

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2023
for
Clean Invest Africa Plc**

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for the year ended 31 December 2023**

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Clean Invest Africa Plc

**Company Information
for the year ended 31 December 2023**

DIRECTORS:

Mr F Fantechi
Mr M A K AlKhalifa
Mr P O Portmann

SECRETARY:

MSP Corporate Services Ltd

REGISTERED OFFICE:

Eastcastle House
27-28 Eastcastle Street
London
United Kingdom
W1W 8DH

REGISTERED NUMBER:

10967142 (England and Wales)

AUDITORS:

PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
London
E14 4HD

**Group Strategic Report
for the year ended 31 December 2023**

The directors present their strategic report of the company and the group for the year ended 31 December 2023.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Principal activity

The Group's primary strategy is to identify investment opportunities and acquisitions in clean energy projects/companies or alternative technologies that are used in a socially and environmentally responsible way on a global basis, with the intention of building a diversified portfolio of assets.

The subsidiaries of the Company, CoalTech Limited ("CoalTech"), a company registered in the United Kingdom with registered number 11368750, and Coal Agglomeration South Africa (Pty) Ltd. ("CASA"), a company registered in South Africa with registered number 2015/439393/07, and CoalTech's subsidiaries Coal Tech LLC, a company registered in the United States of America with registered number 5685936, Coaltech S.a.r.l, a company registered in Grand Duchy of Luxembourg with registered number B238812, and associates CoalTech Poland Sp. z o.o., a company registered in the Republic of Poland with registered number 0000719690 and CoalTech Far East Pte. Ltd., a company registered in the Republic of Singapore with registration number 202120135R (collectively referred as "CoalTech Group"), are primarily engaged in agglomerating coal fines waste (coal dust) into coal pellets through the commercialisation of the Group's proprietary binding technology.

Review of business and future developments

"Clean Land And Power System" ("CLAPS")

The Group's subsidiary in South Africa, Coaltech Limited ("CoalTech") announced on 7 August 2023, the commencement of the "Clean Land And Power System" ("CLAPS") project in Italy, together with its Italian partner ISS International S.p.A. CLAPS is aiming to provide an advanced solution to the recovery and disposal of coal dust by processing the dust into pellets for subsequent industrial uses as a green technology.

Applications for the technology will target opportunities such as the one offered in the area formerly known as ex-ILVA in Taranto (the largest steel plant in Europe and one of the largest in the world) and the ENEL coal thermal power plant located in Cerano (Brindisi), where large volume of fines deposits are stockpiled in covered and uncovered area, still generating significant challenges for the Apulia Region from an environmental point of view. Similar opportunities to the Company, although at smaller scale, could also be available in the Sulcis area in Sardinia.

On 11 July 2023, the Ministry of Enterprise and Made in Italy, granted the research and development project, under the Special Revolving Fund for Technological Innovation.

CoalTech and ISS International Spa have entered into a Project Development Consulting Agreement, which will generate revenue in the range of 1 million euro for CoalTech during its involvement in the project. The main activity of the project commenced in early 2024 and the first invoice was issued on 30 April 2024. The project is expected to continue for another 24 months.

The above project is part of the Framework Program for Research and Innovation "Horizon Europe", referred to in Regulation (EU) 2021/695 of the European Parliament and of the Council of April 28, 2021 and referred to in Council Decision (EU) 2021/764 of May 10, 2021, which aims to strengthen the world of science and technology in order to stimulate industrial competitiveness and implement the objectives of sustainable development and digital and green transition in the European Union.

The above-mentioned facilities have been granted to ISS International Spa, the CoalTech Italian partner, which submitted the project funding application on 11th May 2022. Coaltech has been working alongside ISS International Spa, during the preparation of the funding application, the subsequent due diligence phase carried out by the Italian Government Authority in association with Banca Intesa Sanpaolo, the financial institution appointed by the Italian Government to manage the financial disbursement of the project funding, and the submission of the updated funding application in late April 2023.

**Group Strategic Report
for the year ended 31 December 2023**

Review of business and future developments - continued

ChisaMina Coal Pellets

The Group's subsidiary in South Africa, CASA, is preparing to start commercial production activity at the Bulpan plant in quarter 3 of 2024 with the sale of the Chisamina Coal Pellets in the retail market, directly and through a network of distributors, which will initially be testing the product and eventually start full commercial distribution, and this may have a significant positive impact on the profitability and the cash flow of the business.

RBM – Ilmenite Clarifier Sludge

CASA also started detailed discussion with RBM (a Rio Tinto subsidiary) for the construction of a new ilmenite clarifier sludge at RBM Minerals in Richards Bay. This following a successful 10,000 tonnes trial project completed in 2022, which led to the submission of a budgetary estimate proposal in August 2022 and revised budget estimate during the following 12 months, whilst the project team was carrying out technical analysis and design work aiming to finalize the project configuration and the plant layout.

CASA is now going out to market to different supplier, vendors and contractors with formal requisition with the aim to finalize the project costing and confirm the tariff to RBM based on a 5-years, 30,000 tons/year, take-or-pay contract.

This project will provide also a significant reference for the technology which will demonstrate the application to minerals other than coal.

The Directors are also pleased to report the following:

On 12 April 2023, the Company has successfully raised £50,000 to support the continuing growth of the Group. A total of 10,000,000 ordinary shares of 0.25p nominal value each have been placed with investors at 0.5p per share. For every two Placing Share issued, one warrant will be granted, exercisable at 1.5p, valid for a period of three (3) years from the date of admission of the Placing Shares to the AQSE Growth Market. Further, should the placees validly exercise the 1.5p warrants in full, these will be replaced by a further one warrant, exercisable at 3p, for every two Placing Shares, valid for three years from grant. The shares were issued on 29 August 2023.

On 23 May 2023, the Company issued an unsecured convertible loan notes for a total of USD75,000 (equivalent to GBP 60,300 as per FT exchange rate of 0.804 at market closing on 23rd May 2023) comprising £1.00 unsecured convertible loan notes (the "**Notes**") to Investor with an annual cash coupon of 8% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 22 November 2023 (with an option to be extended by additional 12 months up to 22 November 2024) and are convertible then at the option of the holder into 6,030,000 ordinary shares of 0.25p each in the Company ("Shares") at a price of 1.00 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary share resulting from the conversions each with an exercise price of 2.5 pence per share and valid for a period of 3 years. Please refer to Note 18 of the notes to the financial statements.

On 2 August 2023, the Company issued an unsecured convertible loan notes for a total of £200,000 comprising £1.00 unsecured convertible loan notes (the "**Notes**") to Investor with an annual cash coupon of 12% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 31 January 2025 and are convertible then at the option of the holder into 66,666,666 ordinary shares of 0.25p each in the Company ("Shares") at a price of 0.3 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary share resulting from the conversions each with an exercise price of 2.0 pence per share and valid for a period of 3 years. Please refer to Note 18 of the notes to the financial statements.

On 23 November 2023, the Company issued an unsecured convertible loan notes for a total of £127,066 comprising £1.00 unsecured convertible loan notes (the "**Notes**") to Investor with an annual cash coupon of 8% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 31 December 2024 and are convertible then at the option of the holder into 36,304,571 ordinary shares of 0.25p each in the Company ("Shares") at a price of 0.35 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary share resulting from the conversions each with an exercise price of 1.0 pence per share and valid for a period of 3 years. Please refer to Note 18 of the notes to the financial statements.

**Group Strategic Report
for the year ended 31 December 2023**

Review of business and future developments - continued

On 26 November 2023, the Company has successfully raised £210,000 to support the continuing growth of the Group. A total of 60,000,000 ordinary shares of 0.25p nominal value each have been placed with investors at 0.35 pence per share. For every one Placing Share issued, one warrant will be granted, exercisable at 0.7 pence per share, valid for a period of three (3) years from the date of admission of the Placing Shares to the AQSE Growth Market. Further, should the investor validly exercise the 1.5p warrants in full, these will be replaced by a further one warrant, exercisable at 3p, for every two Placing Shares, valid for three years from grant. The shares were issued on 01 December 2023.

The financial results of the Group for the year ended 31 December 2023 show a loss after taxation of £1,161,846 (2022 – restated: £236,077) while the Company's financial results for the year ended show a loss after taxation of £299,214 (2022: £306,133).

Outlook

The Directors are pleased with the progress made in this period and look forward to continuing to update shareholders on the progress of the Group and the potentially exciting prospects ahead, some of which are developing at speed. Such prospects are of course conditional upon and dependant upon the Company raising further funding. We continue to seek new investment funding and we will advise shareholders as these opportunities develop.

Key performance indicators

The Directors monitor the activities and performance of the Group on a regular basis. The main KPI's are listed as follows:

	<u>2023£</u>	<u>Restated 2022£</u>
Net current assets	657,883	982,282
Cash and cash equivalent	5,508	80,222
Net assets	969,970	1,388,308

During the year the Board actively focused on cash management, taking proactive steps to preserve the cash position.

**Group Strategic Report
for the year ended 31 December 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties

The Company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The Directors are responsible for approving the Company's strategy and determining the appropriate level of risk. The key risks which the Group faces are detailed as follows:

Credit risk

The Company's credit risk is primarily attributable to its cash balance. The credit risk on liquid funds is limited because the counterparty is an international bank.

The Company's total credit risk amounts to the total of the sum of the receivables and cash and cash equivalent.

Liquidity risk

The Company's liquidity risk is managed by the directors through regular assessment of required cash levels. It will be necessary to raise additional funds in the future by a further issue of ordinary shares or by other means. There is therefore a risk that the Company may not be able to raise, either by debt or equity, sufficient funds to enable it to finance future acquisitions or investments.

Interest rate risk

The Company's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial.

Market risk

The Company's market risk is market acceptance risk of the agglomeration technology. This risk is managed by the directors to ensure that all concerns raised by the prospective customers are thoroughly addressed to their satisfaction. During 2021, the Company successfully utilised the technology not only for coal but also for converting fines into pellets using ilmenite minerals. This demonstrates the versatility and application of the technology beyond its initial use case, potentially expanding its market appeal and mitigating reliance on a single product application.

Operational risk

The Company's operational risk is product development and delivery risk. This risk is being managed by the directors together with the project manager through regular assessment of the capacity of the plant and the requirements of the customers. With the current volume of slurry/fines globally, the risk of insufficient materials is very low.

Further details regarding the financial instruments can be found in note 19 to the financial statements.

Internal controls

The Directors recognise the importance of both financial and non-financial controls and has reviewed the Company's control environment. Since the Company was established, the Directors are satisfied that, given the current size and activities of the Company, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Company, continuing reviews of internal controls will be undertaken to ensure they are adequate and effective.

**Group Strategic Report
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SECTION 172(1) STATEMENT

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members and stakeholders as a whole, as required by Section 172 of the Companies Act 2006. As Directors of this Company, we are required to act in ways that we consider, in good faith, would be most likely to promote the success of the Company in the long term for the benefit of its members as a whole, the community and the environment having regard to:

- o Likely consequences of long-term decisions
- o Interests of the employees
- o Fostering business relationships with suppliers, customers and others
- o Impact of operations on the community and environment
- o Maintaining high standards of business conduct
- o Need to act fairly between stakeholders

Principal decisions by the Board during the period

We define principal decisions as both those that have long-term strategic impact and are material to the Company, but also those that are significant to our key stakeholder groups in all the Countries that we operate and wish to operate in. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company:

a) Finalization of arrangement agreement with REYL regarding structuring a Sukuk Instrument

The Company has been working with Reyl & Cie ("REYL"), a subsidiary of Intesa SanPaolo Group, with significant ESG commitment together with a world-class position in Social Impact and strong focus on climate business, to structure the issuance of one or several tranches of a Shariah compliant trust certificate (the "Trust Certificates" or "Sukuk").

Following the preliminary works required to confirm compliance with Islamic Finance principles and the issuance of the Pre-Fatwa by the Shariah Advisor Mohammed Sheikh Dr. Elgari, the Shariah scholar appointed to advise on Shariah matters, on 13 June 2023, the Company signed an arrangement agreement with REYL as structurer and arranger in relation to the issuance of one or several tranches of a Shariah compliant trust certificate (the "Trust Certificates" or "Sukuk").

REYL 's scope of work consists in providing structuring and arranging advice and assistance to the Company in connection with the trust Certificates (the "Services"). In more detail, the Services may include, if appropriate, advice and assistance with respect to:

- the setting up of the Shariah compliant structure for the Trust Certificates.
- Shariah matters related to the marketing of the Trust Certificates.
- the issuance implementation process and the coordination of the parties involved in the Trust Certificates and in particular liaising with the Shariah Advisor in order to obtain the Shariah compliance pronouncement (the "Fatwa").

Structuring the Sukuk, will provide the Company with an additional opportunity to provide the funding required to implement various projects in different geographical areas, such as but not limited to, Indonesia and South Africa.

b) Business Development Agreement with US company targeting cooperation in the recovery and processing of coal fines from existing tailing ponds in Kentucky

Environmental Energy Group (EEG) is a company that has designed portable equipment specifically designed to recover coal tailings currently stockpiled in ponds submerged in water. EEG does not own but is operating in coal waste impoundments that are constructed for the permanent disposal of waste coal, rock, and related material as a by-product of coal mining.

The Company is now discussing the possibility to develop an integrated solution addressing and resolving the challenges posed by the large number of tailing ponds present in US. The implementation of the integrated solution will be most likely handled by a new formed entity between the Parties and EEG and

**Group Strategic Report
for the year ended 31 December 2023**

SECTION 172(1) STATEMENT – continued

Principal decisions by the Board during the period – continued

CoalTech have just finalized a HOA to define the principle of their cooperation and a timeline for the execution of this first project, hoping to pave the way for more to come in the near future.

There are approximately 17,000 tailing Ponds in US.

The Leatherwood Project consists of 12mio tonnes of recoverable coal from a 200 ft average depth. The plant will have an initial capacity of 10-15,000 tons/month which will be increased at later stage by an expansion of the initial plant of by adding another unit, possible of a larger capacity.

In making the above principal decisions, the Directors believe that they have considered all relevant stakeholders, potential impacts and conflicts, the Company's business model and its long-term strategic objectives, and have acted accordingly to promote the success of the Company for the benefit of its members as a whole.

BOARD OF DIRECTORS

Shaikh Mohamed Abdulla Khalifa AlKhalifa, Non-Executive Chairman

M A K AlKhalifa is based in the Kingdom of Bahrain and is a Member of the Bahraini Royal Family.

M A K AlKhalifa is a Director and Chairman of the Board and majority owner of iCAP Middle East W.L.L., NCR (Bahrain) W.L.L. and Bahrain Energy Services W.L.L. (BES). He is also a director of Coal Agglomeration South Africa (Pty) Ltd and the Chairman of the Board of UBM AEM (formerly Arabian Exhibition Management W.L.L.) which became part of Informa PLC, a leading B2B information services group and the largest B2B Events organiser in the world.

M A K AlKhalifa is responsible for investment opportunities and has an extensive network of contacts which support the development of the CoalTech business, including professional firms and investment bankers.

Filippo Fantechi, Chief Executive Officer

Based in Bahrain, F Fantechi is a Director and CEO of CoalTech Limited and Coal Agglomeration South Africa (Pty) Ltd and major owner and CEO of the Contax Group of Companies.

F Fantechi has over 30 years of business development, project management, sales management, business start-up and market strategy experience in the energy and infrastructure sector. He has successfully advised leading international investors and engineering companies in developing market entry and project acquisition strategies. Held technical and management position in engineering and construction companies building projects in Europe, Middle East and Russia.

F Fantechi has a PhD in Civil Engineering from the University of Florence, Italy and a Master in Project Management from Sinnea Business School, Bologna/Zurich. He has been appointed "Knight of the Italian Republic" by the President of the Italian Republic on 28 December 2015 - "Cavaliere dell'Ordine della Stella d'Italia".

Noel Lyons, Non-Executive Director (Resigned 30 June 2023)

N Lyons started his career in the accounting profession and progressed from there to management and director level positions within various organisations. He has worked for such companies as Amoco/BP, Coca Cola, Kentz Corporation Plc and Oilinvest International, and has worked in diverse locations such as Africa and The Middle East

N Lyons has been involved in several listings on AIM and the Aquis Stock Exchange Growth Market in both a management and advisory capacity of various companies. He has an MBA and Masters in Accounting and Finance.

**Group Strategic Report
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BOARD OF DIRECTORS – continued

Paul Benedict Ryan, Non-Executive Director (Resigned 30 June 2023)

P B Ryan has over 20 years of strategy, transactional, commercial and regulatory experience with international blue-chip entities, during which he has been involved in transactions with a value in excess of US\$10 billion. He continues to devise corporate strategy and advise on commercial opportunities mainly on the UK listed markets.

From 2002 to 2013, P B Ryan held a variety of board positions with leading mobile operator Vodafone and its operating subsidiaries, including Head of Strategy, Regulatory and Political Affairs in Brussels and Director of

Strategy and External Affairs for Vodafone Ireland and Vodafone Ghana. Prior to this, he worked as a management consultant in the telecoms sector, served as a strategic adviser at Ofcom, the UK's communication industry regulator, and was a solicitor at leading international city law firm Ashurst. He has advised a range of clients including FTSE100 and Fortune 500 companies on strategy and public policy.

P B Ryan is qualified as a solicitor in England and Wales and graduated from Trinity College, Dublin, Ireland.

Pascal Olivier Portmann, Non-Executive Director (Appointed 01 September 2023)

P Portmann is a very experienced banker, brings significant expertise and competencies to the Company in areas such as, but not limited to, financial planning, compliance, and investment opportunities based on tailor made structured products as well as banking relations.

P Portmann also brings an extremely important network of relationships that could support the Company expansion plans.

CORPORATE GOVERNANCE REPORT

Introduction

Clean Invest Africa Plc recognises the importance of, and is committed to, high standards of Corporate Governance.

The Company complies with the QCA Code, as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Group is currently small with a modest resource base. The Group has a clear mandate to optimise the allocation of limited resources to support its development plans. As such, the Group strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate for the size and maturity of the organisation.

Set out below are the Company's corporate governance practices for the year ended 31 December 2023.

Leadership

The Company is headed by an effective Board which is collectively responsible for the long-term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company.

**Group Strategic Report
for the year ended 31 December 2023**

CORPORATE GOVERNANCE REPORT – continued

Leadership – continued

Board Meetings - The core activities of the Board are carried out in both scheduled and unscheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep themselves fully briefed on the Company's operations.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;

- The Company's overall strategy;
- Financial Statements and dividend policy;
- Management structure including succession planning, appointments and remuneration, material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies.

Summary of the Board's work in the year – During the year, the Board considered all relevant matters within its remit, but focused to the overall business updates including funding, various investments opportunities and all existing joint ventures' plans. Certain other matters are delegated to the Board Committees, namely the Audit and Remuneration Committees.

All Directors attended the majority of Board meetings they were entitled to attend during the period. The Board is pleased with the high level of attendance and participation of Directors at Board and committee meetings.

The Chairman sets the Board Agenda and ensures adequate time for discussion.

Non-executive Directors - The non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors are initially appointed for a term of one year or two years which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a director. In addition, each Director and Board Committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary role was carried out by MSP Corporate Services Limited since 1 December 2019.

Effectiveness

The Board comprised of a Non-executive Chairman, Chief Executive Officer and two independent non-executive Directors. Biographical details of the Board members are set out on page 7 of this report.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

**Group Strategic Report
for the year ended 31 December 2023**

CORPORATE GOVERNANCE REPORT – continued

Effectiveness – continued

Independence - The Board considers each of the non-executive Directors to be independent in character and judgement.

Appointments - the Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments - All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an induction as soon as practical on joining the Board.

Conflicts of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board has satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation - The company has a policy of appraising Board performance annually. Having reviewed various approaches to Board appraisal, the Company has concluded that for a Company of its current scale, an internal process of regular face to face meetings is most appropriate, in which all Board members discuss any issues as and when they arise in relation to the Board or any individual member's performance.

Although the Board consists of only male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council's aims to encourage such diversity.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Going concern - The Group's and Company's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Directors' Report and the Principal risks and Uncertainties sections of the Strategic Report. In addition, the Notes to Financial Statements discloses the Group's and Company's financial risk management practices with respect to its capital structure, liquidity risk, foreign exchange risk, and other related matters.

The Directors, having made do and careful enquiry, are of the opinion that the Group and Company have adequate working capital to execute its operations and has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the Annual Financial Statements.

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances, and risk management. The Company has necessary procedures in place for the year under review and up to the date of approval of the Annual Report and Financial Statements. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

Given the size of the Company, the Audit Committee function is performed by the Board and regularly reviews and reports to the Board on the effectiveness of the system of internal control.

**Group Strategic Report
for the year ended 31 December 2023**

CORPORATE GOVERNANCE REPORT – continued

Accountability – continued

Further to the size of the Company and the relative simplicity of the systems, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Company of its size and include controls over expenditure, regular reconciliations, and management accounts.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Remuneration

The remuneration committee is chaired by Pascal Olivier Portmann. The remuneration committee will review the performance of the executive Director and the Non-Executive Chairman and make recommendations to the Board on matters relating to their remuneration and terms of employment. The committee will also make recommendations to the Board on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time.

Nomination

In light of the size of the Board, the Directors do not consider it necessary to establish a nominations committee, however, this will be kept under regular review.

Audit

The members of the audit committee are Filippo Fantechi as chairperson, with Shaikh Mohamed Khalifa AlKhalifa and Pascal Olivier Portman as members. The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on.

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results to the Aquis Stock Exchange and also publishes them on the Company's website: www.cleaninvestafrica.com. Regular updates to record news in relation to the Company are included on the Company's website.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings are also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At an AGM, individual shareholders are normally given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM was sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the AQUIS Stock Exchange Growth Market and are published on the Company's website as soon as practical after the meeting. The last AGM was held on 29 September 2023.

This report was approved by the board of directors on 30 June 2024 and signed on its behalf by:

ON BEHALF OF THE BOARD:


.....
F Fantechi
Director

Date: 30 June 2024

Clean Invest Africa Plc (Registered number: 10967142)

**Report of the Directors
for the year ended 31 December 2023**

The Directors present their report and the audited group and parent company financial statements for the year ended 31 December 2023.

A summary of key future developments for the Group and Company are included, together with the principal risks and uncertainties, in the Strategic Report.

INCORPORATION

The Company was incorporated in England and Wales on 18 September 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2023 (2022 – Nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

Mr F Fantechi
Mr M A K AlKhalifa

Other changes in directors holding office are as follows:

Mr N Lyons - resigned 30 June 2023
Mr P B Ryan - resigned 30 June 2023
Mr P O Portmann - appointed 1 September 2023

DIRECTORS REMUNERATION

For the period 1 January 2023 to 31 December 2023

	Directors' fees£	Signing bonus£	Management fees £	Total£
M A K AlKhalifa	36,000	-	-	36,000
F Fantechi	36,000	-	96,490	132,490
N Lyons	18,000	-	-	18,000
P B Ryan	18,000	-	-	18,000
P O Portmann	<u>12,000</u>	<u>48,385</u>	<u>-</u>	<u>60,385</u>
	<u>120,000</u>	<u>48,385</u>	<u>96,490</u>	<u>264,875</u>

Directors not listed above received £nil remuneration during the period.

Clean Invest Africa Plc (Registered number: 10967142)**Report of the Directors
for the year ended 31 December 2023****Directors' Interests**

At the date of this report, the beneficial interests of the Directors in the shares of the Company are as follows:

Director	2023	2022
M A K AlKhalifa	560,785,059	507,619,294
N Lyons	45,640,000	45,640,000
F Fantechi	481,966,289	517,798,421
P B Ryan	43,318,000	43,318,000
P O Portmann	20,670,000	-

None of the Directors exercised any share options during the year.

F Fantechi's interest is held through Contax Partners Inc.

Substantial shareholding

At the date of this report, the following shareholders each had an interest in 3% or more of the issued share capital of the Company.

Shareholder	No. of shares	Shareholding
Shaikh Mohamed Abdulla Khalifa AlKhalifa	560,785,059	27.13%
Contax Partners Inc. (51.22% owned by F Fantechi)	481,966,289	23.32%
Leon Johan Swanepoel	140,515,740	6.80%
Wendy Ann Reithofer	87,719,094	4.25%
Ramin Salsali	80,455,200	3.89%

Going concern

The financial statements have been prepared on a going concern basis. The Directors note the losses that the Group has incurred for the year and the net current liability position as at 31 December 2023. The operations of the Group are primarily financed from equity funds and loans from related parties, which the Company raises from share placings for working capital and to finance the Group's activities as an investment company. Details of the Company's investments (or subsidiaries) to date are disclosed in the Strategic Report.

The Company's capital management policy is to raise sufficient funding to finance the Group's near-term objectives as an investment company.

The Directors believe that the Company will be able to raise as required sufficient cash to enable it to continue its operations as an investment company. However, there can be no guarantee that the required funds will be raised within the necessary timeframe.

The Directors have prepared cash flow forecasts up to 31 July 2025, which take account of the current cost and operational structure of the Group. The cost structure of the Group as an investment company comprises a high proportion of discretionary spend therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. These forecasts demonstrate that the Group and Company are required to raise additional funds during the going concern period to allow it to continue in operation for a period of at least twelve months from the date of approval of these financial statements therefore the Directors concluded that there is material uncertainty relating to going concern. Discussions are currently ongoing with potential investors however these additional funds are not committed or contracted at the date of approval of these financial statements. The Group and Company are currently reliant on continued financial support of certain shareholders.

**Report of the Directors
for the year ended 31 December 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group's and Parent Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit and loss for that period.

In preparing these financial statements, the Directors are required to:

- > select suitable accounting policies and then apply them consistently;
- > make judgements and accounting estimates that are reasonable and prudent;
- > state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

The auditors, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
F Fantechi - Director

Date: 30 June 2024

Independent Auditor's Report to the Members of Clean Invest Africa Plc

Opinion

We have audited the financial statements of Clean Invest Africa Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- The group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- The parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group incurred a net loss of £1,161,846 during the year ended 31 December 2023. The revenue forecasted for the group is not committed and, in the event of a shortfall in terms of timing and quantum, the group will be required to raise additional funds by way of either equity or debt and the receipt of these cannot be guaranteed. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included a review of management's cashflow forecasts for 12 months from the approval of the financial statements, including corroboration of the underlying assumptions. The audit team have assessed the current cash balances at the date of this report and challenged management on their assumptions made in the forecasts. Subsequent events impacting going concern have also been considered.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of Clean Invest Africa Plc

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statements line items and disclosures in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group financial statements as a whole to be £29,100 (2022: £34,000) based on 3% of adjusted net assets. Materiality for the parent was set at £14,000 (2022: £15,000) based on 5% of the overall loss before taxation. The group and company seek to minimise costs to a minimum in order to preserve cash balances to advance its clean energy projects, and commercial levels of revenue generation have not yet commenced. Therefore, net assets and loss before taxation are seen to be the key drivers for the current year and have been used for the benchmark when calculating materiality for the Group and Parent Company respectively. Materiality for the remaining components is based on 3% of net assets. Performance materiality for the group and all components was set at 70% of headline materiality during the planning phase of the audit, to ensure sufficient coverage for group and parent reporting purposes. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account the nature of identified misstatements and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the group and parent financial statements. In particular, we looked at areas involving significant accounting estimates and judgements by the director's, such as the carrying value of the investments and intergroup balances, and considered future events which are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. A full scope audit was also undertaken on the financial statements of the parent company.

Of the four reporting components of the group, a full scope audit was performed on the complete financial information of 3 components, and for the other component, a limited scope review was performed as it was not material to the group. For one material component, Coal Agglomeration South Africa Proprietary Limited, the audit was undertaken by a local component auditor in South Africa. This audit was performed for both consolidation purposes as well as local statutory purposes. We obtained and reviewed remotely the key audit working papers prepared by the auditors of the South African component, as well as directing their work which related to the work performed on the significant risks identified at group level. The component auditor also provided their findings to us which were reviewed and challenged accordingly. The remaining material components were audited by PKF Littlejohn LLP in London.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

**Independent Auditor's Report to the Members of
Clean Invest Africa Plc**

Key Audit Matter	How our scope addressed this matter
Valuation of investments in subsidiaries and intragroup/related party balances (Parent company and Consolidation where related parties outside of the Group) [notes 11 and 13]	
Investments in subsidiaries and intra group loan due from related parties are significant assets in the Parent Company's financial statements. The recoverability of the investments in subsidiaries and amounts due from subsidiaries and related parties is reliant on the future cash flows of those subsidiaries.	Our work in this area included: • Considering the existence of impairment indicators; • Obtaining written confirmations for all intra group balances with group undertakings. • Obtaining evidence of ownership for all investments held within the group. • Reviewing management's impairment assessment in respect to recoverability of investment balances (including intragroup and related party receivables at the parent level) and corroborating and challenging key assumptions and inputs used in the impairment. • Reviewing and evaluating the presentation and disclosures in the financial statements in accordance with the financial reporting framework.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Clean Invest Africa Plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and our application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, UK-adopted International Accounting Standards, AQSE regulations, UK and local employment laws, Bribery Act 2010 and Money Laundering Regulations.

Independent Auditor's Report to the Members of Clean Invest Africa Plc

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
- enquiries of management, review of minutes, the review of legal and regulatory correspondence and a review of regulated news service announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, including the potential for management bias identified in relation to the valuation of the investments and intergroup balances, and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; enquiries of management, review of minutes and Regulatory news announcements, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of group reporting instructions issued, component auditors were required to report areas of non-compliance with laws and regulations, including fraud. As part of our review of component auditors work, we required the component auditors to report on matters relating to country laws and regulations as well as how the risk of fraud at component level was being addressed.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hannes Verwey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

30 June 2024

Clean Invest Africa Plc (Registered number: 10967142)

**Consolidated Statement of Profit or Loss
for the year ended 31 December 2023**

	Notes	2023 £	Restated 2022 £
CONTINUING OPERATIONS			
Revenue		57	29,760
Cost of sales		<u>(130,486)</u>	<u>(129,444)</u>
GROSS LOSS		(130,429)	(99,684)
Other operating income		-	153,762
Impairment loss		(7,287)	(5,564)
Net foreign exchange revaluation		(96,211)	(144,881)
Administration expenses		<u>(897,999)</u>	<u>(354,456)</u>
OPERATING LOSS		(1,131,926)	(450,823)
Other gains		-	238,997
Finance costs	4	<u>(29,920)</u>	<u>(24,251)</u>
LOSS BEFORE INCOME TAX	5	(1,161,846)	(236,077)
Income tax	6	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(1,161,846)</u>	<u>(236,077)</u>
Loss attributable to: Owners of the parent		<u>(1,161,846)</u>	<u>(236,077)</u>
Basic earnings per share expressed in pence per share:	8	<u>(0.06)</u>	<u>(0.01)</u>

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)

**Consolidated Statement of Other Comprehensive Income
for the year ended 31 December 2023**

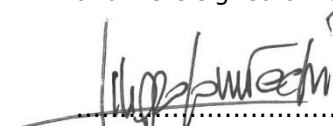
	2023 £	Restated 2022 £
LOSS FOR THE YEAR	(1,161,846)	(236,077)
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Currency translation differences	<u>286,423</u>	<u>(215,903)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(875,423)</u>	<u>(451,980)</u>
 Total comprehensive income attributable to: Owners of the parent	 <u>(875,423)</u>	 <u>(451,980)</u>

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)
Consolidated Statement of Financial Position
31 December 2023

		2023	Restated	Restated
		£	2022	2021
	Notes		£	£
ASSETS				
NON-CURRENT ASSETS				
Right-of-use assets	9	91,997	122,552	25,230
Property, plant and equipment	10	317,664	394,113	409,498
Investments	11	-	11,653	11,653
		409,661	528,318	446,381
CURRENT ASSETS				
Inventories	12	2,209	-	7,120
Trade and other receivables	13	3,946,397	3,983,439	3,575,497
Cash and cash equivalents	14	5,508	80,222	31,253
		3,954,114	4,063,661	3,613,870
TOTAL ASSETS		4,363,775	4,591,979	4,060,251
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	15	4,838,497	4,534,658	3,000,526
Share premium	16	28,732,843	28,579,597	24,990,187
Shares to be issued	24	332,294	332,294	332,294
Convertible loans	18	531,658	531,658	-
Share based payment reserves	23	3,243,556	3,243,556	3,243,556
Currency translation reserves		309,467	23,044	238,947
Reserve takeover		(23,050,570)	(23,050,570)	(23,050,570)
Accumulated losses		(13,967,775)	(12,805,929)	(12,569,852)
TOTAL EQUITY		969,970	1,388,308	(3,814,912)
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current portion of lease liability	19	97,574	122,292	12,765
CURRENT LIABILITIES				
Trade and other payables	17	2,895,814	2,857,531	7,630,790
Convertible loan notes	18	389,990	215,000	215,000
Current portion of lease liability	19	10,427	8,848	16,608
		3,296,231	3,081,379	7,862,398
TOTAL LIABILITIES		3,393,805	3,203,671	7,875,163
TOTAL EQUITY AND LIABILITIES		4,363,775	4,591,979	4,060,251

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2024 and were signed on its behalf by:

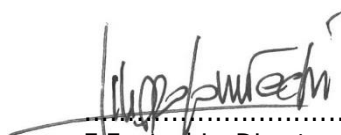

.....
F Fantechi - Director

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)**Company Statement of Financial Position
31 December 2023**

	Notes	2023 £	Restated 2022 £	Restated 2021 £
ASSETS				
NON-CURRENT ASSETS				
Investments	11	<u>4,744,225</u>	4,744,225	4,744,225
		<u>4,744,225</u>	4,744,225	4,744,225
CURRENT ASSETS				
Trade and other receivables	13	5,915,275	5,417,776	246,292
Cash and cash equivalents	14	<u>3,027</u>	76,227	14,068
		<u>5,918,302</u>	5,494,003	260,360
TOTAL ASSETS		<u>10,662,527</u>	10,238,228	5,004,585
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	15	4,838,498	4,534,658	3,000,526
Share premium	16	28,732,843	28,579,597	24,990,187
Shares to be issued	24	332,294	332,294	332,294
Convertible loans	18	531,658	531,658	-
Share based payment reserves	23	3,243,556	3,243,556	3,243,556
Accumulated losses		(27,796,875)	(27,497,661)	(27,191,528)
TOTAL EQUITY		<u>9,881,974</u>	9,724,102	4,375,035
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	17	390,563	299,126	414,550
Convertible loans notes		<u>389,990</u>	215,000	215,000
TOTAL LIABILITIES		<u>780,553</u>	514,126	629,550
TOTAL EQUITY AND LIABILITIES		<u>10,662,527</u>	10,238,228	5,004,585

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2024 and were signed on its behalf by:



 F. Fantechi - Director

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

GBP	Share capital	Share premium	Shares to be issued	Convertible loans	Share-based payment reserve	Reverse takeover reserve	Currency Translation reserve	Accumulated losses	Total equity
Balance at 1 January 2023 (as previously presented)	4,534,658	28,579,597	332,294	746,658	3,243,556	(23,050,570)	24,656	(12,733,170)	1,677,679
Prior year adjustments (note26)	-	-	-	(215,000)	-	-	(1,612)	(72,759)	(289,731)
1 January 2023	4,534,658	28,579,597	332,294	531,658	3,243,556	(23,050,570)	23,044	(12,805,929)	1,388,308
Loss for the year	-	-	-	-	-	-	-	(1,161,846)	(1,161,846)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Currency translation reserve	-	-	-	-	-	-	286,423	-	286,423
Total comprehensive income	-	-	-	-	-	-	286,423	(1,161,846)	(875,423)
Interest bearing loans and borrowings during the year	-	-	-	-	-	-	-	-	-
Shares issued during the year	303,839	153,246	-	-	-	-	-	-	457,085
Total transactions with owners recognised in equity	303,839	153,246	-	-	-	-	-	-	457,085
Balance as at 31 December 2023	4,838,497	28,732,843	332,294	531,658	3,243,556	(23,050,570)	309,467	(13,967,775)	969,970

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

GBP	Share capital	Share premium	Shares to be issued	Convertible loans	Share-based payment reserve	Reverse takeover reserve	Currency Translation reserve	Accumulated losses	Total equity
Balance at 1 January 2022 (as previously presented)	3,000,526	24,990,187	332,294	215,000	3,243,556	(23,050,570)	238,947	(12,569,852)	(3,599,912)
Prior year adjustments (note26)	-	-	-	(215,000)	-	-	-	-	(215,000)
1 January 2022	3,000,526	24,990,187	332,294	-	3,243,556	(23,050,570)	238,947	(12,569,852)	(3,814,912)
Loss for the year	-	-	-	-	-	-	-	(236,077)	(236,077)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Currency translation reserve	-	-	-	-	-	-	(215,903)	-	(215,903)
Total comprehensive income	-	-	-	-	-	-	(215,903)	(236,077)	(451,980)
Interest bearing loans and borrowings during the year	-	-	-	531,658	-	-	-	-	531,658
Shares issued during the year	1,534,132	3,589,410	-	-	-	-	-	-	5,123,542
Total transactions with owners recognised in equity	1,534,132	3,589,410	-	531,658	-	-	-	-	5,655,200
Balance as at 31 December 2022	4,534,658	28,579,597	332,294	531,658	3,243,556	(23,050,570)	23,044	(12,805,929)	1,388,308

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)

**Company Statement of Changes in Equity
for the year ended 31 December 2023**

GBP	Share capital	Share premium	Shares to be issued	Convertible loans	Share- based payment reserve	Accumulated losses	Total equity
Balance at 1 January 2023 (as previously presented)	4,534,658	28,579,597	332,294	746,658	3,243,556	(27,497,661)	9,939,102
Prior year adjustments (note26)	-	-	-	(215,000)	-	-	(215,000)
1 January 2023	4,534,658	28,579,597	332,294	531,658	3,243,556	(27,497,661)	9,724,102
Loss for the year	-	-	-	-	-	(299,214)	(299,214)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	(299,214)	(299,214)
Shares issued during the year	303,840	153,246	-	-	-	-	457,086
Total transactions with owners recognised in equity	303,840	153,246	-	-	-	-	457,086
Balance as at 31 December 2023	4,838,498	28,732,843	332,294	531,658	3,243,556	(27,796,875)	9,881,974

The notes form part of these financial statements

Company Statement of Changes in Equity – continued
for the year ended 31 December 2023

GBP	Share capital	Share premium	Shares to be issued	Convertible loans	Share-based payment reserve	Accumulated losses	Total equity
Balance at 1 January 2022 (as previously presented)	3,000,526	24,990,187	332,294	215,000	3,243,556	(27,191,528)	4,590,035
Prior year adjustments (note26)	-	-	-	(215,000)	-	-	(215,000)
1 January 2022	3,000,526	24,990,187	332,294	-	3,243,556	(27,191,528)	4,375,035
Loss for the year	-	-	-	-	-	(306,133)	(306,133)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	(306,133)	(306,133)
Interest bearing loans and borrowings	-	-	-	531,658	-	-	531,658
Shares issued during the year	1,534,132	3,589,410	-	-	-	-	5,123,542
Total transactions with owners recognised in equity	1,534,132	3,589,410	-	531,658	-	-	5,655,200
Balance as at 31 December 2022	4,534,658	28,579,597	332,294	531,658	3,243,556	(27,497,661)	9,724,102

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)

**Consolidated Statement of Cash Flows
for the year ended 31 December 2023**

		2023 £	Restated 2022 £
Cash flows from operating activities			
Cash used in operations	1	(770,995)	(281,347)
Interest paid		(29,920)	(24,251)
Exchange gains		<u>325,894</u>	<u>12,457</u>
Net cash from operating activities		<u>(475,021)</u>	<u>(293,141)</u>
Cash flows from financing activities			
Payment of lease liabilities		(18,244)	(12,890)
Share issue		90,000	355,000
Funding received from related parties		206,018	-
Payment of related party borrowings		14,609	-
Proceeds from convertible loan notes		<u>107,924</u>	<u>-</u>
Net cash from financing activities		<u>400,307</u>	<u>342,110</u>
(Decrease)/increase in cash and cash equivalents		(74,714)	48,969
Cash and cash equivalents at beginning of year	2	80,222	31,253
Cash and cash equivalents at end of year	2	<u><u>5,508</u></u>	<u><u>80,222</u></u>

The notes form part of these financial statements

Clean Invest Africa Plc (Registered number: 10967142)**Company Statement of Cash Flows
for the year ended 31 December 2023**

		2023 £	2022 £
Cash flows from operating activities			
Cash used in operations	1	(252,629)	(275,641)
Interest paid		<u>(18,495)</u>	<u>(17,200)</u>
Net cash from operating activities		<u>(271,124)</u>	<u>(292,841)</u>
 Cash flows from financing activities			
Share issue		90,000	355,000
Proceeds from convertible loan notes		<u>107,924</u>	<u>-</u>
Net cash from financing activities		<u>197,924</u>	<u>355,000</u>
 (Decrease)/increase in cash and cash equivalents		<u>(73,200)</u>	<u>62,159</u>
Cash and cash equivalents at beginning of year	2	<u>76,227</u>	<u>14,068</u>
 Cash and cash equivalents at end of year	2	<u><u>3,027</u></u>	<u><u>76,227</u></u>

The notes form part of these financial statements

**Notes to the Statements of Cash Flows
for the year ended 31 December 2023**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS
Group

	2023	Restated 2022
	£	£
Loss before income tax	(1,161,846)	(236,077)
Depreciation charges	52,398	58,300
Loss on revaluation of investments	34,796	5,564
Gains on derecognition of loans from shareholders	-	(238,997)
Finance costs	29,920	24,251
	(1,044,732)	(386,959)
(Increase)/decrease in inventories	(2,209)	7,616
Decrease in trade and other receivables	155,187	4,720
Increase in trade and other payables	120,759	93,276
Cash used in operations	<u>(770,995)</u>	<u>(281,347)</u>

Company

	2023	Restated 2022
	£	£
Loss before income tax	(299,214)	(306,133)
Finance costs	18,495	17,200
	(280,719)	(288,933)
Increase in trade and other receivables	(246,205)	(171,484)
Increase in trade and other payables	274,295	184,776
Cash used in operations	<u>(252,629)</u>	<u>(275,641)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 31 December 2023	31/12/23	1/1/23	31/12/23	1/1/23
	£	£	£	£
Cash and cash equivalents	<u>5,508</u>	<u>80,222</u>	<u>3,027</u>	<u>76,227</u>
Year ended 31 December 2022	31/12/22	1/1/22	31/12/22	1/1/22
	£	£	£	£
Cash and cash equivalents	<u>80,222</u>	<u>31,253</u>	<u>76,227</u>	<u>14,068</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2023**

1. STATUTORY INFORMATION

Clean Invest Africa Plc is a public limited company which is listed on the Aquis Stock Exchange Growth Market and is incorporated and domiciled in the UK. The Company's registered number and registered office address can be found on the Company Information page.

The principal activities of the Group and Company are stated in the Strategic Report on page 2.

The functional and presentation currency of the Company is Pound Sterling (£). The presentation currency of the Group is Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value through profit or loss at the end of the reporting period and the recognition of net assets acquired under the reverse acquisition at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with UK-adopted IFRS and IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in the financial statements, are disclosed under the 'Critical accounting judgements and key sources of estimation uncertainty' policy on page 35.

Going concern

The financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group and Company. As part of their assessment, the Directors have taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments. The Group incurred a loss for the year of £1,161,846 (2022 – restated: £236,077) and, as at 31 December 2023, had cash and cash equivalents of £5,508 (2022: £80,222) and net current assets of £657,883 (2022 – restated: £982,282).

The Directors have prepared cash flow forecasts up to 31 July 2025, which take account of the current cost and operational structure of the Group. The cost structure of the Group as an investment company comprises a high proportion of discretionary spend therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. These forecasts demonstrate that the Group and Company are required to raise additional funds during the going concern period, in conjunction with continued financial support from Directors and certain shareholders, to allow it to continue in operation for a period of at least twelve months from the date of approval of these financial statements therefore the Directors concluded that there is material uncertainty relating to going concern. Discussions are currently ongoing with potential investors however these additional funds are not committed or contracted at the date of approval of these financial statements. The Group and Company are currently reliant on continued financial support of certain shareholders. Refer also to Note 23 'Events after the Reporting Period' regarding actions taken to improve the going concern position of the Group and Company.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

Going concern - continued

The Directors are confident that the Group will be able to raise additional funds through new equity or other funding facilities in order to meet any shortfall. During the first quarter of 2024, the Group has already raised £200,000 additional funds from placing new shares to an existing shareholder, with an additional \$600,000 fundraising already finalized, signed and supposed to be collected by the end of June 2024. The initial transfer of \$100,000 has been received on 14 May 2024. The Group expects to raise additional funds in line with projections and cashflow forecast subsequent to the issuance of these financial statements. The Group and Company are reliant on the continued financial support from the two majority shareholders until additional funds are secured.

In making their assessment of going concern, the Directors acknowledge that the Group has a small contracted and committed cost base and, in their opinion, consider sufficient additional funds will be available to ensure the Group and Company continues to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Board believes it is appropriate to adopt the going concern basis in the preparation of the financial statements. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

New standards, amendments and interpretations

The Group and Company have adopted all of the new and amended standards and interpretations issued that are relevant to its operations and effective for accounting periods commencing on or after 1 January 2023. No standards, amendments to standards or interpretations which came into effect for the first time have had a material impact on the Group or Company.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which have not been applied in these financial statements, are in issue but not yet effective.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these financial statements, the following may have an impact going forward:

New/Revised International Financial Reporting Standards		Effective Date/ Annual periods beginning on or after:	UK adopted
IAS 1	Presentation of financial statements	1 January 2024	Yes
IAS 7	Statement of Cash Flows	1 January 2024	Yes
IFRS 7	Financial Instruments: Disclosures	1 January 2024	Yes
IFRS 16	Leases	1 January 2024	Yes

The Group and Company intend to adopt these standards when they become effective. The impact of the above amendments is not expected to have any material future impact.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES – continued

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with UK-adopted International Financial Reporting Standards and International Accounting Standards, requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

> Valuation of warrants

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. The fair value is determined using the Black-Scholes model, which involves judgement over the key assumptions applied, in particular volatility.

> Amounts due from related parties and investments in subsidiaries

Management make judgements in respect of the recoverability of amounts due from related parties and investments in subsidiaries (see notes 11 and 13) and hence their valuation as at year-end. Management believes that amounts due from related parties are fully recoverable, albeit settlement has been delayed due to the extended period of time to progress to commercial trading. No impairment has been recognised to date, however management will continue to assess this on an annual basis. Changes in the assumptions or basis of estimation regarding recoverability could impact the assessment of the estimated recoverable amount.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

Cash and cash equivalents include cash in hand and deposits held at call with banks.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

The cost of 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 Group; and
- > the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows: Computer equipment straight line over 5 years

Plant and machinery straight line over 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for 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.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. 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.

Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments - continued

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Amortised cost: assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. The Group assesses, on a forward looking basis the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. During the year ended 31 December 2023, there was no expected credit losses.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Financial liabilities

The Group's financial liabilities comprise trade, other payables, convertible loan notes and other borrowings.

Trade payables and borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amounts of inventories recognised as an expense in the period in which the reversal occurs.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Taxation – continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of profit and loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

(i) Functional and presentation currency

Items included in the individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in £ Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

The following are the functional currencies of Company's subsidiaries:

CoalTech Limited	United States Dollar
Coal Agglomeration South Africa (PTY) Ltd.	South African Rand
Coal Tech LLC	United States Dollar

(ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at the balance sheet date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Leases

The Group, as lessee, classified all leases as operating leases where a significant portion of the risks and rewards of ownership are retained by the lessor prior to the adoption of "IFRS 16 - Leases" effective January 2019. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. Any contingent rents are expenses in the period they are incurred.

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidentals to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Leases - continued

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Equity

Equity comprises the following:

- **Share capital:** represents amounts subscribed for shares at nominal value;
- **Share premium:** represents amounts subscribed for share capital, net of issue costs, in excess of nominal value;
- **Shares to be issued:** represents amounts of shares to be issued to South African Resident Sellers as described in the SPA;
- **Share-based payments:** represents amounts of warrants and options issued;
- **Reverse takeover reserve:** represents the adjustment needed to reflect the reverse takeover of CoalTech Group which was completed on 4 July 2019; and
- **Retained earnings:** represents the profits and losses attributable to equity shareholders.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

2. ACCOUNTING POLICIES - continued

Share-based payments

The Company has applied the requirements of IFRS 2 Share-based payments.

The Company operates an equity-settled share-based payment schedule under which share options and warrants are issued to certain directors, employees and creditors. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-markets-based vesting conditions.

Fair value is measure by use of the Black Scholes model. The expected life used in the model is based on the exercise period as per the agreement.

**3. EMPLOYEES AND DIRECTORS
Group**

	2023	2022
	£	£
Fees and commission	<u>264,875</u>	<u>280,703</u>

	2023	2022
The average number of employees during the period was as follows:	13	13

Company

	2023	2022
	£	£
Fees and commission	<u>264,875</u>	<u>144,000</u>

	2023	2022
The average number of employees during the period was as follows:	<u>5</u>	<u>4</u>

	2023	2022
	£	£
Directors' remuneration	<u>120,000</u>	<u>241,011</u>

4. NET FINANCE COSTS

	2023	2022
	£	£
Finance costs:		
Convertible loan note	18,495	17,200
Leases	<u>11,425</u>	<u>7,051</u>
Total	<u>29,920</u>	<u>24,251</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

5. LOSS BEFORE INCOME TAX

Company

	2023	2022
	£	£
Auditors Remuneration		
Fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	<u>36,000</u>	30,000
	<u>36,000</u>	<u>30,000</u>

6. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	Restated 2022
	£	£
Loss before income tax	<u>(1,161,846)</u>	<u>(236,077)</u>
Loss multiplied by the weighted average rate of 21.92%% (2022 - 33.56%%)	(254,677)	(79,227)
Effects of:		
Tax losses for which no deferred income tax asset recognised	<u>254,677</u>	<u>79,227</u>
Tax expense	<u>-</u>	<u>-</u>

The tax rate of 2023 was the weighted average of 19%, the standard rate of corporation tax in the UK, 29.7%, the sum of 21% standard rate of federal corporation tax and 8.7% standard rate of state corporation tax in the USA, and 28%, the standard rate of corporation tax in South Africa, to give an applicable weighted average corporation tax of 21.92% (2022 – restated: 33.56%).

No deferred tax assets in respect of tax losses have been recognized as there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £299,214 (2022 - £306,133).

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

8. EARNINGS PER SHARE

	2023	Restated 2022
	£	£
Total loss from continuing operations attributable to equity holders of the Group	(1,161,846)	(236,077)
Weighted average number of ordinary shares in issue	1,839,571,433	1,640,154,968
Basic earnings per share from continuing operations (pence)	(0.06)	(0.01)

9. RIGHT-OF-USE ASSET

Group

	Right of use asset £
COST	
At 1 January 2023	166,740
Exchange differences	(19,485)
At 31 December 2023	147,255
AMORTISATION	
At 1 January 2023	44,188
Amortisation for year	16,487
Exchange differences	(5,416)
At 31 December 2023	55,258
NET BOOK VALUE	
At 31 December 2023	91,997
At 31 December 2022	122,552

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023

10. **PROPERTY, PLANT AND EQUIPMENT**

Group

	Plant and machinery £	Plant equipment £	Totals £
COST			
At 1 January 2023	440,462	33,731	474,193
Exchange differences	<u>(46,504)</u>	<u>(3,941)</u>	<u>(50,445)</u>
At 31 December 2023	<u>393,958</u>	<u>29,790</u>	<u>423,748</u>
DEPRECIATION			
At 1 January 2023	73,334	6,746	80,080
Charge for year	32,886	3,025	35,911
Exchange differences	<u>(9,073)</u>	<u>(834)</u>	<u>(9,907)</u>
At 31 December 2023	<u>97,147</u>	<u>8,937</u>	<u>106,084</u>
NET BOOK VALUE			
At 31 December 2023	<u>296,811</u>	<u>20,853</u>	<u>317,664</u>
At 31 December 2022	<u>367,128</u>	<u>26,985</u>	<u>394,113</u>

11. **INVESTMENTS**

Group

	Unlisted investments £
COST	
At 1 January 2023	11,653
Impairment	<u>(11,653)</u>
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>11,653</u>

Company

	Unlisted investments £
COST	
At 1 January 2023 and 31 December 2023	<u>4,744,225</u>
NET BOOK VALUE	
At 31 December 2023	<u>4,744,225</u>
At 31 December 2022	<u>4,744,225</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

11. INVESTMENTS - continued

As at 31 December 2023 the Group owned interests in the following subsidiary undertakings which are included in the consolidated financial statements:

Subsidiary name	Ownership	Registered address
CoalTech Limited	100 %	Eastcastle House, 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH
Coal Agglomeration South Africa (Pty) Ltd	75%	Statucor Pty Ltd, Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, 2196, South Africa
Coal Tech LLC	100%	251 Little Falls Drive, Wilmington, Delaware 19808, United States of America
CoalTech Far East Pte. Ltd	20%	114 Lavender Street, #09-51 CTHUB 2, Singapore 338729
Coaltech S.à.r.l	50%	32-26, boulevard d'Avranches Luxembourg, 1160
CoalTech Poland sp. z o.o.	25%	Warsaw ul. Koszykowa 59/10, Poland

The ownership of Coal Tech LLC is through CoalTech Limited. The remaining 25% of CASA will be transferred to the Company upon receiving the required approval from SARB.

12. INVENTORIES

	Group	
	2023	2022
	£	£
Materials/production supplies	<u>2,209</u>	<u>-</u>

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current:				
Trade debtors	39,927	45,500	-	-
Amounts owed by group undertakings	3,688,546	3,894,560	5,718,394	5,410,461
Other debtors	202,778	34,122	189,657	405
VAT	7,922	2,347	-	-
Prepayments and accrued income	<u>7,224</u>	<u>6,910</u>	<u>7,224</u>	<u>6,910</u>
	<u>3,946,397</u>	<u>3,983,439</u>	<u>5,915,275</u>	<u>5,417,776</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023

13. TRADE AND OTHER RECEIVABLES - continued

Amounts due from related parties

Related party	Relationships	31 December 2023	31 December 2022
Bahrain Energy Service W.L.L (South Africa Branch)	Common Shareholder	3,608,682	3,796,815
Contax Partners 1 SPC	Common Shareholder	79,864	84,028
Coaltech S.à.r.l	Subsidiary	-	13,717
		<u>3,688,546</u>	<u>3,894,560</u>

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank accounts	<u>5,508</u>	<u>80,222</u>	<u>3,027</u>	<u>76,227</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value;	£
At 31 December 2023			
1,935,399,170	Ordinary	0.0025	<u>4,838,497</u>

Company	Number of shares	£
As at 1 January 2023	1,813,863,402	4,534,658
31 December 2023 : Consideration shares issued		
Cash	<u>121,535,768</u>	<u>303,839</u>
As at 31 December 2023	<u>1,935,399,170</u>	<u>4,838,497</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

16. RESERVES

Group

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 January 2023 - restated	(12,805,929)	28,579,597	(19,451,676)	(3,678,008)
Deficit for the year	(1,161,846)			(1,161,846)
Share issued	-	153,246	-	153,246
Currency translation	-	-	286,423	286,423
At 31 December 2023	<u>(13,967,775)</u>	<u>28,732,843</u>	<u>(19,165,253)</u>	<u>(4,400,185)</u>

Company

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 January 2023	(27,497,661)	28,579,597	3,575,850	4,657,786
Deficit for the year	(299,214)			(299,214)
Share issue	-	153,246	-	153,246
At 31 December 2023	<u>(27,796,875)</u>	<u>28,732,843</u>	<u>3,575,850</u>	<u>4,511,818</u>

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 £	Restated 2022 £	2023 £	2022 £
Current:				
Trade creditors	1,823,552	1,904,791	104,394	78,837
Amounts owed to group undertakings	246,800	232,193	-	-
Payroll	7,761	8,862	-	-
Other creditors	18,868	22,738	2,460	2,460
Accrued expenses	798,833	688,947	283,709	217,829
	<u>2,895,814</u>	<u>2,857,531</u>	<u>390,563</u>	<u>299,126</u>

Amounts due to related parties

Bahrain Energy Services W.L.L.	Common shareholder	158,324	159,873
Contax Partners S.P.C.	Common shareholder	88,208	72,038
CoalTech Poland sp. z o.o.	Associate	268	282
Amounts due to related parties		<u>246,800</u>	<u>232,193</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

18. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current:				
Convertible loans	921,648	746,658	921,648	746,658
Leases (see note 19)	<u>10,427</u>	<u>8,848</u>	<u>-</u>	<u>-</u>
	<u>932,075</u>	<u>755,506</u>	<u>921,648</u>	<u>746,658</u>
Non-current:				
Leases (see note 19)	<u>97,574</u>	<u>122,292</u>	<u>-</u>	<u>-</u>

Breakdown of the convertible loans:

Convertible loan notes (equity):

	Group		Company	
	2023	Restated 2022	2023	Restated 2022
	£	£	£	£
Current:				
Balance at 1 January	531,658	-	531,658	-
Additions	<u>-</u>	<u>531,658</u>	<u>-</u>	<u>531,658</u>
Balance at 31 December	<u>531,658</u>	<u>531,658</u>	<u>531,658</u>	<u>531,658</u>

Convertible loan notes (liability):

	Group		Company	
	2023	Restated 2022	2023	Restated 2022
	£	£	£	£
Current:				
Balance at 1 January	215,000	215,000	215,000	215,000
Additions	387,366	-	387,366	-
Payments	<u>(212,376)</u>	<u>-</u>	<u>(212,376)</u>	<u>-</u>
Balance at 31 December	<u>389,990</u>	<u>215,000</u>	<u>389,990</u>	<u>215,000</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

18. FINANCIAL LIABILITIES - BORROWINGS - continued

	For Shareholder	For Investors	For Directors
Balance at 1 January 2023	531,658	161,420	63,807
Additions	-	387,366	-
Conversion/payment	-	(152,376)	(60,000)
Interest at 8% per annum	-	-	-
Interest paid/ reclassified to accrued interest	-	(6,420)	(3,807)
Unpaid at 31 December 2023	531,658	389,990	-
Balance at 1 January 2022			
Principal	-	155,220	61,407
Additions	5,000,000	-	-
Interest at 8% per annum	(4,468,342)	12,400	4,800
Interest paid	-	(6,200)	(2,400)
Unpaid at 31 December 2022	531,658	161,420	63,807

On 1 September 2023, N Lyons and P B Ryan, have agreed to settle the convertible loan notes subscribed on 16 September 2021 amounting to £40,000 (£20,000 each). In May 2022, the Company and the three shareholders agreed to issue a new CLN for a period of twelve months from expiration commencing.

On 1 September 2023, Contax Partners Inc (represented by F Fantechi), has converted the convertible loan notes subscribed on 16 September 2021 amounting to £20,000 to the ordinary shares of the Company for total shares of 8,637,368 ordinary shares.

On 23 May 2023, the Company issued an unsecured convertible loan notes for a total of USD75,000 (equivalent to GBP 60,300 as per FT exchange rate of 0.804 at market closing on 23rd May 2023) comprising £1.00 unsecured convertible loan notes to Investor with an annual cash coupon of 8% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 22 November 2023 (with an option to be extended by additional 12 months up to 22 November 2024) and are convertible then at the option of the holder into 6,030,000 ordinary shares of 0.25p each in the Company ("Shares") at a price of 1.00 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary shares resulting from the conversions each with an exercise price of 2.5 pence per share and valid for a period of 3 years.

On 2 August 2023, the Company issued an unsecured convertible loan notes for a total of £200,000 comprising £1.00 unsecured convertible loan notes to Investor with an annual cash coupon of 12% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 31 January 2025 and are convertible then at the option of the holder into 66,666,666 ordinary shares of 0.25p each in the Company ("Shares") at a price of 0.3 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary shares resulting from the conversions each with an exercise price of 2.0 pence per share and valid for a period of 3 years.

On 23 November 2023, the Company issued an unsecured convertible loan notes for a total of £127,066 comprising £1.00 unsecured convertible loan notes to Investor with an annual cash coupon of 8% payable, either in cash on quarterly basis or in ordinary shares in the Company, maturing on 31 December 2024 and are convertible then at the option of the holder into 36,304,571 ordinary shares of 0.25p each in the Company ("Shares") at a price of 0.35 pence per share. Both the Notes and the coupon also carry the equivalent of one Warrants for every two ordinary shares resulting from the conversions each with an exercise price of 1.0 pence per share and valid for a period of 3 years.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

19. LEASING

The Group had the following lease assets and liabilities:

	2023	2022
	£	£
Right-of-use assets		
Balance under IFRS 16, 1 January	122,552	25,230
Additions/adjustments	-	113,218
Depreciation charged during the year	(16,487)	(17,469)
Foreign exchange translation	(14,068)	1,573
	<u>91,997</u>	<u>122,552</u>
Balance under IFRS 16, 31 December		

Lease Liabilities

	2023	2022
	£	£
Balance under IFRS 16 at 1 January	131,140	29,373
Additions/adjustments during the year	-	113,218
Interest expenses on lease liability during the year	11,425	7,051
Lease payments during the year	(18,244)	(19,805)
Accrued lease expense	(821)	-
Foreign exchange translation	(15,499)	1,303
	<u>108,001</u>	<u>131,140</u>
Balance under IFRS 16 at 31 December		
Current portion of lease liabilities	10,427	8,848
Non-Current Portion of lease liabilities	97,574	122,292

CASA, a subsidiary of the Company, leased a portion of farmland with effect from 1 August 2018 for a period of five years with an option on the part of CASA to renew for a period of another five years. The monthly lease payments will escalate at 10% to be applied upon the anniversary of the effective date.

Further to the first agreement above, on 2 September 2020 (revised commencement date) the agreement has been amended for a period of three (3) years from the revised commencement date and agree to a further six (6) years lease period extension that continues automatically after the initial three (3) year period with no further notice to the Lessor required except if CASA decides not to exercise the automatic extension. On 3 June 2021, CASA exercised its option to rent the additional land with the revised monthly lease payments amount of R32,500 effective 1 June 2021 (or 1 June 2021 invoicing). The revised monthly lease payments will escalate at 9% per annum from anniversary date of the exercised option. On 11 July 2022, the lessor transferred the ownership to the new owner effective 1 July 2022.

The lease liability was measured at the present value of the remaining lease payments as at 1 January 2019, discounted at an incremental borrowing rate of 10%.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

20. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise an investment, bank balances, other receivables, trade payable and other payables all arising in the normal course of business. The purpose of these financial instruments is to finance the Group's operations.

The Group manages liquidity risk and cash flow risk by monitoring its cash balances and ensuring that funds are available to meet liabilities as they fall due. The Group's core funding to date comes from the proceeds of share issues.

The Group's exposure to change in interest rates relates primarily to cash at bank. Cash is held on either current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate.

The carrying values of the Group's financial assets and liabilities are summarized by category below:

Group	2023	2022
Financial assets	£	£
Investments	-	11,653
Trade and other receivables (amortised cost)	257,851	88,879
Amounts due from related parties (amortised cost)	3,688,546	3,894,560
Cash and cash equivalents (amortised cost)	5,508	80,222
	<u>3,951,905</u>	<u>4,075,314</u>
Financial liabilities (amortised cost)		
Trade and other payables	2,649,014	2,625,338
Amounts due to related parties	246,800	232,193
	<u>2,895,814</u>	<u>2,857,531</u>

The fair value of the Group's recorded financial assets and liabilities does not materially differ from their book values.

Company	2023	2022
Financial assets (amortised cost)	£	£
Trade and other receivables	196,881	7,315
Amounts due from related parties (amortised cost)	5,718,394	5,410,461
Cash and cash equivalents	3,027	76,227
	<u>5,918,302</u>	<u>5,494,003</u>
Financial liabilities (amortised cost)		
Trade and other payables	390,563	299,126
	<u>390,563</u>	<u>299,126</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

21. RELATED PARTY DISCLOSURES

The following related party transactions arose during the year ended 31 December 2023:

F Fantechi - unpaid director's fees from July to December 2023 amounting to £18,000 was payable as a director of the Company.

M A K AlKhalifa - unpaid directors fees from January 2020 to December 2023 amounting to £144,000 was payable as a director of the Company.

P Portmann - unpaid directors fees from September to December 2023 amounting to £12,000 and signing bonus amounting to £48,385 was payable as a director of the Company.

On 28 November 2023, Bahrain Energy Services W.L.L. has subscribed to a convertible loan note ("CLN") amounting to £127,066.

During the year ended 31 December 2023, the Company has settled the convertible loan note issued on 16 September 2021 (renewed in May 2022) to N Lyons and P B Ryan amounting to £43,187, including interest, while £21,593, including interest, has been converted into 8,637,368 ordinary shares by Contax Partners Inc.

During the year ended 31 December 2023 through its group subsidiary, CoalTech, £ 436,558 was payable to Contax Partners 1 SPC including F Fantechi's management fees to CoalTech in 2021, £ 92,677 was payable to Contax Partners DMCC including finance management fees and other recharges, £210,069 was payable to Contax Partners SPC including consulting fees to CoalTech, £ 18,955 was payable to CAPEX Engineering for consulting fees to CoalTech, £24,067 was payable to F Fantechi for unpaid expense claims, £2,409 was payable to Jan Batist de Wachter (a shareholder) for consulting fees, £42,345 was payable to Leon Johan Swanepoel (a shareholder) and £44,339 was payable to Wendy Ann Reithofer (a shareholder). Further and as at 31 December 2023, £3,608,682 was receivable from Bahrain Energy Services W.L.L. (South Africa Branch), £132,512 was payable to Bahrain Energy Services W.L.L. (Bahrain Office), £79,865 was receivable from Contax Partners 1 SPC for cross recharges of consultant's costs, £88,208 was payable to Contax Partners SPC and £13,038 was receivable from Coaltech S. à r.l, from cross recharges.

During the year ended 31 December 2023 through its group subsidiary, CASA, £25,813 was payable to Bahrain Energy Services W.L.L. (South Africa Branch) for funding received to cover operating expenses.

22. EVENTS AFTER THE REPORTING PERIOD

The following events occurred between 31 December 2023 and the date of this report which are material to the understanding of the annual financial statements:

The Directors confirms that on 9 February 2024, the Company has successfully completed the conversion from debt to equity of the Facility Agreement convertible loan note ("CLN"), as set out in paragraph 8.13, Part VI of its Admission Document dated 14 June 2019. The remaining CLN balance equal to GBP 531,657.65 is now fully converted to equity with 53,165,765 new Ordinary Shares issued to Shaikh Mohamed Abdulla Khalifa AlKhalifa. After conversion of the CLN, the Shaikh Mohamed Abdulla Khalifa AlKhalifa, Non-Executive Chairman, there is no further debt outstanding pursuant to the CLN. The shares were issued on 22 April 2024.

On 4 February 2024, the Company has successfully raised £200,000 to support the continuing growth of the Group. A total of 57,142,857 ordinary shares of 0.25p nominal value each have been placed with Investors at 0.35 pence per share. For each one Placing Share issued, one warrant will be granted, exercisable at 0.7 pence per share, valid for a period of three (3) years from the date of admission of the Placing Shares to the AQSE Growth Market. The shares were issued on 12 February 2024

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023****22. EVENTS AFTER THE REPORTING PERIOD - continued**

On 27 February 2024, the Company announce that the Company has issued for nil consideration, 20,670,000 Ordinary shares to Pascal Portmann, independent director, as performance-based compensation, after a six month review as initially agreed at the time of Pascal's appointment on 1 September 2023. The shares were issued on 06 March 2024.

During the first half of 2024, the Group, through its subsidiary Coal Agglomeration South Africa, signed a Joint Venture Agreements with three investors raising a total funds of US\$750,000 for the Group. The agreements aim to establish a joint venture company (SPV) exclusively for exploiting the market for Chisa'Mina Pellets in the territory. Additionally, it includes provisions for developing other pellet markets in the territory on a non-exclusive basis.

23. SHARE-BASED PAYMENT TRANSACTIONS

The Company operates an equity-settled share-based payment schedule under which share options are issued to certain directors, employees and creditors. Details of these schemes are set out below:

Management Options

Name of holder	Number of Options	Date Granted	Exercise Price	Option life
Shaikh Mohamed Abdulla Khalifa AlKhalifa	71,810,510	4 July 2019	2.5p	5 years
Contax Partners Inc.	71,810,510	4 July 2019	2.5p	5 years
Noel Lyons	71,810,510	4 July 2019	2.5p	5 years
Paul Benedict Ryan	71,810,510	4 July 2019	2.5p	5 years

The Company used the Black Scholes option pricing model to calculate the fair value of the options based on an expected volatility rate of 51.26% and risk-free rate of 0.8304%.

a. Warrants

Number of warrants	Date granted	Exercise price	Option life
3,122,000	26 October 2017	0.4p	5.0521 years

The Company used the Black Scholes option pricing model to calculate the fair value of the warrants based on expected volatility rate of 51.26% and risk-free rate of 1.3816%.

b. Warrants

Number of warrants	Date granted	Exercise price	Option life
150,000	2 July 2019	2p	5.0055 years

The Company used the Black Scholes option pricing model to calculate the fair value of the warrants based on expected volatility rate of 51.26% and risk-free rate of 0.8304%.

c. Warrants

Number of warrants	Date granted	Exercise price	Option life
3,300,000	29 July 2020	2.75p	5 years

This page does not form part of the statutory financial statements

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

23. SHARE-BASED PAYMENT TRANSACTIONS - continued

c. Warrants - continued

The Company used the Black Scholes option pricing model to calculate the fair value of the warrants based on expected volatility rate of 65.67% and risk-free rate of 0.2094%.

d. Warrants

Number of warrants	Date granted	Exercise price	Option life
2,100,000	29 July 2020	2.75p	5 years

The Company used the Black Scholes option pricing model to calculate the fair value of the warrants based on expected volatility rate of 65.67% and risk-free rate of 0.2094%.

e. Warrants

Number of warrants	Date granted	Exercise price	Option life
6,050,000	29 July 2020	2.75p	5 years

The Company used the Black Scholes option pricing model to calculate the fair value of the warrants based on expected volatility rate of 65.67% and risk-free rate of 0.2094%.

	Number of warrants	Fair Value £	31 December 23
Shaikh Mohamed Abdulla Khalifa AlKhalifa	71,810,510	0.0111303	799,272
Contax Partners Inc.	71,810,510	0.0111303	799,272
Noel Lyons	71,810,510	0.0111303	799,272
Paul Benedict Ryan	71,810,510	0.0111303	799,272
Peterhouse Capital Limited	3,122,000	0.0074270	23,187
Peterhouse Capital Limited	150,000	0.0127133	1,907
Contax Partners Inc.	3,300,000	0.0018667	6,160
Noel Lyons	2,100,000	0.0018667	3,920
Paul Benedict Ryan	6,050,000	0.0018668	11,294
	301,964,040		3,243,556

During the year ended 31 December 2023, no options or warrants have been exercised.

The weighted average exercise price of the management options and warrants is £ 0.010742.

During 2023, the Company issued total warrants of 215,424,208 warrants (2022 - 929,903,200 warrants). The total warrants issued at 31 December 2023 are 1,557,311,448 warrants (2022 - 1,341,887,240 warrants).

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

24. SHARES TO BE ISSUED

Total number of shares to be issued to South African Resident sellers	2023 13,291,745
Fair value of the Company's shares	<u>£0.0250</u>
	<u>332,294</u>

The 13,291,745 Ordinary shares are ready to be issued to the remaining South African Resident sellers once the necessary approvals for CASA from the South African Reserve Bank ("SARB") have been granted.

25. ULTIMATE CONTROLLING PARTY

The Group considers there to be no ultimate controlling party.

26. PRIOR YEAR ADJUSTMENTS

While preparing the financial statements the following two errors were noted which impacted the comparative figures:

- 1) Convertible loan notes with an outstanding balance of £215,000 was incorrectly classified as equity as the Group and Company did not have an unconditional right not to settle the loan notes in cash. Accordingly, both the comparative figures for the Group and Company were restated to correct the classification as set out below in the table. The equity component on these convertible loan notes as considered to be immaterial to the financial statements.
- 2) Expenses to the value of £72,758 relating to the 2022 financial year were omitted from the comparative figures. Accordingly, the comparative figures of the Group were restated to reflect the impact, as set out in the table below.

Group

	Previously presented <u>2022</u>	Adjustment	Restated <u>2022</u>
Impact on the Consolidated statement of Profit and loss			
Administrative expenses	(281,697)	(72,759)	(354,456)
<i>Operating loss before tax</i>	(378,064)	(72,759)	(450,823)
<i>Loss before income tax and Loss for the year</i>	(163,318)	(72,759)	(236,077)
Earnings per share expressed in pence per share (basic and diluted)	(0.01)		(0.01)
Impact on the Consolidated statement of Other Comprehensive Income			
<i>Loss for the year</i>	(163,318)	(72,759)	(236,077)
<i>Total comprehensive Income for the year</i>	(377,609)	(74,371)	(451,980)
<i>Currency translation differences</i>	(214,291)	(1,612)	(215,903)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2023**

26. PRIOR YEAR ADJUSTMENTS - continued

Impact on the Consolidated Statement of Financial Position

Convertible loans (equity)	746,658	(215,000)	531,658
Accumulated losses	(12,733,170)	(72,759)	(12,805,929)
Trade and other payables	2,783,160	74,371	2,857,531
Convertible loans (liability)	-	215,000	215,000
Currency translation reserve	24,656	(1,612)	23,044

Company

	Previously presented <u>2022</u>	Adjustment	Restated <u>2022</u>
Impact on the Company Statement of Financial Position			
Convertible loans (equity)	746,658	(215,000)	531,658
Convertible loans (liability)	-	215,000	215,000