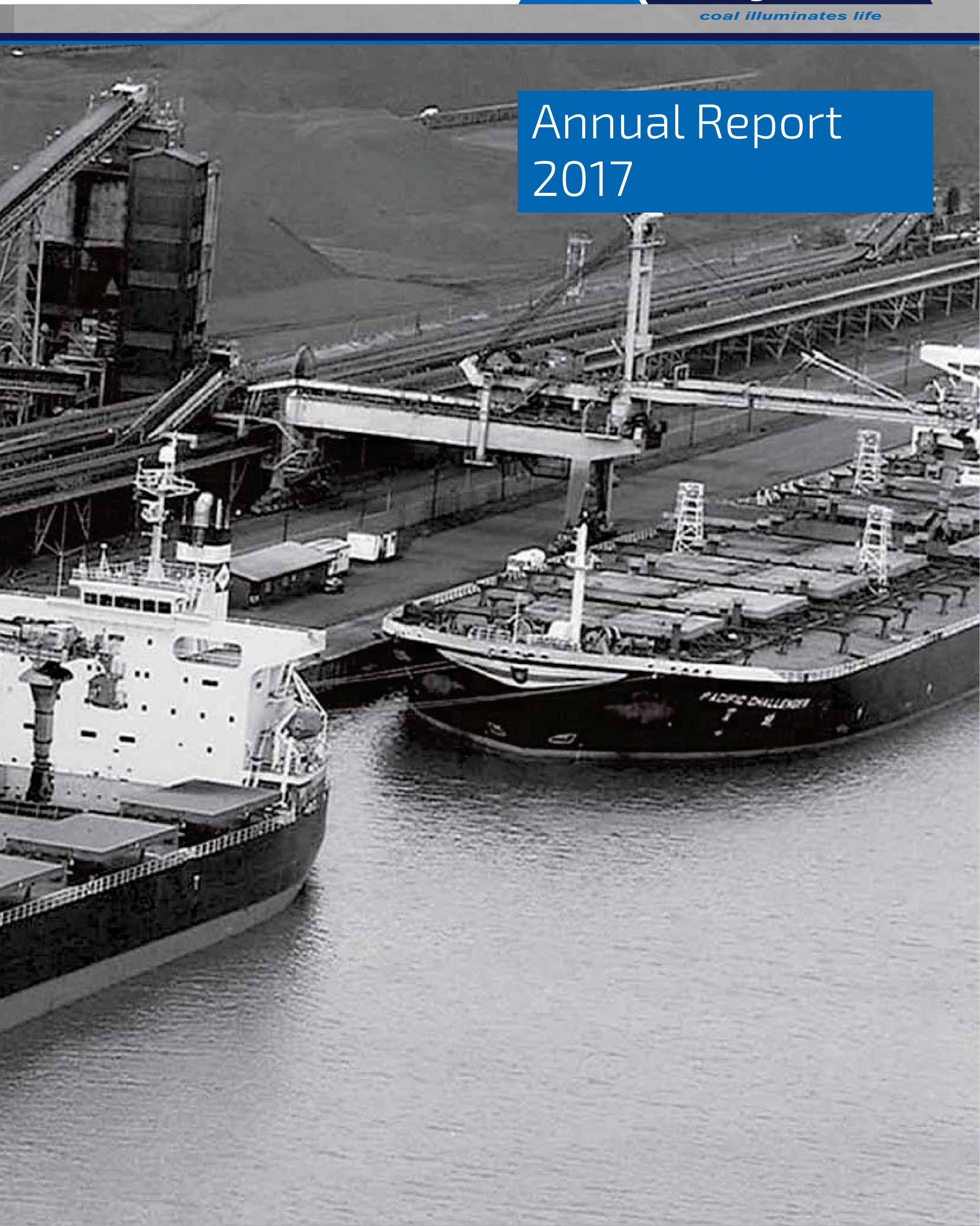
HMS Bergbau AG

coal illuminates life

Annual Report 2017



Group key figures

Balance sheet figures	31/12/2017 EUR thousand	31/12/2016 EUR thousand
Total assets	46,154	40,995
Non-current assets	12,175	4,053
Current assets	32,230	36,863
Shareholders' equity	4,528	4,160
Provisions	6,801	6,590
Liabilities	34,822	30,235

Income statement figures	2017 EUR thousand	2016 EUR thousand
Sales	220,971	178,018
Net profit*	720	269

**1,447,391.49 EUR 2017 Net Profit excluding 727,735.62 EUR non-cash pension provisions (2016: 552,479.21 EUR pension provisions)*

Finance Calendar

	Expected publication date
Start of the financial year	1 January 2018
Annual financial statements 2018	June 2019
Annual General Meeting	11 September 2018
Interim Report 2018	30 September 2018
End of the financial year	31 December 2018

Index

The English version of the annual report and the consolidated financial statements 2017 of HMS Bergbau AG is a one-to-one translation. The English version is not audited; in the event of variances, the German version shall take precedence over the English translation.

Letter to Shareholders

Dear Ladies and Gentlemen,

HMS Bergbau AG continued its strategy of expanding its business activities to include further commodities such as ores, metals and cement products in the 2017 financial year and is increasingly developing into an international commodities trading group. Nevertheless, the focus of the Company's operating activities is and will continue to be the coal business for the steel, cement and power plant industries, where HMS Bergbau AG has recognised expertise in mapping the entire value chain, from production to logistics and delivery to the customers, that has been built up over decades. Above all, the Company is focused on the consistent expansion of the international network of long-term, profitable business relationships with producers and consumers.

In addition to the conclusion of various international marketing agreements in 2017, particularly in South Africa and Indonesia, and an accompanying increase in tonnage coupled with stable commodity prices, the planned sale of up to 20 percent of the shares in Silesian Coal International Group of Companies S.A. represents the most significant milestone in the 2017 and 2018 financial years. The selling price, which is still subject to buyer's successful refinancing, amounts to EUR 10 per share and could add up to a lower seven-digit amount. The proceeds from the sale will be used to finance HMS Bergbau AG's preparations for coal mining in Orzesze, Poland, and to further strengthen the Company's international trading activities.

The outlook for the Silesian Coal International Group of Companies S.A. is promising. Drilling at Orzesze, under HMS's exclusive exploration license, identified a potential 2.2 billion tonne coal deposit in-situ, of which around 670 million tonnes of coal were identified as high-grade, recoverable coal according to the JORC standard. HMS plans to use Silesian Coal to develop the resources via the existing infrastructure in order to produce approx. 3 million tonnes of coke and steam coal in a cost-effective manner. By mining its own coal resources, HMS Bergbau would not only establish itself as a producer, but also gain a sustainable competitive advantage in the European market. The Management Board has already gained extensive experience in managing mines with IchorCoal in South Africa.

The prospects in the global coal market are also good. A steadily rising world energy consumption with the fossil fuel coal as an energy source is expected in the next few years. Coal prices are expected to remain at an elevated level in the future driven by rapidly growing industrial demand from the Pacific region, population growth, generally rising per capita consumption and a reduction in new mining investment. The management of HMS Bergbau AG believes that the Pacific region will continue to gain importance as a key sales market. As in previous years, the strategic focus of HMS Bergbau AG is increasingly turning toward Asia. Management believes that, in addition to South Africa, Indonesia represents one of the most important production markets due to the resources available, the favourable mining conditions and its central location in the Pacific Rim.

In light of the high world market prices expected, securing our own resources and the associated expansion of the value chain – starting with production and ending with the sale to end customers – is an essential component in sustainably consolidating HMS's market position. In the European steel industry, carbon from coal remains essential for the production of high-quality steel products and for the cement, sugar and paper industries. In addition, coal-fired power generation, as a flexible source of energy, will retain its importance in Europe. Our efforts in Europe continue to focus on renewing expired contracts and concluding new contracts with European coal consumers. In Africa and Asia, we are focusing on building long-term supplier and customer relationships in order to participate in the growing importance of both regions in global coal trading. During the 2018 and 2019 financial years, the main task of HMS will therefore be to regain market share in Europe, while at the same time expanding its business in Asia and Africa. Simultaneously the Company will continue to pursue its strategy of extending the value chain, particularly through the conclusion and the successful implementation of marketing agreements and collaborations, as well as through the development of its own production resources.

The operational decisions initiated in recent years are also reflected in the results of HMS Bergbau, which were once again influenced by the strong trading business in Asia and Africa. Total output rose by a solid 24 percent year-on-year to EUR 221.7 million. At the same time, EBITDA increased from EUR 1,812 thousand to EUR 2,007 thousand in 2017. Net profit for the period saw an above-average increase and amounted to EUR 720 thousand as of 31 December 2017, compared with EUR 269 thousand as of the end of 2016. With an increase in total assets to EUR 46.2 million, equity was almost 10% higher than in the prior year.

The current 2018 financial year also got off to a promising start. The sustained upward trend emerging in the commodity markets, the favourable framework agreements with established customers and the international positioning of HMS Bergbau AG, lead us to expect a continued improvement in our results. Accordingly, management expects to slightly increase sales in the current 2018 financial year and to maintain an attractive gross margin due to the further vertical and horizontal integration of the trading business. The net profit for the 2018 financial year should be similar to the level reported in the 2017 financial year.

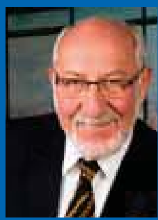
Berlin, June 2018

Heinz Schernikau
Chief Executive Officer

Steffen Ewald
Chief Financial Officer

Dennis Schwindt
Chief Operating Officer

Chief Executive Officer



Heinz Schernikau is the CEO of HMS Bergbau AG and founded the Company in Berlin in 1995. He has been in the international coal trade since 1973 and his positions include advisor to the Board of leading coal producers in Asia and Europe. He has established extensive international contacts and places particular importance on achieving long-term business relationships, mutual trust and reliability.

Chief Financial Officer

Steffen Ewald is the CFO of HMS Bergbau AG. After graduating in business administration, Ewald began his career at a medium-sized, international power plant engineering company, rising through the ranks to become Commercial Manager. Before switching to HMS Bergbau AG, Ewald was responsible for Group Finance and Reporting at the German holding company of an international media corporation.

Chief Operating Officer

Dennis Schwindt (COO) holds a degree in Economics from the Humboldt-University in Berlin. At HMS Bergbau AG, he has been managing several operating projects within the commodity trading area as the company's authorised representative since 2012. He gained extensive experience in engineering and in the oil and gas industries from his previous positions at medium-sized German companies and international groups.

Report of the Supervisory Board

Dear Ladies and Gentlemen,

In the 2017 financial year, the Supervisory Board of HMS Bergbau AG carried out its tasks as stipulated by law and the Company's Articles of Association and continuously monitored and advised the Management Board in its work. We regularly obtained comprehensive information on the current economic and financial position of the Group; its business performance; financial, investment and personnel planning as well as its strategic development at our regular board meetings and through additional verbal and written reports submitted to us by the Management Board. These reports also pertained to the current earnings situation, opportunities and risks and risk management. The Supervisory Board discussed all fundamentally important decisions in depth with the Management Board. We assessed any business transactions requiring our approval in detail before the relevant resolutions were adopted. The Supervisory Board voted on reports and proposals put forward by the Management Board when required by law or the Articles of Association.

Focal points of the meetings

The Supervisory Board of HMS Bergbau AG held a total of 4 meetings in the 2017 financial year. Subjects that were regularly discussed included the current business performance of the company and its subsidiaries as well as its liquidity, net assets and financial position. All of the resolutions required by law and the Articles of Association were passed. The Management Board informed the Supervisory Board promptly between meetings about important matters. Where necessary, resolutions were passed by circular procedure.

At the centre of the Supervisory Board meetings in the 2017 financial year was again the Group's strategic focus, corporate planning and organisational structure, which had to be adjusted accordingly, including all resulting personnel changes at the Company and its subsidiaries. We continued to successfully expand the HMS Group's international operations in Asia and Southern Africa during the year. The developments on the domestic and European coal markets and price trends were also subjects at the Supervisory Board meetings accompanied by issues relating to the financing of the local subsidiaries' trading activities and the provision of the necessary guarantees by HMS Bergbau AG.
The Management Board regularly informed us about general market development, price and earnings forecasts and intended actions. The Management Board also presented and discussed with us potential future projects. Important transactions approved by the Supervisory Board are described in the combined management report for the Company and the Group.

Personnel changes

The composition of the Supervisory Board remained unchanged in the 2017 financial year. Dr Hans-Dieter Harig, Dr h. c. Michael Bärlein and Ms Michaela Schernikau were discharged by the Annual General Meeting on 22 August 2017 for the 2016 financial year.

2017 annual financial statements

The annual and consolidated financial statements of HMS Bergbau AG for the 2017 financial year were prepared in accordance with provisions of the German Commercial Code (Handelsgesetzbuch – HGB). The company's auditor for the 2017 financial year, PANARES GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, was appointed to audit the annual and consolidated financial statements of HMS Bergbau AG and the combined management report in the 2017 financial year.

The auditor reviewed the annual and consolidated financial statements of HMS Bergbau AG and the combined management report for the Company and the

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

All Supervisory Board members had access to the annual and consolidated financial statements, the combined management report for the Company and the Group and the corresponding audit reports in due time. We reviewed and discussed the documents in detail at our meeting on 29 June 2018. Both the Management Board and auditor were present at the meeting and provided detailed answers to all questions posed by the Supervisory Board. The auditor also reported on the key findings of the audit. Our own examination of the annual and consolidated financial statements, as well as the combined management report for the Company and the Group, did not lead to any objections, and we approved the audit results. After its final review of all documents, the Supervisory Board did not raise any objections and approved the annual financial statements of HMS Bergbau AG as of 31 December 2017 and the consolidated financial statements as of 31 December 2017, as prepared by the Management Board, at its meeting on 29 June 2018. The 2017 annual financial statements have therefore been adopted in accordance with Section 172 of the German Stock Corporation Act (AktG).

On 29 June 2018, the Management Board proposed to carry HMS Bergbau AG's remaining unappropriated retained earnings of EUR 1.028.655,24 forward to new account. We also examined and approved this proposal.

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

The Supervisory Board would like to thank the Management Board and all employees for their commitment and dedication in the 2017 financial year.

Berlin, June 2018

Dr. Hans-Dieter Harig
Chairman of the Supervisory Board

Members of the Supervisory Board during the reporting period

- Dr. Hans-Dieter Harig
  Chairman of the Supervisory Board
- Dr. h.c. Michael Bärlein
  Deputy Chairman of the Supervisory Board
- Michaela Schernikau
  Member of the Supervisory Board

Investor Relations

Development of the capital markets

The development on the international stock markets continued to positive in 2017. Overall, equity markets in Europe, the US and emerging markets posted significant value appreciation. The continued favourable global economic development, the persistently low interest rates and the lack of investment alternatives contributed to this development. The political environment in the past 2017 financial year also fuelled the rally in the stock markets. Unlike what was initially expected, the elections in France and the Netherlands led to pro-European governments. US shares were driven, above all, by generous promises such as tax cuts, economic stimulus programs, as well as by the overall liberal economic policy of newly elected US President Trump. Hopes were recently significantly clouded by the announcement of punitive tariffs and the triggering of a global trade war. So far, there has also largely been an absence of economic stimulus programs. Overall, the policy decisions of the US government are increasingly becoming a factor of uncertainty for global economic development – a fact that has recently been reflected in stock prices.

Since the bottoming of euro interest rates in the summer of 2016, interest rates on bonds have risen only moderately. For the time being, the ECB is expected to continue its expansionary monetary policy and postpone interest rate hikes further into the future. Above all, the appreciation of the euro, but also the slowly recovering economies in southern Europe, are arguments that speak in favour of this approach.

Things are different in the United States. Here, the central bank is likely to continue its strategy of successive interest rate hikes and finally leave the path of expansionary monetary policy. Recent positive economic and labour market data and particularly rising inflation are sending clear signs for an end to the low interest rate policy.

The environment continues to appear favourable for the stock markets, however. Positive economic development is expected in the US and, in Europe, the growth of the Germany economy and the recovery in the euro crisis countries should continue. Risks are stemming from the as yet unpredictable effects of Great Britain's exit from the EU, the potential US trade restrictions, Catalonia's efforts to split from Spain and a variety of other foreign policy conflicts worldwide. Pressure on European stock markets is also increasing as a result of the appreciation of the euro against the US dollar.

The situation is mixed in emerging markets. While commodity-driven economies are expected to benefit from the slight stabilisation in commodity prices, uncertainty persists in China due to the high level of domestic debt.

Development of the stock markets

The DAX, Germany's most important stock market index, rose to 12,917 points in 2017. Compared to the beginning of the year, this represents a significant increase of 15%. At its peak, the increase in the DAX in 2017 had even reached 18%.

Development of the HMS share

While the large sock corporations represented in the DAX are attracting a great deal of public and investor interest, smaller companies, so-called small- and mid-caps continue to attract far less attention.

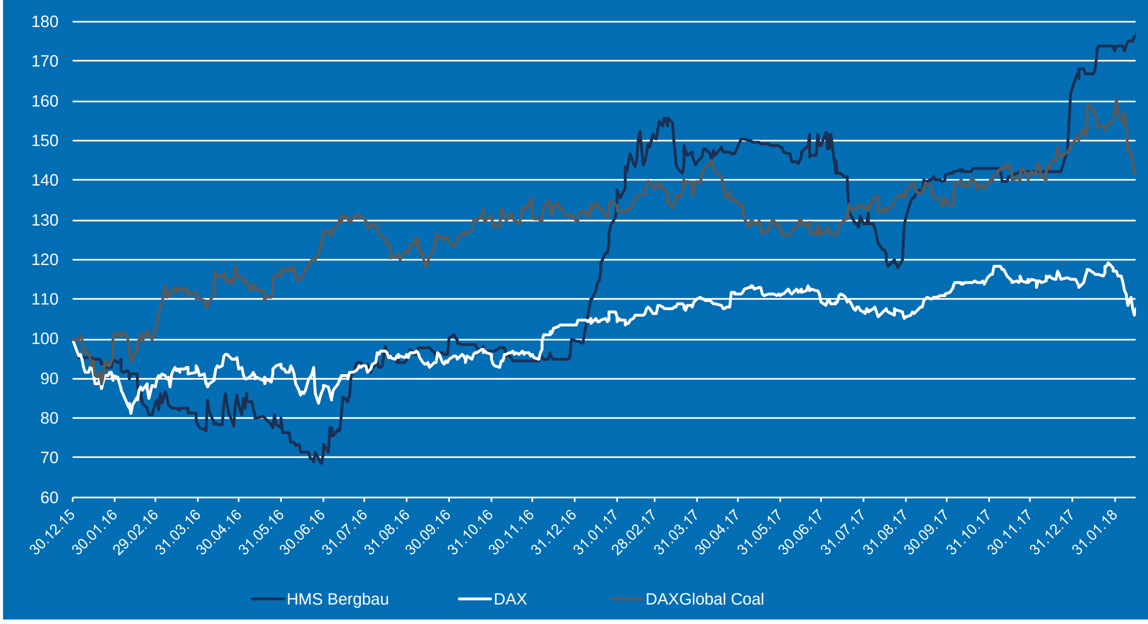
HMS shares, however, were able to escape this trend. Compared to the DAX and the DAXGlobal Coal indices, the favourable share price development of HMS Bergbau shares has been evident since the beginning of 2016. The shares have outperformed since the beginning of 2017, similar to the DAXGlobal Coal Index.

The price of HMS Bergbau AG shares jumped significantly at the beginning of 2017. Since that time, the performance HMS Bergbau shares has been comparable to that of the DAXglobal Coal Index. From the beginning of 2016 until March 2017, the index appreciated by almost 50% at its peak and then proceeded to move sideways, similar to the shares of HMS Bergbau. At the end of 2017 and the beginning of 2018, the share price picked up again significantly.

HMS Bergbau AG share price

The HMS Bergbau AG share price increased from EUR 8.42 on the last trading day of 2016 to EUR 13.68 at the end of the reporting period on 29 December 2017. This represents a significant increase of more than 60%. The share price increase was accompanied by relatively

Performance of HMS shares versus the DAX and the DAX Global Coal indices as of the beginning of 2016 until the beginning of 2018



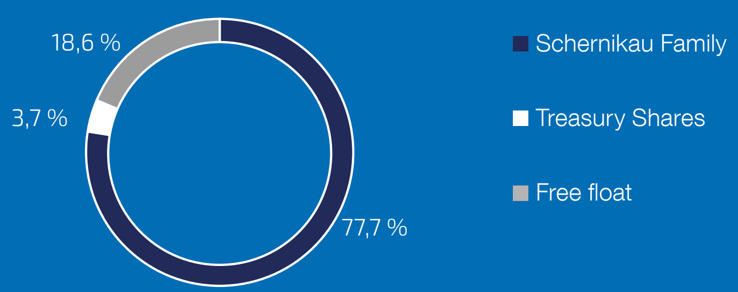
high volume, particularly at the beginning of the reporting period.

In comparison to the DAX index, HMS Bergbau shares performed significantly better in 2017 alongside the solid performance of the DAXGlobal Coal Index.
The market capitalisation of HMS Bergbau AG increased from EUR 36.80 million at the end of 2016 to EUR 59.78 million at the end of the 2017 trading year, with HMS Bergbau shares performing extremely well overall.

Shareholder structure as of 31 December 2017

The share capital of HMS Bergbau AG as of 31 December 2017 consisted of 4,370,000 shares with a nominal value of EUR 1.00 each for a total of EUR 4,370,000.00. ERAG Energie und Rohstoff AG holds 38.84 percent of the shares and LaVo Verwaltungsgesellschaft mbH holds 34.32 percent. A total of 3.69 percent is held by HMS Bergbau AG as treasury shares, and 18.57 percent is attributable to the free float.

Shareholder structure as of 31 December 2017



2017 Annual General Meeting

The Annual General Meeting of HMS Bergbau AG was held on 22 August 2017 in Berlin. The agenda included the proposed resolutions on the discharge of the Management and Supervisory Boards and the election of the auditor. The Company's shareholders approved all of the proposed resolutions with 100% of the share capital represented at the Annual General Meeting.

Investor relations activities

In addition to the publication of financial reports, the Company's Management Board fully informs shareholders about current events on a timely basis via capital market announcements. All capital market-relevant news is published in German and English, which exceeds the requirements of the stock exchange.

Key share figures as of 31 December 2017

Basic information

ISIN/WKN	DE0006061104/606110
Ticker symbol	HMU
Bloomberg symbol	HMU GY
Reuters symbol	HMUG.DE
Market segment /transparency level	Open Market / Basic Board
Designated sponsor/listing partner	ODDO BHF Aktiengesellschaft
Investor relations	GFEI Aktiengesellschaft
Subscribed capital	EUR 4,370,000.00
Number of shares	4,370,000
Free float	18.57 %

Performance data

Share price on 30/12/2016 (closing price on the Frankfurt Stock Exchange)	EUR 8.42
Share price on 29/12/2017 (closing price on the Frankfurt Stock Exchange)	EUR 13.68
Market capitalisation on 30/12/2016	EUR 36,795,400
Market capitalisation on 29/12/2017	EUR 59,781,600

Group management report

HMS Bergbau AG, Berlin

Combined management report for the Group and the Company
Financial year 2017

1. Overview

The HMS Bergbau Group is a globally active group of companies that serve as trading and distribution partners for renowned international electricity producers, cement manufacturers and industrial consumers with coal and energy raw materials such as steam coal, coking coal and coke products, as well as other raw materials such ore, cement, fertilisers and similar raw materials.

In 2017, HMS Bergbau AG continued its strategy to expand its business activities to include additional raw materials such as ore, metals and cement products and plans to develop into an international raw material trading company. The focus of its activities remains the coal business for the steel and power plant industry. HMS Bergbau AG's has spent decades building its widely recognised expertise throughout the entire value chain from mining to logistics to customer deliveries.

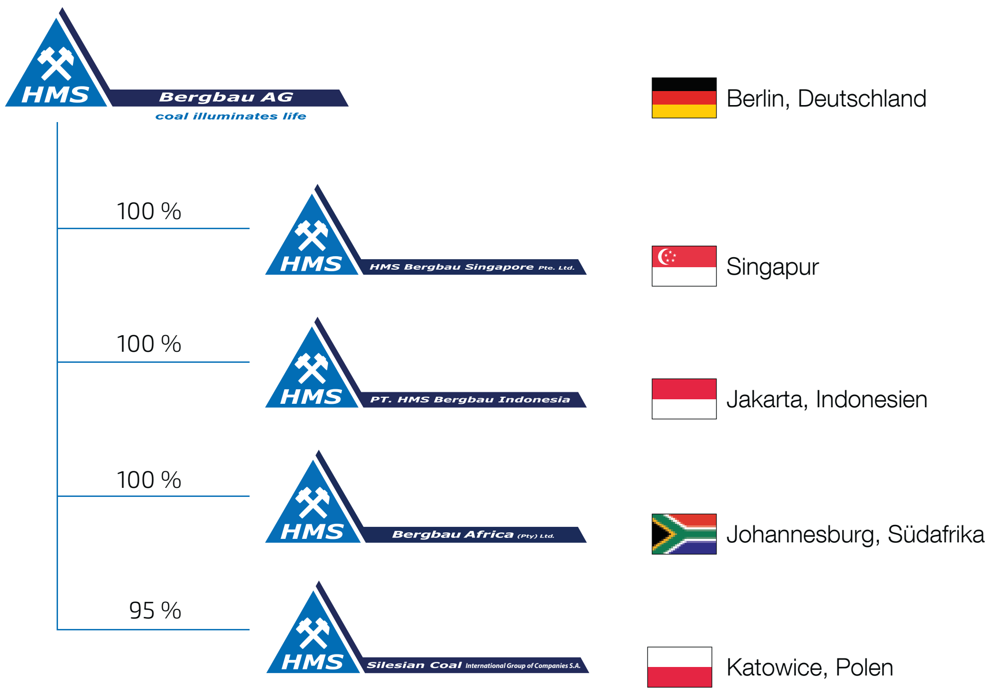
HMS Bergbau Group has built up an international network of long-term business partners and consistently pursues its philosophy of building long-term and profitable business relationships with international producers and consumers. The Group's high degree of internationality is also a result of its subsidiaries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

By signing a Memorandum of Understanding (MoU) with Shumba Energy, Botswana, HMS Bergbau has significantly expanded its operations in South Africa through its wholly owned subsidiary HMS Bergbau Africa (Pty) Ltd. In the future, HMS Bergbau will have access to more than 2 billion tonnes of high-quality coal. The contract provides for the marketing of coal via the international partner network of HMS Bergbau AG. Both parties expect the first coal deliveries as of 2019. At the same time, a cooperation agreement was signed with the South African Masingita Group for the joint structured development of the raw materials purchasing and sales markets in southern Africa.

As in previous years, exports are shipped by sea via the Richards Bay Coal Terminal (RBCT) – the world's largest export terminal for coal.

HMS Bergbau AG has sold 5 percent of its shares in its subsidiary Silesian Coal International Group of Companies S.A., which has already carried out geological surveys for the Orzesze area in Silesia, leaving HMS Bergbau AG's shareholding in the Silesian Coal International Group of Companies S.A. at 95 percent. The buyer of the shares was a Swiss company specialising in such investments and financing. The aim of the purchase is the joint operational development of the company and the financing of these activities. The purchase price was based on a valuation of the Silesian Coal International Group of Companies S.A. in the low, three-digit million-euro range. There are also plans to develop the Orzesze reserves of thermal and coking coal using portions of the infrastructure of a neighbouring mine. The HMS Bergbau Group and its partners plan to cover a further part of the value-added chain by setting up their own production operations. This would enable low-cost production of more than 650 million tonnes with a comparatively low amount of investment. With this step, HMS would gain sustainable competitive advantages in the European market.

The corporate structure of the HMS Bergbau Group and its major subsidiaries as of 31 December 2017 is as follows:



HMS Bergbau AG is a performance-oriented and dynamic company as well as a major player in the international coal trading business. Our strategy of observing long-term developments in global commodity markets without losing sight of current trends continues to be based on the following prerequisites:

1.1 Price development

Coal prices developed well overall in 2017. Since the middle of last year, there has been a sustained price increase to more than USD 65/tonne. To effectively compensate for future market fluctuations, HMS Bergbau AG has the ability to optimise its added value by vertically integrating mining, handling and transportation taking into account current and future price increases. The Company is also expanding into new export and import markets, as well as into other product categories.

1.2 Market internationalisation

Commodity markets continue to converge as a result of international trade and improved logistics. At the same time, market transparency is increasing through the use of trading platforms and index-based trading activities. Although these trends fuel higher competition, they also offer HMS Bergbau AG additional opportunities reflected by the Company's expansion into commodity trading activities other than coal.

1.3 Vertical integration

In order to extend our coverage of the value chain from mining to logistics and delivery to the customer and ensure our future security of supply as energy demand grows, it is essential that we invest in our own resources. Investments in exclusive marketing agreements make particular economic sense for HMS.

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

Strong trading business

The basis for our future growth and business success is the continued expansion of our trading activities with solid, long-term supplier and customer relationships and steady value contributions.

Growth

Our aim is to sustainably increase our results through the vertical integration and the accompanying competitive advantages in order to generate adequate growth. This specifically means expanding our international coal marketing activities in the South African coal market through a cooperation agreement with the Masingita Group. By signing the contract with Shumba Energy and gaining exclusive access to more than 2 billion tonnes of high-grade coal in southern Africa, the HMS Bergbau Group will be able to generate further growth. The HMS Bergbau Group is also opening up further growth opportunities through exclusive marketing rights in South Africa and neighbouring countries.

Corporate culture

The practice of "living out" a corporate culture characterised by highly professional and ethical standards throughout the Group is a true advantage for HMS Bergbau Group in the competition for qualified international personnel who serve to further drive our chosen strategy.

1.4 Horizontal integration

In addition to vertical integration, HMS Bergbau AG also continues to press ahead with horizontal integration. Focus is placed on new markets – especially Asia, Africa and the Middle East – to continuously tap into and further develop existing as well as new sourcing markets for HMS Bergbau AG. The existing network, the expertise acquired over years and proven transport options are used not only for the Company's coal activities but also increasingly for other commodities and products such as ores, metals and cement products. The advantage of expanding our operations to include all types of commodities and similar products is not only that we are able to better utilise our existing capacities but are also in a position to take advantage of attractive opportunities in terms of risk diversification and gross margins.

2. Business and economic environment

2.1 Global economy

World trade enjoyed a significant recovery in 2017. According to the Institute for the World Economy (Institut für Weltwirtschaft – IfW), global economic growth reached 3.8 % – the highest rate of increase since 2011. After a period of weakness, world trade has risen sharply since the end of 2016 and is now in an upward trend as a result of the expansion of foreign trade in Asia and higher global investment.

The upturn in the global economy is expected to continue in both 2018 and 2019. The IfW expects global economic growth of 3.9 % in 2018 and 3.6 % in 2019. Despite this favourable economic outlook, prices are expected to rise only gradually and keep inflation low. The International Monetary Fund (IMF) forecasts global economic growth of 3.9 % for both 2018 and 2019, with a significant contribution coming from Europe and Asia.

Economic growth accelerated, above all, in the advanced economies. The IfW expects gross domestic product (GDP) to continue to increase by 2.4 % in 2018 after 1.6 % in the previous year. An acceleration is also evident in the USA where GDP in 2017 rose sharply from 1.6 % to 2.4 %. GDP in the eurozone also rose at a similar pace of 2.4 % compared to 1.7 % in the previous year. According to Eurostat, last year's GDP in the 19 euro member states increased by a remarkable 2.5% – the highest increase in 10 years. This is in contrast to the economic development in the United Kingdom, which was rather subdued.

The advanced economies are benefiting from the anticipated rise in demand from emerging markets but are likely to see only a modest increase in economic output over the next two years, with 2.4 % expected in 2018 and 1.9 % in 2019 due to relatively high level of capacity utilisation. After a solid performance in 2017, a further improvement in the USA's economic development is expected in 2018. In the eurozone, on the other hand, economic growth will be similar to the previous year. In Great Britain, Brexit is leading to much more subdued economic development both this year and next.

Germany recorded strong growth in 2017. The Federal Statistical Office calculated an increase in gross domestic product of 2.2 %, which signified the eighth consecutive year of economic growth in Germany. In the past three years, there has been steady year-on-year acceleration in growth. In a ten-year comparison where the average rate of increase is 1.3 %, 2017 was almost 1 % above the average. Contributing to the increase was not only private consumption but also the construction sector and rising investment. This year, Germany is expected to see the strong growth continue with an even higher increase in economic output than in the previous year.

In the emerging markets, the global economic momentum had a somewhat weaker impact. GDP in these countries increased by 5.2 % in 2017 after 4.7 % in the previous year. Following the slump in commodity prices in 2015 and 2016, commodity production picked up in 2017. In China, the largest emerging market economy, economic growth slowed only marginally to 6.8 % following 6.9 % in 2016, despite the scaling back of monetary incentives.

In 2018 and 2019, economic performance in the emerging economies is expected to be similar to the previous year. The forecast of 5.2 % and 5.0 %, respectively, is largely due to an anticipated slowdown in economic expansion in China, where a containment in debt growth and structural changes are on the government's agenda.

Economic policy risks

Now that the political uncertainties have receded into the background, the risks of a normalisation in monetary policy is coming to the forefront and could contribute to uncertainty on the capital markets, as was seen recently. This would also cause a likely correction in asset prices, yields and exchange rates. Some of the emerging markets, in particular, could be in trouble due to their rising debt levels from the issue of foreign currency bonds.

The fear in early 2017 that the new US administration could impede global economic development through protectionism became a reality in March 2018. Despite the introduction of the first punitive tariffs on commodities such as steel, the US government continues to be concerned about multilateral agreements and supranational organisations. Political risks in Europe have diminished – at least in 2017. In France and the Netherlands, anti-European sentiment was not a factor in the parliamentary elections, and in the UK, proponents of a hard Brexit were weakened by the outcome of the elections. The desire for independence on the part of Catalonia, however, shows a leaning toward a nationalist mindset.

2.2 Raw materials

Commodity prices increased in 2017 on the back of a favourable global economy. According to the Hamburg Institute of International Economics, prices for oil, gas and metals were especially strong.

2.3 General development of the capital markets

The development on the international stock markets continued to positive in 2017. Overall, equity markets in Europe, the US and emerging markets posted significant value appreciation. The continued favourable global economic development, the persistently low interest rates and the lack of investment alternatives contributed to this development. The political environment in the past 2017 financial year also fuelled the rally in the stock markets. Unlike what was initially expected, the elections in France and the Netherlands led to pro-European governments. US shares were driven, above all, by generous promises such as tax cuts, economic stimulus programmes, as well as by the overall liberal economic policy of newly elected US President Trump. Hopes were recently significantly clouded by the announcement of punitive tariffs and the triggering of a global trade war. So far, there has also largely been an absence of economic stimulus programmes. Overall, the policy decisions of the US government are increasingly becoming a factor of uncertainty for global economic development – a fact that has recently been reflected in stock prices.

Since the bottoming of euro interest rates in the summer of 2016, interest rates on bonds have risen only moderately. For the time being, the ECB is expected to continue its expansionary monetary policy and postpone interest rate hikes further into the future. Above all, the appreciation of the euro, but also the slowly recovering economies in southern Europe, are arguments that speak in favour of this approach.

Things are different in the United States. Here, the central bank is likely to continue its strategy of successive interest rate hikes and finally leave the path of expansionary monetary policy. Recent positive economic and labour market data and particularly rising inflation are sending clear signs for an end to the low interest rate policy.

The environment continues to appear favourable for the stock markets, however. Positive economic development is expected in the US and, in Europe, the growth of the Germany economy and the recovery in the euro crisis countries should continue. Risks are stemming from the as yet unpredictable effects of Great Britain's exit from the EU, the potential US trade restrictions, Catalonia's efforts to split from Spain and a variety of other foreign policy conflicts worldwide. Pressure on European stock markets is also increasing as a result of the appreciation of the euro against the US dollar.
The situation is mixed in emerging markets. While commodity-driven economies are expected to benefit from the slight stabilisation in commodity prices, uncertainty persists in China due to the high level of domestic.

2.4 Global primary energy consumption

The global increase in the trade of goods and steadily increasing production have led to a sharp increase in global energy consumption. In the last four decades alone, consumption has more than doubled. Next to a change in the absolute consumption of the respective energy sources, the energy mix has also changed, among others, due to an increase in renewable energies.
The International Energy Agency is forecasting an increase in demand for primary energy by 2060 of about twice the current value to a total of 321,000 billion kWh. These forecasts are based on the assumption that, by that time, the standard of living in emerging and developing countries will have adjusted to the level of the western industrial nations. According to experts at the World Energy Outlook, energy consumption in Africa, India, China, Southeast Asia and the Middle East should increase 30 percent by 2040.

According to the BP Energy Outlook, global primary energy consumption will increase on average by just 1.3 percent p.a. over the next 20 years compared to 2.2 percent in the period from 1995 to 2015. The increase in energy consumption is closely linked to the increase in global economic output. Energy-saving measures, however, have been causing the rise in energy consumption to lag the rise in the economy for the past few years. For example, global gross domestic product is expected to double by 2035, while energy consumption is projected to increase by only 30 percent. The emerging markets will be driving growth, particularly China and India. China will initially remain the largest growth market for energy, with India expected to take its place by the end of the forecast period in 2035.

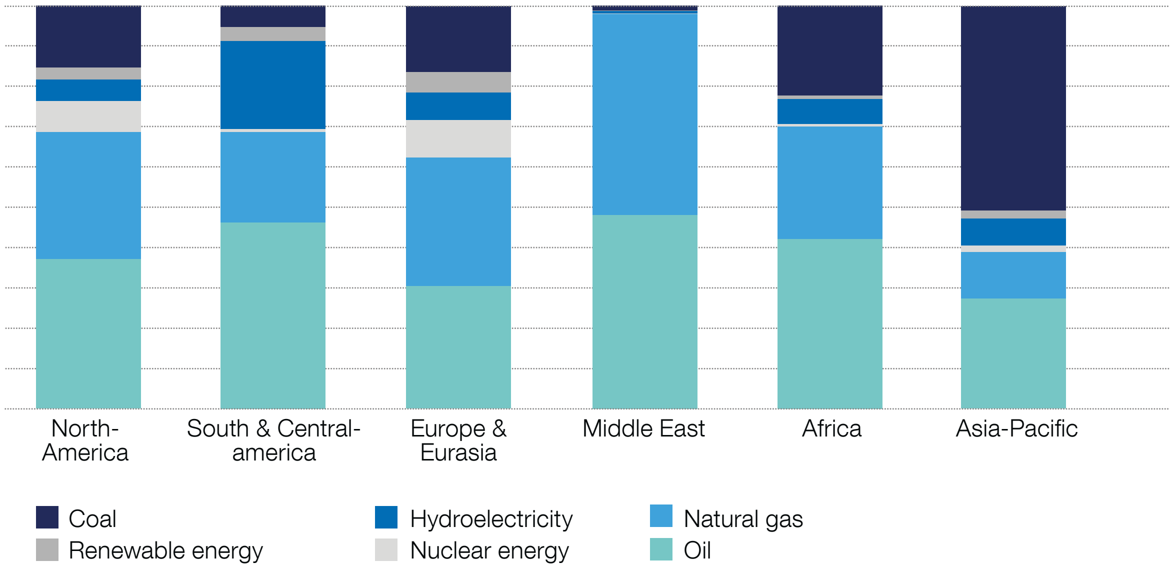
The BP Energy Outlook estimates that the share of renewables will increase over the next 20 years, and together with nuclear and hydropower, contribute half of the increase over the next few years. Despite this increase, oil, gas and coal will remain the dominant energy sources. The share of fossil energy sources is anticipated to fall from around 85 percent in 2017 to around 75 percent in 2035, albeit from a sharply higher base. As gas continues to increase, oil and coal growth should slow.

According to BP's study, global coal consumption will increase merely 0.2 percent and reach a peak in the mid-2020s. Over the last 20 years, coal consumption has increased by 2.7 percent, making gas the second most important source of energy until 2035. It is predicted that coal will drop to third place as a primary source of energy but will continue to rank first in terms of electricity generation. The slight decline in coal can be attributed to the rise in the use of other energy sources in China. Nevertheless, China remains the most important market for coal and will consume almost half of this resource in 2035.

In the US, President Trump is now relying increasingly on fossil fuels such as coal and oil. It is currently unclear what the impact of this will have on the coal market. Coal remains a low-cost resource. The decline in coal demand in the developed world is offset by higher demand in emerging economies such as China or India. While the share of coal as a primary energy source is anticipated to decline from 27 % in 2017 to 26 % in 2022, it will remain roughly the same in absolute terms due to rising energy demand.

Energy consumption and demand for commodities according to consumers 2017

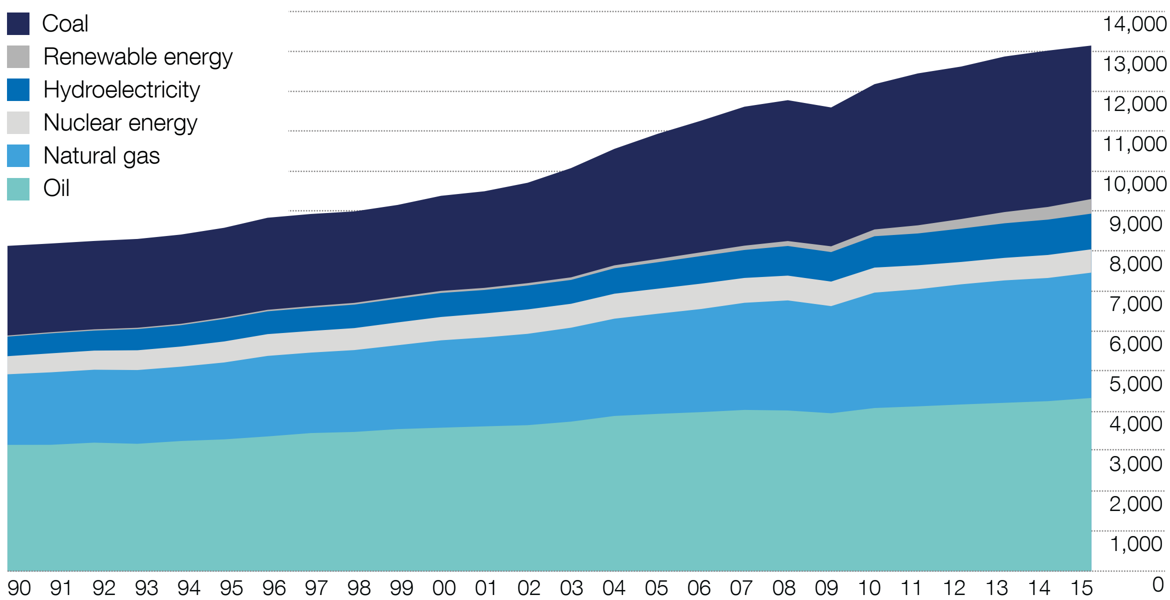
in Percent



Source: BP Statistical Review of World Energy 2016, HMS Bergbau AG

Primary energy consumption worldwide

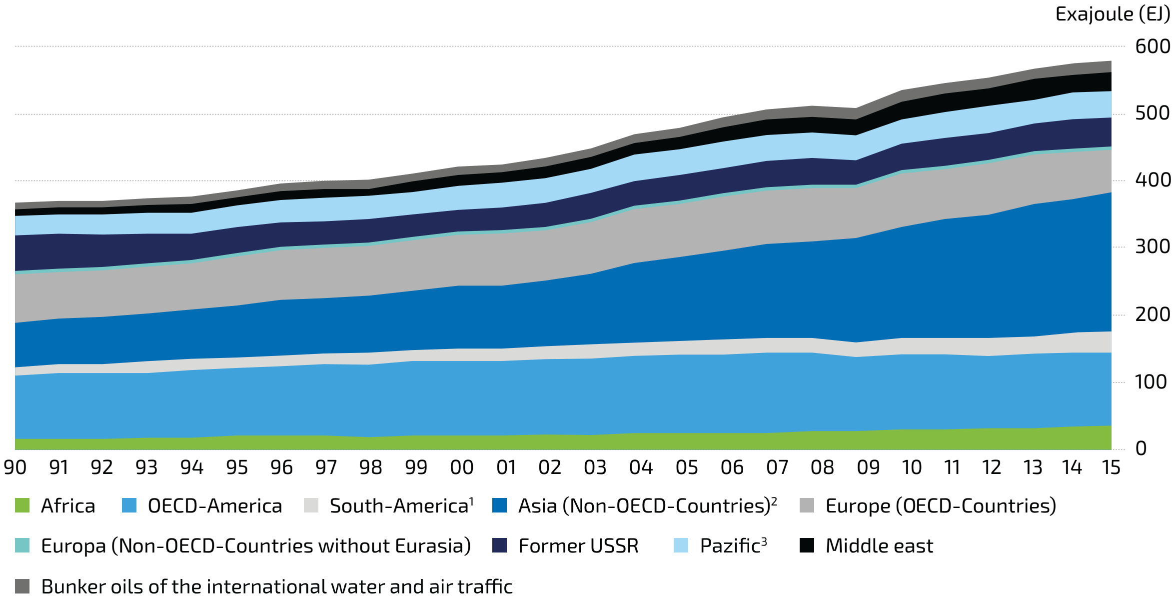
Million tons of oil equivalent



Source: BP Energy Outlook 2017, HMS Bergbau AG

Primary energy consumption worldwide

by region



[1] without Chile; [2] without Middle east; [3] Includes Japan, South Korea, Australia, New Zealand

Source: Internationale Energie Agentur (EA), HMS Bergbau AG

2.5 Energy consumption in Germany

Energy consumption in Germany rose again slightly in 2017, mainly as a result of sustained economic growth. In a multi-year comparison, consumption is hovering at a generally low level. According to calculations by the Working Group on Energy Balances (Arbeitsgemeinschaft Energiebilanzen), energy consumption in Germany increased by 0.8 percent in 2017 compared to the previous year.

The highest growth was seen in natural gas consumption, which rose 5.2 percent, followed by an increase in mineral oil consumption of 3.0 percent, whereas renewable energy increased by 6.0 percent. Nuclear power generation, on the other hand, declined significantly by 10.3 percent. Consumption of hard coal and lignite also declined by 10.4 percent and 0.6 percent, respectively.

In 2017, the consumption of **mineral oil** rose in Germany by 3 percent to 4,675 PJ (159.5 million tce). The main reason for this development was the increase in consumption of fuels. Petrol and diesel each increased around 2 percent. The consumption of aviation fuel increased only slightly at 0.7 percent. Sales of light fuel oil increased by around 2 percent, and deliveries of naphtha to the chemical industry rose by just over 7 percent.

Natural gas consumption reached 3,200 PJ (109.2 million tce) and was 5.2 percent above the level in the previous year. This development was significantly influenced by the increased use of natural gas by the power plants to supply electricity and heat. Due to the relatively cool weather in some months of the past year, the use of natural gas for heating also increased. The industry too used more natural gas to generate electricity and heat.

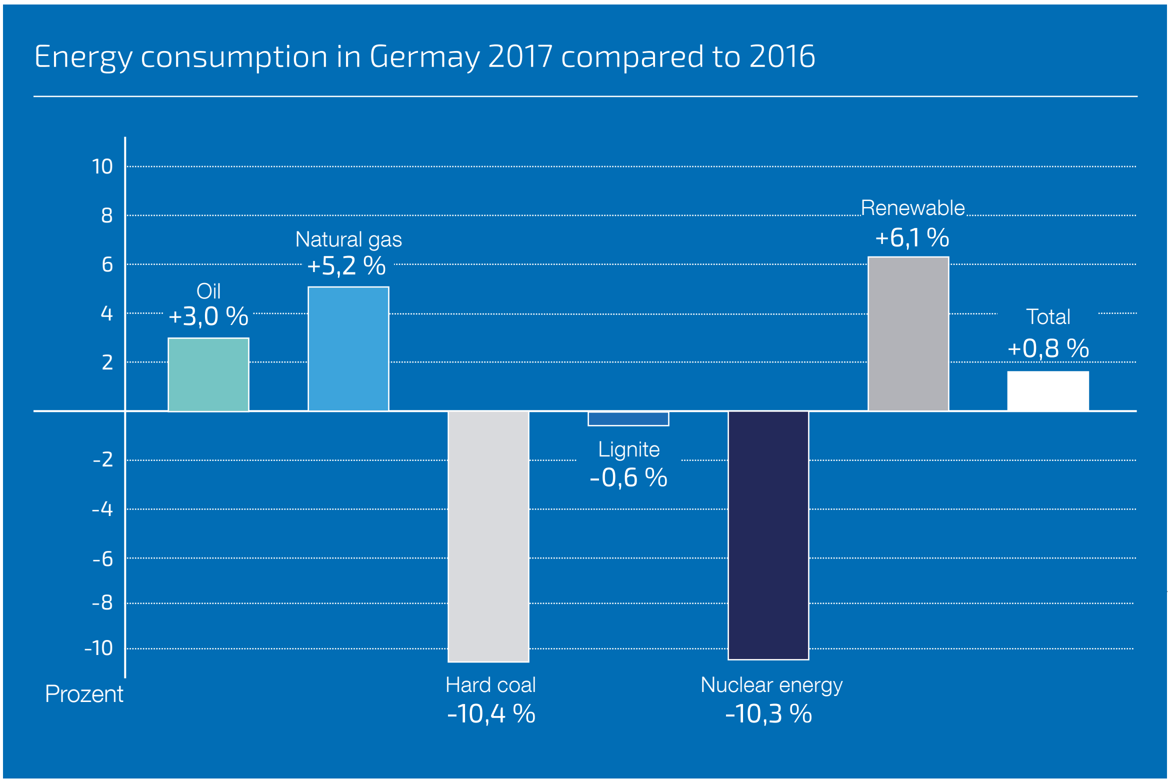
Consumption of **hard coal** declined by 10.4 percent, reaching a total of 1,489 PJ (50.8 million tce). In power generation, there were displacement effects as a result of higher electricity feed-in from renewable energies as well as increased power generation of natural gas CHP plants. In addition, several coal-fired power plants went off the grid. The iron and steel industry increased its use of coal and coke slightly by about 0.6 percent.

The consumption of **lignite** remained 0.6 percent below the level of the previous year and reached 1,510 PJ (51.5 million tce). Lower levels of use in existing power plants, to which about 90 percent of German lignite production is supplied, as well as the transfer of the first power plant units into the four-year readiness for security, caused a decline in lignite-fired power generation of 1 percent in 2017 to 148 terawatt hours.

Nuclear energy dropped 10.3 percent due to power plant overhauls. Nuclear energy overall contributed 828 PJ (28.3 million tce) to the energy balance in 2017.

Renewable energy increased its contribution to total energy consumption by more than 6 percent in 2017, with different developments in the single types of energy. Hydroelectric generation (excluding pumped storage), for example, fell by around 4 percent year-on-year due to weather conditions. Power supply from wind farms, in contrast, grew a strong 34 percent. Solar energy (solar heat and PV electricity) grew by 5 percent, and geothermal energy recorded an overall increase of 7 percent. Biomass and waste remained at the prior year's level. The share of renewable energies versus total energy consumption in Germany rose to 13.1 percent in 2017.

.



Source: Arbeitsgemeinschaft Energiebilanzen e.V., HMS Bergbau AG

2.6 Development of crude oil prices

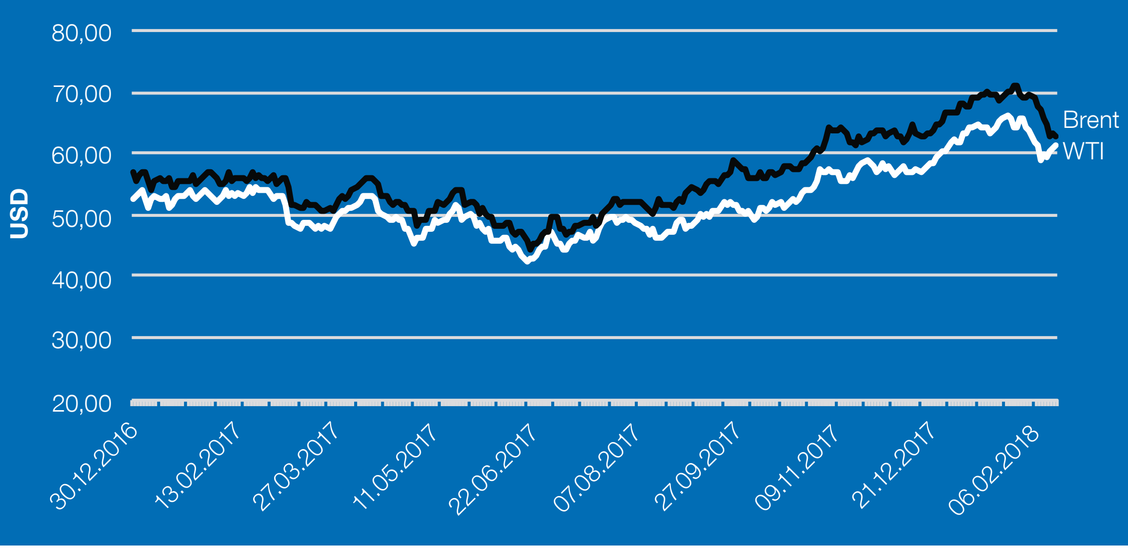
Oil prices fell significantly starting in mid-2014 until the beginning of 2016, with varieties such as WTI and Brent reaching lows of just over USD 30 per barrel at the start of 2016. That represented a price decrease of approximately 70 %. Since that time, a reversal in this trend has become visible. Absolute prices fluctuated between USD 40 and USD 50 per barrel, and by the end of 2017, prices had stabilised at close to USD 67 per barrel.

The main cause of the low oil price was oversupply on the world market, which experts do not expect to end in the near future, particularly as overproduction increased in the last two years. At the end of 2016, the Organisation of the Petroleum Exporting Countries (OPEC) agreed to decrease production and set country-specific quotas. Producing countries that are not members of OPEC such as Russia also want to decrease production. In contrast to earlier agreements, production has actually decreased. However, that initially did not lead to a significant increase in the oil price due to the continued high level of inventories. The increase in oil prices also made shale oil production in the USA economically viable again, and production increased.

The trend in the price of oil turned positive starting in 2017. At the start of the year, North Sea Brent still cost just under USD 56 per barrel (= 159 litres) and climbed nearly 20 percent by the end of the year to USD 66.82. At the beginning of 2018, the price even rose temporarily to more than USD 70, triggered by reports of falling crude oil reserves in the USA and an agreement in December 2017 to extend the quota system until the end of 2018. The mutual objective is to keep the oil price above the USD 50 price floor to guarantee production costs, for example, for shale oil extraction.

For the next two years, the experts of the Kiel Institute for the World Economy expect oil prices to remain at about the level at the end of 2017.

Absolute price development of WTI and Brent in 2017/18 in US dollars



Source: http://www.onvista.de/rohstoffe/, HMS Bergbau AG

2.7 Development in the energy consumption of coal

Global energy consumption has grown strongly over the past 150 years. Already in the 19th century, coal was traded as the main energy source and gained importance alongside natural gas and oil. Today, more than 85 % of global primary energy consumption is generated by fossil fuels. Even though energy use is becoming increasingly more efficient, rises in economic growth and consumption are preventing a decline in usage.

In 2015, overall global consumption decreased slightly for the first time in two decades. In 2016, the decline continued at around 1.5 %. While demand in Southeast Asia and India continued in 2016, Europe and the US saw a bearish trend. According to the International Energy Agency, development in China is particularly responsible for the decline. Here, a decline in coal consumption was apparent due to the onset of structural change and the economic slowdown. Nevertheless, with a consumption of around 50 %, China remains the largest coal consumer, producer and importer.

Experts from the IEA expect that the share of coal in the primary energy mix will decrease from 29 % to 27 % by 2020 but will continue to increase significantly in absolute terms. The share of coal for power generation will continue to be around 40 %.

The trend towards less coal is not uniform worldwide. In India, for example, 25 % of the population, or 300 million people, currently live without electricity. This number is significantly higher than in any other developing country, except in Nigeria, where today about 50 % of the population live without electricity. India intends to provide access to electricity to every citizen by 2022. As a result of this ambitious target, the need for coal for power generation and the industrial sector will increase to such an extent that by 2040, India will account for the largest demand for coal by far, accounting for almost half of the total energy mix.

In addition to India, experts forecast a sharp increase in energy demand in Indonesia, Brazil, the Middle East and China (currently the largest energy consumer). Accordingly, world energy consumption is expected to grow by one third by 2035. In the medium term, the IEA expects coal demand to decline in all OECD countries by 2020 and rise in all non-OECD countries.

2.8 Coal prices

According to the preliminary calculations of the Association of Coal Importers e. V., world trade in hard coal last year increased by 1.5 % to 1,140 million tonnes, and the global production of hard coal increased by even 2 % to 6.9 billion tonnes. Following a decline in 2016, production and world trade increased again in 2017. The seaworthy exports of the United States of America (USA) alone rose by 30 million tonnes or 60 %. Growth in maritime trade was also up 7 % in Russia and South Africa. South Africa, once an important supplier for Europe, now mainly supplies Asian countries.

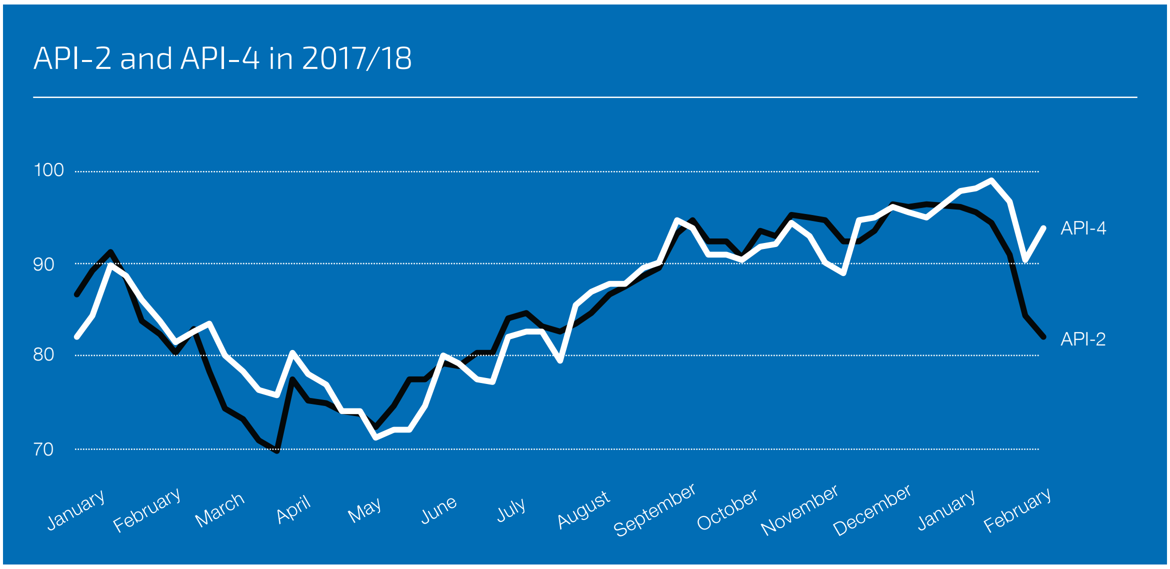
The decline in production in 2016 was mainly due to the difficult situation in the US with a series of bankruptcies along with the closure of unsafe mines in the People's Republic of China. Both countries, however, recorded renewed growth in 2017, with the US at 7 % and China at 2 %. Production in India also increased strongly by 3.2 %.

The increase in world trade in hard coal is due especially to growing demand in the ASEAN countries, which in turn is driven by growing demand in the manufacturing sector. The construction of modern coal-fired power plants and growing steel production lead to additional demand for coke and steam coal. The model of development in these countries is similar to that of China and is based on hard coal and will only extend to renewable energy sources after a certain time.

Germany's imports of hard coal declined significantly by about 10 %, or 6 million tonnes, last year in contrast to the global trend. While imports of coking coal increased by 0.6 million tonnes and imports of coke by 0.3 million tonnes, the use of coal for power generation decreased by around 15 %, or almost 7 million tonnes. The main reason for this decline was the construction of new wind turbines. The contribution of onshore wind turbines to gross electricity generation increased by 30 % in 2017 and by 47 % for offshore turbines. This is in contrast to the 17 % decline in contribution of hard coal to gross electricity generation in 2017.

According to the Association of Coal Importers (VDKi), the development of the international coal market continues to be largely determined by China and India. In 2015 and 2016, world coal production decreased by 3 % and 1.5 %, respectively. The main reason for this decline was global economic development and declining demand for steel in China. China's imports dropped accordingly by 32 %. India will play an important role in the future. The largest coal exporters are Australia (387 million tonnes), Indonesia (296 million tonnes) and Russia (142 million tonnes). Far behind are Colombia (83 million tonnes) and South Africa (77 million tonnes). According to the VDKi, coal production in Germany fell from 7.6 million tonnes to 6.2 million tonnes, while imports increased from 56.2 million tonnes to 57.5 million tonnes.

After the drop in coal prices below USD 50 per tonne had posed major challenges for market participants in the first half of 2016, prices for the two major coal price indices, the API-2 and API-4, trended higher during the second half of the year, and by the year's end, reached a level of well over USD 80. Nevertheless, the HMS Group managed to expand its market position and



Source: Argus Overview 2017/18, HMS Bergbau AG

counteract the trend towards lower margins by significantly increasing trading volumes in this difficult price environment. In 2017, the price trend from the previous year initially continued and then went on to correct to USD 70 in the period from March to May. Following that period, a lasting recovery began and, at the end of 2017, the API 2 and API 4 reached around USD 95. Just recently in the current 2018 financial year, there was a renewed correction down to a level of USD 82.

2.9 Trading

Trusting, stable business relationships with customers and suppliers form the basis of the successful international trading activities of the HMS Bergbau Group.
The main customers of the HMS Bergbau Group include power plant companies, steel and cement producers, as well as industrial companies such as glassworks, paper mills and waste processing plants. Our customer base consists of both private and state-owned companies from Asia, Europe, the Middle East and Africa.

The HMS Bergbau Group cooperates with renowned and reliable producers mainly in Indonesia, South Africa, Russia, Poland, and North and South America. In addition, we are responsible for the representation of numerous international coal producers. The HMS Bergbau Group handles the complete marketing of coal in selected markets.

2.10 Vertical integration

Access to resources and coal from marketing agreements with international producers should guarantee a reliable supply of consumers in the long term. The HMS Bergbau Group also plans to exploit its own resources in the future. This strategy was consistently pursued again in 2017.

By signing a Memorandum of Understanding (MoU) with Shumba Energy, Botswana, HMS Bergbau has significantly expanded its operations in South Africa through its wholly owned subsidiary HMS Bergbau Africa (Pty) Ltd. In the future, HMS Bergbau will have exclusive access to more than 2 billion tonnes of high-quality coal. The contract provides for the exclusive marketing of coal via the international partner network of HMS Bergbau AG. Both parties expect the first coal deliveries as of 2019.

HMS Bergbau AG has sold 5 percent of its shares in its subsidiary Silesian Coal International Group of Companies S.A., which has already carried out geological surveys for the Orzesze area in Silesia, leaving HMS Bergbau AG's shareholding in the Silesian Coal International Group of Companies S.A. at currently 95 percent. The buyer of the shares was a Swiss company specialising in such investments and financing. The aim of the purchase is the joint operational development of the company and the financing of these activities. The purchase price was based on a valuation of the Silesian Coal International Group of Companies S.A. in the low, three-digit million-euro range.

There are also plans to develop the Orzesze reserves of thermal and coking coal using portions of the infrastructure of a neighbouring mine. The HMS Bergbau Group and its partners plan to cover a further part of the value-added chain by setting up their own production operations. This would enable low-cost production of more than 650 million tonnes with a comparatively low amount of investment. With this step, HMS would gain sustainable competitive advantages in the European market.

It was also possible in Indonesia to enter into new coal marketing agreements for Vietnam with a reliable partner.

2.11 Horizontal integration

The expansion of global trading activities to include other commodities outside of coal, such as ores, fertilisers and cement products, is expected to become another important pillar of HMS Bergbau AG over the medium term. The steadily growing demand from new and existing customers for different raw materials should be satisfied using HMS Bergbau's structures. This strategy was vigorously pursued in the 2017 financial year. In doing so, HMS Bergbau AG utilises and opens up its existing network, its longstanding expertise and its worldwide transport options. At the same time, as part of the horizontal integration strategy, new sourcing markets will be tapped and steadily developed, particularly in Asia, Africa and the Middle East. By expanding its activities, HMS Bergbau AG is striving to optimise its capacity utilisation, further improve its risk diversification, raise gross margins and, ultimately, seize advantages versus the competition.

2.12 Logistics business unit

The HMS Bergbau Group offers its customers and business partners a complete range of services from the timely supply of raw materials to organising the entire transport logistics. The service portfolio of our highly professional and experienced team ranges from the chartering of ships, the organisation of inland transportation, port handling, warehouse management as well as coal preparation all the way up to technical monitoring, as required.

For example, the HMS Group in South Africa organises all of the logistics needs for its partners - from truck transport to rail transport and port handling - thereby providing a high degree of delivery reliability to its suppliers and customers.

2.13 Research and development

HMS Bergbau AG does not engage in research and development.

2.14 Employees

International competition for qualified employees remains high. In its pursuit of long-term employment relationships between staff and the HMS Group, management continues to focus on ongoing employee development, together with highly specialised and continuing training. In keeping with this strategy, we have hired additional employees, particularly in the Asian and South African markets, and are planning to continue hiring. Risks resulting from employee fluctuation are accounted for with succession and substitute planning. We conducted training for employees, particularly for those who are new. In order to offer our employees incentives, we have established an employee option programme. Among other things, it allows employees to purchase own shares held by the company at an advantageous price by means of income conversion.

3. Group results of operations

The results of operations of the HMS Group in the 2017 financial year compared to the previous year were as follows:

	31/12/2017 EUR thousand	%	31/12/2016 EUR thousand	%	Change EUR thousand	%
Total performance	**220,971**	**100**	**178,018**	**100**	**42,953**	**24**
Cost of materials	213,549	97	171,162	96	42,388	25
Personnel costs	1,659	1	1,536	1	123	8
Depreciation and amortisation	115	0	119	0	-4	-3
Other operating expenses						
./. other operating earnings	3,717	2	3,297	2	420	13
Taxes (excluding income taxes)	4	0	2	0	2	81
Tax expenses	**219,045**	**99**	**176,116**	**99**	**42,929**	**24**
Operating result	**1,926**	**1**	**1,902**	1	**24**	**1**
Earnings from investment and financial result	-2,579		-1,104		-1,475	< -100.0
Sale of shares	185		0		185	-
Allocation to pension provisions (1/15 of allocation under German Accounting Law Modernisation Act [BilMoG])	-223		-223		0	0
Earnings before income taxes	**-690**		**575**		**-1.266**	**< -100**
Income taxes	1,410		-306		1,716	> 100
Net profit*	**720**		**269**		**450**	**> 100**

**1,447,391.49 EUR 2017 Net Profit excluding 727,735.62 EUR non-cash pension provisions (2016: 552,479.21 EUR pension provisions)*

Sales were driven by strong trading activity in Asia and rising coal prices over the course of 2017. More than 90 % of the volumes traded by the Group in 2017 were transacted In Asia and Africa. The cost of materials ratio has deteriorated slightly compared to the previous year, as the high-margin sales from the IchorCoal marketing agreement have completely disappeared.

Personnel costs increased slightly over the previous year, rising from EUR 1,536 thousand to EUR 1,659 thousand, as the personnel in the departments of Trading and Operations in Asia and Africa, among others, were expanded. Nevertheless, the personnel cost ratio remained at around 1 %.

Depreciation and amortisation fell slightly in the 2017 reporting period to EUR 115 thousand after a level of EUR 119 thousand in the 2016 financial year.

Other expenses, net of other income, result in particular from legal and consulting fees, vehicle and travel costs, fulfilment costs, occupancy costs and 1/15th of the allocation to pension provisions. At the same time, as part of a restructuring of loans and advances, allowances of EUR 1,700 thousand were recognised out of commercial caution.

The first-time capitalisation of deferred taxes in the amount of EUR 1,618 thousand resulted in an income tax benefit.

The sale of a 5 % interest in the Polish subsidiary Silesian Coal International Group of Companies S.A. will only be recognised upon the actual receipt of the proceeds for reasons of commercial caution. Until now, EUR 185 thousand have been recognised in profit or loss.

4. Group assets

The net assets of HMS Group compared to the previous year were as follows:

	31/12/2017 EUR thousand	%	31/12/2016 EUR thousand	%	Change EUR thousand	%
Assets						
Non-current assets	12,175	26	4,053	10	8,122	> 100.0
Inventories	129	0	1,121	3	-991	-89
Receivables	30,163	65	24,158	59	6,005	25
Cash and cash equivalents	347	1	1,564	4	-1,217	-78
Other assets	3,340	7	10,099	25	-6,760	-67
	46,154	**100**	**40,995**	**100**	**5,159**	**13**
Capital						
Shareholders' equity	5,872	13	5,538	14	334	6
Own shares	-1,345	-3	-1,378	-3	34	-2
Non-current liabilities	6,209	12	5,722	14	488	9
Current liabilities	35,416	77	31,113	76	4,303	14
	46,154	**100**	**40,995**	**100**	**5,159**	**13**

The increase in non-current assets in 2017 mainly result from the maturity reclassification of loan receivables in the amount of EUR 7,153 thousand from current assets to non-current advances. Investments of EUR 1,026 thousand were made in the development of the 'Orzesze' hard coal area by the Silesian Coal International Group of Companies S.A. The receivables result from deliveries and services and are primarily against customers in Asia. The build-up compared to the previous year is largely due to volume and reporting date effects.

Non-current liabilities include pension obligations. The changes are due to actuarial reasons. Current liabilities mainly consist of liabilities to suppliers and from trade financing. The year-on-year increase is a result of the upturn in business activity and essentially due to reporting date effects.

5. Group financial position

Cash and cash equivalents developed as follows in the 2017 financial year:

	2017 EUR thousand
1. Cash flow from current operating activities	**-3,748**
2. Cash flow from investment activities	**-846**
3. Cash flow from financing activities	**34**
4. Cash and cash equivalents at the end of the period	
Change in cash and cash equivalents affecting payment	-4,561
Other changes in cash and cash equivalents	0
Cash and cash equivalents at the start of the period	-4,345
Cash and cash equivalents at the end of the period	-8,906
5. Composition of cash and cash equivalents	
Cash and cash equivalents	347
Current liabilities to credit institutions	-9,253
Cash and cash equivalents at the end of the period	-8,906

Despite a significant improvement in the net profit for the period, cash flow from operating activities declined year-on-year due to the strong build-up of working capital items. Cash flow from investing activities mainly results from investments made into the development of the 'Orzesze' coal field by the Silesian Coal International Group of Companies S.A. The cash flow from financing activities is based on the issue of treasury shares to employees as part of an employee stock option programme.

6. Information on the annual financial statements of HMS Bergbau AG

HMS Bergbau AG is the parent company of the HMS Group. HMS Bergbau AG remains responsible for the central management functions – strategy, finance, accounting/controlling – and all key trading activities. A significant number of the trade agreements is conducted via the parent company. In other words, the activities of HMS Bergbau AG largely determine the situation of the entire HMS Group. The annual financial statements of HMS Bergbau AG are prepared in accordance with German Commercial Law (HGB) and the German Stock Corporation Act (AktG). The following table provides an overview:

	2017 EUR thousand	%	2016 EUR thousand	%	Change EUR thousand	%
Revenue (= Total performance)	**152,589**	**100**	**107,972**	**100**	**44,618**	**41**
Cost of materials	146,453	96	102,843	96	43,610	42
Personnel costs	891	1	865	2	26	3
Depreciation and amortisation	33	0	30	0	3	9
Other operating expenses						
./. other operating earnings	4,087	3	3.181	0	906	29
Taxes (excluding income taxes)	3	0	2	0	1	61
Tax expenses	**151,466**	**99**	**106,921**	**98**	**44,545**	**42**
Operating result	**1,123**	**1**	**1,050**	**2**	**73**	**7**
Earnings from investment and financial result	-2,145		-556		-1,589	< -100,0
Sale of shares	185		0		185	-
Allocation to pension provisions (1/15 of allocation under German Accounting Law Modernisation Act [BilMoG])	-223		-223		0	0
Earnings before income taxes	**-1,060**		**271**		**-1,517**	**< -100**
Income taxes	1,618		-134		1,752	> 100
Net profit*	**558**		**138**		**420**	**> 100.0**

**1,285,539.05 EUR 2017 Net Profit excluding 727,735.62 EUR non-cash pension provisions (2016: 552,479.21 EUR pension provisions)*

6.1 Results of operations

The results of operations of HMS Bergbau AG are significantly influenced by the Company's primary trading activities. The sharp increase in sales is due to an increase in volumes and higher prices. The markets in Asia and Africa, which are developing with increasing demand, are being served by HMS Bergbau AG in addition to the local companies. More than 90 % of sales were generated with customer and supply relationships from Africa and Asia. The cost of materials ratio improved slightly year-on-year by around 1 % due to improved margins. Other operating expenses net of other earnings income resulted in particular from fulfilment costs, onward charging of other services of group companies, vehicle and travel expenses, legal and consulting fees as well as 1/15th of the allocation to pension provisions (EUR 223 thousand). At the same time, as part of a restructuring of loans and advances, allowances of EUR 1,700 thousand were recognised out of commercial caution.

The first-time capitalisation of deferred taxes in the amount of EUR 1,618 thousand resulted in an income tax benefit.

The sale of a 5 % interest in the Polish subsidiary Silesian Coal International Group of Companies S.A. will only be recognised upon the actual receipt of the proceeds for reasons of commercial caution. Until now, EUR 185 thousand have been recognised in profit or loss.

6.2 Net assets

	31/12/2017 EUR thousand	%	31/12/2016 EUR thousand	%	Change EUR thousand	%
Assets						
Non-current assets	14,876	35	8,325	22	6,551	79
Inventories	0	0	1,121	20	-1,121	-100
Receivables	24,832	58	16,709	62	8,123	49
Cash and cash equivalents	91	0	1,310	2	-1,219	-93
Other assets	2,845	7	7,497	15	-4,652	-62
	42,645	**100**	**34,962**	**100**	**7,683**	**22**
Capital						
Shareholders' equity	10,462	25	9,904	39	558	6
Own shares	-1,345	-3	-1,378	-10	34	-2
Non-current liabilities	6,209	15	5,722	17	488	9
Current liabilities	27,318	64	20,714	54	6,604	32
	42,645	**100**	**34,962**	**100**	**7,683**	**22**

The increase in fixed assets in 2017 mainly results mainly from the reclassification of loan receivables from current assets to non-current advances, which became necessary as a result of the restructuring of the receivable's maturity. Due to the trading activities of HMS Bergbau AG, the balance sheet structure is characterised by receivables from customers and current trade payables. Changes are mainly a result of volume and reporting date effects. In addition, the financial position is characterised by the shares in affiliated companies and loans to the Indonesian and African HMS companies. Current liabilities mainly consist of liabilities to suppliers and from trade financing.

Non-current liabilities include pension obligations. The slight year-on-year increase as of the balance sheet date of 31 December 2017 is based on actuarial effects.

6.3 Financial position

The financial position of the HMS Group is significantly influenced by HMS Bergbau AG. We therefore refer to our corresponding explanations.

In the spring of 2018, liabilities to banks in the amount of EUR 3,375 thousand were due. The financing of these liabilities was secured by operating business of EUR 908 thousand in the course of the 2018 financial year, EUR 1,182 thousand by extensions and the cash proceeds from the sale of shares in the Silesian Coal International Group of Companies S.A. provided EUR 185 thousand. Overall, we anticipate the sale of up to 20% of the Silesian Coal International Group of Companies S.A. to result in proceeds of up to EUR 20,000 thousand, of which EUR 1,285 thousand has already been received.

6.4. General statement

Sales, gross margin and EBITDA represent our financial performance indicators, which the Board of Management controls and monitors on an ongoing basis. In relation to the entire HMS Group, we were able to achieve and partially even exceed the sales forecast made in the previous year due to the market environment and the excellent trading results. Sales amounted to EUR 220,971 thousand in the 2017 financial year after EUR 178,018 thousand in 2016 and were not only price and volume-driven. Sales of HMS AG also increased significantly from EUR 107,972 thousand in the 2016 financial year to EUR 152,589 thousand. The Group's gross margin fell slightly from 3.9 % in 2016 to 3.4 % in 2017. The gross margin of HMS AG also fell from 4.8 % to 4.4 %. Group EBITDA of EUR 2,007 thousand (previous year: EUR 1,812 thousand) improved slightly compared with the previous year. This was due to the increase in other operating income in 2017 as a result of the sale of shares in Silesian Coal International Group of Companies S.A., of which EUR 185 thousand has been recognized in profit or loss so far. HMS AG's EBITDA amounted to EUR 1,121 thousand after EUR 859 thousand in 2016. Here, too, the reason for the increase was the rise in other operating income due to the sale of shares in the Silesian Coal International Group of Companies S.A., of which EUR 185 thousand has been recognized in profit or loss so far. Overall, we were able to fully achieve the projected target at Group level.

7. Risks and opportunities

The Management Board of HMS Bergbau AG is responsible for the Group's risk management, which is integrated into all operational processes at HMS Group. Future opportunities and risks are identified, classified, evaluated, controlled and monitored as part of business operations. It is, and remains, our policy to only engage in risks that result in significant opportunities to generate income. If possible, risks should be minimised or transferred to third parties. Opportunities are assessed with regard to their income potential. The following sections describe opportunities and risks that could have a significant impact on the Company's net assets, financial position and results of operations:

7.1 Price fluctuations

In HMS Group's traditional business – coal trading using back-to-back contracts and index- or fixed-price-based purchasing and sales agreements – there are by definition no effects on contractually agreed margins for individual transactions. Where the back-to-back principle is deviated from, for example in the case of varying base values on the purchase and sale side for heating value calculations, price risks may arise. We evaluate such risks on a daily basis as part of our risk management system, taking into account current forward prices and expected volatility. We continue to pursue the principle of avoiding significant risk positions in purchasing and sales by limiting such risks upon contract conclusion. The management of HMS Bergbau AG will continue to strive to execute back-to-back transactions.

7.2 Financial risks

Exchange rate and interest rate fluctuations can have a significant impact on the HMS Group's earnings. The Company's financial risk management therefore aims primarily to hedge currency risks via currency forwards without entering into speculative transactions. We also attempt to eliminate currency differences in financing, purchasing and sales. All group companies are obliged to assess and, where necessary, hedge all exchange rate risks. Changes to interest rates, or in other words risks from interest-bearing liabilities, are accounted for as financing costs and included in the assessment of each trading transaction, taking into account a risk premium and currency-specific differences. If deemed appropriate in the long term from a risk management perspective, and after evaluation of all possible scenarios, we exchange variable interest rates for fixed interest rates.

7.3 Credit ratings of business partners and counterparty risk

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

7.4 Political risks

The expansion of our business to the Asian and African markets exposes us to a higher level of legal and political risk from, for example, attempts to exert political influence, disruptions to the supply chain, civil disturbances or economic strategies that may have detrimental effects on our business. We include risks from environmental and other geographical influences in these considerations. Furthermore, uncertainties arise from the existing legal framework, which is and will remain subject to ongoing change. In both Asia and Africa, excellent business opportunities go hand in hand with an increased level of risk. The Company's risk management system responds to individual risks by attempting to draw up corresponding contractual arrangements or eliminate the risks by consulting with experienced local partners. Realistically, it is never possible to completely eliminate such risks.

7.5 Investment risks

The Company's risk management system attempts to identify the potential negative impact on its business at an early stage by continuously monitoring the marketing strategy and its successful implementation, in order to respond to such risks accordingly by adjusting our strategy.

7.6 Risk and opportunities resulting from the corporate strategy

Because they involve considerable opportunities and risks, decisions on investments and acquisitions are examined based on an assessment and approval process. In some cases, experts are also consulted. The Management Board of HMS Bergbau AG makes the final decisions and, to the extent that these decisions are significant, obtains the approval of the Supervisory Board. We take particular care to exhaustively investigate and weigh the risks and opportunities when entering into long-term agreements. The main factors to examine are the size of the reserve, the logistical infrastructure, the financial situation, legal requirements, management and the political landscape. Our risk management system includes actions such as obtaining expert advice and reports. In the Trading segment, we are able to identify opportunities and risks at the earliest possible stage by intensely monitoring and analysing markets and competitors. Overall, the risk management system enables the HMS Group to mitigate the above risks at all times and seize any of the resulting opportunities. The management of HMS sees the greatest opportunities in the potential development of new mining projects and investments in South Africa with the help of the collaborations entered into with Shumba and Masingita. In particular, HMS sees the opportunity to contribute its experience in marketing agreements to be concluded. HMS also sees significant opportunities in terms of expanding its sales activities in new markets in Asia, particularly in Malaysia, Vietnam and Thailand.

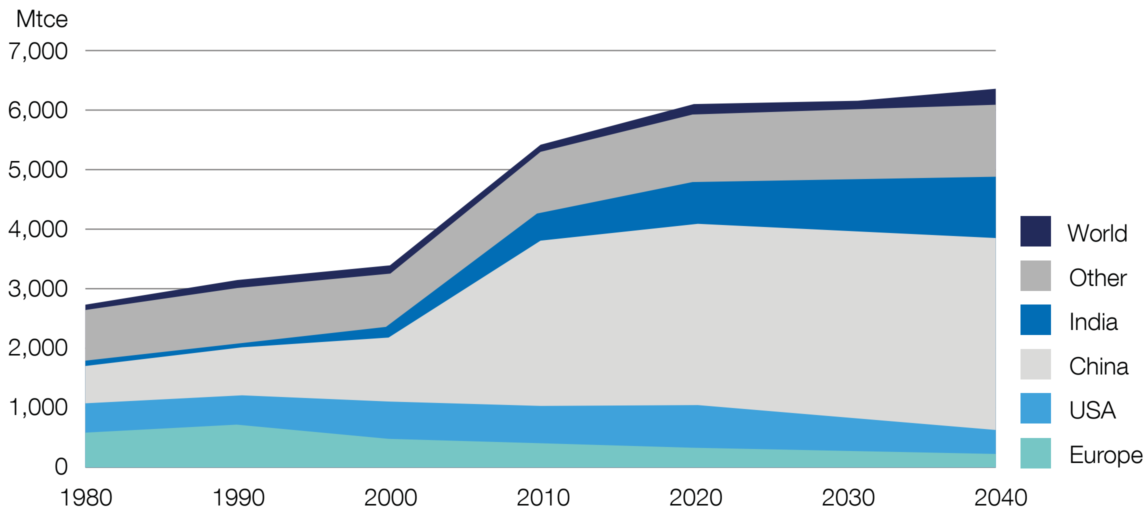
We expect Silesian Coal International Group of Companies S.A. will be granted a mining license still in 2018, which would be a considerable enhancement to the overall project.

8. Report on forecasts

In comparison to other energy resources, the largest reserves and resources globally are still reported for coal. According to calculations by the Federal Office for Geosciences and Natural Resources (BGR) in the Energy Study 2017, reserves will still last for 120 to 200 years, depending on the type of coal and the degree of global economic development. It remains undisputed, however, that the remaining potential of coal is sufficient enough to meet the foreseeable demand for many decades. In addition, scientific analysis and market surveys indicate that the share of coal in global electricity generation will continue to develop steadily. According to the IEA (International Energy Agency), hard coal will continue to be the largest carrier for industrial power generation. The following diagram illustrates the compensation for the decline in global coal-fired power generation by the growing industries, especially in Asia but later also in Africa. In addition to the growing world population, which is anticipated to increase to 8.2 billion by 2030, the biggest driver of this development is certainly growing energy consumption. The share of coal in global power generation will continue to increase until 2030 from today's 40 %. Therefore, a primary energy matrix without coal is inconceivable for the next 50 years.

The steadily increasing development of world energy consumption in recent years, with the fossil fuel coal as primary energy source, will continue in the next few years. Driven by rapidly growing industrial demand from the Pacific Rim, population growth and general rising per capita consumption, coal prices will tend to increase in the future. The management of HMS Bergbau AG assumes that the Pacific Rim region will continue to gain in importance as an important sales market. As in previous years, Asia is increasingly becoming the focus of HMS's strategic orientation. In addition to South Africa, Indonesia is one of the most important production markets in the next few years from the management's point of view because of the resources available, the favourable mining conditions and the central location in the Pacific region. Significant growth potential, especially in securing large coal resources,

Global coal demand by region



Source: World Energy Outlook 2014, International Energy Agency

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

With the expectation of increasing world market prices, securing our own resources and the related expansion of the value chain – from production to the sale to the end customer – is an essential component in sustainably consolidating our market position. Particularly given the known risks in nuclear energy and the current difficulties in implementing the "energy transition" in Germany, management does not expect declining demand for fossil fuels in Europe. As a flexible energy supplier, coal-fired power generation will retain its importance in Europe as well. Our efforts in Europe continue to focus on renewing expired contracts, closing new contracts with European power plant operators and expanding and consolidating our market position in niche products such as coking coal and coke products. In Africa and Asia, the Company is focusing on building long-term supplier and customer relationships in order to participate in the growing importance of both regions in world coal trading. In financial years 2018 and 2019, the main task of HMS will be to regain market share in Europe while at the same time expanding the Asia and Africa business. At the same time, the strategy of expanding the value chain, particularly by concluding and successfully implementing exclusive marketing agreements and collaborations and the development of proprietary production resources, must be pursued consistently.

The start of the 2018 financial year was relatively promising. The focus is on global positioning, especially in South Africa, India and Indonesia. In addition to expanding business volumes, HMS Bergbau AG's activities focus on improving its market position in strategically important markets and business segments. In addition to the coal business, the Company's activities are focussed in the expansion of trade in other raw materials, such as ores, fertilisers and cement products. In the medium term, this trading business should become another pillar of HMS Bergbau AG.

In the management's opinion, HMS Bergbau AG has been able to manage the difficult market conditions of recent years very well due to its flexible structures. At the same time, new markets have been developed as part of vertical and horizontal integration, which should contribute to improved results in the future and enable HMS Bergbau AG to benefit from the market in the long term and from the sustained positive upward trend on the commodity markets. Accordingly, management again expects slightly higher sales in the current financial year and further favourable gross margins from the ongoing vertical and horizontal integration of trading transactions. For financial year 2018, a positive net profit is expected again at the level of 2017.

9. Key features of the remuneration system

The Supervisory Board decides upon the remuneration system for the Management Board of HMS Bergbau AG, including all material contractual elements, and reviews it regularly. It also determines the remuneration for individual Management Board members. Management Board remuneration consists of fixed elements alongside variable, performance-related components. Fixed remuneration is paid as a monthly salary, regardless of performance. Management Board members also receive additional non-cash fringe benefits, which mainly consist of the value under tax law for the private use of a company car. Performance-related remuneration is dependent on the Company's result for the financial year and the personal performance of the Management Board member in question. The remuneration of the Chief Executive Officer also includes pension commitments.

10. Hedges

The HMS Group entered into hedging transactions in the reporting period due to the price and currency risks of underlying individual physical transactions.

11. Closing comments pursuant to Section 312 (3) AktG

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

12. Forward-looking statements

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

Berlin, 29 June 2018

Heinz Schernikau
Chief Executive Officer

Steffen Ewald
Chief Finance Officer

Dennis Schwindt
Chief Operating Officer

Consolidated Balance Sheet as of 31 December 2017

Assets

		31/12/2017	31/12/2016
	EUR	EUR	EUR
A. Non-current assets			
I. Intangible assets			
1. Licences, industrial property rights, similar rights and values and licences in such rights and values	12,016.72		7,829.87
2. Company value	54,640.57		105,078.03
		66,657.29	**112,907.90**
II. Fixed assets			
1. Other equipment, office and factory equipment	91,084.88		130,720.34
2. Advance payments and assets under construction	4,407,016.53		3,381,371.39
		4,498,101.41	**3,512,091.73**
III. Financial assets			
1. Shares in associated companies	457,508.08		428,204.36
2. Other loans receivable	7,152,790.15		0.00
		7,610,298.21	
		12,175,056.91	**4,053,203.99**
B. Current assets			
I. Inventories			
1. Products		129,273.76	1,120,589.27
II. Receivable and other assets			
1. Trade receivables	30,162,836.23		24,157,951.47
2. Receivables from associates	152,741.62		147,362.13
3. Other assets -thereof from shareholders EUR 0 thousand (previous year: EUR 604 thousand)	1,438,622.29		9,873,414.36
		31,754,200.14	**34,178,727.96**
III. Cash and cash equivalents		346,854.75	1,564,174.59
		32,230,328.65	**36,863,491.82**
C. Accruals and deferrals		**130,163.93**	**78,355.38**
D. Deferred taxes		**1,618,066.00**	**0.00**
		46,153,615.49	**40,995,051.19**

Passiva

		31/12/2017	31/12/2016
	EUR	EUR	EUR
A. Shareholders' equity			
I. Subscribed equity		**4,208,746.00**	**4,205,496.00**
II. Capital reserve		**3,966,747.36**	**3,936,489.88**
Paid In Capital		**8,175,493.36**	**8,141,985.88**
III. Profit reserves			
1. Statutory reserve	5,112.92		5,112.92
2. Other profit reserves	273,158.45		273,158.45
		278,271.37	**278,271.37**
IV. Consolidated net loss	-3,398,563.72		-4,118,219.59
V. Exchange differences	-538,632.14		-142,010.96
		-3,937,195.86	**-4,260,230.55**
VI. Minority interests		11,219.10	0.00
		4,527,787.97	**4,160,026.70**
B. Provisions			
1. Pension provisions and similar obligations	6,209,470.51		5,721,734.89
2. Tax provisions	157,969.06		423,393.52
3. Other provisions	433,753.26		445,324.61
		6,801,192.83	**6,590,453.02**
C. Liabilities			
1. Liabilities to banks	9,252,701.62		5,908,964.65
2. Trade payables	19,388,098.07		17,953,905.48
3. Other liabilities - thereof from taxes EUR 48 thousand (previous year: EUR 666 thousand) - thereof from shareholders EUR 3,276 thousand (previous year: EUR 2,430 thousand)	6,180,749.24		6,372,203.27
		34,821,548.93	**30,235,073.40**
D. Accruals and deferrals		**3,085,.76**	**9,498.07**
		46,153,615.49	**40,995,051.19**

Consolidated Income Statement 2017

		2017 EUR	2016 EUR
1.	Sales	220,970,972.14	178,017,846.08
2.	Other operating earnings	769,537.80	436,766.67
	- thereof from currency translation: EUR 228 thousand (previous year: EUR 309 thousand)		
		221,740,509.94	178,454,612.75
3.	Cost of materials		
	Costs for raw materials and supplies and for goods purchased	-213,549,483.45	-171,161,593.23
4.	Personnel costs		
	a) Wages and salaries	-1,514,986.52	-1,485,191.69
	b) Social security costs and pension support costs - thereof for pensions EUR 89 thousand (previous year: EUR 99 thousand)	-144,434.01	-50,998.74
		-1,659,420.53	-1,536,190.43
5.	Amortisation		
	Amortisation of intangible assets and fixed assets	-115,419.00	-119,094.26
6.	Other operating expenses - thereof from currency translation: EUR 81 thousand (previous year: EUR 140 thousand)	-4,524,420.39	-3,956,602.65
7.	Earnings from associated companies	0,00	11,727.58
8.	Other interest and similar earnings	240,875.19	106,098.29
9.	Depreciation of financial assets and securities held as current assets	-1,700,001.00	-24,999.00
10.	Interest and similar expenses - thereof from discounting of pension obligations: EUR 662 thousand (previous year: EUR 655 thousand)	-1,119,402.02	-1,196,688.96
11.	Income taxes - therof from deferred taxes EUR 1,618 thousand (previous year EUR 0)	1,410,084.98	-305,981.99
12.	**Earnings after taxes**	**723,323.71**	**271,288.10**
13.	Other taxes	-3,667.84	-2,031.92
14.	**Net profit for the period***	**719,655.87**	**269,256.18**
15.	Loss carryforward	-4,118,219.59	-4,387,475.77
16.	**Consolidated balance sheet loss**	**-3,398,563.72**	**-4,118,219.59**
	Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**2.007.185,57**	**1.811.954,02**

**1,447,391.49 EUR 2017 Net Profit excluding 727,735.62 EUR non-cash pension provisions (2016: 552,479.21 EUR pension provisions)*

Consolidated Cash Flow Statement 2017

	2017 TEUR	2016 TEUR
1. Cash flow from current operating activities		
Net earnings for the period (in the previous year Including share attributable to minority interests)	720	269
Depreciation of fixed assets	1.815	144
Profit from sales of minorities	-185	0
Decrease (prev. increase) in provisions	211	-385
Income from the disposal of consolidated subsidiaries	0	-12
Other non-cash expenses/income (incl. pension provision)	-565	-620
Change in inventories, trade receivables and other assets	-6.922	-7.279
Increase (prev. decrease) in inventories, trade payables and other liabilities	1.236	6.360
Interest expense/interest income	879	436
Income tax expense/tax benefit	-1.410	306
Income tax payments	473	-20
Cash flow from current operating activities	**-3.748**	**-800**
2. Cash flow from investment activities		
Cash outflow for investments in property, plant and equipment	-837	-1.043
Cash inflow from disposals of fixed assets	3	4
Cash outflow for investments in intangible assets	-12	0
Cash outflow for investments in associated companies	0	-416
Cash flow from investment activities	**-846**	**-1.456**
3. Cash flow from financing activities		
Proceeds from supplying of equity	34	35
Cash flow from financing activities	**34**	**35**
4. Cash and cash equivalents at the end of the period		
Changes affecting payment (Subtotals 1 – 3)	-4.561	-2.221
Cash and cash equivalents at the start of the period	-4.345	-1.976
Cash and cash equivalents at the end of the period	**-8.906**	**-4.197**
5. Composition of cash and cash equivalents		
Cash and cash equivalents	347	1.564
Current liabilities	-9.253	-5.909
Cash and cash equivalents at the end of the period	**-8.906**	**-4.345**

Consolidated Statement of Changes in Shareholders' Equity 2017

	Group's Equity				
	Subscribed capital common shares	Capital reserve	Generated consolidated shareholders' equity	Accumulated other consolidated net earnings from balancing item from currency conversion	Group's share
	EUR	EUR	EUR	EUR	EUR
31/12/2015	4,201,096.00	3,906,305.88	-4,109,204.40	-184,691.03	3,813,506.43
Changes in the basis of consolidation	4,400.00	30,184.00	0,00	0,00	34,584.00
Other changes	0.00	0.00	0.00	42,680.07	42,680.07
	4,205,496.00	3,936,489.88	-4,109,204.40	-142,010.96	3,890,770.50
Consolidated net income / loss	0.00	0.00	269,256.18	0.00	269,256.18
31/12/2016	4,205,496.00	3,936,489.88	-3,839,948.22	-142,010.96	4,160,026.70
Changes in the basis of consolidation	3,250.00	30,257.48	0.00	0.00	33,507.48
Sales of minority interest	0.00	0.00	0.00	0.00	0,00
Währungsdifferenzen	0.00	0.00	0.00	-396,621.18	-396,621.18
	4,208,746.00	3,966,747.36	-3,839,948.22	-538,632.14	3,796,913.00
Consolidated net income / loss	0.00	0.00	5,523,436.77	0.00	5,523,436.77
31/12/2017	4,208,746.00	3,966,747.36	-3,120,292.35	-538,632.14	4,516,568.87

Minority shareholders			Group equity
Minority interest	Accumulated other comprehensive income Foreign currency translation differences	Shareholders' equity	
EUR	EUR	EUR	EUR
0.00	0.00	0.00	3,813,506.43
0.00	0.00	0.00	34,584.00
0.00	0.00	0.00	42,680.07
0.00	0.00	0.00	3,890,770.50
0.00	0.00	0.00	269,256.18
0.00	0.00	0.00	4,160,026.70
0.00	0.00	0.00	33,507.48
11,219.10	0.00	11,219.10	11,219.10
0.00	0.00	0.00	-396,621.18
11,219.10	0.00	11,219.10	3,808,132.10
0.00	0.00	0.00	719,655.87
11,219.10	0.00	11,219.10	4,527,787.97

Statement of Changes in Current Assets as of December 31, 2017

	Anschaffungs- und Herstellungskosten						
	01/01/2017	Currency conversion	Change in the basis of consolidation	Additions	Disposals	Re-classifications	31/12/2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets							
1. Licences, industrial property rights, similar rights and values and licences in such rights and values	29,915.19	460.14	0.00	11,989.16	0.00	0.00	42,364.49
2. Goodwill	252,187.29	0.00	0.00	0.00	0.00	0.00	252,187.29
	282,102.48	**460.14**	**0.00**	**11,989.16**	**0.00**	**0.00**	**294,551.77**
II. Property, plant and equipment							
1. Other equipment, office and factory equipment	573,344.37	-1,687.54	0.00	19,745.04	13,412.71	0.00	576,234.14
2. Deposits paid / plant under construction	3,381,371.39	208,093.34	0.00	817,551.80	0.00	0.00	4,407,016.53
	3,954,715.75	**206,405.80**	**0.00**	**837,296.84**	**13,412.71**	**0.00**	**4,983,250.66**
III. Investments							
1. Investments	491,551.25	29,304.69	0.00	0.00	0.00	0.00	520,855.95
2. Other loans receivable	0.00	0.00	0.00	0.00	0.00	8,852,790.15	8,852,790.15
	491,551.25	**29,304.69**	**0.00**	**0.00**	**0.00**	**8,852,790.15**	**9,373,646.10**
	4,728,369.48	**236,170.63**	**0.00**	**849,286.00**	**13,412.71**	**8,852,790.17**	**14,651,448.53**

Accumulated amortisation and depreciation							Book values	
01/01/2017	Currency conversion	Change in the basis of consolidation	Additions	Disposals	Re-classifications	31/12/2017	31/12/2017	31/12/2016
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
22,085.32	0.00	0.00	8,246.16	0.00	0.00	30,347.77	12,016.72	7,829.87
147,109.26	0.00	0.00	50,437.46	0.00	0.00	197,546.72	54,640.57	105,078.03
169,194.58	**0.00**	**0.00**	**58,683.62**	**0.00**	**0.00**	**227,894.49**	**66,657.28**	**112,907.89**
442,624.04	-1,896.45	0.00	56,735.38	12,313.71	0.00	485,149,26	91,084.88	130,720.33
0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,407,016.53	3,381,371.39
442,424.04	**-1,896.45**	**0.00**	**56,735.38**	**12,313.71**	**0.00**	**485,149.26**	**4,498,101.41**	**3,512,091.71**
63,346.89	0.00	0.00	0.00	0.00	0.00	63,347.89	457,508.06	428,204.36
0.00	0.00	0.00	1,700,000.00	0.00	0.00	1,700,000.00	7,152,790.15	0.00
63,346.89	**0.00**	**0.00**	**1,700,000.00**	**0.00**	**0.00**	**1,763,347.89**	**7,610,298.21**	**428,204.36**
675,165.51	**-1,896.45**	**0.00**	**1,815,420.00**	**12,313.71**	**0.00**	**2,476,391.64**	**12,175,056.90**	**4,053,203.97**

Notes to the consolidated financial statements

HMS Bergbau AG, Berlin

Financial year 2017

I. General company information

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

II. General information on the content and structure of the consolidated financial statements

HMS Bergbau AG is a **large stock corporation** within the meaning of Section 267 (3) of the German Commercial Code (HGB).

The consolidated financial statements of HMS Bergbau AG for the financial year from 1 January to 31 December 2017 were prepared in accordance with the accounting and valuation principles under German commercial law and the provisions of the German Stock Corporation Act (AktG).

The financial year of the Group and of all entities included in the consolidated financial statements corresponds to the calendar year.

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

The income statement was prepared using the total cost method.

III. Scope of consolidation

1. Information on all Group entities

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

Name	Headquarters	Interest in %	Equity EUR thousands	Annual result EUR thousands
HMS Bergbau AG Iron Ore Division	Berlin	100	1	-7
HMS Bergbau Africa (Pty) Ltd.	Johannesburg	100	200	137
HMS Bergbau Singapore (Pte) Ltd.	Singapore	100	891	214
PT. HMS Bergbau Indonesia	Jakarta	100	-3,361	-170
Silesian Coal International Group of Companies S.A.	Katowice	95	-711	-65

2. Investments

The parent company holds the following direct or indirect investments:

- Zamfin Capital (Pty) Ltd, Paarl, South Africa
- Carbo-KH, Kemrowo, Russia (dormant)
- Studzionka Coal Production Sp. z o.o., Katowice (dormant)

The 25.1% interest in Zamfin Capital (Pty) Ltd, Paarl, was acquired in 2016. The payment of the purchase price totalling EUR 1,388 thousand is subject to certain condition precedents (including the development of a specific infrastructure and the occurrence of certain operating criteria). As of the balance sheet date, a total of EUR 445 thousand was paid. The occurrence of the agreed conditions for the payment of the remaining purchase price is uncertain and currently considered unlikely. The company is included in the consolidated financial statements as an associated entity and contributed pro-rata earnings of EUR 0 thousand to the Group's net profit for the period.

IV. Consolidation principles

The annual financial statements of the subsidiaries included in the consolidated financial statements were prepared as of 31 December 2017, which is the reporting date of the parent company.

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

The annual financial statements of the foreign subsidiaries were prepared in accordance with the applicable laws of each country and were reconciled to the reporting standards of the parent company. The balance sheet and income statement structure were aligned to the reporting structure of the parent company.

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

1. Information of the capital consolidation method applied

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

2. Date of first-time consolidation

The date on which the entity is established by the parent company always represents the date on which capital is consolidated within the meaning of Section 301 (2) HGB. As a result, also for entities established prior to the reporting year, capital was consolidated based on the values as of the entities' establishment. Any profits and losses generated by subsidiaries before 1 January 2010 were included in and offset against the parent company's retained earnings. For these companies, the consolidation did not result in a difference within the meaning of Section 301 (1) HGB (old version).

Entities acquired after 1 January 2010 are included as of the time they became subsidiaries of the parent company pursuant to Section 301 (2) HGB.

3. Debt consolidation

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

4. Consolidation of income and expenses, elimination of intra-group profits

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

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

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

V. Currency translation principles

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

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

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

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

VI. Accounting and valuation principles

Accounting and valuation

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

Intangible assets are carried at cost less scheduled amortisation.

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

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

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

Cash and cash equivalents impairment recognised at their nominal amounts.

Deferred tax assets resulted from differences of the carrying amounts of assets, liabilities, accruals and deferrals under commercial law and tax law. These differences are expected to be reversed on later years. Deferred tax assets are recognised for tax loss carryforwards to the extent they are expected to be offset against taxable income in the next five years. Deferred tax assets are based on the company-specific tax rate at the time of the reversal of the differences. The amounts recognised are to be released when the tax burden or re-lief occurs or is no longer expected to occur.

Defined pension obligations are calculated based on the projected unit credit method, using the “2005 G” mortality tables compiled by Prof. Klaus Heubeck, assuming an unchanged staff turnover and salary tend of 0%, a discount rate of 3.68% (previous year: 4.01%) and an unchanged pension trend of 2.0%. The difference between the seven-year and ten-year average interest rate, which is restricted from distribution (Section 253 (6) sentence 2 HGB, revised version) amounted to EUR 967 thousand. The first-time application of the German Accounting Law Modernisation Act (BilMoG) in the 2010 financial resulted in an amounted to be allocated to pension provisions of EUR 3,341 thousand in accordance with actuarial principles, which is spread over a period of 15 years pursuant to Article 67 (1), sentence 1, of the Introductory Act to the German Commercial Code (EGHGB). A total of EUR 1,559 thousand of this amount was allocated as of 31 December 2017. The remaining amount of EUR 1,336 thousand will be allocated to pension obligations until the year 2024 in yearly instalments of EUR 223 thousand and recognised as an expense.

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

Liabilities are recognised at their repayment amount.

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

VII. Notes on the consolidated balance sheet

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

Goodwill results from the interest (100%) in Silesian Coal International Group of Companies S.A. acquired in 2014. The useful life of goodwill is five years.

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

Other loans resulted from the reorganisation of receivables originating in prior years from the passing on of other services and costs incurred and recognised under current assets. In the 2017 financial year, these receivables were converted into non-current loans and re-classified as financial assets. At the same time, an impairment loss of EUR 1,700 thousand was recognised.

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

Deferred tax assets resulted primarily from the difference in the valuation of pension provision (EUR 876 thousand) and tax loss carryforwards (EUR 742 thousand). The calculation of temporary differences is based on the company-specific overall tax rate of 30.18%. The measurement of deferred taxes as of 31 December 2017 continued to result in a surplus of deferred tax assets over liabilities as was the case on the prior year's reporting date. As of 31 December 2017, the Company used the option granted by Section 274 HGB for the first time to capitalise the calculated tax relief.

Subscribed capital amounting to EUR 4,370,000.00 is comprised of 4,370,000 ordinary bearer shares with a nominal value of EUR 1.00 each. During the financial year, a total of 3,250 treasury shares were issued to employees, each of which accounts for EUR 1.00 of share capital (EUR 3,250.00). Total treasury shares held amounted to 161,254 shares as of 31 December 2017.

Capital reserves of EUR 3,936 thousand resulted from the difference between the nominal value and the issue price. The increase in capital reserves was due to the issuance of 3,250 treasury shares to employees.

The shares of non-controlling interests resulted from the sale of 5% of the shares in Sillesian Coal International Group of Companies.

Authorised capital amounts to EUR 2,185,000.00.

Subscription rights still exercisable within the context of an employee stock options pro-gramme totalled 59,063, which may be issued via treasury shares.

Pension provisions, net of the fair value of plan assets of EUR 978 thousand serving ex-clusively to meet pension obligations, amounted to EUR 6,209 thousand. Plan assets are held in the form of a management and collateral trust agreement for beneficiaries and con-sist of a bank account and custody account at DWS investing in equities. The fair value (EUR 978 thousand) equals the nominal amount of the bank account and the price of the equity fund as of the reporting date. In the financial year, EUR 53 thousand was recognised as income from the valuation of plan assets. Pensions amounting to EUR 480 thousand were paid in 2017, partially from trust assets. Personnel expenses include the reversal of provisions of EUR 104 thousand as a result of actuarial calculations.

Other provisions mainly concern costs for the preparation of the financial statements of EUR 92 thousand, Supervisory Board remuneration of EUR 87 thousand and personnel provisions of EUR 113 thousand.

Liabilities to banks include EUR 8,075 thousand of trade financing of individual back-to-back transactions and EUR 1,178 thousand of overdraft facilities. Liabilities to banks have a remaining term of up to one year.

Of the other liabilities, an amount of EUR 3,786 thousand has a remaining term of more than and less than five years. All other liabilities have terms of up to one year.

Contingent liabilities within the meaning of Section 251 HGB

HMS Bergbau AG issued a letter of comfort to duisport agency GmbH under which it under-takes to meet the financial obligations of HMS Bergbau AG Coal Division relating to a coal handling and processing contract with duisport agency GmbH. It is currently not expected that this letter of comfort will be utilised.

Other financial obligations

On 31 December 2017, the Group's purchase obligations from contracts concluded amounted to EUR 22,799 thousand, all relating to the 2018 financial year.

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

Up to 1 year	EUR	271 thousand
Between 1 and 5 years	EUR	276 thousand
More than 5 years	EUR	0 thousand

VIII. Notes on the consolidated income statement

Sales of EUR 220,971 thousand were generated in the financial year, mainly from trading coal products such as steam coal, coking coal and anthracite. On a regional basis, sales originated from Asia (62%), Africa (32%), Europe (5%) and South America (1%).

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

Other operating income primarily includes currency translation gains of EUR 228 thousand and a gain of EUR 185 thousand from the sale of shares in the Polish subsidiary Silesian Coal International Group of Companies S.A. The sale of a 5% interest in the Polish subsidiary Silesian Coal International Group of Companies S.A. will only be recognised upon the actual receipt of the proceeds for reasons of commercial caution.

Other operating expenses mainly include legal and consulting fees (EUR 1,099 thousand), vehicle and travel expenses (EUR 645 thousand), fulfilment costs (EUR 1,847 thousand), occupancy costs (EUR 2,045 thousand), currency translation losses (EUR 81 thousand) and the 1/15th of the allocation to pension provisions (EUR 223 thousand) resulting from the changed measurement pursuant to Section 253 (1) sentence 2 HGB.

The financial result includes interest expenses on pension obligations of EUR 662 thousand.

Income tax benefits resulted from the capitalisation of deferred tax assets (EUR 1,618 thousand).

IX. Notes on the consolidated cash flow statement

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

X. Other notes

1. Names of Management Board and Supervisory Board members

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

- Mr Heinz Schernikau, Chief Executive Officer,
- Mr Steffen Ewald, Chief Financial Officer
- Mr Dennis Schwindt has been appointed Chief Operating Officer as of 1 January 2018 (entry in the commercial register on 25 January 2018)..

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

During the financial year, the Supervisory Board was composed of the following members:

- Dr. Hans-Dieter Harig; engineer, retired, Chairman of the Supervisory Board
- Dr. h.c. Michael Bärlein; lawyer, Berlin, Deputy Chairman of the Supervisory Board
- Ms Michaela Schernikau; merchant, Managing Director, Berlin.

Until 10 September 2017, Dr Hans-Dieter Harig was also a member of the Supervisory Board of Rheinkalk GmbH, Wülfrath.

During the financial year, Ms Michaela Schernikau was also a member of the Supervisory Boards of the following companies: HMS Bergbau AG Iron Ore & Metals Division, Berlin; and HMS Bergbau AG Coal Division, Berlin.

2. Remuneration of the Supervisory Board members

The members of the Supervisory Board did not receive remuneration for their activities in 2017. The Company has recognised a provision totalling EUR 87 thousand for the remuneration stipulated by the Company's Articles of Association for financial years 2016 and 2017.

3. Auditor's fee

The auditor's fee amounted to EUR 43 thousand. In addition, the auditor performed other services totalling EUR 9 thousand in 2017.

4. Average number of employees during the financial year

An average of 33 staff (15 women, 18 men) was employed in financial year 2017.

5. Exemption from publication in the electronic Federal Gazette

HMS Bergbau AG Iron & Ore & Metals Division is a wholly owned subsidiary of HMS Bergbau AG and is presented and included in the consolidated financial statements of HMS Bergbau AG.

HMS Bergbau AG Iron & Ore & Metals Division exercises the exemption option regarding publication in the electronic Federal Gazette provided for in Section 264 III HGB.

HMS Bergbau AG has agreed to assume the obligations entered by the subsidiary until the reporting date in the following financial year (voluntary loss assumption).

6. Amounts restricted from distribution

The difference between the seven-year and ten-year average interest rate in the valuation of pension provisions is restricted from distribution (Section 253 (6) sentence 2 HGB) and amounts to EUR 967 thousand.

The capitalisation of deferred tax assets resulted in a distribution restriction of EUR 1,618 thousand pursuant to Section 268 (8) HGB.

7. Subsequent events

The Management Board of HMS Bergbau AG as the major shareholder of Silesian Coal International Group of Companies S.A. is planning to sell up to 20 percent of Silesian Coal International Group of Companies S.A. to Carbo Funding AG. The purchase price is expected to be EUR 10 per share. HMS Bergbau AG intends to use the proceeds from the sale of the stake to finance the preparations for coal mining in Orzesze, Poland, and strengthen the company's international trading activities. So far EUR 1,285 thousand were realizes from the sale.

Berlin, 28 March 2018

Heinz Schernikau
Chief Executive Officer

Steffen Ewald
Chief Financial Officer

Dennis Schwindt
Chief Operating Officer

Auditor's report

We have issued the following audit opinion on the consolidated financial statements and the management report for the Company and the Group:

"We have audited the consolidated financial statements prepared by HMS Bergbau AG, Berlin, comprising the balance sheet, the income statement, the cash flow statement the statement of changes in equity and the notes to the consolidated financial statements, together with the management report for the Company and the Group for the financial year from 1 January to 31 December 2017. The preparation of the consolidated financial statements and the management report for the Company and the Group in accordance with German commercial law is the responsibility of the Company's management. Our task is to express an opinion on the consolidated financial statements and the combined management report for the Company and the Group based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and in consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institute of German Certified Public Accountants (IDW – Institut der Wirtschaftsprüfer). Those standards require that we plan and perform the audit such that inaccuracies or infringements materially affecting the presentation of the net assets, financial position and results of operations as conveyed by the consolidated financial statements in consideration of the German principles of due and proper accounting and the management report for the Company and the Group are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the information contained in the consolidated financial statements and the combined management report for the Company and the Group are assessed primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in the consolidated financial statements, the determination of entities to be included in the scope of consolidation, the accounting and consolidation principles applied and principal assessments made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report for the Company and the Group. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the principles of the law and, in consideration of the principles of due and proper accounting, give a true and fair view of the net assets, financial position and results of operations of the Group. The combined management report for the Company and the Group is consistent with the consolidated financial statements, complies with the principles of the law and as a whole provides an accurate view of the Group's position and suitably presents the opportunities and risks relating to future development."

Berlin, 29 June 2018

PANARES GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Wenning
Wirtschaftsprüfer
[German Public Auditor]

Legal notice

The report includes forward-looking statements that reflect the current opinion of HMS Bergbau AG's management with regard to future events. Any statement contained in this report reflecting or building upon intentions, assumptions, expectations, forecasts and underlying assumptions is a forward-looking statement. These statements are based upon plans, estimates and forecasts that are currently available to HMS Bergbau AG's management. They therefore only refer to the day on which they were made. Forward-looking statements are naturally subject to risks and uncertainties, which could result in actual developments differing significantly from these forward-looking statements or events implied or expressed therein. HMS Bergbau AG does not assume any liability for such statements and does not intend to update such statements in view of new information or future events. This annual report of HMS Bergbau AG does represent annual financial statements in accordance with German commercial law and the regulations of the German Stock Corporation Act; information or figures contained in this report have been subject to an official audit by an auditor. This report is for reference only within the scope of HMS Bergbau AG's disclosure obligations in accordance with the general terms and conditions of Deutsche Börse AG concerning OTC trading on the Frankfurt Stock Exchange.

The English version of the annual report and the consolidated financial statements 2017 of HMS Bergbau AG is a one-to-one translation. The English version is not audited; in the event of variances, the German version shall take precedence over the English translation.

Imprint

Responsible publisher:

HMS Bergbau AG
An der Wuhlheide 232
12459 Berlin
Germany
T: +49 (30) 65 66 81-0
F: +49 (30) 65 66 81-15
E-Mail: hms@hms-ag.com
www.hms-ag.com

Concept, editing and design:

GFEI Aktiengesellschaft
Ostergrube 11
30559 Hannover
Germany
T: +49 (0) 511 47 40 23 10
F: +49 (0) 511 47 40 23 19
E-Mail: kontakt@gfei.ag
www.gfei.ag

Contact

Germany [H]
HMS Bergbau AG (headquarter)

Berlin, Germany
An der Wuhlheide 232
12459 Berlin
Germany

T: +49 (30) 65 66 81 0
F: +49 (30) 65 66 81 15
E-Mail: hms@hms-ag.com

Indonesia [S]
PT. HMS Bergbau Indonesia

Menara Rajawali, 25th Floor
Mega Kuningan
Jakarta 12950
Indonesia

T: +62 (21) 57 64 57 77 9
F: +62 (21) 57 94 82 03
E-Mail: hmsi@hms-ag.com

Singapore [S]
HMS Bergbau Singapore Pte. Ltd.

39 HongKong Street
#05-01
Singapore 059678
Singapore

T: +65 6908 57 95 / 57 96
F: +65 6908 57 97
E-mail: singapore@hms-ag.com

Poland [S]
Silesian Coal International Group of Companies S. A.
z siedzibą w Katowicach
ul. E. Imieli 14
41-605 Świętochłowice
Poland

T: +48 (32) 77 10 20 0
F: +48 (32) 77 10 20 0
E-mail: hmspoland@hms-ag.com

South Africa [S]
HMS Bergbau Africa (Pty) Ltd.
30 Jellicoe Avenue
3rd Floor
Rosebank, Johannesburg, 2196
South Africa

T: +27 (10) 140 36 30
E-Mail: hmsa@hms-ag.com

India [RO]
HMS Growell India
Mumbai
India

T: +91 (22) 22 66 55 22
E-mail: hmsgrowell@hms-ag.com

Pakistan [RO]
HMS Bergbau Pakistan
Lahore
Pakistan

T: +92 (42) 36 31 32 35 & 36
E-mail: hmspakistan@hms-ag.com

USA [RO]
HMS Bergbau North America
Bristol, Tennessee
USA

T: +1 (423) 34 02 37 9
E-Mail: hmsusa@hms-ag.com

Kenya [RO]
HMS Bergbau Kenya
Nairobi
Kenya

T: +254 (733) 96 66 05
E-Mail: hmskenya@hms-ag.com

Malaysia [RO]
HMS Bergbau Malaysia
Ipoh, Perak
Malaysia

T: +60 (55) 46 91 44
E-mail: hmsmalaysia@hms-ag.com

China [RO]
HMS Bergbau China
Zhongshan, Guangdong Prov.
China

T: +86 (760) 88 22 33 68
E-Mail: hmschina@hms-ag.com

Sri Lanka [RO]
HMS Bergbau Sri Lanka
Colombo

T: +94 (77) 46 89 155
E-Mail: hmssrilanka@hms-ag.com

United Arab Emirates [RO]
HMS Bergbau UAE
Dubai

T: +971 (674) 81 999
E-Mail: hmsdubai@hms-ag.com

Legend:
[H] Headquarter
[S] Subsidiaries
[RO] Representative Offices

updated: June 2018