ICHORCOAL
MINING THE FUTURE

ICHOR COAL N.V. GROUP (53748662)

Consolidated Financial Statements

31 December 2021

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Report of the Supervisory Board

Dear Shareholders,

In 2021 the focus of the Group was to the continued marketing 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 2021 annual report including financial statements and management report prepared by the Management Board of Ichor Coal N.V. as at 31 December 2021 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 30 October 2023. 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 2021.

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 2021, 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.

As at 31 December 2021, the Supervisory Board of the entity consisted of three members.

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, 31 October 2023

For the Supervisory Board

Markus Meister

Chairman

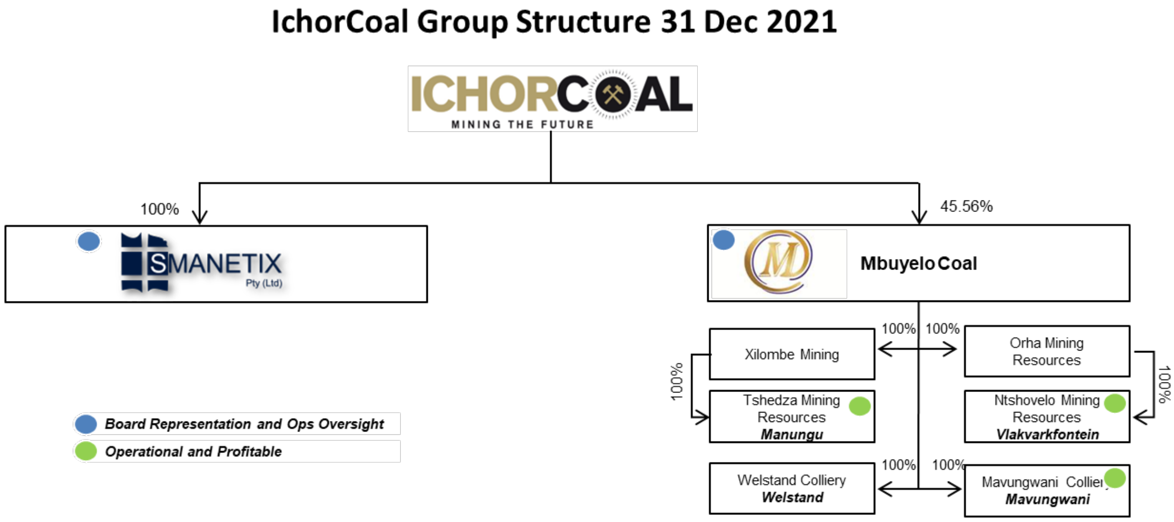
Report of the Management Board

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 2021, Ichor Coal N.V. held an interest in the following entities:



Mbuyelo Coal

The group performed significantly better in the year ending February 2022 compared to the year ending February 2021. Revenue for the year increased by more than 40% year on year, gross profit increased by almost 100%, with net profit surging from €488 000 (ZAR8 800 000) to €2 660 000 (ZAR48 000 000) the year ending February 2022. The group is recovering satisfactorily from a very difficult post COVID period, while remaining cash generating. Included in the consolidated financial statements are the Mbuyelo Coal figures as at 31 December 2021.

Vlakvarkfontein (Ntshovelo) – Coal sales for 2022 financial year improved after a 6-month rectification contract was granted to Ntshovelo to supply Eskom with 100,000 tons per month. The mine also supplied various other products to the export and inland markets During the 2022 financial year the wash plant was also finalised.

Manungu Colliery – Since the implementation of the owner mining project at Manungu, the operation has performed well with production figures for the year averaging at 268k tons, sales tons averaging 260k tons in the 2022 year. Revenue was negatively affected by persistent rain during the last quarter of 2022.

Welgemeend Colliery (Mavungwani) – The mine produced an average of 208k tons of coal per month and sold on average 141k tons in 2022. The revenue is made up of Eskom supply and a domestic market for peas and nuts.

Financial review

Analysis of consolidated statement of comprehensive income

Revenues

Reported revenues for Ichor Coal Group reached €NIL in the year ended 31 December 2021 (2020: €2 657 000). All operating subsidiaries have been sold, therefore no revenue is accounted for.

Cost of sales

Purchased goods and services amounted to €NIL (2020: €3 271 000). 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 higher contributions compared to the prior year, with the Group realising a profit of €3 635 000 (2020: €400 000).

Other income

Other income amounting to €35 000 (2020: €5 119 000) consists mainly of management and directors' fees received from Mbuyelo at Ichor Coal Group level.

Other operating expenses

Operating expenses decreased from €12 778 000 to €3 652 000 mainly due to various impairments booked in 2020.

General and administrative expenses

General and administrative expenses decreased from €571 000 to €345 000.

Financial result

Finance income decreased from €416 000 to €49 000 in the current year. Finance costs decreased from €1 993 000 to €494 000.

Income taxes

Income tax expense for the period of €NIL (2020: €115 000).

Result for the year

The Group reported a loss after tax of €772 000 for the year ended 31 December 2021 (2020: loss €12 373 000).

Analysis of consolidated statement of financial position

Property, plant and equipment

Property, plant and equipment decreased from €1 000 to €NIL due to depreciation.

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 2021 decreased by €526 000. The variance between the fiscal year 2021 and 2020 can be analysed as follows:

	31 Dec 2021	31 Dec 2020	Change
	€ k	€ k	€ k
Trade and other receivables	27	1 145	-1 118
Other current financial assets	455	68	387
Other assets	-	75	-75
Trade and other payables	-276	-295	19
Liabilities from income taxes	-96	-224	128
Other non-financial liabilities	-176	-309	133
	-66	460	-526

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 (2020: €44 018 457), and the share premium amounted to €97 932 000 (2020: €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 2021 amounted to a positive equity of €37 522 000 (2020: €38 405 000).

The stand-alone financial statements as at 31 December 2021 report a positive net equity of €34 268 000 (2020: €35 677 000) and a loss after tax for the financial year of €1 325 000 (2020: loss €3 298 000). Please refer to page 89 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 financial institutions and other group entities.

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 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 group deals with relatively few large customers. The Company has 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 opinion, 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:

- Asset misappropriation/physical safety
- Financial reporting
- Illegal acts

In addition, management also assesses non-compliance risk, with a specific focus on regulatory non-compliance.

Due to the limited personnel available 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 channel with workers.	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 returns, structure of debt and cash flows	Management ensures that there are proper controls in place at a Company level and the controls are reviewed regularly	Low – moderate on a case by case basis in accordance with financing and cash flow activities
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 associate level and ensures that it gives input at board level and monitor that input regularly. Financial instruments are also used at associate 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 associates 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	Management reviews interest rates on long-term borrowings. Interest rates are agreed on fixed rates and management can negotiate lower rates	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	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 associate 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 2021 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 €37 522 000, and a loss generated during the year of €772 000.

The main source of cash for the Group is 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, Tennor Holding B.V. and Sapinda Invest s.a.r.l. Subsequent to year end, the loans were assigned and transferred to Montrachet Investments SA. The loans have a maturity date of December 2024.

As at October 2023, 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 current favourable export market conditions with parallel ongoing supply of coal to Eskom. Continued reliance on coal by Eskom remains a big driver in the business but soaring export prices are creating opportunities. The equity accounted investee has operating entities that are producing coal and are generating positive cash flow from operations.

In 2021, 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 2022 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 €11 248 000 mature in December 2024.

Management and supervision

The Dutch 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 2021 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

After the sale of the Penumbra mine, the mine has been under day-to-day management of the new owners, Into Africa Mining. Responsibility for financial reporting as well as preparation of the financial statements resided with Into Africa Mining and Ichor Coal is depending solely on the audited financial statements received from the individual entities in compiling the consolidated financial statements of the group.

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 2021 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 2021 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.

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:

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 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.

The Code treats aspects of conduct related to the economic, social and environmental dimensions.

The Company closely monitors the effectiveness of and compliance with the Code. Violation of the Code is verified through periodic activities performed by the Management Board. The Code is available on the governance section of the Company´s website.

The internal organisation and staffing level

As at end 2021, Ichor Coal at Company level had a total of 1 employee with the following designations:

Designation	Number
Chief executive officer	1

Subsequent events

On 30 June 2022 one of Ichor Coal's subsidiaries, Ismanetix (Pty) Ltd, closed out a preference share scheme and received €389 000 (ZAR7 000 000) as return.

On 7 July 2022 Tennor Holding B.V. transferred and assigned the rights and ownership of its two loans valued at €3 143 000 and €3 392 000 respectively to Ichor Coal, to Montrachet Investments SA as part of a commercial transaction. The loan maturity dates were also subsequently extended by Montrachet to 31 December 2024. Montrachet Investments SA became the majority shareholder in Ichor Coal during Q2 2022.

During an extraordinary general meeting held on 23 December 2022, the Supervisory Board composition was changed. Supervisory Board members, Mr. Tarek Malak (Chairman), Mr. Paolo Barbieri and Mr. Benjamin Pourrat resigned and Mr. Hans-Jörg Gatt, Mr. Markus Mair and Mr. Markus Meister (Chairman) were appointed.

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 705 000 to Montrachet Investments SA as part of a commercial transaction. The loan maturity date was also subsequently extended by Montrachet to 31 December 2024.

There were no further subsequent events.

Pretoria, 31 October 2023

Reinhardt van Wyk

Management Board

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 December 2021

	Note	31 Dec 2021 € k	31 Dec 2020 € k
Assets			
Non-current assets			
Intangible assets	6.1	17	17
Property, plant and equipment	6.2	-	1
Equity-accounted investees	6.3	46 929	46 682
Other financial assets		-	499
		46 946	**47 199**
Current assets			
Trade and other receivables	6.5	27	1 145
Other current financial assets	6.6	455	68
Other assets	6.7	-	75
Cash and cash equivalents	6.8	1 890	2 337
		2 372	**3 625**
Total Assets		**49 318**	**50 824**
Equity and liabilities			
Equity			
Share capital	6.10	44 018	44 018
Share premium	6.10	97 932	97 932
Legal reserve participations		21 078	17 443
Retained earnings	6.10	-109 001	-97 028
Other reserves	6.10	-12 098	-11 987
Result for the year	6.10	-4 407	-11 973
Equity attributable to owners of the parent		**37 522**	**38 405**
Non-controlling interest	6.10	-	-
Total equity		**37 522**	**38 405**
Non-current liabilities			
Other non-current financial liabilities	6.12	11 248	10 810
		11 248	**10 810**
Current liabilities			
Interest-bearing loans and borrowings	6.11	-	781
Trade and other payables	6.13	276	295
Liabilities from income taxes		96	224
Other liabilities	6.14	176	309
		548	**1 609**
Total liabilities		**11 796**	**12 419**
Total equity and liabilities		**49 318**	**50 824**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2021

	Note	31 Dec 2021 € k	31 Dec 2020 € k
Revenue	7.1	-	2 657
Cost of sales	7.2	-	-3 271
Gross profit		-	**-614**
Other income	7.4	35	5 119
Loss on sale of asset		-	-1 437
Other operating expenses	7.5	-3 652	-12 778
General and administrative expenses	7.6	-345	-571
Operating profit or loss		**-3 962**	**-10 281**
Share of profit from equity accounted investees	7.3	3 635	-400
Finance income	7.7	49	416
Finance costs	7.7	-494	-1 993
Profit or loss before income taxes		**-772**	**-12 258**
Income tax expense	7.8	-	-115
Profit or loss from continuing operations		**-772**	**-12 373**
Profit or loss for the year		**-772**	**-12 373**
Other comprehensive income			
Items that can be reclassified to profit or loss			
Foreign currency translation differences	7.9	-111	-8 307
Other comprehensive income from continuing operations		**-111**	**-8 307**
Other comprehensive income after income taxes		**-111**	**-8 307**
Total comprehensive income		**-883**	**-20 680**
Profit or loss attributable to:			
Owners of the parent		-772	-12 373
Non-controlling interest		-	-
		-772	**-12 373**
Total comprehensive income attributable to:			
Owners of the parent		-883	-20 680
Non-controlling interest		-	-
		-883	**-20 680**
Basic earnings/ Diluted earnings per share from operations attributable to owners of parent	7.10	**0.00**	**-0.03**

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 2021

		Equity attributable to owners of the parent								Non-controlling interest	
		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**	Continuing operations	**Total equity**
	Note	€ k	€ k	€ k	€ k	€ k	€ k		€ k	€ k	€ k
1 Jan 2021		**44 018**	**97 932**	**-97 028**	**-11 973**	**-11 987**	**0**	**17 443**	**38 405**	**0**	**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	-	-772
Other comprehensive income - FCTR	6.10	-	-	-	-	-111	-	-	-111	-	-111
Total comprehensive income		-	-	-	**-4 407**	**-111**	**-**	**3 635**	**-883**	**-**	**-883**
31 Dec 2021	6.10	**44 018**	**97 932**	**-109 001**	**-4 407**	**-12 098**	**-**	**21 078**	**37 522**	**-**	**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.

ICHOR COAL N.V. GROUP 53748662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Equity attributable to owners of the parent								Non-controlling interest	
		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	Continuing operations	Total equity
	Note	€ k	€ k	€ k	€ k	€ k	€ k		€ k	€ k	€ k
1 Jan 2020		**44 018**	**96 203**	**-96 068**	**6 754**	**-8 330**	**1 200**	**19 103**	**62 880**	**-**	**62 880**
Appropriation of prior year results	6.10			6 754	-6 754	-			-	-	-
Deconsolidation Penumbra	6.10	-	-	-2 595	-	-	-	-	-2 595	-	-2 595
Transfer to legal reserve participations		-	-	-	400	-	-	-400	-	-	-
Transfer from other comprehensive income		-	1 729	-5 119	-	4 650	-	-1 260	-	-	-
Result for the period	6.10	-	-	-	-12 373	-	-	-	-12 373	-	-12 373
Other comprehensive income - FCTR	6.10	-	-	-	-	-8 307	-	-	-8 307	-	-8 307
Total comprehensive income		**-**	**1 729**	**-5 119**	**-11 973**	**-3 657**	**-**	**-1 660**	**-20 680**	**-**	**-20 680**
Share based Payment	6.10	-	-	-	-	-	-1 200	-	-1 200	-	-1 200
		-	-	-	-	-	-1 200	-	-1 200	-	-1 200
31 Dec 2020	6.10	**44 018**	**97 932**	**-97 028**	**-11 973**	**-11 987**	**-**	**17 443**	**38 405**	**-**	**38 405**

The accompanying notes form part of these financial statements.

For changes in non-controlling interest during the financial year 2020, refer also to note 10.4: ‘Relationships with related parties’.

The loss for the year from continuing operations is made up from €12 373 000 less the amount related to the share of profit of the equity accounted investees, €400 000, 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 2021

		31 Dec 2021	31 Dec 2020
		€ k	**€ k**
Profit or loss for the period		**-772**	**-12 373**
Adjustments for:			
Depreciation, amortization and impairments		3 212	7 753
Profit or loss from investments in associates	6.3	-3 635	400
Profit on sale of assets		-	1 437
Sharebased payment expense		-	-600
Gain or loss on conversion component of Convertible Bonds	6.11	-	2
Other interest on debts and borrowings		438	252
Changes due to foreign currency movement		64	1 318
Interest income		-2	-4
Other non-cash items		116	560
Changes in:			
Taxes	6.4	-130	214
Trade and other receivables		1 226	6
Trade and other payables		-15	-302
Provisions		-137	-222
Cash flow from operating activities		**365**	**-1 559**
Proceeds from disposals of consolidated subsidiaries, less cash given up in the exchange	6.9	-	719
Cash flow from investing activities		**-**	**719**
Cash outflow from interest-bearing loans and borrowings given		-812	116
Cash flow from financing activities		**-812**	**116**
Cash flow-related changes in cash and cash equivalents		**-447**	**-724**
Cash and cash equivalents at beginning of period		2 337	3 061
Cash and cash equivalents at end of period	6.8	**1 890**	**2 337**

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 30 October 2023.

2 Basis of preparation

This section provides additional information about the overall basis of preparation that the directors consider useful and relevant in understanding these financial statements.

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 2021 financial statements have been prepared on a going concern basis.

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 2020.

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 2021 to 31 December 2021. The consolidated financial statements include the results of Mbuyelo Coal accounted for using the equity method. Penumbra Coal has been included in the prior consolidated financial statements for 11 months ending November 2020 even though management control of the company is already in the hands of the purchaser. Penumbra was completely deconsolidated by 31 December 2020.

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 2021. The 2020 income statement includes 11 months for Penumbra Coal after which the entity was fully deconsolidated.

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 invetee's profit or loss and other comprehensive income post transaction date.

Changes in ownership

Changes in the ownership interest of subsidiaries without a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Non-controlling interest

NCI is measured initially at the proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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 2021 Shareholding in %**	**31 Dec 2020 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	45.16
Xilombe Mining (Pty) Ltd***	South Africa	45.56	45.16
Tshedza Mining Resources (Pty) Ltd***	South Africa	45.56	45.16
Orha Mining Resources (Pty) Ltd***	South Africa	45.56	45.16
Ntshovelo Mining Resources (Pty) Ltd***	South Africa	45.56	45.16
Mavungwani Colliery (Pty) Ltd***	South Africa	45.56	45.16
Welstand Colliery (Pty) Ltd***	South Africa	45.56	45.16

*** These are investments held by Mbuyelo Coal

3 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. The reason for the change of functional currency to the South African rand is due to the fact that South Africa is the primary economic environment in which the Company operates. 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 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.

Transactions in foreign currencies

Purchases and sales in foreign currencies are translated at the exchange rate on the date of the transaction. Assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Any foreign exchange gains or losses resulting from such translations are recognised in the statement of comprehensive income.

Translation of separate financial statements denominated in foreign currency

Assets and liabilities of entities which are part of the Group for which the functional currency is not the rand are translated at the exchange rate prevailing at the reporting date.

Income and expenses of these entities are translated into rand at the average exchange rate for the year. Equity components are translated at the historical exchange rate at the date of origination. Foreign exchange differences resulting from the translation are charged or credited directly to equity in the translation reserve, i.e. to other comprehensive income.

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	
	2021	2020	31 Dec 2021	31 Dec 2020
SA Rand (Ichor Coal NV, Penumbra	17.49	18.79	18.04	17.98
AU Dollar (Ichor Coal NV	1.58	1.65	1.56	1.60

3.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method as of the date on which the Company became a subsidiary. The date of acquisition is the date when the ability to control the acquired entity or business passes to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value and the amount of any non-controlling interest, valued at fair value or at the proportionate share of the acquiree's identifiable net assets in the acquisition target.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Mineral reserves, resources and exploration potential that can be reliably valued are recognised in the assessment of fair values on acquisition.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for any existing ownership of the Company over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of annual impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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, and the initial estimate of the rehabilitation obligation.

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.

Land

The premium paid in excess of the intrinsic value of land to gain access is depreciated over the life of mine as the premium relates to land as a whole and the useful life is consistent with the life of mine.

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. 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). The cost of intangible assets acquired in a business combination is their fair value as at the date of 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, including inventory write downs, 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.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to 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.

v. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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

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

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.
A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.
In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Leasing activities are mainly that of a lessor. Penumbra lease mining equipment to Vunene Mining. Leases are finance leases, where ownership passes to the lessee at the end of the lease period.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee.
The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the company applies the exemption described previously, then it classifies the sub-lease as an operating lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the company net investment in the lease. They are presented as lease receivables on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

The amount expected to be receivable by the company from the lessee, a party related to the lessee or a third party unrelated to the company under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee).

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.

Revenue from contracts with customers

The Group recognises revenue from the following major sources:

Sales of goods – coal

Revenue from the sale of goods is recognised when control of the goods has transferred, which is considered to occur as determined by customer offtake arrangements and delivery terms for the supply of coal in line with the international Inco-terms which varies according to the terms of the contracts. Majority of the export sales are shipped free-on-board. At this point the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale can be reliably measured.

Customers do not pay in advance or more than a year later in general, payment terms on sales are between 30-60 days from date of invoice. Thus, there is no evidence of a significant financing component based on these terms. Transaction prices are determined by external market factors, such as international coal price and Eskom current rates.

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.

Share based payment reserve

The Company issued stock options to the managing directors of the Company as a long-term incentive scheme. The option agreements have a term of 10 years from the date of the agreement and vest over a period of 3 years in 3 equal instalments at the end of each calendar year from the agreements. The options may be exercised at any time during the term. At the end of the term the options expire.

In transactions with employees and others providing similar services the entity shall measure the fair value of the services received by reference to the fair value of the equity instruments granted, because typically it is not possible to estimate reliably the fair value of the services received. The term “employees and others providing similar services” is defined as follows: Individuals who render personal services to the entity and either (a) the individuals are regarded as employees for legal or tax purposes, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees.

In this case the beneficiaries are managing directors of the Company and therefore providing services as defined above. Therefore the service is measured at the fair value of the options granted.

For transactions measured by reference to the fair value of the equity instruments granted, an entity shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted.

If market prices are not available, the entity shall estimate the fair value of the equity instruments granted using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.

Employee options with long lives are usually exercisable during the period between vesting date and the end of the options' life, and are often exercised early. These factors should be considered when estimating the grant date fair value of the options. This might preclude the use of the Black-Scholes-Merton formula, which does not allow for the possibility of exercise before the end of the option's life and may not adequately reflect the effects of expected early exercise, which applies. Therefore the binomial model is chosen which is usually applied to American style options which allow for exercise over a period of time.

5 New and amended standards and interpretations

5.1 Changes in accounting policies and interpretations

There were no changes in accounting policies during the 2021 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 2020, except as mentioned below.

5.2 Standards and interpretations adopted during the year

Standard	**Adopted in 2021**
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	**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 Group intends to adopt these standards and interpretations when they become effective.

Standard	2022	2023	Available for optional adoption/effective date deferred
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		
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	
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 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

	Purchased rights	Total
	€ k	€ k
Acquisition or production cost		
1 Jan 2020	21	21
Effect of translation to presentation currency	- 3	- 3
31 Dec 2020	**18**	**18**
Amortization and impairments		
1 Jan 2020	1	1
Effect of translation to presentation currency	- 0	- 0
31 Dec 2020	**1**	**1**
Carrying amounts		
31 Dec 2020	**17**	**17**
1 Jan 2020	20	20

6.2 Property, plant and equipment

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

	Other equipment, operational and office equipment	Total
	€ k	€ 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

	Other equipment, operational and office equipment	Total
	€ k	€ k
Acquisition or production cost		
1 Jan 2020	40	40
Effect of translation to presentation currency	-5	-5
31 Dec 2020	**35**	**35**
Depreciation and impairments		
1 Jan 2020	36	36
Additions - depreciation	2	2
Effect of translation to presentation currency	-4	-4
31 Dec 2020	34	34
Carrying amounts		
31 Dec 2020	**1**	**1**
1 Jan 2020	4	4

6.3 Equity accounted investments

Investment in Mbuyelo Coal

The Group's share of losses of Mbuyelo Coal for the reporting period was €3 635 000 (2020: profit €400 000). Mbuyelo Coal declared and paid dividends with the Company's share of the dividend amounting to €NIL (2020: €NIL). In January 2021, Mbuyelo Coal bought back the shares from certain small minorities, the transaction increased Ichor Coal's investment from 45.16% to 45.56%.

As at 31 December 2021, the carrying value of the investment in Mbuyelo Coal was €46 929 207 (2020: €46 681 831). The increase in the carrying amount of the investment is mainly due to the share of profits included in the financial year 2021.

Carrying amount as at 31 Dec 2020	**46 681 831**
Share of profit	3 634 699
Dividends received	NIL
Impairment	-3 211 501
Foreign currency movement	(175 822)
Carrying amount as at 31 Dec 2021	**46 929 207**

An impairment assessment was performed on 31 December 2021 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 was:

- 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 average real discount rate ranging from 11.59% to 12.93%

Summarised 28 February 2022 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-22 € k	28-Feb-21 € k
Current assets	32 231	23 675
Non-current assets	156 494	153 896
Total Assets	**188 725**	**177 571**
Equity	78 467	76 599
Current liabilities	45 110	36 711
Non-current liabilities	65 148	64 261
Total liabilities	**110 258**	**100 972**
Total equity and liabilities	**188 725**	**177 571**
Revenue	228 818	151 732
Profit(loss) after tax	2 753	473
Total comprehensive income(loss) for the period	**2 753**	**473**

6.4 Deferred tax

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

	31 Dec 2021		31 Dec 2020	
	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 utilised to the extent that the Group will generate future taxable profits.

The Company did not recognise deferred tax assets of €3 020 330 (2020: €2 816 737) in respect of losses amounting to €10 611 032 (2020: €9 962 596) that can be carried forward against future taxable income.

6.5 Trade and other receivables

Trade and other receivables as at 31 December 2021 amounted to €27 000 (2020: €1 145 000). There are no valuation allowances recorded for doubtful trade receivables in 2021 and 2020 respectively, this is due to the fact that al 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-21 € k	31-Dec-20 € k
Deposits	1	2
Other	454	66
Other current financial assets	**455**	**68**

Other current financial assets refer mainly to outstanding preference shares owed to Ismanetix and was settled in 2022. Please refer to subsequent events.

6.7 Other assets

The following table summarises the components of other assets:

	31 Dec 2021 € k	31 Dec 2020 € k
Receivables - value added tax	-	75
Other non-financial assets	**-**	**75**

6.8 Cash and cash equivalents

As at 31 December 2021 Ichor Coal Group’s unrestricted cash and cash equivalents were made up as follows:

	31 Dec 2021 € k	31 Dec 2020 € k
Cash at banks	1 890	2 337
Cash and cash equivalents	**1 890**	**2 337**

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 (2020: €44 018 457) is divided into 440 184 577 (2020: 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 (2020: €47 500 000) and is divided into 475 000 000 (2020: 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 €12 098 000 (2020: €11 987 000).

Legal reserve

The legal reserve for participating interests, which amounts to €21 078 000 (2020: €17 443 000), 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.

Share based payment reserve

Equity settled share options

The Company issued equity settled instruments to certain qualifying employees under an employee share option scheme to purchase shares in the Company's authorised but unissued ordinary shares.

Reconciliation of outstanding share options

	Number of options 2021	**Exercise price**	**Number of options 2020**	**Weighted average exercise**
Outstanding 1 January 2021	**-**	**-**	**375 000**	**€4.65**
Granted during the year	-	-	-	€0.00
Forfeited during the year	-	-	375 000	€4.65
Exercised during the year	-	-	-	€0.00
Outstanding 31 December 2021	**-**	**-**	**-**	**-**
Exercisable at 31 December 2021	-	-	375 000	€4.65

There were no share-based payments remaining at the end of 2020.

6.11 Interest bearing loans and borrowings

Financing of the Ichor Coal Group is mainly obtained by the parent Company Ichor Coal N.V. Direct external financing to the subsidiaries of the Company is obtained in the form of trade or project finance facilities provided it is advantageous to the Group.

As at 31 December 2021, interest bearing loans and borrowings were as follows:

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Ichor Coal N.V. convertible bonds interest	-	781
Loans and borrowings	**-**	**781**

6.12 Other financial liabilities

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Sapinda Invest S.a.r.l.	4 705	4 432
Tennor Holding B.V.	6 535	6 370
Sapinda Asia Limited	8	8
Non-current loans and borrowings	**11 248**	**10 810**

Loan – Tennor Group

Entity	Loan value	Interest rate	Maturity date
Sapinda Invest s.a.r.l	€4 705 000	6% per annum	31 December 2024
Tennor Holding B.V. – Loan 1	€3 143 000	No interest	31 December 2024
Tennor Holding B.V. – Loan 2	€3 392 000	5% per annum	31 December 2024
Sapinda Asia Limited	€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 €276 000 (2020: €295 000) mainly relate to trade and other payables at Company level.

6.14 Other liabilities

The other liabilities comprise the following:

	31 Dec 2021 € k	31 Dec 2020 € k
Accrued liabilities	176	309
Other non-financial liabilities	**176**	**309**

6.15 Maturity analysis of financial liabilities

The contractually agreed (undiscounted) payment terms relating to financial and non-financial liabilities excluding interest payments, are presented below:

	Carrying amount 31-Dec-21	Undiscounted cash outflows 2022	2023 - 2024	2025 ff.
	€ k	€ k	€ k	€ k
Trade and other payables	276	276	-	-
Other non-current financial liabilities	11 248	-	11 248	-
Liabilities from income taxes	96	96	-	-
Other liabilities and liabilities from income taxes	176	176	-	-

	Carrying amount 31-Dec-20	Undiscounted cash outflows 2021	2022 - 2023	2024 ff.
	€ k	€ k	€ k	€ k
Non-current loans and borrowings	781	781	-	-
Current loans and borrowings	295	295	-	-
Trade and other payables	10 810	-	10 810	-
Other non-current financial liabilities	309	309	-	-
Liabilities from income taxes	223	223	-	-

7 NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

7.1 Revenue

The following table provides information regarding the split of revenue:

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Mining revenues	-	2 657
Revenue	**-**	**2 657**

The 2020 figure includes 11 months of revenue from Penumbra Mining which was deconsolidated during the year.

7.2 Cost of sales

The following table provides information regarding purchased goods and services:

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Consumables	-	143
Labour	-	1 941
Change in coal stock	-	745
Other services	-	442
Cost of sales	**-**	**3 271**

The 2020 figure includes 11 months of cost of sales from Penumbra Mining which was deconsolidated during the year.

7.3 Share of profit from equity accounted investees

Share of profit from equity accounted investees amounted to €3 635 000 (2020: loss €400 000) and contains the share of profit from Mbuyelo Coal.

7.4 Other income

Other income amounted to €35 000 (2020: €5 119 000). The 2020 figure includes other income from Penumbra Mining which was deconsolidated during the year. .

7.5 Other operating expenses

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

	31 Dec 2021 € k	31 Dec 2020 € k
Consulting and legal expenses	205	207
Audit and accounting service expenses	145	313
Insurance contributions	2	209
Depreciation of property, plant and equipment	1	75
Impairment loss	3 212	11 156
Management fees	36	41
Other	52	777
Other operating expenses	**3 652**	**12 778**

The main reason for the decrease in operating expenditure in 2021, is the large impairment on equity accounted investee in 2020. For further details, see note 6.3 for more details on impairment.

The 2020 figure includes 11 months of operating expenses from Penumbra Mining which was deconsolidated during the year.

7.6 General and administrative expenses

General and administrative expenses are as follows:

	31 Dec 2021 € k	31 Dec 2020 € k
Salaries and wages	281	481
Share based payment	-	-600
IT and communication	5	33
Head office and other expenses	59	657
General and administrative expenses	**345**	**571**

The 2020 figure includes 11 months of general and administrative expenses from Penumbra Mining which was deconsolidated during the year.

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.

7.7 Finance income and expense

The financing revenue and cost are split as follows:

	31 Dec 2021	**31 Dec 2020**
	€ k	**€ k**
Interest income from bank accounts	49	58
Interest from other loans and borrowings	-	358
Interest income	**49**	**416**

	31 Dec 2021	**31 Dec 2020**
	€ k	**€ k**
Interest on debts and borrowings	438	662
Foreign exchange	56	1 182
Interest on rehabilitation provision	-	149
Finance expense	**494**	**1 993**

The largest movement on the Finance expense is the reduction of the foreign exchange losses and the removal of interest on the rehabilitation provision that was part of Penumbra.

7.8 Income tax

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

	2021	2020
	€ k	€ k
Income before income taxes	- 1 194	- 12 257
Tax rate	28%	28%
Expected tax (expense)/ benefit	**- 334**	**- 3 432**
Non-taxable income	-	- 1 619
Deferred tax not raised	220	1 814
Non- deductible expenses	114	3 236
Capital gains tax	-	115
Income taxes	**-**	**115**
Actual tax rate	0%	-5%

The Company did not recognise deferred tax assets of €3 020 330 (2020: €2 816 737) in respect of losses amounting to €10 611 032 (2020: €9 962 596) 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 2021	1 Jan - 31 Dec 2020
	€ k	€ k
Current tax	-	115
Deferred tax	-	-
Income tax for the year	**-**	**115**

7.9 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).

7.10 Earnings per share

Basic earnings per share

The basic earnings per share for the 2021 financial year amounted to €0.00 (2020: (€0.03)). 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:

	2021	2020
	€ 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:

	2021	2020
	€ 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**

	2021	2020
	€ k	€ k
Total Profit or (Loss)	-772	-12 373
Less Non-controlling interest	-	-
Profit or Loss attributable to Owners of parent	**-772**	**-12 373**
Basic earnings per share	***0.00***	***-0.03***

Diluted earnings per share

Share-based payments were excluded from the calculation due to their non-dilutive effect.

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 2021 amounted to €1 890 000 (2020: €2 337 000).

9 NOTES TO THE CONSOLIDATED SEGMENT REPORT

9.1 Basic principles of segment reporting

In 2020 mining activities were performed by Penumbra Coal Mining. 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. Notwithstanding the significant changes in the capital structure throughout the year, it remains management's focus to maintain a constant gearing ratio.

	31-Dec-21 **€ k**	**31-Dec-20** **€ k**
Interest bearing loans and borrowings	11 248	11 591
Accounts payable and accrued liabilities	548	828
Less Cash and cash equivalent	-1 890	-2 337
Net debt	**9 906**	**10 082**
Equity	37 522	38 405
Equity and net debt	47 428	48 487
Gearing ratio	**21%**	**21%**

10.2 Financial assets and liabilities

Presentation by categories

The balance sheet items as at 31 December 2021, comprising financial assets and liabilities can be attributed to the measurement categories according to IFRS 9 as follows:

	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	-

	31 December 2020			
	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	1 145	1 145	-	-
Other current financial assets	68	68	-	-
Cash and cash equivalents	2 337	2 337	-	-
Other assets	75	75	-	-
Liabilities				
Interest-bearing loans and borrowings	781	-	781	
Other non-current financial liabilities	10 810	-	10 810	-
Trade and other payables	295	-	295	-
Liabilities from income taxes	223	-	223	-
Other liabilities	309	-	309	-

As at 31 December 2021, the financial assets and liabilities measured at fair value are categorised in the following classes:

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 2021, 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 €49 000 (2020: €416 000) and €494 000 (2020: €1 993 000), 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 2021, the Group had no foreign exchange derivatives.

In 2021 the Group realised a net loss of €96 000 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.

	2021 **€k**	**2020** **€k**
Convertible bonds	-	781
Tennor Holding B.V loan	6 535	6 370
Sapinda Invest s.a.r.l loan	4 705	4 432
Sapinda Asia Limited	8	8
Position exposed to foreign exchange rate	11 248	11 591
Net statement of financial position exposure	**11 248**	**11 591**

The above fluctuations are mainly the result of the following:

- In the current economic conditions, the rand continues to weaken against the euro, resulting in foreign exchange losses for the Group.

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 2021, 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 3.61 (2020: 2.25).

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						
Loans and borrowings – Bonds – Host component	-	-	-	-	-	-
Other financial liabilities	11 521	11 521		-	11 521	-
Trade creditors	276	276	276	-	-	-

31.12.2020						
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						
Loans and borrowings – Bonds – Host component	781	781	781	-	-	-

Other financial liabilities	11 119	11 119	11 119	-	-	-
Liabilities from income tax	223	223	223			
Trade creditors	295	295	295	-	-	-

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 2021 **€ k**
Trade and other receivables	27
Other current financial assets	455
Cash and cash equivalents	1 890

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 and Quirin Privatbank (No rating) as its German Bank.

Commodity price risk

Ichor Coal's commodity price risk exposure arises from transactions 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. Group 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 2021, 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 (2020: €32 000).

Transaction with shareholders

The loans from Tennor Holding B.V. and Sapinda Invest s.a.r.l. amounted to €11 248 000 (2020: €10 810 000) including interest.

Service fees payable to Tennor Holding B.V. amounted to €214 000 (2020: €178 000). 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 2021 **€ k**	**Short Term Compensation (salary, bonus, provident fund contributions)**	**Post-employment benefits**	**Share Based Payments**	**Total**
Reinhardt van Wyk	245	17	-	262
Total	**245**	**17**	**-**	**262**

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

Reinhardt van Wyk: Salary of €222 000 (2020: €111 000); medical aid reimbursement of €7 000 (2020: €3 500), provident fund contributions of €16 600 (2020: €8 300) and a car allowance of €17 000 (2020: €9 000).

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 €125 000 (2020: €125 000) have been incurred from KPMG Netherlands.

10.6 Events after the reporting date

On 30 June 2022 one of Ichor Coal's subsidiaries, Ismanetix (Pty) Ltd, closed out a preference share scheme and received €389 000 (ZAR7 000 000) as return.

On 7 July 2022 Tennor Holding B.V. transferred and assigned the rights and ownership of its two loans valued at €3 143 000 and €3 392 000 respectively to Ichor Coal, to Montrachet Investments SA as part of a commercial transaction. The loan maturity dates were also subsequently extended by Montrachet to 31 December 2024. Montrachet Investments SA became the majority shareholder in Ichor Coal during Q2 2022.

During an extraordinary general meeting held on 23 December 2022, the Supervisory Board composition was changed. Supervisory Board members, Mr. Tarek Malak (Chairman), Mr. Paolo Barbieri and Mr. Benjamin Pourrat resigned and Mr. Hans-Jörg Gatt, Mr. Markus Mair and Mr. Markus Meister (Chairman) was appointed.

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 705 000 to Montrachet Investments SA as part of a commercial transaction. The loan maturity date was also subsequently extended by Montrachet to 31 December 2024.

There were no further subsequent events.

STAND-ALONE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 December 2021

(before appropriation of results)

	Notes	31 Dec 2021 €k	31 Dec 2020 €k
Assets			
Non-current assets			
Intangible assets	3.1	17	17
Property, plant and equipment	3.2	-	1
Shares in Subsidiaries	3.3	-	-
Investments in associates	3.4	43 578	43 730
Other non-current financial assets	3.5	-	110
		43 594	**43 858**
Current assets			
Trade and other receivables	3.7	27	27
Other current financial assets	3.8	455	1 575
Other assets	3.9	-	75
Cash and cash equivalents	3.10	1 890	2 337
		2 372	**4 014**
Total Assets		**45 967**	**47 872**
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	-97 356	-94 058
Other comprehensive income	3.11	-9 001	-8 917
Loss/profit for the year	3.11	-1 325	-3 298
Total equity		**34 268**	**35 677**
Non-current liabilities			
Other Non-current financial liabilities	3.13	11 248	10 810
		11 248	**10 810**
Current liabilities			
Interest-bearing loans and borrowings	3.12	-	781
Trade and other payables	3.14	275	295
Other liabilities	3.15	176	309
		451	**1 385**
Total liabilities		**11 699**	**12 195**
Total equity and liabilities		**45 967**	**47 872**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
		€ k	**€ k**
Other income	4.1	35	32
General and administrative expenses	4.2	-342	-671
Other operating expenses	4.3	-960	-1 589
Finance costs	4.4	-494	-1 587
Finance income	4.4	436	517
Loss/profit before income taxes		-1 325	-3 298
Income taxes	4.5	-	-
Loss/profit for the year		**-1 325**	**-3 298**
Other comprehensive income not to be reclassified to profit and loss in subsequent periods		-84	-5 671
Total comprehensive income		**-1 409**	**-8 969**

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	Share-based payment reserves	**Total**
	€ k	**€ 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	-	-	-
Share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit or loss for the year	-	-	-	-1 325	-	-	-1 325
Other comprehensive income	-	-	-	-	-84	-	-84
Total comprehensive income	**-**	**-**	**-**	**-1 325**	**-84**	**-**	**-1 409**
Share based payment	-	-	-	-	-	-	-
31 Dec 2021	**44 018**	**97 932**	**-97 356**	**-1 325**	**-9 001**	**-**	**34 268**

STAND-ALONE STATEMENT OF CHANGES IN EQUITY THE YEAR ENDED 31 December 2020

	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 2020	**44 018**	**97 932**	**-115 833**	**21 775**	**-3 246**	**785**	**45 431**
Appropriation of prior year results	-	-	21 775	-21 775	-	-	-
Share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit or loss for the year	-	-	-	-3 298	-	-	-3 298
Other comprehensive income	-	-	-	-	-5 671	-	-5 671
Total comprehensive income	**-**	**-**	**-**	**-3 298**	**-5 671**	**-**	**-8 969**
Share based payment	-	-	-	-	-	-785	-785
31 Dec 2020	**44 018**	**97 932**	**-94 058**	**-3 298**	**-8 917**	**0**	**35 677**

The accompanying notes form part of these financial statements.

STAND-ALONE STATEMENT OF CASHFLOWS THE YEAR ENDED 31 December 2021

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Profit or loss	-1 325	-3 298
Reconciliation of profit or loss to the cash flow from operating activities:		
Depreciation and amortisation of fixed assets	1	2
Impairment loss	536	1 034
Interest received	-390	-4
Other interest on debts and borrowings	438	440
Interest Income	-	-459
Changes due to foreign currency changes	62	1 318
Changes in share based payment expense	-	-600
Changes in trade and other receivables	-	11
Changes in trade and other payables	-19	45
Changes in other financial liabilities	77	170
Changes in other assets	-21	586
Cash flow from operating activities	**-641**	**-757**
Cash flow from investing activities	**-**	**-**
Proceeds from interest-bearing loans and borrowings received	-	3
Cash-outflow from interest-bearing loans and borrowings given	-961	-292
Cash-inflow from interest-bearing loans and borrowings	1 150	719
Cash flow from financing activities	**189**	**430**
Cash flow-related changes in cash and cash equivalents	**-452**	**-327**
Changes in cash and cash equivalents due to exchange rates	6	-397
Cash and cash equivalents at beginning of period	2 336	3 061
Cash and cash equivalents at end of period	**1 890**	**2 336**

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 2021, Africa Coal Partners Limited is the single largest shareholder in Ichor Coal NV.

The financial statements were approved by the Supervisory Board on 30 October 2023.

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. The reason for the change of functional currency was due to the fact that South Africa is the primary economic environment in which the Company operates. 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.

Purchases and sales in foreign currencies are translated at the exchange rate on the date of the transaction. Assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Any foreign exchange gains or losses resulting from such translations are recognised in the statement of comprehensive income.

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 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

	Purchased rights € k	Total € k
Acquisition or production cost		
1 Jan 2020	20	20
Currency effects	-3	-3
31 Dec 2020	**17**	**17**
Amortisation and impairment		
1 Jan 2020	-	-
Currency effects	-	-
31 Dec 2020	**-**	**-**
Carrying amounts		
31 Dec 2020	**17**	**17**
1 Jan 2020	20	20

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

The entity experienced stronger currency movements at year end resulting in foreign exchange translation loss realised on intangible assets to the amount of €3 000 in 2020 and €NIL in the current year.

3.2 Property, plant and equipment

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

	Office equipment	Computer equipment	Furniture	Total
	€ k	€ k	€ k	€ k
Acquisition or production cost				
1 Jan 2021	-	25	10	35
Currency effects	-	-	-	-
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

	Office equipment	Computer equipment	Furniture	Total
	€ k	€ k	€ k	€ k
Acquisition or production cost				
1 Jan 2020	-	29	11	40
Currency effects	-	-4	-1	-5
31 Dec 2020	**-**	**25**	**10**	**35**
Depreciation and impairments				
1 Jan 2020	-	26	10	36
Additions		1	1	2
Currency effects	-	-3	-1	-4
31 Dec 2020	**-**	**24**	**10**	**34**
Carrying amounts				
31 Dec 2020	**-**	**1**	**-**	**1**
1 Jan 2020	-	3	1	4

The entity realised foreign exchange loss at the end of the reporting period to the amount of €NIL (2020: 9 000) on the translation of values of property, plant and equipment into the presentation currency.

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

3.3 Shares in subsidiaries

Shares in subsidiaries are as follows:

	31 Dec 2021 € k	31 Dec 2020 € 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 2021 € k	31 Dec 2020 € k
Shares in Mbuyelo Coal (45.56%)	43 578	43 730
Investment in associates	**43 578**	**43 730**

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 associate is accounted for using the cost method. The decrease in the cost of the investment in Mbuyelo of €152 000 (2020: €6 250 000) 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.

3.5 Other non-current financial assets

	31 Dec 2021 € k	31 Dec 2020 € k
Restricted reserve	-	110
Other non-current financial assets	**-**	**110**

The Company has a deposit account in the amount of €NIL (2020: €110 000) held at a local bank.

3.6 Deferred tax

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

	31 Dec 2021		31 Dec 2020	
	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:

	2021	2020
	€ 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 2021	31 Dec 2020
	€ k	€ k
Trade receivables	27	27
Trade and other receivables	**27**	**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 2021	31 Dec 2020
	€ k	€ k
Loan to Ismanetix (Pty) Ltd	388	1 507
Other financial assets	67	68
Other current financial assets	**455**	**1 575**

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 €5 168 000 (2020:

€5 477 000) inclusive of interest and has been impaired down to recoverable amount of €388 000 (2020: €1 507 000)The loan has a maturity date of 31 December 2023.

3.9 Other assets

	31 Dec 2021 € k	31 Dec 2020 € k
Receivables from other taxes	-	75
Other assets	**-**	**75**

Receivables form other taxes mainly consist of VAT.

3.10 Cash and cash equivalents

The Company's cash and cash equivalents of €1 890 000 (2020: €2 337 000) represent cash at banks.

3.11 Equity

Share capital

The issued share capital of €44 018 457 (2020: €44 018 457) is divided into 440 184 577 (2020: 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 (2020: €47 500 000) and is divided into 475 000 000 (2020: 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 €9 001 000 (2020: €8 917 000). The change in the currency translation reserve for the year is €84 000.

Accumulated retained earnings

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

Share based payments

The Company issued equity-settled instruments to certain qualifying employees under an employee share option scheme to purchase shares in the Company's authorised but unissued ordinary shares.

For a further information on the movement in the share based payments, please refer to note 6.10: "Equity" in the consolidated financial statements.

Reconciliation of Consolidated and Stand-Alone Equity

		31-Dec-21	31-Dec-20
		€ k	€ k
Total consolidated equity		37 522	38 405
Difference in accumulated retained earnings			
Individual retained earnings	(1)	-97 356	-94 058
Consolidated retained earnings	(1)	109 001	97 028
Difference in net result			
Individual result	(1)	-1 325	-3 298
Consolidated result attributable to the shareholders	(1)	4 407	11 973
Accumulated other comprehensive income	(2)	3 097	3 070
Legal reserve	(3)	-21 078	-17 443
Total stand-alone equity		**34 268**	**35 677**

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.

3.12 Interest-bearing loans and borrowings

	31 Dec 2021 € k	31 Dec 2020 € k
Other interest	-	781
Interest-bearing loans and borrowings	**-**	**781**

Interest-bearing loans relate to €80 000 000 convertible bonds that were issued by the Company in 2012. Please refer to note 6.12: "Interest-bearing loans and borrowings" in the consolidated financial statements for further details.

3.13 Other non-current financial liabilities

	31 Dec 2021 € k	31 Dec 2020 € k
Sapinda Invest s.a.r.l.	4 705	4 432
Tennor Holdings BV	6 535	6 370
Sapinda Asia Limited	8	8
Other Non-Current financial liabilities	**11 248**	**10 810**

3.14 Trade and other payables

	31 Dec 2021 € k	31 Dec 2020 € k
Trade payables	275	295
Trade and other payables	**275**	**295**

Trade and other payables solely relate to trade payables.

3.15 Other liabilities

Other liabilities comprise:

	31 Dec 2021	31 Dec 2020
	€ k	€ k
Accrued liabilities	176	309
Other non-financial liabilities	**176**	**309**

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 2021	2021	2022 - 2024	2025 ff.
	€ k	€ k	€ k	€ k
Other financial liabilities	11 248	-	11 248	-
Trade and other payables	275	275	-	-

	Carrying amount	Undiscounted cash outflows		
	31 Dec 2020	2020	2021 - 2023	2024 ff.
	€ k	€ k	€ k	€ k
Interest-bearing loans and borrowings	781	-	781	-
Other financial liabilities	10 810	-	10 810	-
Trade and other payables	295	295	-	-

4 Notes to the stand-alone statement of comprehensive income

4.1 Other income

Other income is as follows:

	31 Dec 2021 € k	31 Dec 2020 € k
Management and board fees	35	32
Other operating income	**35**	**32**

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 2021 € k	31 Dec 2020 € k
Wages and salaries	264	558
Employee benefits	17	46
Share based payment expense	-	-600
Other expenses	61	667
General and admin expenses	**342**	**671**

4.3 Other operating expenses

Other operating expenses are as follows:

	31 Dec 2021 € k	31 Dec 2020 € k
Legal and consulting costs	205	200
Audit and accounting services	143	248
Depreciation, amortisation and impairment	536	1 036
Other	76	105
Other operating expenses	**960**	**1 589**

Foreign exchange translation losses incurred during the current year are classified as other operating expense.

Depreciation and amortisation

	31 Dec 2021 € k	31 Dec 2020 € k
Depreciation	1	2
Amortisation	-	-
Depreciation and amortisation	**1**	**2**

Impairment Losses

	31 Dec 2021 € k	31 Dec 2020 € k
Impairment loss	536	1 034
Impairment loss	**536**	**1 034**

In 2021 the loan receivable from Ismanetix was impaired to a deemed recoverable value, this impairment amounted to €536 000 (2020:1 034 000)

4.4 Financial income and expense

The financial income comprises the following:

	31 Dec 2021 € k	31 Dec 2020 € k
Interest on other loans and borrowings	436	517
Total interest income	**436**	**517**
Total finance income	**436**	**517**

The financial expense is broken down as follows:

	31 Dec 2021 € k	31 Dec 2020 € k
Other	438	405
Foreign exchange	56	1 182
Total finance costs	**494**	**1 587**

4.5 Income tax

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

	2021	2020
	€ k	€ k
Income before income taxes	-1 325	-3 110
Tax rate	28%	28%
Expected tax (expense)/ benefit	**-371**	**-871**
Permanent differences	-	-168
Nondeductable expenses	151	458
Deferred tax prior years	-	-
Decrease in deferred tax not recognised	220	581
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 (2020: €32 000).

The Company further granted a loan to Ismanetix (Pty) Ltd. The loan amount as at year end amounted to €5 168 000 (2020: €5 477 000). Interest on the loan amounted to €376 000 (2020: 459 000).

Transactions with shareholders

The outstanding balance on the loans from Tennor Holding B.V. and Sapinda Invest s.a.r.l. amounted to €11 248 000 (2020: €10 810 000) as at 31 December 2021. Interest of €438 000 (2020: €402 000) was incurred on the loans during the reporting period.

Service fees payable to Tennor Holding B.V. amounted to €214 000 (2020: €172 000). 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 2021 € k	31 Dec 2020 € 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 30 June 2022 one of Ichor Coal's subsidiaries, Ismanetix (Pty) Ltd, closed out a preference share scheme and received €389 000 (ZAR7 000 000) as return.

On 7 July 2022 Tennor Holding B.V. transferred and assigned the rights and ownership of its two loans valued at €3 143 000 and €3 392 000 respectively to Ichor Coal, to Montrachet Investments SA as part of a commercial transaction. Montrachet Investments SA became the majority shareholder in Ichor Coal during Q2 2022.

During an extraordinary general meeting held on 23 December 2022, the Supervisory Board composition was changed. Supervisory Board members, Mr. Tarek Malak (Chairman), Mr. Paolo Barbieri and Mr. Benjamin Pourrat resigned and Mr. Hans-Jörg Gatt, Mr. Markus Mair and Mr. Markus Meister (Chairman) was appointed.

On 5 July 2023 Sapinda Invest s.a r.l. transferred and assigned the rights and ownership of its loan valued at €4 705 000 to Montrachet Investments SA as part of a commercial transaction. The loan maturity date was also subsequently extended by Montrachet to 31 December 2024.

There were no further subsequent events.

31 October 2023

Reinhardt van Wyk Management Board	Markus Meister Supervisory Board Member
Hans-Jorg 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 2021 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 2021 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted 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 2021 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 2021;
2 the following consolidated and company statements for 2021: the statements of comprehensive income, changes in equity and cash flows; and
3 the notes comprising a summary of the significant accounting policies 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 584 thousand
1% of EUR 58,489 million (Total assets)
Company financial statements
Materiality of EUR 465 thousand
1% of EUR 46,509 million (Total assets)

Group audit
Audit coverage of 100% of total assets
Audit coverage of 100% of revenue

Fraud/Noclar and Going concern related risks
Fraud & Non-compliance with laws and regulations (Noclar) related risks: presumed risk of management override of controls identified and presumed risk related to revenue recognition as instructed to the Component auditor.
Going concern related risks: no going concern risks identified.

Key audit matters
Valuation of equity accounted investments

Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at EUR 584 thousand (2020: EUR 1,1 million) and for the company financial statements as a whole at EUR 465 thousand (2020: EUR 0,6 million).

Materiality for the consolidated and company financial statements decreased compared to last year, due to the sale of the Penumbra investment.

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 29,000 and EUR 23,220 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.;
- made use of the work of SizweNtsalubaGobodo Grant Thornton for the audit of Mbuyelo Coal and reviewed their audit files;
- performed analytical review procedures at other group 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 8-10 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 design and implementation of 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.

As part of our audit procedures, we:

- obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by management and Supervisory Board members and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with supervisory authorities and regulators as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and 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.

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.
- Evaluated the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual (if applicable).
- We incorporated elements of unpredictability in our audit, by changing timing of audit work performed and in addition the audit partner at Component level changed for 2021, which resulted in updates in the local approach due to her new involvement.

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 a going concern risk.

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.

Compared to last year, the key audit matter with respect to '*Estimation of the provision for environmental rehabilitation of the mining sites'* and '*The recoverable amounts of the mining rights and assets'* are not included, as the investment, Penumbra, has been sold and consequently there's no consolidation of operational mining entities anymore. Furthermore, compared to last year the key audit matter with respect to Valuation of equity accounted investments has been added, related to the Valuation of the Associate, Mbuyelo on a group level.

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, we concluded that the following significant risks were relevant at Component level (since these could directly impact local result and equity) and therefore have communicated these 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 amount of 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 not considered to be a fraud risk, as there is 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 is 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. 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;
- Discuss risk assessments and year-end 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 the management expert, where the higher value of the range was used for impairment.

Our observation

Management's assessment of the recognition of equity accounted investments 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 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 of the entity 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.

Amstelveen, 31 October 2023

KPMG Accountants N.V.

L.M.A. van Opzeeland RA

Partner

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ichor Coal N.V.'s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of Ichor Coal N.V.;
- concluding on the appropriateness of management of Ichor Coal N.V.'s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ichor Coal N.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

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

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.