax	1 836	2 753
Total comprehensive income(loss) for the period	**1 836**	**2 753**

6.4 Deferred tax

The Group's net deferred tax asset and liability recognised in the balance sheet are as follows:

	31 Dec 2022		31 Dec 2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€ k	€ k	€ k	€ k
Property, plant and equipment	-	-	-	-
Non-current financial assets	-	-	-	-
Other asets	-	-	-	-
Temporary differences	**-**	**-**	**-**	**-**
Tax loss carry-forwards	-	-	-	-
Total	**-**	**-**	**-**	**-**
Forex differences	-	-	-	-
Amounts as per balance sheet	**-**	**-**	**-**	**-**

Ichor Coal management assesses the future utilisation of the tax loss carry-forwards as given based on the current Group forecasts of revenues and expenditures. Assessed losses carried forward are only recognised to the extent that the Group will generate future taxable profits.

The Company did not recognise deferred tax assets of €3 146 095 (2021: €3 020 330) in respect of losses amounting to €10 847 538 (2021: €10 611 032) that can be carried forward against future taxable income.

6.5 Trade and other receivables

Trade and other receivables as at 31 December 2022 amounted to €18 000 (2021: €27 000). There are no valuation allowances recorded for doubtful trade receivables in 2022, this is due to the fact that all trade receivables are current and recoverable. Please refer to note 10.3: 'Credit risk exposure'.

6.6 Other current financial assets

Other current financial assets consist of the following:

	31-Dec-22 € k	31-Dec-21 € k
Deposits	-	1
Other	-	454
Other current financial assets	**-**	**455**

6.7 Other assets

The following table summarises the components of other assets:

	31 Dec 2022 € k	31 Dec 2021 € k
Receivables - value added tax	103	-
Other non-financial assets	**103**	**-**

6.8 Cash and cash equivalents

As at 31 December 2022 Ichor Coal Group’s unrestricted cash and cash equivalents were made up as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Cash at banks	1 501	1 890
Cash and cash equivalents	**1 501**	**1 890**

6.10 Equity

The components and changes in consolidated equity are summarised in the consolidated statement of changes in equity.

Share Capital

The issued share capital of €44 018 457 (2021: €44 018 457) is divided into 440 184 577 (2021: 440 184 577) shares with a nominal value of €0.10 each.

The issued share capital at year end consisted of fully paid-up ordinary shares. Each fully paid-up ordinary share carries the right to a dividend as declared and carries the right to one vote at shareholders' meetings.

All ordinary shares rank equally with regard to the Company's residual assets.

The authorised share capital amounts to €47 500 000 (2021: €47 500 000) and is divided into 475 000 000 (2021: 475 000 000) shares with a nominal value of €0.10 each.

Share premium

Capital reserves are not distributable to the equity holders of the Company.

Retained earnings

The accumulated retained earnings including the net loss or profit of prior years are attributable to the owners of the parent Company.

Other reserves

Other reserves reflect differences from the currency translation loss of €11 733 000 (2021: €12 098 000).

Legal reserve

The legal reserve for participating interests, which amounts to €16 801 000 (2021: €21 078 000), pertains to participating interests in Mbuyelo that are measured at net asset value. The reserves equal to the share in the results and direct changes in the equity (both calculated on the basis of the Company's accounting policies) of the participating interests in Mbuyelo since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

6.12 Other financial liabilities

	31 Dec 2022 € k	31 Dec 2021 € k
Sapinda Invest S.a.r.l.	4 995	4 705
Montrachet Investments SA	6 709	6 535
Other related parties	8	8
Non-current loans and borrowings	**11 712**	**11 248**

Loans

Entity	Loan value	Interest rate	Maturity date
Sapinda Invest s.a.r.l	€4 995 000	6% per annum	31 December 2025
Montrachet Investments SA. – Loan 1	€3 143 000	No interest	31 December 2025
Montrachet Investments SA. – Loan 2	€3 565 000	5% per annum	31 December 2025
Other related parties	€8 000	No interest	31 December 2023

The counter parties to the non-current loans and borrowings have changed, please refer to subsequent events.

6.13 Trade and other payables

The trade and other payables of €288 000 (2021: €276 000) mainly relate to trade and other payables at Company level.

6.14 Other liabilities

The other liabilities comprise the following:

	31 Dec 2022 € k	31 Dec 2021 € k
Accrued liabilities	165	176
Other non-financial liabilities	**165**	**176**

7 NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

7.1 Share of profit from equity accounted investees

Share of profit from equity accounted investees amounted to €580 000 (2021: profit €3 635 000) and contains the share of profit from Mbuyelo Coal.

7.2 Other income

Other income amounted to €35 000 (2021: €35 000).

7.3 Other operating expenses

The following table provides an overview of the main items that form part of the other operating expenses:

	31 Dec 2022	31 Dec 2021
	€ k	€ k
Consulting and legal expenses	246	205
Audit and accounting service expenses	141	145
Insurance contributions	1	2
Depreciation of property, plant and equipment	-	1
Impairment loss	-	3 212
Management fees	26	36
Other	104	52
Other operating expenses	**518**	**3 652**

The main reason for the decrease in operating expenditure in 2022, is the large impairment on equity accounted investee in 2021. For further details, see note 6.3 for more details on impairment.

7.4 General and administrative expenses

General and administrative expenses are as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Salaries and wages	278	281
Share based payment	-	-
IT and communication	1	5
Head office and other expenses	37	59
General and administrative expenses	**316**	**345**

Ichor Coal Company has a total of 1 employee with the following designations:

Designation	Number
Chief executive officer	1

The number of employees is limited due to the fact that there are no operational activities done at Ichor Coal level and that the entity is now mainly a holding Company.

7.5 Finance income and expense

The financing revenue and cost are split as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Interest income from bank accounts	85	49
Interest from other loans and borrowings	-	-
Interest income	**85**	**49**

	31 Dec 2022 € k	31 Dec 2021 € k
Interest on debts and borrowings	464	438
Foreign exchange	86	56
Finance expense	**550**	**494**

7.6 Income tax

The factors affecting income tax expense for the period are listed below:

	2022 € k	2021 € k
Income before income taxes	- 684	- 1 194
Tax rate	28%	28%
Expected tax (expense)/ benefit	**- 192**	**- 334**
Deferred tax not raised	-	220
Non- deductible expenses	192	114
Income taxes	**-**	**-**
Actual tax rate	0%	0%

The Company did not recognise deferred tax assets of €3 146 095 (2021: €3 020 330) in respect of losses amounting to €10 847 538 (2021: €10 611 032) that can be carried forward against future taxable income. The Group will not carry forward any assessed losses as it cannot be reliably determined if there will be any future taxable income against which such losses can be utilised.

The tax rate used for the above reconciliation is the corporate tax rate payable by corporate entities in South Africa on taxable profits under the law. Total taxation benefit/(expense) can be broken down as follows:

	1 Jan - 31 Dec 2022 € k	1 Jan - 31 Dec 2021 € k
Current tax	-	-
Deferred tax	-	-
Income tax for the year	**-**	**-**

7.7 Other comprehensive income

Other comprehensive income relates to currency translation differences and the inclusion of share of other comprehensive income in equity accounted investments (refer to note 7.3).

7.8 Earnings per share

Basic earnings per share

The basic earnings per share for the 2022 financial year amounted to €0.00 (2021: (€0.00)). The basic earnings per share calculation is based on the profit or loss attributable to the owners of the parent Company and the number of shares outstanding during the period.

The weighted average number of shares outstanding was calculated as follows:

	2022	2021
	€ k	€ k
Shares issued and fully paid as of 1 January	440 185	440 185
Weighted average number of shares outstanding	**440 185**	**440 185**

The basic earnings per share were calculated as follows:

	2022	2021
	€ k	€ k
Total Profit or (Loss)	-684	-772
Less Non-controlling interest	-	-
Profit or Loss attributable to Owners of parent	**-684**	**-772**
Basic earnings per share	***0.00***	***0.00***

Diluted earnings per share

Basic and diluted earnings per share are the same.

8 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

The cash flow statement was prepared using the indirect method.

Ichor Coal Group's cash and cash equivalents as at 31 December 2022 amounted to €1 501 000 (2021: €1 890 000).

9 NOTES TO THE CONSOLIDATED SEGMENT REPORT

9.1 Basic principles of segment reporting

The core business of the Ichor Coal Group is investment in attractive coal resources in South Africa. Ichor Coal has only one segment namely coal mining and it occurs in one geographical area, therefor the use of segmental reporting is not necessary.

10. OTHER DISCLOSURES

10.1 Capital management

Ichor Coal Group monitors capital using a gearing ratio, which is net debt – including interest bearing loans and borrowings, less cash and short-term deposits – divided by equity plus net debt. It remains management's focus to maintain a constant gearing ratio.

	31-Dec-22	31-Dec-21
	€ k	**€ k**
Interest bearing loans and borrowings	11 712	11 248
Accounts payable and accrued liabilities	494	548
Less Cash and cash equivalent	-1 501	-1 890
Net debt	**10 705**	**9 906**
Equity	36 713	37 522
Equity and net debt	47 418	47 428
Gearing ratio	**23%**	**21%**

10.2 Financial assets and liabilities

Presentation by categories

The balance sheet items as at 31 December 2022, comprising financial assets and liabilities can be attributed to the measurement categories according to IFRS 9 as follows:

	31 December 2022			
	Carrying amount	Loans and receivables	Financial liabilities measured at amortised cost	Financial liabilities at fair value through profit or loss
	€ k	€ k	€ k	€ k
Assets				
Trade and other receivables	18	18	-	-
Other current financial assets	103	103	-	-
Cash and cash equivalents	1 501	1 501	-	-
Liabilities				
Other non-current financial liabilities	11 712	-	11 712	-
Trade and other payables	288	-	288	-
Liabilities from income taxes	41	-	41	-
Other liabilities	165	-	165	-

	31 December 2021			
	Carrying amount	Loans and receivables	Financial liabilities measured at amortised cost	Financial liabilities at fair value through profit or loss
	€ k	€ k	€ k	€ k
Assets				
Trade and other receivables	27	27	-	-
Other current financial assets	455	455	-	-
Cash and cash equivalents	1 890	1 890	-	-
Liabilities				
Other non-current financial liabilities	11 248	-	11 248	-
Trade and other payables	276	-	276	-
Liabilities from income taxes	96	-	96	-
Other liabilities	176	-	176	-

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2022, the Group had no derivative instruments

Other disclosures of financial assets and liabilities

The results from the various categories of financial assets and liabilities are broken down as follows: net gain on financial liabilities at fair value through profit and loss was €NIL; total interest income and total interest expense for financial assets and liabilities that are not at fair value through profit or loss were €85 000 (2021: €49 000) and €550 000 (2021: €494 000), respectively.

10.3 Group financial risk management

The Group is exposed to various financial risks which arise out of its business activities. In response, the Group has implemented risk management processes to identify risk exposures and to mitigate material negative effects on financial performance or to secure achievement of Group objectives. In order to steer the Group's approach to risk mitigation from the top, an annual assessment of risk acceptance levels is performed by the Management Board and reviewed by the Supervisory Board.

It is the Group's policy to only accept risks if they are associated with significant earnings potential. Where possible, risks are minimised or transferred to third parties.

The Group's investment activities and associated risk management involves various activities such as careful review and analysis of investment opportunities. Here again, associated risks are identified, classified, evaluated, controlled and monitored by management and presented to the Supervisory Board as part of the investment decision process. Each identified risk is quantified to assess the magnitude of its financial impact and if necessary, to implement mitigating measures.

Main exposures identified include risks relating to investment, financial markets such as currency and interest rates, liquidity, credit and commodity prices. The following sections describe those risks and opportunities that could have a significant impact on the Group's net assets, financial position, and results of operations.

Investment risks

Ichor Coal Group is exposed to investment risks which originate in the selection of investment projects. Investments may not meet expected rates of return in the future, which would have a negative impact on the Group's financial results. Ichor Coal Group management in conjunction with the Supervisory Board mitigates such risks by employing a thorough assessment and approval process, which is supported by detailed financial, technical, geological and legal due diligence reports which examine for instance the size of the deposit, logistics infrastructure, financial situation, legal requirements, management and political situation. Final investment decisions above a certain threshold requires the approval of the Company's shareholders. Furthermore, significant cost and timeline overruns in asset development activities subsequent to an acquisition also pose risks to the Group. These risks are mitigated by management via experienced in-house project controlling supported by professional local advisors. Investment risk is limited to current investments already held. Please refer to notes on assets and equity accounted investments. The group currently has no intention to extend its current investment holdings.

Financial market risks

Because of its international activities the Group is exposed to a variety of financial market risks. For instance, foreign exchange and interest rate fluctuations may have unwanted effects on the financial position of Ichor Coal.

The Group is exposed to unwanted effects of foreign exchange transactions and translation. Financial assets or liabilities denominated in a currency other than the functional currency are periodically restated. Any associated gain or loss is taken to the statement of comprehensive income but not hedged in general. Some of the transactions are foreign currency transactions and therefore the Group is exposed to currency fluctuation risks. Ichor Coal management would enter into forward exchange contracts should the circumstances require and allow securitisation of revenue or expenditure streams subject to unwanted currency fluctuation. In such instances, forward transactions are presented to and approved by the Supervisory Board of the Company. As at 31 December 2022, the Group had no foreign exchange derivatives.

In 2022 the Group realised a net profit of €365 000 from currency translation differences.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

	2022 €k	**2021 €k**
Montrachet Investments SA loan	6 709	6 535
Sapinda Invest s.a.r.l loan	4 995	4 705
Other related parties	8	8
Position exposed to foreign exchange rate	11 712	11 248
Net statement of financial position exposure	**11 712**	**11 248**

The abovementioned loans are all denominated in Euro and the Group is exposed to any movement in the ZAR to Euro exchange rate.

The table below shows the possible effect of a 10% increase or decrease in the exchange rate and the possible effect on the value of the outstanding loans.

Loan	EUR value	10% increase	10% decrease
Montrachet Investments SA loan	6 709 000	7 379 000	6 038 000
Sapinda Invest s.a.r.l loan	4 995 000	5 495 000	4 496 000
Other related parties	8 000	9 000	7 000
Total	11 712 000	12 883 000	10 541 000

Interest rate risk

The Group's current finance facilities are provided on a fixed interest rate basis that vary from facility to facility. Interest rate related risks may originate from finance facilities at fixed interest rates. Any such risk is evaluated within the Group and may be mitigated by interest rate derivatives, if deemed necessary. As at 31 December 2022, the Group had no interest rate derivatives. Gross interest rate risk on loans was mitigated from the inception of the loans by fixing the interest rates.

Liquidity risk

The Group's liquidity risk arises from the possibility that it may not be able to meet its financial obligations as they fall due. Mitigating activities include forecasting and monitoring of operational and capital cash requirements. The main sources of liquidity come from dividends and external borrowings. Management continually monitors the availability of financial resources to fund the Group's operating activities as well as its growth and development aspirations. This monitoring also contains an analysis of the due dates of the Group's financial obligations. Liquidity ratio for the group is 3.28 (2021: 4.32).

31.12.2022						
Financial liabilities		Contractual cash flows				
	Carrying amount	Total	12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative liabilities						
Other financial liabilities	11 918	11 918	-	-	11 918	-
Trade creditors	288	288	288	-	-	-
31.12.2021						
Financial liabilities		Contractual cash flows				
	Carrying amount	Total	12 months or less	1-2 years	2-5 years	More than 5 years

Non-derivative liabilities						
Other financial liabilities	11 520	11 520	-		11 520	
Trade creditors	276	276	276	-	-	-

Credit risk

Credit risks arise from business relationships with customers and suppliers. Financial assets may be impaired if business partners do not adhere to their payment obligations.

The maximum exposure on financial assets which are fundamentally subject to credit risk is limited to the total carrying value of relevant financial assets, as presented below:

	31 December 2022 **€ k**
Trade and other receivables	18
Other current financial assets	103
Cash and cash equivalents	1 501

To reduce the credit risk on cash and cash equivalents, management carefully evaluates and selects banks before depositing cash. To reduce the credit risk on revenues, the subsidiary's management evaluates and monitors counterparties. Management further aims to utilise secured payment mechanisms or other risk mitigation instruments. In addition, risks from performance failures or poor performance of deliveries may arise. Subsidiary management mitigates these risks appropriately by selecting creditworthy parties and by assessing individual conditions and structuring contracts accordingly. Prior to business relationships, subsidiary management evaluates its potential customers using available financial information or its own trading records. The Company uses Nedbank Limited (rating Moody's Ba2) as its South African Bank.

Commodity price risk

Ichor Coal's commodity price risk exposure arises from transactions by its Equity accounted investee on the world coal market. Sale of coal transactions are either on a fixed price basis or index based. Cash flow risks may originate from sales agreements at fixed rates whereas price risks may originate from index-based sales agreements. Price risks arising out of fluctuations of applicable indices are mitigated by exchange traded commodity derivatives, if deemed necessary. Price escalation clauses are negotiated for fixed sales price agreements to mitigate adverse input pricing developments. Equity accounted investee management evaluates such risks on a continuous basis as part of the risk management system and may be mitigated by hedging instruments, if deemed necessary. As at 31 December 2022, the Group had no hedging contracts in place.

10.4 Relationships with related parties

Related parties are defined as those persons and companies that control Ichor Coal Group or that are controlled or subject to significant influence by Ichor Coal Group. Key management personnel of the Company as well as entities that are controlled by key management and close family members of key management are also related parties.

Transactions with subsidiaries and equity accounted investees

Intercompany transactions within Ichor Coal Group have been eliminated in the consolidated financial statements.

The Company served on the board of Mbuyelo Coal and received directors' fees amounting to €35 000 (2021: €35 000).

Transaction with shareholders

The loans from Montrachet Investments SA and Sapinda Invest s.a.r.l. amounted to €11 712 000 (2021: €11 248 000) including interest.

Service fees payable to Tennor Holding B.V. amounted to €241 000 (2021: €214 000). The service fee outstanding is currently being queried, for completeness the full amount according to Tennor Holdings B.V. has been included.

Transactions with key management personnel

During the year, Reinhardt van Wyk held a director position in the Company and received the following compensation:

31 December 2022 € k	Short Term Compensation (salary, bonus, provident fund contributions)	Post-employment benefits	Share Based Payments	Total
Reinhardt van Wyk	244	17	-	261
Total	**244**	**17**	**-**	**261**

The short-term compensation is made up of the following elements:

Reinhardt van Wyk: Salary of €221 000 (2021: €222 000); medical aid reimbursement of €7 000 (2021: €7 000), provident fund contributions of €16 500 (2021: €16 600) and a car allowance of €17 000 (2021: €17 000).

The Supervisory Board of the Company consisted of three individuals throughout the year. All Supervisory Board members are entitled to Supervisory Board fees that accrued at year end as compensation for services during the financial year.

10.5 Audit fees

Total audit fees of €80 000 (2021: €125 000) have been incurred from KPMG Netherlands.

10.6 Events after the reporting date

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 995 000 to Montrachet Investments SA as part of a commercial transaction. Subsequent to year end the Sapinda Invest s.a.r.l loan, the Montrachet Investments SA - loan 1 and the Montrachet Investments SA – Loan 2 maturity dates were extended to 31 December 2025 and the interest rates all raised to 10%. In October 2023, Ismanetix (Pty) Ltd was placed into liquidation.

There were no further significant subsequent events.

STAND-ALONE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2022

(before appropriation of results)

	Notes	31 Dec 2022 € k	31 Dec 2021 € k
Assets			
Non-current assets			
Intangible assets	3.1	17	17
Property, plant and equipment	3.2	-	-
Shares in Subsidiaries	3.3	-	-
Investments in associates	3.4	43 392	43 578
		43 409	**43 594**
Current assets			
Trade and other receivables	3.7	18	27
Other current financial assets	3.8	509	455
Cash and cash equivalents	3.10	1 501	1 890
		2 028	**2 372**
Total Assets		**45 437**	**45 967**
Equity and liabilities			
Equity			
Share capital	3.11	44 018	44 018
Share Premium	3.11	97 932	97 932
Share based payment reserve	3.11	-	-
Retained earnings	3.11	-98 681	-97 356
Other comprehensive income	3.11	-9 064	-9 001
Loss/profit for the year	3.11	-1 614	-1 325
Total equity		**32 591**	**34 268**
Non-current liabilities			
Other Non-current financial liabilities	3.13	11 712	11 248
		11 712	**11 248**
Current liabilities			
Trade and other payables	3.14	288	275
Other liabilities	3.15	846	176
		1 134	**451**
Total liabilities		**12 846**	**11 699**
Total equity and liabilities		**45 437**	**45 967**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31 Dec 2022	31 Dec 2021
		€ k	€ k
Other income	4.1	35	35
General and administrative expenses	4.2	-306	-342
Other operating expenses	4.3	-1 365	-960
Finance costs	4.4	-550	-494
Finance income	4.4	572	436
Loss/profit before income taxes		-1 614	-1 325
Income taxes	4.5	-	-
Loss/profit for the year		**-1 614**	**-1 325**
Other comprehensive income not to be reclassified to profit and loss in subsequent periods		-63	-84
Total comprehensive income		**-1 677**	**-1 409**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF CHANGES IN EQUITY THE YEAR ENDED 31 DECEMBER 2022

	Share Capital	Share Premium	Accumulated retained earnings	Loss for the year	Other reserves	Share-based payment reserves	**Total**
	€ k	**€ k**	**€ k**	**€ k**	**€ k**	**€ k**	**€ k**
1 Jan 2022	**44 018**	**97 932**	**-97 356**	**-1 325**	**-9 001**	**-**	**34 268**
Appropriation of prior year results	-	-	-1 325	1 325	-	-	-
Share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit or loss for the year	-	-	-	-1 614	-	-	-1 614
Other comprehensive income	-	-	-	-	-63	-	-63
Total comprehensive income	**-**	**-**	**-**	**-1 614**	**-63**	**-**	**-1 677**
Share based payment	-	-	-	-	-	-	-
31 Dec 2022	**44 018**	**97 932**	**-98 681**	**-1 614**	**-9 064**	**-**	**32 591**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF CHANGES IN EQUITY THE YEAR ENDED 31 DECEMBER 2021

	Share Capital	Share Premium	Accumulated retained earnings	Loss for the year	Other reserves	**Total**
	€ k	**€ k**	**€ k**	**€ k**	**€ k**	**€ k**
1 Jan 2021	**44 018**	**97 932**	**-94 058**	**-3 298**	**-8 917**	**35 677**
Appropriation of prior year results	-	-	-3 298	3 298	-	-
Profit or loss for the year	-	-	-	-1 325	-	-1 325
Other comprehensive income	-	-	-	-	-84	-84
Total comprehensive income	**-**	**-**	**-**	**-1 325**	**-84**	**-1 409**
31 Dec 2021	**44 018**	**97 932**	**-97 356**	**-1 325**	**-9 001**	**34 268**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF CASHFLOWS THE YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022	31 Dec 2021
	€ k	€ k
Profit or loss	-1 614	-1 325
Reconciliation of profit or loss to the cash flow from operating activities:		
Depreciation and amortisation of fixed assets	-	1
Impairment loss	787	536
Interest received	-	-390
Other interest on debts and borrowings	464	438
Interest Income	-487	-
Changes due to foreign currency changes	75	62
Changes in trade and other receivables	9	-
Changes in trade and other payables	15	-19
Changes in other financial liabilities	-	77
Changes in other assets	-11	-21
Cash flow from operating activities	**-762**	**-641**
Cash-outflow from interest-bearing loans and borrowings given	-38	-961
Cash-inflow from interest-bearing loans and borrowings	398	1 150
Cash flow from financing activities	**360**	**189**
Cash flow-related changes in cash and cash equivalents	**-402**	**-452**
Changes in cash and cash equivalents due to exchange rates	12	6
Cash and cash equivalents at beginning of period	1 889	2 336
Cash and cash equivalents at end of period	**1 501**	**1 890**

Notes to the Stand-Alone Financial Statements

1 GENERAL INFORMATION

1.1 Corporate information

Ichor Coal N.V. KVK 53748662, is a public limited liability Company incorporated in Amsterdam, Netherlands. The shares of Ichor Coal N.V. are admitted for trading on the High-Risk Market of the Hamburg and Hanover Stock Exchanges (non-regulated market). The head office is located at 210 Amarand Ave, Menlyn Maine, Pretoria, South Africa.

Ichor Coal is an international investment holding company focusing on investments in thermal coal production in South Africa. The Company holds a substantial non-controlling interest in one South African coal mining company. At 31 December 2022, Montrachet Investments SA is the single largest shareholder in Ichor Coal NV.

The financial statements were approved by the Supervisory Board on 28 June 2024

1.2 Basis of preparation

Overview

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Netherlands Civil Code. The financial statements have been prepared on the historical cost basis and presented in euro with all values rounded to the nearest thousand (€ k).

The same basis of preparation applies as described in the notes to the consolidated financial statements. Please refer to note 2: 'Basis of Preparation' in the consolidated financial statements.

Foreign currencies

The functional currency of the Company was changed to South African rand (ZAR) in the 2014 financial year, but the presentation currency remains the euro. Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at a revalued amount in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

2 SIGNIFICANT ACCOUNTING POLICIES AND VALUATION METHODS

The same accounting and valuation methods apply as described in the notes to the consolidated financial statements. We therefore refer to note 3: 'Accounting Policies' of the consolidated financial statements. Subsidiaries and associates are stated applying the cost method in the stand-alone financial statements which is different to the consolidated financial statements.

3 NOTES TO THE STAND-ALONE STATEMENT OF FINANCIAL POSITION

3.1 Intangible assets

The changes in intangible assets were as follows:

	Purchased rights € k	Total € k
Acquisition or production cost		
1 Jan 2022	17	17
Currency effects	-	-
31 Dec 2022	**17**	**17**
Amortisation and impairment		
1 Jan 2022	-	-
Currency effects	-	-
31 Dec 2022	**-**	**-**
Carrying amounts		
31 Dec 2022	**17**	**17**
1 Jan 2022	17	17

	Purchased rights € k	Total € k
Acquisition or production cost		
1 Jan 2021	17	17
Currency effects	-	-
31 Dec 2021	**17**	**17**
Amortisation and impairment		
1 Jan 2021	-	-
Currency effects	-	-
31 Dec 2021	**-**	**-**
Carrying amounts		
31 Dec 2021	**17**	**17**
1 Jan 2021	17	17

The purchased right relates to costs associated with the corporate website used by the entity.

3.2 Property, plant and equipment

The changes in property, plant and equipment were as follows:

	Computer equipment	Furniture	Total
	€ k	€ k	€ k
Acquisition or production cost			
1 Jan 2022	25	10	35
Currency effects	-	-	-
31 Dec 2022	**25**	**10**	**35**
Depreciation and impairments			
1 Jan 2022	25	10	35
Additions	-	-	-
Currency effects	-	-	-
31 Dec 2022	**25**	**10**	**35**
Carrying amounts			
31 Dec 2022	**-**	-	**-**
1 Jan 2022	**-**	-	**-**

	Computer equipment	Furniture	Total
	€ k	€ k	€ k
Acquisition or production cost			
1 Jan 2021	25	10	35
Currency effects	0	0	0
31 Dec 2021	**25**	**10**	**35**
Depreciation and impairments			
1 Jan 2021	24	10	34
Additions	1	-	1
Currency effects	-	-	-
31 Dec 2021	**25**	**10**	**35**
Carrying amounts			
31 Dec 2021	**-**	-	**-**
1 Jan 2021	**1**	-	**1**

Management did not identify any impairment trigger at the reporting date.

3.3 Shares in subsidiaries

Shares in subsidiaries are as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Shares in Ismanetix (100%)	-	-
Shares in affiliates	**-**	**-**

Ichor Coal holds a 100% share in Ismanetix (Pty) Ltd, the investment value is so small that on rounding it does not appear.

3.4 Investments in associates

Investments in associates are as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Shares in Mbuyelo Coal (45.56%)	43 392	43 578
Investment in associates	**43 392**	**43 578**

The Company holds a 45.56% interest in Mbuyelo Coal. In January 2021, Mbuyelo Coal bought back the shares in certain small minorities, the transaction increased Ichor Coal's investment from 45.16% to 45.56%. The investment in associates is accounted for using the cost method. The decrease in the cost of the investment in Mbuyelo of €186 000 (2020: €152 000) is as a result of foreign exchange translation losses realised at the end of the reporting period. Mbuyelo Coal is incorporated in South Africa with all operating activities in South Africa.

For a further discussion on the movement in the value of the investments in associates, please refer to note 6.3: "Investments accounted for using the equity method" in the consolidated financial statements.

The value in use for the investment in Mbuyelo Coal was determined based on a discounted cashflow method.

3.6 Deferred tax

The net deferred tax asset and liability recognised in the statement of financial position is detailed below:

	31 Dec 2022		31 Dec 2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€ k	€ k	€ k	€ k
Non-current financial assets	-	-	-	-
Other liabilities	-	-	-	-
Temporary differences	**-**	**-**	**-**	**-**
Tax loss carry-forwards	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**
Offsetting	-	-	-	-
Amounts as per balance sheet	**-**	**-**	**-**	**-**

The deferred tax balances were subject to following changes during the financial year:

	2022	2021
	€ k	€ k
Deferred tax assets at the beginning of the period	-	-
Deferred tax liabilities at the beginning of the period	-	-
Net tax position at the beginning of the period	**-**	**-**
Deferred tax benefit/ (expense) of current year	-	-
Net tax position as of 31 December	**-**	**-**
Deferred tax assets at the end of the period	-	-
Deferred tax liabilities at the end of the period	-	-
Forex exchanges	-	-

A deferred tax asset has not been recognised in respect of a portion of the accumulated tax losses of because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

3.7 Trade and other receivables

	31 Dec 2022 € k	31 Dec 2021 € k
Trade receivables	18	27
Trade and other receivables	**18**	**27**

Management believes that the trade receivables are fully recoverable, and for that reason no loss allowance has been booked.

3.8 Other current financial assets

Other current financial assets comprise the following:

	31 Dec 2022 € k	31 Dec 2021 € k
Loan to Ismanetix (Pty) Ltd	406	388
Other financial assets	103	67
Other current financial assets	**509**	**455**

The loan to Ismanetix was used to finance the acquisition of Penumbra Coal Mining and to further finance the cost of care and maintainance at the mine. Interest on the loan was charged at the prime rate. The contractual loan amount as at year end amounted to €5 609 000 (2021: €5 168 000) inclusive of interest and has been impaired down to recoverable amount of €406 000 (2021: €388 000). The loan has a maturity date of 31 December 2023.

3.10 Cash and cash equivalents

The Company's cash and cash equivalents of €1 501 000 (2021: €1 890 000) represent cash at banks.

3.11 Equity

Share capital

The issued share capital of €44 018 457 (2021: €44 018 457) is divided into 440 184 577 (2021: 440 184 577) shares with a nominal value of €0.10 each.

The issued share capital consists of fully paid-up ordinary shares, each carrying the right to a dividend as declared and the right to one vote at shareholders' meetings.

All ordinary shares rank equally with regard to the Company's residual assets.

The authorised share capital amounts to €47 500 000 (2021: €47 500 000) and is divided into 475 000 000 (2021: 475 000 000) shares with a nominal value of €0.10 each.

Share Premium

Capital reserves are not distributable to the equity holders of the Company.

Other reserves

Other reserves reflect differences from a currency translation loss of €9 064 000 (2021: €9 001 000). The change in the currency translation reserve for the year is €63 000.

Accumulated retained earnings

The accumulated retained earnings include the net loss of prior years.

Reconciliation of Consolidated and Stand-Alone Equity

		31-Dec-22 € k	31-Dec-21 € k
Total consolidated equity		36 712	37 522
Difference in accumulated retained earnings			
Individual retained earnings	(1)	-98 681	-97 356
Consolidated retained earnings	(1)	109 041	109 001
Difference in net result			
Individual result	(1)	-1 614	-1 325
Consolidated result attributable to the shareholders	(1)	1 265	4 407
Accumulated other comprehensive income	(2)	2 669	3 097
Legal reserve	(3)	-16 801	-21 078
Total stand-alone equity		**32 591**	**34 268**

1) Ichor Coal N.V.'s investments in its subsidiaries and associates are accounted for using the cost method in the standalone financial statements. The consolidated statement of comprehensive income reflects the Company's share of the results of operations of the subsidiaries and associates. The difference in accounting policies applied causes a difference between the consolidated and standalone results.

2) The comprehensive income results from translation differences.

3) The legal reserves participating interests represent the results from Mbuyelo Coal.

3.13 Other non-current financial liabilities

	31 Dec 2022 € k	31 Dec 2021 € k
Sapinda Invest s.a.r.l.	4 995	4 705
Montrachet Investments SA	6 709	6 535
Other related parties	8	8
Other Non-Current financial liabilities	**11 712**	**11 248**

3.14 Trade and other payables

	31 Dec 2022 € k	31 Dec 2021 € k
Trade payables	288	275
Trade and other payables	**288**	**275**

Trade and other payables solely relate to trade payables.

3.15 Other liabilities

Other liabilities comprise:

	31 Dec 2022 € k	31 Dec 2021 € k
Accrued liabilities	846	176
Other non-financial liabilities	**846**	**176**

Accrued liabilities mainly comprise liabilities resulting from personnel costs, accounting, legal and consulting services.

3.16 Maturity analysis of financial liabilities

The contractually agreed (undiscounted) payments relating to financial liabilities are presented in the following table:

	Carrying amount	Undiscounted cash outflows		
	31 Dec 2022	2022	2023 - 2025	2026 ff.
	€ k	€ k	€ k	€ k
Other financial liabilities	11 712	-	11 712	-
Trade and other payables	288	288	-	-

	Carrying amount	Undiscounted cash outflows		
	31 Dec 2021	2021	2022 - 2024	2025 ff.
	€ k	€ k	€ k	€ k
Other financial liabilities	11 248	-	11 248	-
Trade and other payables	275	275	-	-

4 Notes to the stand-alone statement of comprehensive income

4.1 Other income

Other income is as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Management and board fees	35	35
Other operating income	**35**	**35**

Management and board fees relate to fees received from Mbuyelo Coal.

4.2 General and administrative expenses

General and administrative expenses consist of the following:

	31 Dec 2022 € k	31 Dec 2021 € k
Wages and salaries	260	264
Employee benefits	17	17
Other expenses	29	61
General and admin expenses	**306**	**342**

4.3 Other operating expenses

Other operating expenses are as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Legal and consulting costs	246	205
Audit and accounting services	141	143
Depreciation, amortisation and impairment	787	536
Other	191	76
Other operating expenses	**1 365**	**960**

Depreciation and amortisation

	31 Dec 2022 € k	31 Dec 2021 € k
Depreciation	-	1
Amortisation	-	-
Depreciation and amortisation	**-**	**1**

Impairment Losses

	31 Dec 2022 € k	31 Dec 2021 € k
Impairment loss	787	536
Impairment loss	**787**	**536**

In 2022 the loan receivable from Ismanetix was impaired to a deemed recoverable value, this impairment amounted to €787 000 (2021: €536 000)

4.4 Financial income and expense

The financial income comprises the following:

	31 Dec 2022 € k	31 Dec 2021 € k
Interest on other loans and borrowings	572	436
Total interest income	**572**	**436**
Foreign exchange	-	-
Total finance income	**572**	**436**

The financial expense is broken down as follows:

	31 Dec 2022 € k	31 Dec 2021 € k
Other	464	438
Foreign exchange	86	56
Total finance costs	**550**	**494**

4.5 Income tax

The factors affecting income tax expense for the period are listed below:

	2022	2021
	€ k	€ k
Income before income taxes	-1 614	-1 325
Tax rate	28%	28%
Expected tax (expense)/ benefit	**-452**	**-371**
Nondeductable expenses	452	151
Decrease in deferred tax not recognised	-	220
Income taxes	**-**	**-**
Effective tax rate	0%	0%

The enacted tax rate is 28%.

A deferred tax asset has not been recognised in respect of a portion of the accumulated tax losses because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

5 Other disclosures

5.1 Capital management

For a further analysis and discussion on capital management, refer to note “10.1: “Capital management” in the consolidated financial statements.

5.2 Financial risk management

For a further analysis and discussion on financial risk management, refer to note 10.3: “Financial risk management” in the consolidated financial statements.

5.3 Relationships with related parties

Related parties are defined as those persons and companies that control the Company or that are controlled or subject to significant influence by the Company. Key management personnel of the Company as well as entities that are controlled by key management and their close family members are also related parties.

Transactions with subsidiaries and associates

The Company served on the board of Mbuyelo Coal and received directors' fees amounting to €35 000 (2021: €35 000).

The Company further granted a loan to Ismanetix (Pty) Ltd. The loan amount as at year end amounted to €5 609 000 (2021: €5 168 000). Interest on the loan amounted to €487 000 (2021: €376 000).

Transactions with shareholders

The outstanding balance on the loans from Montrachet Investments SA and Sapinda Invest s.a.r.l. amounted to €11 712 000 (2021: €11 248 000) as at 31 December 2022. Interest of €464 000 (2021: €438 000) was incurred on the loans during the reporting period.

Service fees payable to Tennor Holding B.V. amounted to €241 000 (2021: €214 000). The service fee outstanding is currently being queried, for completeness the full amount according to Tennor Holdings B.V. has been included.

Transactions with key management personnel

Key management personnel comprise the directors of the Company. During the year, the Company issued equity-settled share instruments to certain qualifying employees. Please refer to note 3.11: "Equity" and 10.4: "Relationships with related parties" of this document for further details.

5.4 Other financial commitments

The maturity of other financial obligations resulting from rental and lease agreements are shown below:

	31 Dec 2022 € k	31 Dec 2021 € k
Due within one year	12	12
Due in one to five years	-	-
Due in more than five years	-	-
Total	**12**	**12**

The Company is currently not involved as a defendant in any litigation and has no contingent lialbilites.

5.5 Events after the reporting date

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 995 000 to Montrachet Investments SA as part of a commercial transaction.

Subsequent to year end the Sapinda Invest s.a.r.l loan, the Montrachet Investments SA - loan 1 and the Montrachet Investments SA – Loan 2 maturity dates were extended to 31 December 2025 and the interest rates all raised to 10%.

In October 2023, Ismanetix (Pty) Ltd was placed into liquidation.

There were no further significant subsequent events.

28 June 2024

Reinhardt van Wyk Management Board	Markus Meister Supervisory Board Member
Hans-Joerg Gatt Supervisory Board Member	Markus Mair Supervisory Board Member

Other information

Appropriation of result

Under article 30 of the Company's Articles of Association, the Management Board, with approval of the Supervisory Board may decide that part of profits realised be set aside to increase and or form reserves. The profits remaining after the above will be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, is required to make a proposal for that purpose, which is then dealt with at the general meeting of shareholders. The Management Board is permitted, subject to certain requirements and subject to approval of Supervisory Board, to declare interim dividends without the approval of the general meeting of shareholders.

The Management Board may, subject to the approval of our Supervisory Board, resolve to make distributions on the ordinary shares not in cash, but in ordinary shares, or resolve that shareholders shall have the option to receive a distribution in cash and/or in ordinary shares, provided that the Management Board is designated by the general meeting of shareholders as the competent corporate body to resolve to issue ordinary shares.

The Company may make distributions to shareholders only to the extent that the Company's equity exceeds the amount of the paid-in and called-up part of the issued share capital, increased by the reserves which it is required to maintain pursuant to the articles of association or the provisions of applicable law. Any distribution of profits will be made after the adoption of the annual accounts showing that such distribution of profits is permitted.The management proposes to the Supervisory Board to deduct the loss for the year from retained earnings. This proposal has been reflected in the stand-alone financial statements and consolidated financial statements.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Ichor Coal N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Ichor Coal N.V. as at 31 December 2022 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of Ichor Coal N.V. (the "Company") based in Amsterdam, The Netherlands.

The financial statements comprise:

1. the consolidated and company statement of financial position as at 31 December 2022;
2. the following consolidated and company statements for 2022: the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Ichor Coal N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

Consolidated financial statements

- Materiality of EUR 614 thousand
- 1% of EUR 61.457.078 (Total assets)

Company financial statements

- Materiality of EUR 491 thousand
- 1,06% of EUR 46.204.018 (Total assets)

Group audit

- Audit coverage of 100% of total assets

Risk of material misstatements related to Fraud, NOCLAR and Going concern risks

- Fraud risks: presumed risk of management override of controls and presumed risk of revenue recognition as instructed to the Component auditor and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'
- Going concern risks: no going concern risks identified

Key audit matters

- Valuation of equity accounted investments

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at EUR 614 thousand (2021: EUR 584 thousand)] and for the company financial statements as a whole at EUR 491 thousand (2021: EUR 465 thousand).

The materiality for the consolidated financial statements is determined with reference to Total assets (1%). We consider Total assets as the most appropriate benchmark because the Equity Accounted investment, which makes up most of the total assets is driving the Company's result. We find the Profit Before Tax not an appropriate benchmark due to its volatility. Therefore, we consider Total Assets the primary focus for the users of the financial statements.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and company financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 30.000 and EUR 24.550 of the consolidated and company financial statements respectively, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Ichor Coal N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Ichor Coal N.V .

Our group audit mainly focused on significant components.

We have:

- performed audit procedures ourselves at group component Ichor Coal N.V
- instructed SizweNtsalubaGobodo Grant Thornton to perform the audit of the equity investment in Mbuyelo Coal and reviewed their audit files;
- performed analytical review procedures at other components.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Audit response to the risk of fraud and non-compliance with laws and regulations

On page 9 of the management board report, the management board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the supervisory board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management and those charged with governance, as well as other relevant functions, such as Compliance. We have also incorporated elements of unpredictability in our audit, such as using KPMG South Africa Corporate Finance department to assess the model and assumptions used for the investment valuation and involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following areas as those most likely to have a material effect on the financial statements:

- anti-bribery and corruption laws and regulation;
- environmental laws;
- labour/human rights laws

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements. We concluded that the above areas do not result in a non-compliance risk of material misstatement.

We assessed the presumed fraud risk on revenue recognition as not significant on a group level, since no revenue is generated by Ichor itself. This risk is addressed by the component auditor of the equity investment Mbuyelo Coal, as communicated in our group audit insructions.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as the estimate regarding the valuation of investments accounted for using the equity method.

Responses:

— We have identified the risk that management override of controls could result in fraudulent transactions not being prevented/detected. We performed audit procedures at group and component level designed to mitigate the risk of management override of controls. These procedures included, amongst others, evaluation of internal controls, testing of high-risk journal entries, an assessment of the 'tone-at-the-top' and the compliance with the group's policies, laws and regulations, both at group level and component level.

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates.
- We performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in an additional key audit matter. We communicated our risk assessment, audit responses and results to management and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The management board has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed, inter alia, the following procedures :

- we considered whether the management board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inquired with the management board on the key assumptions and principles underlying the management board's assessment of the going concern risks;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.
- we considered whether the outcome of our audit procedures to assess the ability of the parent company to fulfill its obligations to the company indicate going concern risks;

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of equity accounted investments

Description

Investments are measured at net asset value, meaning that the entity's share of earnings from the investment are taken into account in determining the balance at year end and thus are directly impacting Ichor’s income statement and assets.

When determining the appropriate value of the entity’s share of earnings in the Component, initially we concluded that the following significant risks were relevant at Component level (since these could directly impact local result and equity) and therefore communicated these specific component risks in our group audit instructions to the component auditor of the equity investment:

- Management override
- Non-compliance with laws and regulations
- Estimation of environmental rehabilitation provision (V)
- Recoverable amounts of mining assets and assets (V)
- Revenue recognition (E)

Given the significant risks linked to the valuation of the Component, we have added the risk over the valuation of the equity investment on a group level, that incompases all of the above listed significant risks.

This risk is considered to be a risk of fraud and error, as there are underlying significant fraud risks making up the overall risk. These include the presumed risk of management override of controls and presumed risk of revenue recognition as instructed to the Component auditor. Important to note, is there is still little opportunity for Group management to influence the component balance driven by the results of the investment, for which there is little opportunity to manipulate and there are no apparent incentives for management to manipulate.

Our response

In terms of ISA 600, the investment constitutes a component for the purposes of the audit. The investments would thus need to be assessed from a group perspective and thus ISA 600 procedures are applicable for the investments held by Ichor Coal N.V. These procedures include:

- Sending Group instructions to the component auditor
- Discussing initial risk assessment and update thereof and yearend conclusions with the component auditor, including the above mentioned allocated risks.
- Review component auditor deliverables
- Review audit files of the component auditor

We also inspected a valuation report received from management, where there was sufficient headroom in the impairment assessment of the investment.

Our observation

Management’s assessment of the recognition of the equity accounted investment is considered reasonable and the valuation is adequately disclosed in note 6.3 to the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management of Ichor Coal N.V. is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of Management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect Management, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, Management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management should prepare the financial statements using the going concern basis of accounting unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de ‘Koninklijke Nederlandse Beroepsorganisatie van Accountants’ (NBA, Royal Netherlands Institute of Chartered Accountants) at eng_beursgenoteerd_01.pdf (nba.nl). This description forms part of our auditor’s report.

Amstelveen, 28 June 2024

KPMG Accountants N.V.

L.M.A. van Opzeeland RA

Partner