

ANNUAL REPORT

2023



Deutsche Rohstoff



CORPORATE BODIES (AS OF 31 / 12 / 2023)



EXECUTIVE BOARD

Jan-Philipp Weitz, CEO
Henning Döring, CFO



SUPERVISORY BOARD

Dr. Thomas Gutschlag (Chairman)
Martin Billhardt
Dr. Werner Zöllner

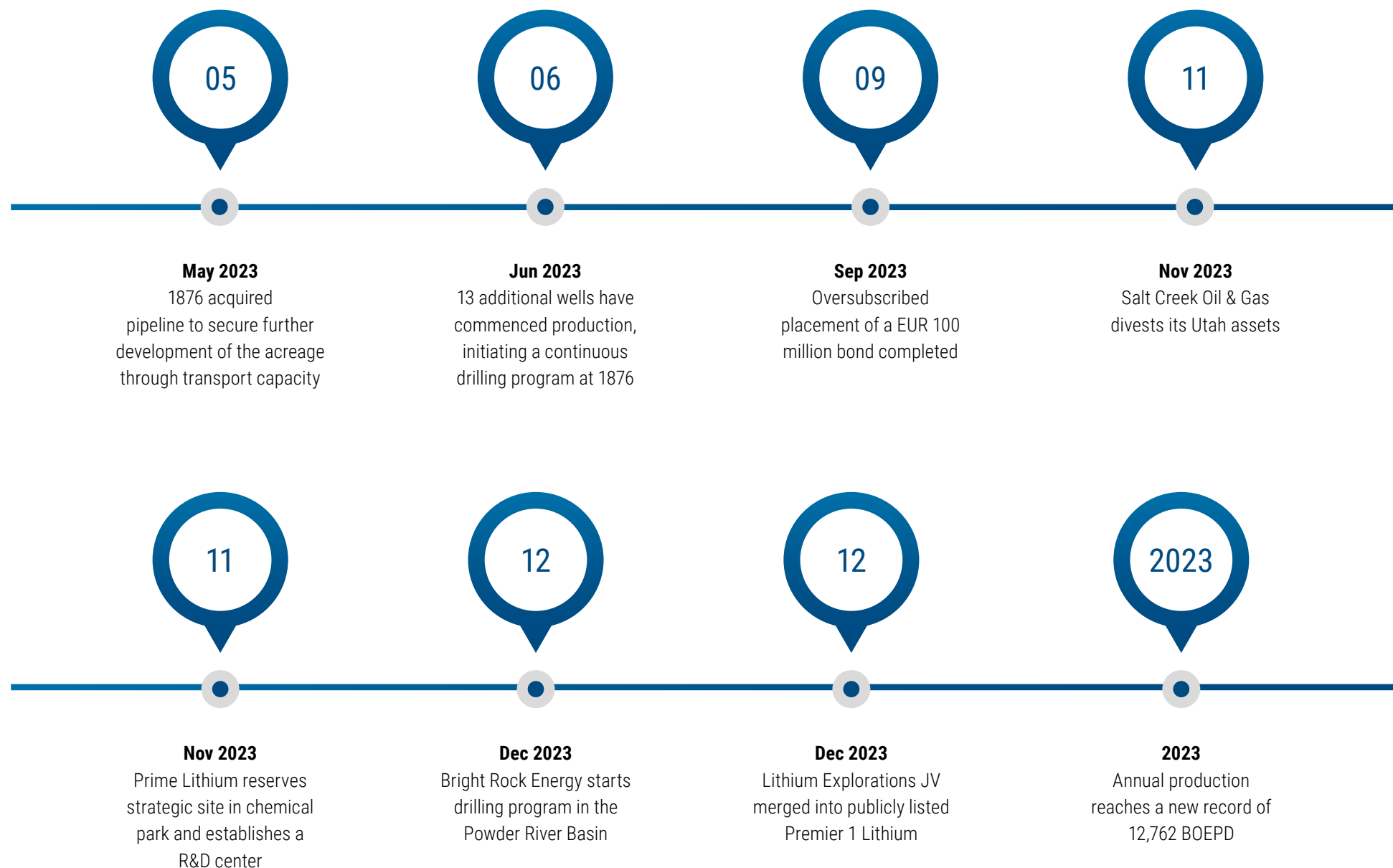


DEUTSCHE ROHSTOFF GROUP AT A GLANCE (IN MILLION EUR)

	2023	2022	IN %	
Revenues	196.7	165.4	19 %	
EBITDA	158.3	139.1	14 %	
Net Income	65.2	60.8	7 %	
Operating Cash Flow	139.3	142.7	-2 %	
Cash and cash equivalents	82.2	54.2	52 %	
Debt to Equity ratio in %	38.0	37.8	1 %	
Earnings per share (EUR)	13.02	12.15	7 %	
Dividend proposal per share (EUR/share)	1.75	1.30	35 %	

COMMODITIES ARE
THE FUTURE

HIGHLIGHTS 2023 DEUTSCHE ROHSTOFF GROUP



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LETTER TO SHAREHOLDERS

Ladies and Gentlemen

With this annual report, we look back on an extraordinarily successful and significant year 2023. The Deutsche Rohstoff Group set new records in almost every aspect.

We had another record year financially in terms of turnover and profitability after 2022 and achieved new highs in our oil & gas production volumes.

For the second time in a row, we were able to generate a net profit of over EUR 60 million. Production has risen steadily since the beginning of 2022 to around 15,000 barrels of oil equivalent per day (BOEPD) at the end of 2023. We have established ourselves at a high level. This is not only very encouraging in retrospect, it also shows that we are able to consistently deliver very good results and further develop our operations. The strong production base, the economic success and the high motivation of our employees are a very good basis for a successful future.

We were once again able to significantly exceed our guidance from the beginning of the year. The positive performance of our share and a very successful bond placement in September 2023 show that our high profitability and stability are also being rewarded on the capital market.

EARNINGS SITUATION: SECOND RECORD YEAR IN A ROW

We generated sales of EUR 196.7 million in 2023 (previous year: EUR 165.4 million).

EBITDA amounted to EUR 158.3 million (previous year: EUR 139.1 million) and consolidated earnings after minority interests amounted to EUR 65.2 million or EUR 13.02 per share (previous year: EUR 60.8 million or EUR 12.15 per share). Overall, the guidance was raised three times over the course of 2023 due to the good operating performance, the expansion of the drilling programs and the sale of the Utah acreage.

With around 15,300 BOEPD, the fourth quarter was the highest-volume quarter in the company's history to date. The high volume led to quarterly sales of EUR 64.0 million, EBITDA of EUR 56.6 million and consolidated net profit of EUR 21.9 million. This means that we also achieved record figures in financial terms in the fourth quarter.

The operating performance in 2023 with production of 12,762 BOEPD (previous year: 9,600 BOEPD) forms the basis for the best consolidated result in the company's history for



JAN-PHILIPP WEITZ
CEO DEUTSCHE ROHSTOFF AG

the second year in a row. For the year as a whole, around USD 74/BBL (previous year: USD 76.50/BBL) were realized for oil after hedges. The average realized price after hedges for natural gas was around USD 2.90/mcf (previous year: USD 4.25/mcf). The significant increase in sales and earnings is therefore mainly due to higher production volumes.

LETTER TO SHAREHOLDERS

As of 31 December 2023, the Group had cash and cash equivalents (bank balances and marketable securities) of around EUR 82.2 million (previous year: EUR 54.2 million) at its disposal. Equity rose to EUR 187.5 million (previous year: EUR 132.4 million) and the equity ratio to 38.0 % (previous year: 37.8 %). Total assets amounted to EUR 493.8 million (previous year: EUR 350.3 million).



HENNING DÖRING

CFO DEUTSCHE ROHSTOFF AG

BEST SME BOND 2023

The strong economic development also helped us to successfully place our new corporate bond 2023/2028 with a volume of EUR 100 million in September 2023. The bond was significantly oversubscribed. The price performance of the new bond in the first few months of trading underlines the strong interest and follows on seamlessly from the positive performance of previous bonds. The communication surrounding the issue had a doubly positive effect, as not only the bond but also the share price increased. Bond Magazine presented us with the “Best German Issuer SME Bonds 2023” award, citing the performance of the bond, the bond-specific key figures such as our ability to pay interest and repay principal, as well as our transparent reporting. This issue gives us a high degree of predictability for the years to come and thus forms an anchor of stability for our business and, in retrospect, was an important milestone.

OIL & GAS: HIGH INVESTMENTS PAY OFF

We once again made very high investments in 2023 and also set a new record in this respect with an investment budget of around EUR 200 million. Around EUR 180 million were invested directly in new wells and a further EUR 18 million in the acquisition of a pipeline and the expansion of further oil & gas infrastructure. These investments in infrastructure were necessary in order to be able to carry out the comprehensive development of the available

acreage in Wyoming efficiently and in a predictable manner. With the sale of the Salt Creek acreage in Utah, we simultaneously recorded a major divestment and a net cash inflow of around USD 41 million. We have once again proven that we can also successfully complete larger transactions.

2023 was a year of unusually high investments. We invested the majority of our 2.5-year joint venture with Occidental Petroleum at the same time and carried out our own extensive drilling program in Wyoming for the first time. A total of 22 of our own wells and wells in the joint venture were brought into production, in which we have a share of around 62 %. Overall, we are very satisfied with the result of our investments. We have reached important milestones:

- 1. Our production volumes have reached a new level.** We were able to increase our production by around 25 % to 12,762 BOEPD. This is the basis for our economic strength and also for another high production guidance for 2024 of 14,700 t to 15,700 BOEPD.
- 2. We successfully shifted the focus of our production activities to Wyoming.** Since 2020, we have acquired 73,000 acres of production rights in Wyoming, started the joint venture with Occidental in 2022 and now completed our first own drilling program in Wyoming in 2023. In total, around 50 % of our volumes have been produced in Wyoming. In future, this share will grow to over 80 %.

LETTER TO SHAREHOLDERS

3. We have demonstrated operational expertise in an emerging oil field such as the Powder River Basin (PRB).

Wells drilled in the PRB cost around USD 11 million compared to around USD 5 million for wells we have drilled in Colorado through 2021. At the same time, the wells are geologically, technically and infrastructurally more complex. We have successfully overcome this hurdle and demonstrated that with continuous development, we were able to meet expectations in terms of time and cost in the first year of development.



MARTIN BILLHARDT

SUPERVISORY BOARD (DEPUTY CHAIRMAN)
DEUTSCHE ROHSTOFF AG

4. We have proven the productivity of the wells in Wyoming.

Our plans were based on an expected reserve of around 500,000 barrels of oil for the wells in the Niobrara formation in Wyoming. After the first 6 to 18 months of production, the wells are following an approximately 15 % higher trend on average and suggest that the total recoverable reserves could be accordingly higher than our assumption. This is a very pleasing result, as production volume is the most important factor for the profitability of our drilling projects, even more so than high oil prices.

These milestones and the overall development make us very optimistic about the coming years. To date, only around 15 % of our acreage has been developed. We see this as proof that we can continue to work successfully in Wyoming. Our acreage has the potential to enable dynamic development over many years. This long-term perspective forms another pillar of our strategic planning.

The very good results, combined with a price environment that currently remains attractive for further development, have prompted us to plan extensive drilling projects for 2024 as well. At Bright Rock, we will start production in the summer on those three wells that were started at the end of last year. The last 10 wells in the joint venture with Occidental have already started production in the past few days. We have expanded our drilling program at 1876 Resources to 8



DR. THOMAS GUTSCHLAG

SUPERVISORY BOARD (CHAIRMAN)
DEUTSCHE ROHSTOFF AG

to 10 wells. For 2024, we therefore plan to maintain the positive momentum and use the high oil prices to achieve sustainable value growth and realize further efficiency gains. In total, we expect to invest around EUR 145 to 165 million in 2024.

LETTER TO SHAREHOLDERS

As in the previous year, it must be pointed out that one of the major advantages of shale oil production in the USA is the ability to react quickly to the market environment and to scale back activities when prices fall and vice versa. We continue to retain this flexibility. In addition to the opportunities, there are also risks that we are trying to control as well as possible. First and foremost is the risk of a sharp fall in oil prices. We therefore generally try to hedge around 50 % of our production for the next 12 months. We have taken advantage of the rise in WTI prices since the beginning of February to further expand our hedging position. We have currently hedged around 1.8 million barrels at around USD 75/BBL for the remainder of 2024 and 2025.

METAL SECTOR: ATTRACTIVE OPPORTUNITIES

In addition to our core business in oil and gas production, our commitment in the metals sector accounts for around 7 % of our total assets at around EUR 32 million. In addition to our largest asset, our long-standing investment in Almonty Industries in the tungsten segment, we have further developed our portfolio in the lithium segment. Prime Lithium AG, which was founded in 2021, has been pursuing an attractive project to process lithium precursors into high-purity lithium products since 2022. In the reporting year, Prime Lithium AG was able to reserve an area of around 22 hectares in the Stade Chemical Park for potential lithium production, brought a Research & Development Center into operation and recruited an experienced management team. We were also able to convert our joint venture

with the Australian company SensOre (ASX: S3N) into Premier1 Lithium (ASX:PLC) at the end of January 2024, which is now listed in Australia and in which we hold a stake of around 20 %. In 2023, we realized income of over EUR 3 million from the investments in our equity portfolio in the metals sector.

SHAREHOLDER RETURN: SHARP RISE IN SHARE PRICE, DIVIDEND INCREASED, DILUTION AVOIDED AND BUYBACK PLANNED

In 2023, we once again demonstrated that we are in a position to work successfully both economically and operationally. As a result, the share price rose by more than 25 % for the second time in a row in 2023, from around EUR 25 to EUR 32.45 at the end of the year. By the end of April, it had already risen by a further 30 % to around EUR 42.50.

In addition to the share price performance, we also want our shareholders to participate in the very successful year 2023. We are planning by far the most comprehensive package of shareholder return measures in the company's history. After doubling the dividend in the previous year, we will propose another 35 % increase from EUR 1.30 to EUR 1.75 at the Annual General Meeting. At the same time, we are planning a share buyback program of up to EUR 4 million in 2024. And last but not least, we have decided to settle all outstanding share options from the 2018 share option program in cash. This will avoid a dilution of around 3.7 %.



DR. WERNER ZÖLLNER
SUPERVISORY BOARD
DEUTSCHE ROHSTOFF AG

At the current share price, the cost of this amounts to around EUR 3 million. In total, the steps taken therefore amount to around EUR 15.6 million or EUR 3.15 per share in distributions, buybacks and avoided dilution.

These broad measures show that, in good years, we make substantial investments to enable shareholders to partici-

LETTER TO SHAREHOLDERS

pate in our success and add even more value to our shares.

At the same time, we are doing this even though 2023 has been a year of very high investment. Just like all oil and gas companies, every year we are faced with the task of generating the funds to be able to invest sufficiently to maintain or even increase production on the one hand and to pay out an attractive dividend or buy back shares on the other.

Oil & gas production is a capital-intensive business. If we do not invest a significant proportion of our returns in production, it will decline and our earnings will decrease. In order to grow, we need to reinvest the majority of our returns, but at the same time we naturally also want to generate free funds and only moderately increase our debt.

The years 2023 and 2024 are to a certain extent transition years to a higher production level and into a promising oil field. In 2023, the highest investments in the Group's history were necessary to expand our operating base, lay the foundations for our further development and manage the transition to Wyoming. For this reason, our cash flow after investments was slightly negative at around EUR 10 million

despite the high results. Nevertheless, we were very profitable before investments and want our shareholders to participate in this success through dividends.

The investments made have created a solid and diversified basis of reserves and production opportunities that will generate returns for many years to come. This enables us to approve or propose a comprehensive package of measures with a clear conscience, even without a positive cash flow.

OUTLOOK: OPERATING AT A HIGH LEVEL

We look forward to the coming years together with you. We already achieved very good production results in the first quarter and were able to adjust our guidance for the year as a whole a few weeks ago. We want to realize our plans in a cost-efficient manner and continue to allocate our capital in a very disciplined way.

Based on an oil price of USD 75/bbl, we forecast sales of EUR 210 to 230 million and EBITDA of EUR 160 to 180 million for 2024. For 2025, we expect sales of EUR 180 to 200 million and EBITDA of EUR 125 to 145 million. This guidance once again shows that our results have estab-

lished themselves at a high level since 2022 with EBITDA of well over EUR 100 million per year.

Ladies and gentlemen, thank you for your trust. Our confidence in our company is unwavering. Deutsche Rohstoff has the potential to continue creating sustainable value for all stakeholders in the future.

We would be grateful if you will continue to be part of our journey.

Yours sincerely from Mannheim,



Jan-Philipp Weitz
CEO

Henning Döring
CFO

SHARE AND BONDS

ANOTHER ABOVE-AVERAGE SHARE PRICE GAIN OF +25 % IN 2023

The share of Deutsche Rohstoff AG (ISIN DE000A0XYG76, WKN A0XYG7) once again performed very positively in the past financial year. Over the course of the year, it rose by +25 % (previous year: +26 %), thus providing shareholders with a significantly higher return than the market as a whole. Over a period of two years, the share price rose by around 60 % from EUR 20.30 (closing price on 31 December 2021) to EUR 32.45 (closing price on 31 December 2023).

On a performance basis, our share thus significantly outperformed both the major benchmark indices DAX

(+19 %) and SP500 TR (+27 %) by 34 % and the sector index Dow Jones U.S. Select Oil Exploration & Production TR (+9 %) in 2023.

After opening at EUR 25.90 at the beginning of January, the share price rose to EUR 28.70 within the first three months, detached from the oil price, only to give up the gains of the year to date with a fall in the WTI price in March. Very successful business figures, increased investor activity - not least during the bond issue - as well as a stronger oil price brought the share price back into a trading range of EUR 26.50 to 29.50. At the end of the third quarter, the share was able to sustainably overcome the EUR 30 mark, which is also important from a technical perspective, and then

reached a new all-time high of EUR 35.35 at the beginning of November. In the fourth quarter, the share traded sideways in the EUR 29 to 35 range and closed at EUR 32.45. Over the year as a whole, the share traded at an average of around EUR 28.82.

Market capitalization increased from EUR 130.1 million at the end of 2022 to EUR 162.4 million at the end of 2023.

TRADING VOLUME AVERAGES 12,000 UNITS PER DAY

The trading volume on the five trading venues with the highest turnover averaged around 12,000 shares per day in 2023. Volumes were highest in the fourth quarter at around 16,400 shares per day, but still below the previous year (28,500 per day), when the oil & gas share sector experienced a boom in the wake of the turmoil on the energy markets. In total, shares worth around EUR 90 million changed hands on a closing price basis. The highest-volume day was 28 September with 43,596 shares, which also indicates that many of the bond creditors who did not get their money's worth decided to buy the shares as an alternative. The day with the highest turnover was 16 October with shares worth around EUR 1.4 million. XETRA accounted for the majority of the trading volume at 55 %, followed by Tradegate with 36 %. Compared with Deutsche Börse's "Scale All Share" segment, the liquidity of the DRAG share was in fifth place among all 46 participants and thus among the top positions.

SHARE DETAILS (AS OF 31 / 12 / 2023)



Total number of shares	5,005,438
Amount of share capital	EUR 5,005,438.00
Stock exchange	XETRA , Tradegate, Frankfurt, Berlin, Düsseldorf, Stuttgart
ISIN / WKN	DE000A0XYG76 / A0XYG7
Stock exchange segment	Scale Standard, Member of Scale 30
Designated Sponsor	ICF Bank AG, ODDO BHF Corporates & Markets AG

SHARE AND BONDS

ANNUAL GENERAL MEETING AGAIN WITH PRESENCE AND HIGH ATTENDANCE

On 29 June 2023, the Annual General Meeting was held in physical attendance at Rosengarten in Mannheim for the first time after three virtual Annual General Meetings. With 40 % of shareholders entitled to vote, attendance was well above the previous year's level. The speeches focused on the review of the past financial year and the amount of the dividend.

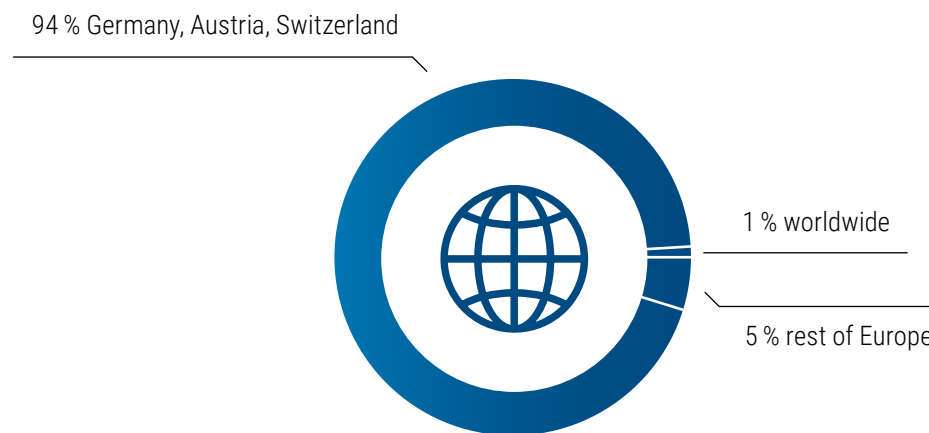
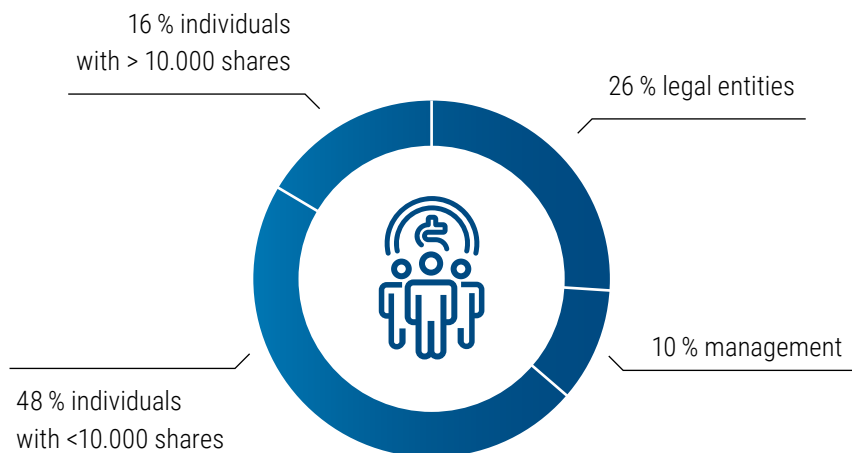
DIVIDEND INCREASED SIGNIFICANTLY TO EUR 1.30

The management proposed a distribution of around EUR 6.5 million, or EUR 1.30 per share, to the Annual General Meeting, which corresponds to an increase of 117 % compared to the previous year (EUR 0.60 per share). This proposed resolution was approved by 95 %. The dividend was paid out on 4 July 2023.

SOLID SHAREHOLDER BASE FURTHER EXPANDED

The share capital of Deutsche Rohstoff AG increased slightly by 2,357 shares to 5,005,438 shares as a result of the conversion of the 2018/2023 bond and the exercise of employee options. The share capital is divided into the same number of registered shares. The Management Board and Supervisory Board held 10 % of the shares at the end of the year. 50 % of the outstanding share capital was held by

SHAREHOLDER STRUCTURE



SHARE AND BONDS

around 80 shareholders at the end of 2023 (previous year: 65 shareholders). The other 50 % is held by around 8,400 shareholders (previous year: 8,100 shareholders). Around 27 % of the shares are held by institutional investors. The vast majority (89 %) are based in Germany.

HIGH DEMAND FOR 2023/2028 BOND

At the end of the year, Deutsche Rohstoff AG had two bonds outstanding.

The 2019/2024 bond ("old bond", ISIN: DE000A2YN3Q8 / WKN A2YN3Q) was issued on 6 December 2019 and, following a small secondary placement, the bond with a volume of EUR 100 million was fully placed. The bond matures on 6 December 2024 and pays a coupon of 5.25 % p.a. In September 2023, it was exchanged for a nominal value of EUR 59 million as part of the issue of the 2023/2028 bond (ISIN DE000A3510K1 / WKN A3510K). Half of the remaining volume (EUR 20.5 million) was repaid in December 2023. The old bond had a remaining volume of EUR 20.5 million as of 31 December 2023. It traded between 98.4 % and 103.0 % in the reporting year, with an average of 100.8 %.

The public offer for the new 2023/2028 bond issued in September (ISIN DE000A3510K1 / WKN A3510K) ended on 25 September and was significantly oversubscribed. The bond has an outstanding volume of EUR 100 million and matures on 27 September 2028. The bond pays interest semi-annually and has an annual coupon of 7.50 %. In the reporting year, it traded between 100.6 % and 109.0 %, averaging around 106.7 %. Bond Magazine presented the

new bond with the "Best German Issuer SME Bonds 2023" award, citing the bond's strong performance and bond-specific key figures such as the leverage ratio, interest coverage ratio and equity ratio as well as the transparent and regular company reporting.

The convertible bond (ISIN DE000A2LQF20 / WKN A2LQF2), issued in March 2018, was repaid on time on 29 March 2023 in the amount of around EUR 9.8 million.

ROADSHOWS, CONFERENCES AND CAPITAL MARKETS DAY

The Executive Board presented the latest developments and the equity story of Deutsche Rohstoff AG to various domestic and foreign investors on more than 15 days. Both traditional roadshows and a total of 8 capital market



BONDS AS OF 31 DECEMBER 2023. THE 2018/2023 CONVERTIBLE BOND WAS REPAYED ON 29 MARCH 2023.

	BOND 2019 / 2024	BOND 2023/2028
Issuer	DEUTSCHE ROHSTOFF AG	DEUTSCHE ROHSTOFF AG
Issue Date	4 DECEMBER 2019	27 SEPTEMBER 2023
Issued Volume	EUR 100 MILLION	EUR 100 MILLION
Outstanding Volume	EUR 100 MILLION	EUR 100 MILLION
Coupon	5.250 %	7.5000 %
Interest Payment	SEMIANNUAL, 6 DECEMBER AND 6 JUNE	SEMIANNUAL, 27 MARCH AND 27 SEPTEMBER EACH YEAR
Tenor	5 YEARS	5 YEARS
Denomination	EUR 1,000	EUR 1,000
ISIN	DE000A2YN3Q8	DE000A3510K1
Exchange	FRANKFURT EXCHANGE, OPEN MARKET (QUOTATION BOARD)	FRANKFURT EXCHANGE, OPEN MARKET (QUOTATION BOARD)

SHARE AND BONDS

conferences provided the opportunity for this. In addition to regular meetings, the management held talks with many other investors in the course of the bond placement and spent around two weeks on the road in five different European countries as part of a roadshow. Numerous articles and interviews were also published in various financial publications.

Deutsche Rohstoff AG also held a Capital Markets Day in 2023. The 130 registered participants received an update on

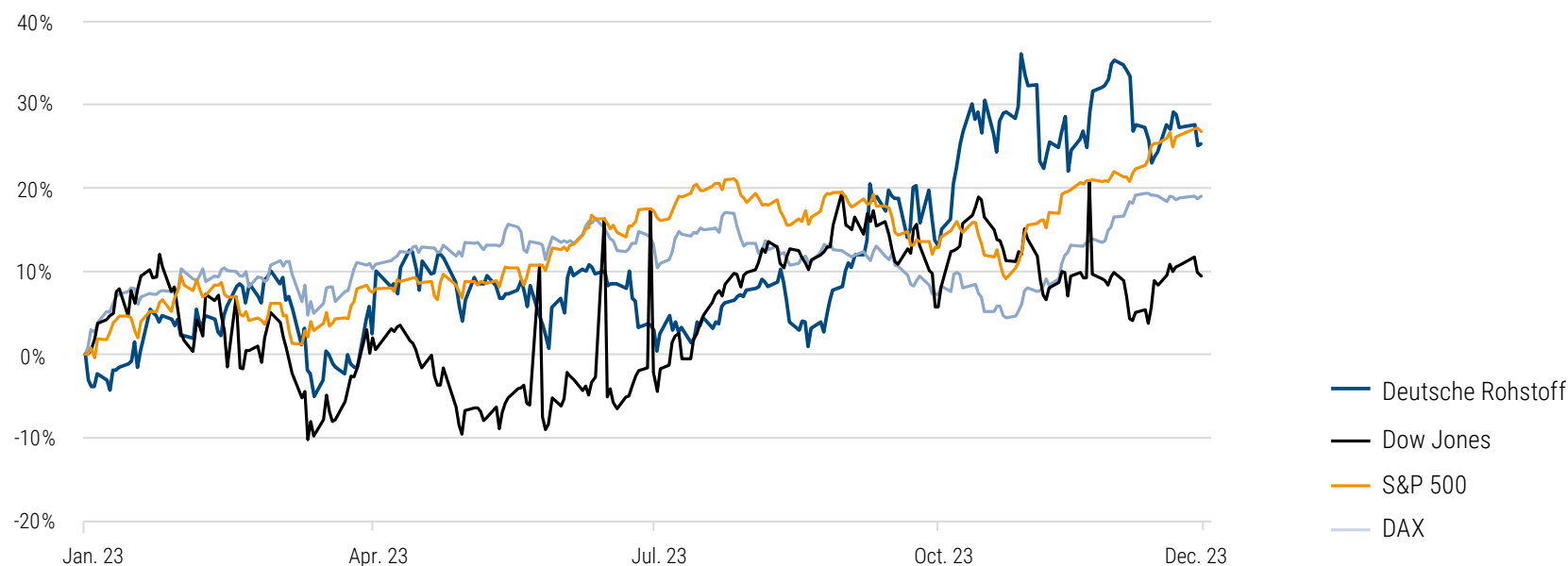
the business development as well as detailed insights into the production and financial figures of our drilling activities in Wyoming.

ANALYSTS CONTINUE TO SEE FAIR VALUE SIGNIFICANTLY ABOVE SHARE PRICE

In 2023, the financial analysts at Alster Research, First Berlin, Kepler Cheuvreux and Oddo BHF regularly published commentaries and recommendations with target prices for

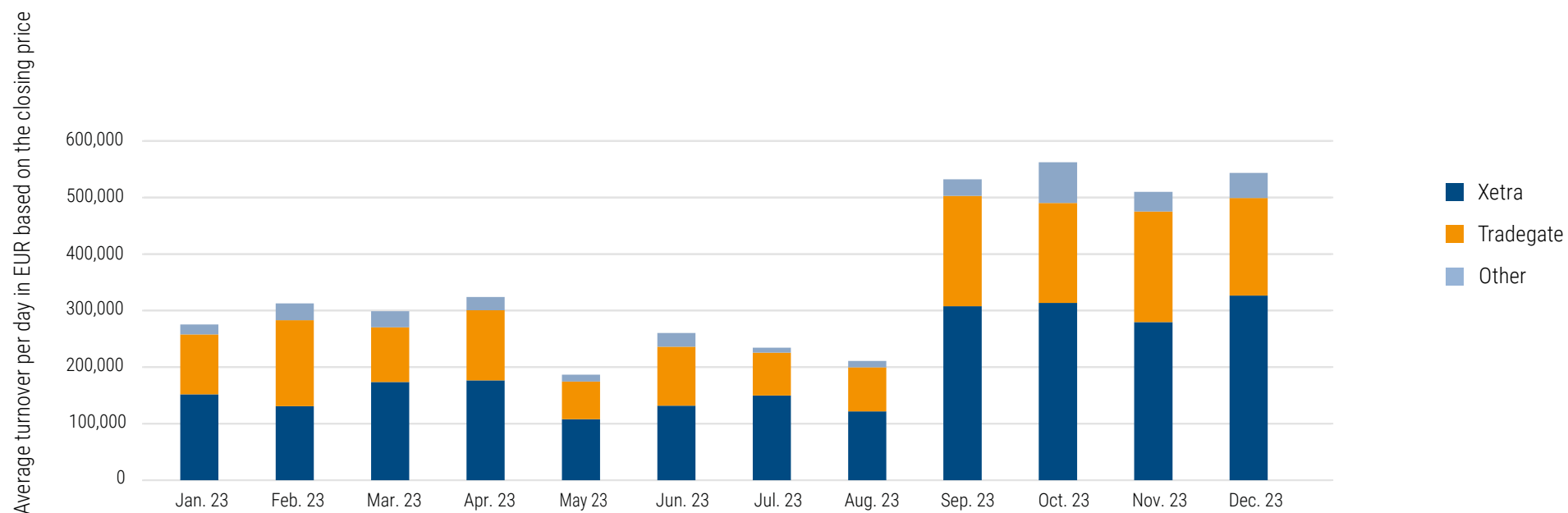
the Deutsche Rohstoff AG share. The analysts agreed that the fair value is significantly higher than the share price. As of 31 December, the consensus price target was EUR 48.63, corresponding to an increase of over 31 % (previous year: EUR 37.0). The research reports on Deutsche Rohstoff AG are published directly on the homepage and made available to all shareholders and interested parties.

DEVELOPMENT OF THE SHARE IN 2023



SHARE AND BONDS

TRADING TURNOVER PER DAY



DEUTSCHE ROHSTOFF GROUP HEDGEBOOK (AS OF 11/04/2024)

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Volumes in BBL	493,500	421,000	311,000	248,500	135,500	123,000	82,500
Price floor in USD/BBL	76.8	76.8	75.2	73.4	69.9	70.4	69.9
Volumes in MMBtu	248,750	255,000	235,000	220,000	207,500		
Price floor in USD/MMBtu	3.5	3.4	3.4	3.4	3.6		

OPERATIVE CHARTS

REVENUES (IN 1.000 EUR)	01/01/-31/12/2022	01/01/-31/12/2021
Oil Revenues	178,473	163,511
Gas Revenues	19,632	38,568
NGL Revenues	17,566	22,263
Production Tax	-19,317	-20,315
Profit(+)/Loss(-) from Hedging	296	-38,588
Total Revenue	196,651	165,439
TOTAL REVENUE (IN 1.000 USD)	212,507	171,453

VOLUMES	01/01/-31/12/2022	01/01/-31/12/2021
Oil (bbl)	2,557,234	1,861,269
Gas (mcf)	7,602,981	6,317,164
NGLs (bbl)	833,581	587,696
BOE	4,657,979	3,501,826
BOEPD	12,762	9,594

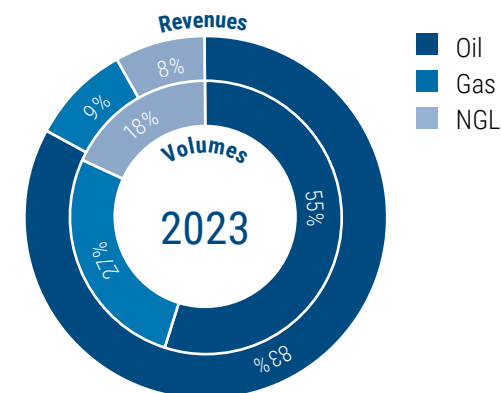
OIL (IN USD/BBL)	01/01/-31/12/2022	01/01/-31/12/2021
Average WTI Price	77.58	94.90
Realized Price before Hedges	74.12	91.48
Profit(+)/Loss(-) from Hedging	-0.21	-14.89
Realized Price after Hedges	73.91	76.59

GAS (IN USD/MMBTU)	01/01/-31/12/2022	01/01/-31/12/2021
Average Henry Hub Price	2.53	6.45
Realized Price before Hedges ¹	2.74	6.36
Profit(+)/Loss(-) from Hedging ¹	0.12	-2.11
Realized Price after Hedges	2.86	4.25

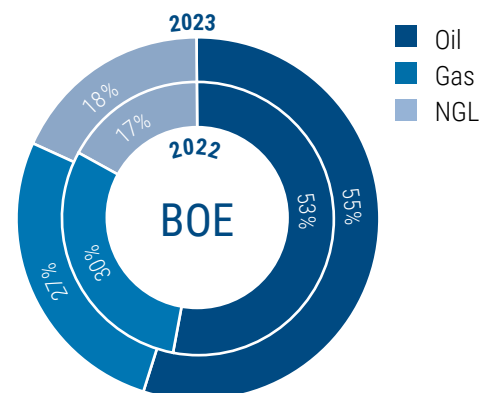
OPEX (USD/BOE)	7.96	9.04
DEPLETION (USD/BOE)	14.54	12.46

¹ Derivatives are typically based on a local trading hub and not on HenryHub (e.g. CIG)

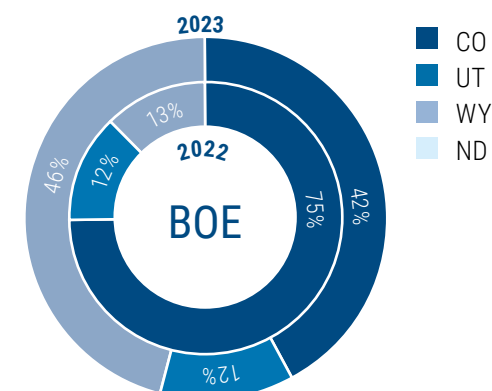
Revenues and Volumes per Commodity



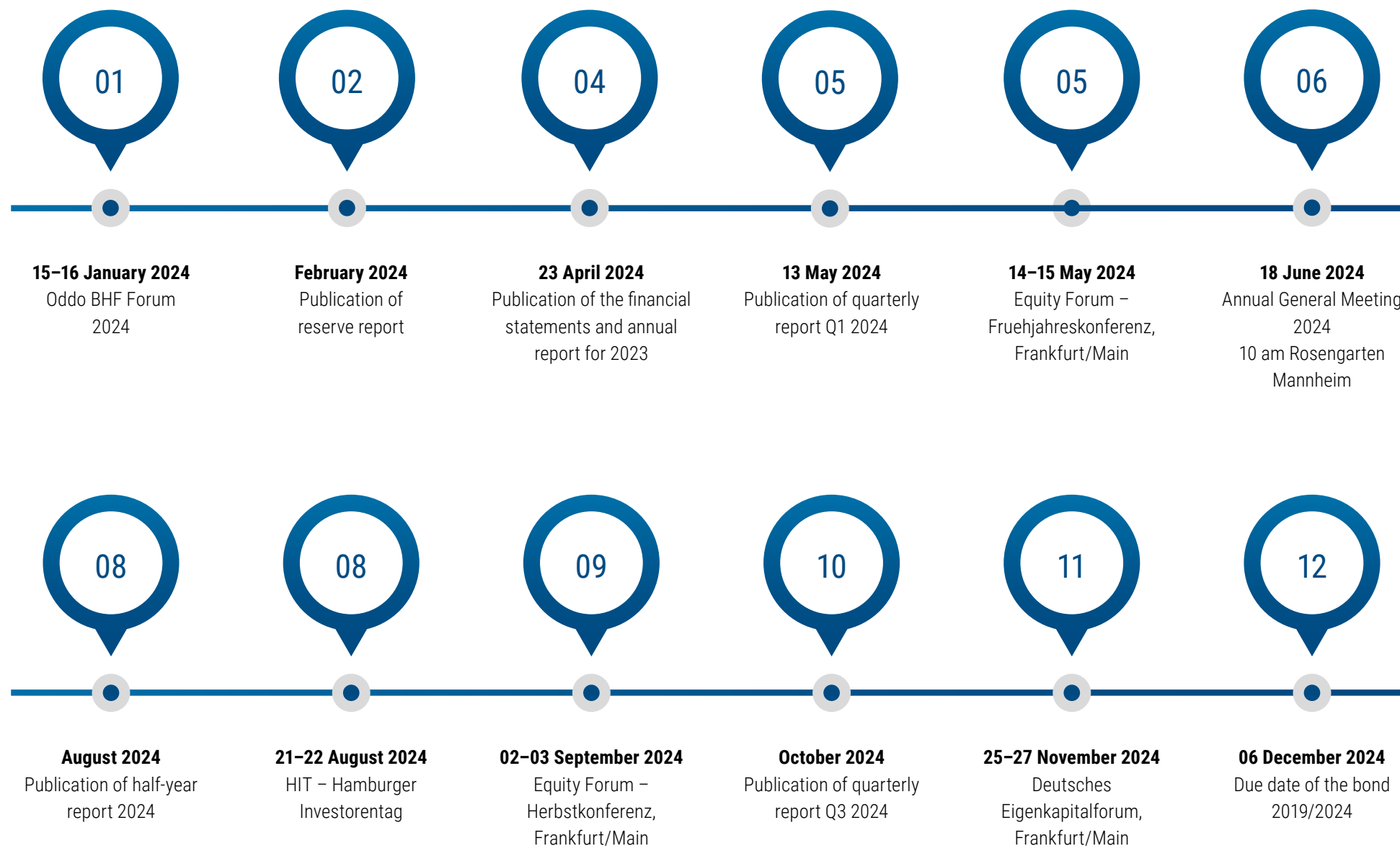
Volumes per Commodity



Volumes per State



FINANCIAL CALENDAR 2024



ANNUAL FINANCIALS

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2023	31/12/2022
	EUR	EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	22,185,406	32,489,161
2. Goodwill	962,512	1,163,358
3. Advanced payments	399,150	276,963
	23,547,068	33,929,482
II. Property, plant and equipment		
1. Petroleum extraction equipment	255,062,888	161,897,405
2. Exploration and evaluation	24,389,243	30,357,464
3. Plant and machinery	19,544,431	276,051
4. Other equipment, furniture and fixtures	1,612,742	108,922
5. Advances to suppliers and assets under construction	17,005,771	0
	317,615,075	192,639,842
III. Financial assets		
1. Equity investments	15,406,652	15,406,652
2. Loans to other investees and investors	6,822,854	6,488,973
3. Securities classified as fixed assets	8,339,534	12,047,919
	30,569,040	33,943,544
B. CURRENT ASSETS		
I. Inventories		
1. Finished goods and merchandise	1,521,130	129,865
	1,521,130	129,865
II. Receivables and other assets		
1. Trade receivables	29,603,344	28,649,496
2. Receivables from other investees and investors	0	83,157
3. Other assets	5,422,459	4,884,252
	35,025,803	33,616,904
III. Securities classified as current assets	6,380,308	6,716,587
IV. Bank balances	75,807,436	47,479,228
C. PREPAID EXPENSES	2,065,721	862,904
D. DEFERRED TAX ASSETS	1,233,474	1,008,133
TOTAL ASSETS	493,765,055	350,326,490

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES	31/12/2023	31/12/2022
	EUR	EUR
A. EQUITY		
I. Subscribed Capital	5,005,438	5,003,081
Conditional capital EUR 2,395,000 (previous year: EUR 2,400,000)		
II. Capital reserves	31,297,014	31,250,251
III. Retained income	0	0
IV. Equity differences from currency translation	957,164	8,533,708
V. Consolidated net retained profit	143,111,966	84,174,402
VI. Non-controlling interests	7,109,423	3,403,429
	187,481,005	132,364,871
B. PROVISIONS		
1. Tax provisions	996,845	1,017,900
2. Other provisions	47,517,786	31,634,932
	48,514,631	32,652,832
C. LIABILITIES		
1. Bonds, thereof convertible EUR 0 (previous year: EUR 9,815,000)	120,516,500	109,815,000
2. Liabilities to banks	40,806,709	77,096
3. Trade payables	26,550,778	11,375,562
4. Other liabilities	16,974,486	28,673,867
	204,848,473	149,941,526
D. ACCRUALS AND DEFERRALS	83,724	175,057
E. DEFFERED TAX LIABILITIES	52,837,222	35,192,203
TOTAL EQUITY AND LIABILITIES	493,765,055	350,326,490

CONSOLIDATED INCOME STATEMENT

	01/01–31/12/2023	01/01–31/12/2022
	EUR	EUR
1. REVENUE	196,650,984	165,439,266
2. INCREASE OR DECREASE IN FINISHED GOODS AND WORK IN PROCESS	29,383	-44,635
3. OTHER OPERATING INCOME	20,552,507	25,855,321
4. COST OF MATERIALS	34,294,137	30,443,435
Cost of purchased services	34,294,137	30,443,435
5. PERSONNEL EXPENSES	10,275,218	6,458,333
a) Wages and salaries	9,713,314	6,104,252
b) Social security, pensions and other benefit costs	561,904	354,081
– thereof for retirement plans EUR 4.975 (prior year: EUR 4.989)		
6. AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	63,618,592	42,167,564
a) of intangible assets and property, plant and equipment	63,383,797	41,796,800
b) of current assets	234,795	370,764
7. OTHER OPERATING EXPENSES	14,405,990	15,260,516
EBITDA	158,257,529	139,087,668
8. OTHER OPERATING EXPENSES	1,490,367	1,384,502
9. AMORTIZATION OF FINANCIAL ASSETS AND SECURITIES CLASSIFIED AS CURRENT ASSETS	671,044	5,488,660
10. INTEREST AND SIMILAR EXPENSES	9,719,299	6,877,926
11. INCOME TAXES	18,252,150	19,752,414
12. EARNINGS AFTER TAXES	67,486,811	66,185,605
13. OTHER TAXES	3,334	0
14. NET INCOME FOR THE GROUP FOR THE YEAR (+)	67,483,477	66,185,605
15. PROFIT (-) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-2,308,388	-5,419,614
NET INCOME FOR THE GROUP AFTER MINORITIES	65,175,089	23,408,411
16. PROFIT CARRYFORWARD	77,936,877	23,408,411
17. CONSOLIDATED NET RETAINED PROFIT	143,111,966	84,174,402

CONSOLIDATED CASH FLOW STATEMENT

IN EUR	2023	2022
NET INCOME FOR THE PERIOD (CONSOLIDATED NET INCOME / LOSS INCLUDING PROFIT SHARES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS)	67,483,477	66,185,605
+/- Write-downs / write-ups of fixed assets	63,383,797	39,790,250
+/- Increase / decrease in provisions	-5,306	18,882,262
+/- Other non-cash expenses / income	2,027,984	267,630
-/+ Increase / decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	-4,625,717	-6,679,737
+/- Increase / decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	2,618,799	9,206,488
-/+ Proceeds from disposals of intangible assets	-14,387,825	-10,145,012
-/+ Gains / losses from the disposal of fixed assets	-2,883,531	1,868,384
+/- Income taxes paid / received	8,228,932	5,493,424
+/- Income tax payments	17,419,677	17,862,778
CASHFLOW FROM OPERATING ACTIVITIES	139,260,287	142,732,073
+ Cash received from disposals of intangible assets	10,054,488	0
- Cash paid for investments in intangible assets	-294,847	-6,034,493
+ Proceeds from disposals of intangible assets	27,878,839	6,490,002
- Cash paid for investments in property, plant and equipment	-198,443,471	-82,915,052
+ Cash received from disposals of fixed financial assets	7,458,730	11,326,932
- Cash paid for investments in fixed financial assets	0	-3,720,994
+ Cash received in connection with short-term financial management of cash investments	13,872,499	18,426,899
- Cash paid in connection with short-term financial management of cash investments	-10,652,689	-16,368,259
+ Interest received	760,001	630,721
CASHFLOW FROM INVESTING ACTIVITIES	-149,366,449	-72,164,244
+ Proceeds from contributions to equity by shareholders of the parent company	39,120	97,800
+ Cash received from equity contributions by other shareholders	2,088,130	88,382
- Cash from decrease in equity	-160,363	-16,358,904
+ Cash received from the issue of bonds and from loans	82,566,847	21,334,379
- Cash repayments of bonds and loans	-30,321,500	-29,438,977
- Interest paid	-7,938,999	-6,725,238
- Dividends paid to shareholders of the parent company	-6,504,469	-2,665,791
- Dividends paid to other shareholders	-207,607	-1,063,318
CASHFLOW FROM FINANCING ACTIVITIES	39,561,159	-34,731,668
Change in cash and cash equivalents	29,454,998	35,836,161
+/- Changes in cash and cash equivalents due to exchange rates and valuation	-1,222,918	-44,738
+ Cash and cash equivalents at the beginning of the period	47,402,131	11,610,709
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	75,634,211	47,402,131

GROUP MANAGEMENT REPORT

I. FUNDAMENTAL INFORMATION OF THE GROUP

Deutsche Rohstoff AG, Mannheim, (hereinafter referred to as „Deutsche Rohstoff AG“) is a stock corporation under German law. The company is registered in the commercial register at Mannheim Local Court under the number HRB 702881 and has its registered office at Q7, 24 Mannheim, Germany. The shares of Deutsche Rohstoff AG have been listed in the Scale segment of the Frankfurt Stock Exchange since March 1, 2017 (ISIN: DE000A0XYG76, WKN: A0XYG7).

ACCOUNTING AND AUDITING

Deutsche Rohstoff AG prepares its consolidated financial statements, the interim report and the annual financial statements in accordance with the provisions of the German Commercial Code (HGB). On June 29, 2023, the Annual General Meeting appointed FALK GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Heidelberg, as the auditor for the annual and consolidated financial statements for the 2023 financial year.

DISTINCTION BETWEEN PARENT COMPANY AND GROUP

To clarify which disclosures relate to the parent company and which relate to the Group, “Deutsche Rohstoff AG” is always used for the parent company. For disclosures relating to the Group, “Deutsche Rohstoff Group”, “Group” or “Konzern” is used. Where the above terms are not used and no other separate references are made, the information relates equally to the Group and the parent company.

FUTURE STATEMENTS

This management report contains forward-looking statements. These statements reflect our own estimates and assumptions – including those of third parties (such as statistical data relating to the industry and global economic developments) – at the time they were made or at the date of this report. Forward-looking statements are always subject to uncertainties. If the estimates and assumptions prove to be incorrect or only partially correct, actual results may differ from expectations, even significantly.

1. BUSINESS MODEL

AT A GLANCE

- Core business: focus on oil and gas production in the USA
- Equity interests and investments in strategic metals with a carrying amount of EUR 31.6 million

The core business of the Deutsche Rohstoff Group is the production of crude oil and natural gas in the USA. In addition, the Group is involved in strategic metals, battery metals and other raw materials, particularly in exploration and mining projects, as well as the processing of raw materials.

As the parent company, Deutsche Rohstoff AG manages the Group. It establishes subsidiaries and initiates new projects together with experienced and successful management in the various divisions. It also acquires stakes in companies. As is

customary in the raw materials sector, the subsidiaries occasionally acquire and sell raw material deposits, production facilities and land as part of their operating business. Active management of the subsidiaries and the ability to take advantage of opportunities for acquisitions and divestments have enabled the Group to position itself successfully on the sometimes highly volatile commodities markets since it was founded.

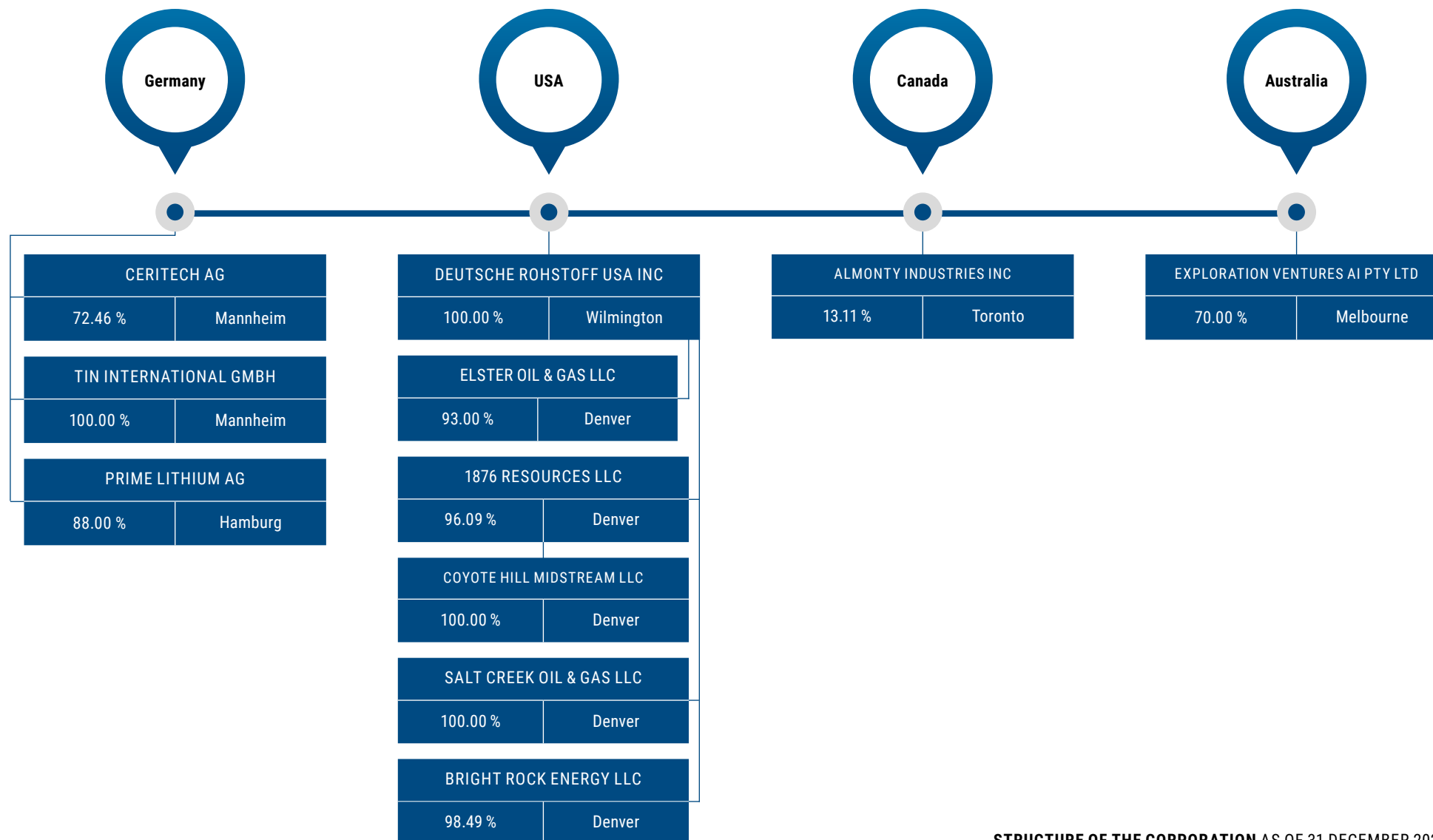
The Group’s management and employees play a central and critical role in this. The success of Deutsche Rohstoff is largely dependent on small and experienced management teams. The involvement and participation of employees in the success of the companies and projects is therefore a key success criterion for Deutsche Rohstoff AG.

Operating and investment activities are focused on countries with a stable political and legal system. In the 2023 financial year, all activities were located in the USA, Australia, Western Europe and South Korea. The Group is present in these countries with subsidiaries, equity investments or cooperation agreements. All subsidiaries and companies with majority shareholdings are based in Western Europe, the USA and Australia.

Deutsche Rohstoff AG finances the activities or procures financing partners, decides on the strategic direction, new investments and divestments and handles public relations and capital market communications. Experienced managers, mostly specialized engineers and geologists with many years of industry experience, are responsible for the operational business on site.

Deutsche Rohstoff AG

Mannheim



STRUCTURE OF THE CORPORATION AS OF 31 DECEMBER 2023

GROUP MANAGEMENT REPORT

As at December 31, 2023, the Deutsche Rohstoff Group consisted of the following material Group companies and equity investments. Subsidiaries and equity investments that are to be held permanently are considered material.

Compared to the previous year, there have been some changes in the legal structure of the Group and in the size of shareholdings:

- The shareholding in Tin International AG rose from 95.04 % to 100 % as a result of the transfer of the shares of the remaining shareholders to Deutsche Rohstoff AG in return for cash compensation ("squeeze-out"). At the Annual General Meeting on February 21, 2023, the change of legal form to a GmbH and the relocation of the registered office to Mannheim were resolved, which was entered in the commercial register on May 23, 2023.
- The shareholding in Prime Lithium AG fell from 100 % to 88 % as a result of capital contributions and sales to the CEO and co-founder.
- Due to capital contributions by several minority shareholders, the shareholding in 1876 Resources LLC fell slightly from 97.67 % to 96.09 %.
- The stake in Almonty Industries fell from 14.20 % to 13.11 % as a result of further capital increases.
- As part of a joint venture with SensOre, Exploration Ventures AI Pty Ltd ("EXAI") was founded at the beginning of 2023, in which Deutsche Rohstoff AG held 70 % of the shares as at December 31, 2023.

· 1876 Resources has founded the wholly owned subsidiary Coyote Hill Midstream LLC, in which its infrastructure businesses (gas pipelines, water production, fresh and used water basins) are bundled.

The company Almonty Industries Inc. shown in the chart was held as an investment at the end of 2023. All other companies were fully consolidated.

Deutsche Rohstoff USA Inc. acts as an intermediate holding company for holding the US investments and for tax consolidation purposes, but has no operating business of its own.

The company **1876 Resources** (formerly: **Cub Creek Energy**) produced in 2023 on its acreage in the Denver-Julesberg Basin in Colorado and in the Powder River Basin in Wyoming. In 2023, 1876 Resources drilled a total of nine oil wells as operator in Wyoming, seven of which commenced production in 2023 and two more in early 2024.

In 2023, **Elster Oil & Gas** continued to operate exclusively in the production of crude oil in the Denver-Julesberg Basin in Colorado. As a non-operator, Elster Oil & Gas is only involved in oil wells drilled by other companies.

Bright Rock Energy acquired acreage in the Powder River Basin in Wyoming in 2020. In October 2021, the company drilled its first well as operator on these acreages. Three further wells were started at the end of 2023.

Salt Creek Oil & Gas further expanded its interests as a non-operator in oil wells drilled by other companies in 2023. As part of two joint ventures with Occidental Petroleum in

Wyoming, a total of 15 wells were put into operation and 10 further wells were drilled, which were completed in the first quarter of 2024. The acreage in Utah with around 250 non-operated wells with an average share of 2.3 % was sold at the end of 2023.

Almonty Industries, which specializes in tungsten mining, operated the Panasqueira mine in Portugal in 2023 and is also developing other tungsten projects. The company's largest project, the Sangdong mine in South Korea, is scheduled to start production in 2024.

Ceritech AG has been held as a "shell company" since the shares were listed on the open market of the Düsseldorf Stock Exchange with the intention of contributing its own or third-party business to the company.

At the end of the year, **Tin International GmbH** only had cash at its disposal, which was used for new projects and intra-group loans.

Prime Lithium AG is running a development project to process lithium precursors into high-purity lithium products. The long-term goal is to produce battery chemicals of the highest purity and quality.

Exploration Ventures AI Pty Ltd ("EXAI") is focused on the exploration of lithium in the state of Western Australia. The company's exploration projects were contributed 100 % to the listed company Premier1 Lithium at the beginning of 2024.

In the 2023 financial year, the Group generated revenue almost exclusively from the production of crude oil and natural

GROUP MANAGEMENT REPORT

gas in the USA. In addition to revenue from the production of raw materials and associated rights, e.g. royalties, the business model also consists of the favorable acquisition, development and sale of raw material projects.

2. OBJECTIVES AND STRATEGY

PERFORMANCE FOR OUR SHAREHOLDERS

The aim of Deutsche Rohstoff AG is to build a commercially successful raw materials production and investment company geared towards long-term success. The company thus contributes to meeting the continuously increasing global demand for raw materials in a responsible manner. Raw materials are the basis for improving the standard of living of people worldwide. Solid and balanced financing of the Group is a key success factor in times of volatile markets.

In the past, the company had stated an increase in market capitalization to EUR 150 to 200 million as its overriding economic goal. This target was achieved by the end of 2023. At EUR 162.4 million (previous year: EUR 130.1 million), market capitalization was within this range for the first time. The Executive Board has set itself the new overarching goal of increasing market capitalization to between EUR 200 million and EUR 250 million. This target can be achieved sustainably within the next 12 months, provided that commodity prices, in particular the oil price, remain at the same level as at the beginning of 2024 until the preparation of these annual financial statements. Other prerequisites include achieving the planned production volumes and continuing the development projects on our own land or together with joint venture partners in the USA.

BUSINESS SEGMENTS

The company's activities continue to focus on oil and gas production in the USA. In the reporting year, the company benefited from oil prices that were at a relatively high level compared to the average of the last 10 years. At the same time, prices for natural gas and condensates were significantly lower than in previous years. The production of oil and gas was further expanded in the course of 2023. A total of 12,762 BOEPD (barrels of oil equivalent per day) were produced in 2023, bringing the year as a whole to 4.7 million BOE.

At the end of 2023, the Group had interests in a total of 85 independently operated horizontal wells in the US oil fields Denver-Julesberg Basin, Colorado, and in the Powder River Basin, Wyoming, as well as 88 wells operated by partners. In total, this corresponds to around 96 net wells, i.e. wells operated by the Group with an arithmetical share of 100 %.

In the Metals segment, the Group had two operating subsidiaries and a stake of over 10 % in Almonty Industries as at December 31, 2023. The subsidiaries Prime Lithium AG and Exploration Ventures AI Pty Ltd ("EXAI") (Australia) are pursuing projects in the area of processing lithium products from mining and lithium exploration.

EMPLOYEES

The commitment and expertise of our employees form an important basis for our economic success. We ensure the recruitment and retention of highly qualified specialists and managers through targeted talent selection, long-term incentives in the form of participation programs, individually tailored further development measures and company health management.

3. RESEARCH AND DEVELOPMENT

The Group only conducts a small amount of research and development aimed at supporting the development of existing projects or optimizing them. The extraction of crude oil and natural gas and ore mining generally rely on existing processes that are freely accessible via service providers. The Group uses service providers who carry out the work according to the current state of the art. In 2023, Prime Lithium AG pressed ahead with a development project to process lithium precursors into high-purity lithium products. Development expenses totaling EUR 3.2 million were incurred for this. A further EUR 0.8 million was invested in a joint venture with the Australian company SensOre for the early-stage exploration of lithium deposits in Western Australia.

II. ECONOMIC REPORT

1. MACROECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

AT A GLANCE

- Economic growth of 3.4 % worldwide and 2.5 % in North America in 2023
- Average oil price falls from USD 94.90/bbl to USD 77.58/bbl (-18 %)

GLOBAL ECONOMIC DEVELOPMENT

Despite numerous challenges in some regions, the global economic environment was somewhat better than expected in

GROUP MANAGEMENT REPORT

2023. The US economy in particular performed better than expected, while growth in other regions of the world varied greatly and tended to fall short of expectations. Central banks continued to raise key interest rates in order to curb high inflation. Although inflation eased, it remained at an elevated level in many areas. Supply chains eased, driven by lower freight costs and increased freight capacity. On the commodity markets, particularly for oil and gas, the uncertainty caused by extensive international sanctions in 2022 eased. Price swings on the markets and futures markets decreased significantly, especially for gas.

Following the significant adjustments to growth forecasts at the beginning of 2023, the International Monetary Fund (IMF) is forecasting stable growth in global economic output of 3.1 % in its World Economic Outlook Update (WEO) from January 2024. The forecast for 2024 is therefore at the same level as the forecast from October 2023. The growth rate expected for the industrialized nations in 2024 is 1.5 % (2023: 1.6 %). The growth rate for emerging and developing countries in 2024 is expected to be 4.1 % (2023: 4.1 %). Expectations for global trade in 2023 were 0.4 % (2022: 5.2 %) and are set to rise to 3.3 % in 2024, while the inflation rate in industrialized nations is expected to fall significantly year-on-year to 2.6 % (2022: 6.8 %). Economic growth in our North American sales market rose by 2.5 % in 2023 and is expected to outperform the other industrialized nations with growth of 2.1 % in 2024.¹

DEVELOPMENT OF PRICES FOR OIL, GAS AND TUNGSTEN

Global oil demand continued to develop positively in 2023 and grew by around 2.5 million BOPD to around 102 million BOPD (barrels of oil per day).² Demand increased from the middle of the year in particular, driven by global kerosene demand and to some extent by the return of the Chinese economy to pre-coronavirus pandemic demand levels. However, supply could not be increased to the same extent for a variety of reasons. The most important factors for a limited increase in supply included a lack of investment in new production areas in North America, a lack of capacity in many OPEC+ countries and a reduction in volumes by OPEC+ countries in order to stabilize prices at a high level. After the oil price initially fell slightly from the beginning of the year to the middle of the year, these factors led to a significant rise in the oil price from the third quarter onwards. At the end of September, WTI briefly peaked at over USD 93/bbl and then fell again to around USD 72/bbl at the end of the year. The average WTI price for 2023 was USD 77.58/bbl, 18.3 % below the average for 2022 (USD 94.90/bbl).

By contrast, the average gas price (Henry Hub) fell significantly by 60.7 % to USD 2.53/MMBTU in 2023 (2022: USD 6.45/MMBTU) after the uncertainties surrounding the supply situation following the attack on Ukraine subsided - not least due to an exceptionally mild winter. Prices for natural gas liquids

(NGLs) also fell significantly in the course of the gas price trend, dropping by 36 % from around USD 46.49/bbl in 2022 to an average of USD 29.86/bbl in 2023.

The most important industrial metal for us due to our significant stake in Almonty is tungsten. The tungsten price APT was stable in 2023 at between USD 310 and USD 330 per Mtu. It averaged USD 323 and was therefore slightly below the previous year's level of USD 338 in 2022.³

THE INFLUENCE OF CURRENCY CHANGES

Currency fluctuations have a significant impact on the Group's business performance. The EUR/USD exchange rate is of particular importance, as all important raw materials are settled in USD. A stronger USD leads to raw materials becoming more expensive outside the USA and to corresponding gains in the income statement or positive effects on the currency translation reserve in equity as part of the exchange rate translation or conversion into EUR. Conversely, exchange rate losses arise on exchange or negative effects on the currency translation reserve in the event of a weaker USD. After opening at 1.068 EUR/USD, the USD weakened slightly against the EUR over the course of the year and the exchange rate closed at 1.105 EUR/USD. At 1.081 EUR/USD, the average exchange rate in 2023 was around 3 % below the average rate in 2022 (1.053 EUR/USD).

¹ IMF: World Economic Outlook Update, January 2024

² OPEC: OPEC: https://www.opec.org/opec_web/static_files_project/media/downloads/press_room/OPEC_MOMR_Dec_2023.pdf, accessed March 19, 2024.

³ <https://almonty.com/investors/> and https://almonty.com/wp-content/uploads/2024/04/AII_2024_AIF_YE-2023-Dec-31-2023_FINAL_SEDAR.pdf, accessed March 19, 2024 and April 4, 2024.

GROUP MANAGEMENT REPORT

2. BUSINESS PERFORMANCE

AT A GLANCE

- Production: record volume of 12,762 BOEPD achieved
- Operational base established in Wyoming
- Record investments of almost EUR 200 million made
- Metals division: future projects further expanded with focus on lithium

CORE BUSINESS OIL AND GAS

Oil and gas production increased continuously in the 2023 financial year. Daily production climbed by 33 % year-on-year from 9,594 BOEPD to 12,762 BOEPD, setting a new record for the Deutsche Rohstoff Group. Over the course of the year, production rose from 10,853 BOEPD in the first quarter to 15,306 BOEPD in the fourth quarter. Production at all subsidiaries was successful in 2023, the expected results were exceeded and new drilling programs were launched. Despite the slight decline in the oil price, the sharper fall in gas and NGL prices and the slightly weaker US dollar, the company's guidance was raised three times in total, starting in April.

1876 Resources (formerly **Cub Creek Energy**) successfully shifted the operational focus of its activities from Colorado to Wyoming in the 2023 financial year. In addition to drilling, the company made extensive investments in infrastructure required for drilling and the transportation of the extracted raw materials. In the first quarter, the foundations for the cost-effective and efficient provision of fresh water were laid with the construction of a water storage facility with a capacity of around 1.7 million barrels (270 million liters). As a further investment in infrastructure, 1876 purchased a pipeline network of around 60 km in May 2023, which connects the existing and future drilling sites to the regional gas pipeline network. This acquisition, which cost around USD 14 million, ensures that 1876 Resources will have sufficient capacity to transport its produced gas volumes in the medium term. Parallel to the infrastructure developments, 1876 Resources has completed its first own wells in Wyoming, thereby further expanding production. The company has drilled a total of nine wells, seven of which will be completed in 2023. The remaining two were completed and brought into production in early January 2024. Overall, the average results of the wells exceeded expectations. In addition to the operating cash flow, the company financed the high investments totaling around USD 120 million by drawing on its credit line with a US bank in the amount of USD 44.9 million as at December 31.

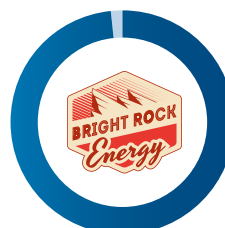
The subsidiary **Salt Creek Oil & Gas** continued its activities in 2023 under two joint venture agreements with the US company Occidental Petroleum ("Oxy"). The company is involved in a total of 31 wells at four different drilling locations in the Powder River Basin in Wyoming. Around USD 160 million will be invested in these sites between 2022 and mid-2024, of which around EUR 90 million will be invested in 2023. 15 wells



Share Deutsche Rohstoff
as of 31 December 2023
100.00 %



Share Deutsche Rohstoff
as of 31 December 2023
96.09 %



Share Deutsche Rohstoff
as of 31 December 2023
98.49 %

GROUP MANAGEMENT REPORT

at the “Woody” and “Huckleberry” well sites went into production in the financial year. The remaining 10 wells from the two JV agreements were successfully drilled and went into production at the beginning of April 2024. After acquiring the acreage in the Uinta Basin, Utah, from Bright Rock Energy in August 2022, Salt Creek sold it in the fourth quarter of 2023. The Group received funds of around USD 41 million from the transaction. Following the sale of the Uinta assets, Salt Creek no longer has any acreage position in the state of Utah. The wells in the JV with Oxy are secured through direct ownership of the well. Thanks to the high returns from the sale in Utah and the high production, Salt Creek was able to repay its bank loans in the USA in full by the end of 2023.

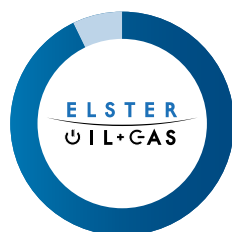
Bright Rock Energy is focused on the further development of its acreage of around 32,000 acres (129.5 km²) in Wyoming. Six wells are currently producing on the acreage, 5 of which were acquired as part of the acreage acquisition in 2020 and one of which was drilled by Bright Rock in 2021. At the end of 2023, Bright Rock started a new drilling program and drilled three wells with a working interest of around 80 %. Two wells were drilled into the Niobrara formation to build on the very strong production from the Buster well and, for the first time, one well was also drilled into the deeper Mowry formation. The wells were finally drilled in March 2024. One of the Niobrara wells had to be limited from the originally planned two miles to one horizontal mile due to technical difficulties. The

other well in the Niobrara and Mowry formations were completed on schedule. According to management’s assessment based on the reserve report, more than 100 additional wells are possible on the Bright Rock acreage.

Deutsche Rohstoff AG changed its shares in the US subsidiaries only insignificantly in the course of 2023. The stake in 1876 Resources decreased from 97.67 % to 96.09 %. The remaining minority interests are mainly held by the local management teams. When new subsidiaries are established, Deutsche Rohstoff offers central employees the opportunity to acquire a share. In addition, members of the management of US subsidiaries are incentivized via profit units. These profit units then receive a profit share after Deutsche Rohstoff AG has received back 100 % of the capital invested in the subsidiaries, including an appropriate interest rate (see also the comments on incentives and remuneration of the management and supervisory bodies in the US companies in the Financial position section).

METALS BUSINESS UNIT

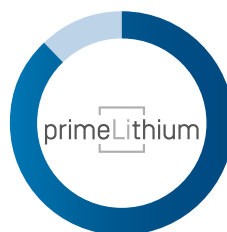
In addition to the long-standing investment in Almonty Industries in the tungsten sector, the investment portfolio in the metals sector was further expanded in the direction of lithium. Prime Lithium AG, founded in 2021, has been operating a development project for processing lithium precursors into high-purity lithium products since 2022. In the reporting year, Prime Lithium AG was able to reserve an area of around 22 hectares in the Stade Chemical Park for potential lithium production and put a Research & Development Center into operation. Investments totaling EUR 3.2 million were made. With Dr. Axel Heitmann as co-shareholder and CEO, an experienced



Share Deutsche Rohstoff
as of 31 December 2023
93.00 %



Share Deutsche Rohstoff
as of 31 December 2023
70.00 %



Share Deutsche Rohstoff
as of 31 December 2023
88.00 %

GROUP MANAGEMENT REPORT

manager has been recruited. The further development of Prime Lithium depends on the progress of the approval procedures, the results of the optimization work and the financing. The shareholders of Prime Lithium are planning to take on further investors in the medium term and to raise funding.

At the beginning of 2023, Deutsche Rohstoff AG founded the Australian subsidiary Exploration Ventures AI Pty Ltd ("EXAI") together with the Australian company SensOre (ASX: S3N), which focuses on lithium exploration in the Australian state of Western Australia. Deutsche Rohstoff AG initially held a 70 % stake in the company. EXAI was able to secure seven licenses for lithium exploration in Western Australia over the

year 2023. Initial field work has yielded promising results, which are to be confirmed with a drilling program. To this end, the JV partners contributed EXAI to Premier1 Lithium (ASX: PLC), which is listed on the Australian stock exchange, in January 2024. Following a capital increase by Australian investors, Deutsche Rohstoff holds a 19.9 % stake in Premier1 Lithium. Drilling commenced in the first quarter of 2024.

Almonty Industries

With the construction and commissioning of the South Korean Sangdong mine, Almonty is aiming to become the largest tungsten producer outside of China. The mine is scheduled to start production in the course of 2024. The construction is

being co-financed by the Frankfurt-based KfW IPEX-Bank, a wholly owned subsidiary of the state-owned KfW, with a low-interest loan of USD 75 million.

	2023	2022	IN %
Revenue in CAD million	22.5	24.8	-9 %
Production costs in CAD million	19.3	20	-3 %
Net result in CAD million	-8.8	-14.5	-39 %
Per share in EUR	-0.04	-0.07	-43 %
Share price in CAD	0.49	0.68	-28 %
Equity in CAD million	48.5	39.8	22 %
EC ratio	21 %	21 %	0 %

In the 2023 financial year, Almonty reported 9 % lower revenue as a result of the slight fall in tungsten prices and the slightly lower production volumes at the mine in Portugal. Production costs rose in relation to revenue from 81 % in the previous year to 86 % in 2023. Due to lower administrative expenses, depreciation and non-cash valuation gains, the loss fell by 39 % to CAD -8.8 million (previous year: CAD -14.5 million).

In the 2023 financial year, Almonty drew on three further tranches of its project financing from KfW IPEX-Bank, which was concluded in 2022. A total of USD 55.8 million had been drawn down by the end of the year (previous year: USD 26.7 million). As at December 31, 2023, the company had cash and cash equivalents of CAD 22.0 million (previous year: CAD 8.4 million) and a working capital deficit (current receivables less



Share Deutsche Rohstoff
as of 31 December 2023
100.00 %



Share Deutsche Rohstoff
as of 31 December 2023
72.46 %



Share Deutsche Rohstoff
as of 31 December 2023
13.11 %

GROUP MANAGEMENT REPORT

current liabilities) of CAD 30.5 million (previous year: CAD 34.1 million). Non-current financial liabilities increased to CAD 95.9 million as a result of loan drawings and refinancing.

Almonty implemented further capital measures and renegotiated repayment dates in order to improve liquidity and match maturities. Among other things, Deutsche Rohstoff AG contributed to this by extending the maturity dates of loans totaling EUR 14.8 million until September 30, 2025. Almonty's equity increased by more than CAD 8 million to CAD 48.5 million, which corresponds to an equity ratio of approx. 21 %.

After the reporting date, Almonty carried out a further capital increase of AUD 3 million and issued 10.2 million shares at a price of CAD 0.9 per share due to the conversion of a convertible loan. In addition, loans amounting to USD 4.6 million were extended until October 2025. For a further USD 15.7 million of loans, Almonty's management expects an extension until March 2027 in the near term. Almonty believes that based on these further refinancings, the current price of tungsten concentrate (APT) and its forecast production plan for the 2024 financial year, it will be able to generate sufficient cash flow to meet its ongoing obligations.

The carrying amount of the fixed assets of the subsidiaries and the carrying amount of the investments in the Metal division amounted to EUR 31.6 million as at December 31, 2023.

Northern Oil & Gas shares and securities portfolio

Deutsche Rohstoff AG generated income of EUR 3.4 million from the sale of all remaining shares in Northern Oil and Gas Inc. (NOG) in 2023. In addition, around EUR 3 million in net income was recognized from the remaining equity portfolio.

At the end of the year, there was still unrealized income from the equity portfolio in the amount of EUR 1.2 million.

FINANCING AND CHANGES IN CAPITAL

Deutsche Rohstoff AG refinanced the 2019/2024 bond with ISIN DE000A2YN3Q8 / WKN A2YN3Q early in the fall of 2023 in order to secure further growth financing for oil and gas production in the USA in the medium term. As part of the issue of the new 2023/2028 bond (WKN A3510K, ISIN DE000A3510K1), investors exchanged the 2019/2024 bond with a nominal value of EUR 58,967,000 for the new 2023/2028 bond. Furthermore, the right to call the 2019/2024 bond was exercised in December 2023 and half (EUR 20,516,500) of the remaining volume

was repaid. The 2019/2024 bond therefore still has a volume of EUR 20,516,500 as at December 31, 2023, which matures on December 6, 2024. The new 2023/2028 bond was issued on September 27, 2023. It was fully placed with a volume of EUR 100,000,000, a term until September 26, 2028 and a coupon of 7.5 %.

Due to the exercise for the exchange of the equivalent of 357 shares from the 2018/2023 convertible bond and 2,000 subscription rights from the 2018 employee option program, the number of shares in Deutsche Rohstoff AG increased slightly by 2,357 shares to 5,005,438 by 31 December 2023 (previous year: 5,003,081).



STRASSENHEIM, 2023

GROUP MANAGEMENT REPORT

3. RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

EARNINGS SITUATION

AT A GLANCE

- Sales revenue up 19 % to EUR 196.7 million
- Earnings after minority interests and earnings per share increase by over 7 % to EUR 65.2 million or EUR 13.02 per share

Selected data from the Income Statement

IN EUR MIO.	2023	2022	IN %
Revenues	196.7	165.4	18.9 %
Overall performance ¹	217.2	191.2	13.6 %
Gross profit ²	182.9	160.8	13.8 %
EBITDA ³	158.3	139.1	13.8 %
EBIT ⁴	94.0	91.4	2.8 %
Net income before minorities	67.5	66.2	2.0 %
Net income after minorities	65.2	60.8	7.3 %
– EBITDA margin	80.5 %	84.1 %	
– EBIT margin	47.8 %	55.3 %	
– Gross profit margin	93.0 %	97.2 %	
– Return on sales (after minority interests)	33.1 %	36.7 %	
Earnings per share	13.02	12.15	7.2 %
Dividend Proposal per share	1.75	1.30	34.6 %

¹ Total operating performance is defined as net revenue plus increase or decrease in inventories of finished goods and work in progress plus own work capitalized plus other operating income plus income from disposals/discontinued operations.

² Gross profit is defined as total output less cost of materials.

³ EBITDA is defined as earnings for the period before interest, taxes, depreciation and amortization of tangible and intangible assets, and write-downs of non-current and current securities. EBIT is defined as earnings before interest and taxes for the period.

⁴ EBIT is defined as earnings before interest and taxes for the period.

REVENUE AND EARNINGS

Sales rose by more than 33 % to an average of 12,762 BOEPD (previous year: 9,594 BOEPD) due to the increase in oil and gas volumes produced. In contrast to the previous year, price and exchange rate effects had a negative impact. The decline in the average realized oil price by 3.5 % to USD 73.91/BBL (previous year: USD 76.59/BBL), the gas price by around 33 % to USD 2.86/Mcf (previous year: USD 4.25/Mcf) and the price for natural gas condensates (so-called NGL) by around 41 % to USD 23.34/BBL (previous year: USD

39.45/BBL), together with the weaker US dollar (-3 %), led to a partial compensation of the positive volume effect. Production taxes of EUR 19.3 million (previous year: EUR 20.3 million) as well as realized gains from hedging transactions on oil and gas amounting to EUR 0.3 million (previous year: EUR -38.6 million) were deducted from gross revenue in accordance with the HGB definition of revenue. Of the total increase in sales revenue of 19 %, 41 % is attributable to volume increases for oil and gas, -19 % to price reductions and -3 % to the exchange rate.

The main component of other operating income amounting to EUR 20.6 million (previous year: EUR 25.9 million) is income of around EUR 11 million from the sale of the space in Utah. Additional income from the sale of the space package for the period up to the closing on December 21 is included in revenue in the amount of around EUR 7 million. Other operating income includes income from the sale of shares in NOG and other mining companies amounting to EUR 7.6 million (previous year: EUR 9.9 million), which were held by Deutsche Rohstoff AG, income from exchange rate gains amounting to

TAB. REVENUE GROWTH BY ORIGIN

IN TEUR	31/12/2022	VOLUME EFFECTS			PRICE EFFECTS			FX	31/12/2023
		OIL	GAS	NGL	OIL	GAS	NGL	US-DOLLAR	
Revenues	165,439	53,306	5,465	9,700	-6,861	-11,009	-14,229	-5,160	196,651
Change in %		32 %	3 %	6 %	-4 %	-7 %	-9 %	-3 %	19 %

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EUR 0.5 million (previous year: EUR 6.5 million) and write-ups on shares in current assets amounting to EUR 1.4 million (previous year: write-ups on property, plant and equipment and shares in fixed and current assets: EUR 5.4 million).

The total operating performance of EUR 217.2 million (previous year: EUR 191.2 million) was offset by expenses of EUR 59.0 million (previous year: EUR 52.2 million), resulting in EBITDA of EUR 158.3 million (previous year: EUR 139.1 million).

OPERATING COSTS

The cost of materials comprises the operating costs of oil and gas wells and increased by EUR 3.9 million to EUR 34.3 million in 2023 (previous year: EUR 30.4 million). Operating costs per output volume produced (BOE) fell by 11.9 % from USD 9.04/BOE to USD 7.96/BOE, mainly due to the distribution of fixed costs across high initial production volumes for the numerous new wells and the deflationary trend that was also evident in the oil and gas industry over the year as a whole. As a result of the cost reduction per BOE, the cost of materials ratio fell from 18.4 % in the previous year to 17.4 % in 2023.

The Group's personnel expenses increased by 59 % to EUR 10.3 million (previous year: EUR 6.5 million). The increase is mainly due to the decision of the Executive Board and Supervisory Board to settle all unexercised subscription rights under the 2018 share option program in cash and not to service them by issuing new shares. Expenses and provisions totaling EUR 2.1 million were recognised for this measure. The remaining increase in personnel expenses is due to the recruitment of additional employees. In 2023, the average number of employees in the Group rose by 57 % to 44. In the USA, the increased number of employees is due in particular to the

strong growth of the subsidiary 1876 Resources and the insourcing of infrastructure services for gas transportation and water supply in the service area ("Field Staff"). In Germany, Prime Lithium AG commenced laboratory activities.

At the level of Deutsche Rohstoff AG, personnel expenses amounted to EUR 4.2 million (previous year: EUR 2.0 million). The increase is due to the above-mentioned decision on the cash settlement and the associated expenses and provisions.

Other operating expenses fell by 6 % to EUR 14.4 million (previous year: EUR 15.3 million) and include general administration costs of EUR 3.6 million (previous year: EUR 3.4 million) (including for insurance, rents, IT systems, monetary transactions, the Annual General Meeting, investor relations, committees, travel expenses, external accounting in the USA), the issue of the 2023/2028 bond in the amount of EUR 1.5 million (previous year EUR 1.5 million (previous year: costs from the increase in the 2019/2024 bond: EUR 0.3 million), losses from the sale of shares in mining companies held by Deutsche Rohstoff AG in the amount of EUR 1.7 million (previous year: EUR 2.6 million). EUR 1.7 million (previous year: EUR 2.6 million), exchange rate losses of EUR 1.2 million (previous year: EUR 2.6 million), legal and consulting costs of EUR 3.3 million (previous year: EUR 2.2 million), losses from the disposal of property, plant and equipment of EUR 0.02 million (previous year: EUR 1.7 million), additions to provisions of EUR 1.1 million (previous year: EUR 1.1 million) and costs for project development and exploration activities amounting to EUR 0.7 million (previous year: EUR 0.9 million). The net exchange rate effects recognized in profit or loss amounted to a loss of EUR 0.6 million (previous year: profit of EUR 3.9 million).

As a result, earnings before interest, taxes, depreciation and amortization (**EBITDA**) rose by 14 % to EUR 158.3 million (previous year: EUR 139.1 million). The **EBITDA margin** fell slightly year-on-year from 84.1 % in 2022 to 80.5 % in 2023 due to lower other operating income on the one hand and higher personnel expenses on the other.

DEPRECIATION

Depreciation and amortization in the amount of EUR 63.6 million (previous year: EUR 42.2 million) relates almost exclusively to depreciation of the fixed assets of the oil and gas production facilities in the USA.

Depreciation per BOE amounted to USD 14.54 in 2023, up 17 % on the previous year (USD 12.46/BOE) as a result of the more capital-intensive drilling in Wyoming.

Earnings before interest and taxes (**EBIT**) amounted to EUR 94.0 million (previous year: EUR 91.4 million). The **EBIT margin** fell from 55.3 % in 2022 to 47.8 %.

FINANCIAL RESULT AND TAXES

The financial result includes interest payments on the outstanding bonds at the level of Deutsche Rohstoff AG and interest payments to US banks in connection with the lending of reserves. These expenses were offset by interest income and income from investments.

The tax result amounted to EUR -18.3 million (previous year: EUR -19.8 million) and primarily includes the deferred tax expense on the earnings of the US subsidiaries. Deutsche Rohstoff AG had already used up all trade tax loss carryforwards in the previous year. A loss carryforward of EUR 9.9 million (pre-

GROUP MANAGEMENT REPORT

vious year: EUR 8.3 million) remains in the area of corporation tax. In the USA, there are loss carryforwards of USD 81.6 million for Colorado state taxes.

CONSOLIDATED NET INCOME AND EARNINGS PER SHARE

The consolidated net profit for the year before minority interests rose to EUR 67.5 million (previous year: EUR 66.2 million) and after deduction of minority interests to EUR 65.2 million (previous year: EUR 60.8 million). The minority interest of EUR 2.3 million (previous year: EUR 5.4 million) includes EUR 0.8 million in shares of voting minorities of subsidiaries and EUR 1.5 million in accruals for non-voting

shares from profit incentives of two US subsidiaries. With 5,005,438 shares (previous year: 5,003,081), this results in earnings per share after deduction of minority interests of EUR 13.02 (previous year: EUR 12.15). This corresponds to an increase of 7 %.

DEVELOPMENT AND ASSESSMENT OF GUIDANCE

Due to the expansion of the drilling program and the proceeds from the sale of the Utah assets as well as the positive development of oil and gas production, the guidance was revised upwards three times within 2023. The final figures were within the range, but in each case in the upper half of the guidance ranges last updated on November 14, 2023. Compared to the

first guidance, revenue was 31 % and EBITDA 35 % above the mid-point of the respective range. A comparison of the underlying assumptions with the first guidance shows that the realized oil price of USD 73.91/bbl was almost exactly in line with the expected value of USD 75/bbl (-1 %), the gas price of USD 2.86/Mcf was 28 % below the first guidance value of USD 4/Mcf and the exchange rate was assumed to be 3 % weaker at USD 1.12/EUR (mean value 2023: USD 1.081/EUR). Particularly in view of the underlying assumptions and the discretionary decisions that led to the higher earnings, such as the expansion of the drilling programs and the sale of the Utah assets, the quality of the guidance is retrospectively assessed as very good.

TAB.DEVELOPMENT OF GUIDANCES

	12/12/2022	26/04/2023	27/09/2023	14/11/2023	31/12/2023	DELTA IN %
Revenue	EUR 140–160 million	EUR 150–170 million	EUR 188–198 million	EUR 188–198 million	EUR 196.7 million	31 %
EBITDA	EUR 110–125 million	EUR 115–130 million	EUR 138–148 million	EUR 152–162 million	EUR 158.3 million	35 %
DEVELOPMENT OF GUIDANCES						
Oil price	75.00 USD	75.00 USD	85.00 USD	75.00 USD	73.91 USD	-1 %
Gas price	4.00 USD	3.00 USD	2.50 USD	3.00 USD	2.86 USD	-28 %
Exchange rate	1.12 USD	1.12 USD	1.08 USD	1.08 USD	1.08 USD	-3 %

GROUP MANAGEMENT REPORT INTERNATIONAL FINANCIAL REPORTING STANDARDS

COMPARISON OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The peer companies (“peers”) of the Deutsche Rohstoff Group are listed on stock exchanges outside Germany and therefore prepare their accounts almost exclusively in accordance with US GAAP or International Financial Reporting Standards (IFRS). In order to make the key figures of the Deutsche Rohstoff Group more comparable with its peers, we show below a reconciliation of our consolidated income statement in accordance with IFRS. The presentation does not correspond to full IFRS application and is therefore to be understood as a pro forma statement. Only effects that have an impact of at least EUR 100 thousand on sales, EBITDA and/or the consolidated result have been taken into account. No conversion was made for the standards IFRS 2, IFRS 5 and IFRS 8.

The main differences between HGB and IFRS with regard to the earnings position result from the following effects:

1) Gross reporting of sales: While production taxes and effects from hedging transactions for oil and gas recognized in profit or loss are deducted from gross revenue under HGB and thus reported “netted” in sales, this is reported “unnetted” under IFRS. As unrealized gains and losses from hedging transactions are recognized in profit or loss under IFRS, there are correction effects from previous years (see also the comments below under 3). As part of the transition to IFRS, sales revenue increased by EUR 12.0 million; the largest effect resulted from the gross presentation of production taxes in the amount of EUR 19.3 million. Other operating income and expenses also increased accordingly. An effect on earnings figures (EBITDA, consolidated net income) re-

1) CONVERSION IN THE AREA OF SALES REVENUE

	GERMAN GAAP	ADJUSTMENT	IFRS
GROSS REVENUE FROM OIL AND GAS SALES	215,671,591	-	-
+ Profits from hedging	1,991,214	-1,991,214	-
./. Unrealised gains from hedging previous year	-	-6,627,637	-
./. Losses from hedging	-1,695,047	1,695,047	-
+ Unrealised losses from hedging previous year	-	-430,366	-
./. Production taxes	-19,316,774	19,316,774	-
REVENUES	196,650,984	11,962,604	208,613,588
Other operating income	-	1,991,214	1,991,214
Other operating expenses	-	-21,015,138	-21,015,138
EBITDA	-	-7,058,003	-7,058,003
CONSOLIDATED NET INCOME	-	-7,058,003	-7,058,003

sults from the correction of unrealized hedging effects, which had already been recognized in profit or loss in the previous year.

2) Fair value accounting of financial instruments: Under HGB, securities are accounted for using the cost principle. IFRS 9 uses various categories for the measurement of financial assets, which provide for either amortized cost or measurement at fair value through other comprehensive income or fair value through profit or loss. Measurement through profit or loss is considered relevant for securities held as current assets and leads to an effect in the area of

other operating income totaling EUR 0.1 million. The other earnings figures (EBITDA, consolidated net income) increase by a corresponding amount.

3) Fair value accounting of derivative financial instruments: In the area of derivative financial instruments (hedging) to hedge the oil and gas price risk, accounting is carried out in accordance with Section 254 HGB (valuation unit) with the result that unrealized gains and losses from hedging transactions have no effect on the income statement. A valuation of unrealized gains and losses according to IFRS with an effect on income leads to an effect in the area of

GROUP MANAGEMENT REPORT INTERNATIONAL FINANCIAL REPORTING STANDARDS

other operating income of EUR 11.7 million. The other earnings figures (EBITDA, consolidated net income) increase accordingly by the same amount.

4) Capitalization of restoration obligations: Under HGB, provisions for the restoration and recultivation of drilling sites are accumulated in installments over the term of the well (so-called accumulation provision). Under IFRS, on the other hand, restoration obligations are initially recognized as an asset and a provision at the start of production without affecting profit or loss and then amortized accordingly over the term (asset) or compounded (provision) as part of the reduction in the discount period. The reconciliation to IFRS results in a reduction in other operating expenses of EUR 1.1 million. Depreciation and amortization increased by EUR 0.6 million and interest expenses by EUR 0.5 million. The reclassification has a positive effect on EBITDA. The consolidated result remains unchanged.

5) On-balance sheet leases: Under HGB, leases are recognized as expenses, while IFRS generally requires leases and rights of use to be capitalized. As part of the transition, rental agreements for office space in Germany and the USA were transferred to lease accounting in accordance with IFRS 16. For the production facilities in the oil and gas fields, the interpretations according to US GAAP were followed in a simplified manner and no leases were identified as a result. As a result of the conversion effects, there was a reduction in other operating expenses of EUR 0.4 million. Depreciation and amortization increased by EUR 0.3 million and interest expenses by around EUR 50 thousand. The reclassification has a positive effect on EBITDA. The consolidated result remains unchanged.

2) CONVERSION OF FINANCIAL INSTRUMENT

	GERMAN GAAP	ADJUSTMENT	IFRS
Other operating income	-	131,945	131,945
EBITDA	-	131,945	131,945
CONSOLIDATED NET INCOME	-	131,945	131,945
EQUITY (FOR INFORMATION)	-	4,297,990	4,297,990

3) CONVERSION OF DERIVATIVE FINANCIAL INSTRUMENTS

	GERMAN GAAP	ADJUSTMENT	IFRS
Other operating income	-	11,672,512	11,672,512
Other operating expenses	-	-	-
EBITDA	-	11,672,512	11,672,512
CONSOLIDATED NET INCOME	-	11,672,512	11,672,512

4) CONVERSION OF THE ASSET RETIREMENT OBLIGATION

	GERMAN GAAP	ADJUSTMENT	IFRS
Other operating expenses	-1,112,247	1,112,247	0
EBITDA	-	1,112,247	1,112,247
Depreciation	-	-639,165	-639,165
Interest expenses	-	-473,082	-473,082
CONSOLIDATED NET INCOME	-	0	0

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6) Interest expense: Under HGB, transaction costs for the issue and increase of bonds are recognized in the income statement under other operating expenses in the year in which they are incurred. Under IFRS, however, transaction costs are included in the calculation of the effective interest rate and are spread over the term. In the transition to IFRS, transaction costs from 2019 and 2022 amounting to EUR 1,611 thousand were allocated to the remaining term of the 2019/2024 bond and transaction costs amounting to EUR 1,449 thousand to the remaining term of the 2023/2028 bond. The transaction costs from 2023 lead to a reduction in other operating expenses by a total of EUR 1.4 million. Together with the transaction costs from previous years, this leads to an increase in interest expenses of EUR 0.4 million. The reclassification has a positive effect on EBITDA and the Group result.

7) Loss carryforwards: The option under HGB to capitalize deferred tax assets on loss carryforwards is not exercised. Under IFRS, however, loss carryforwards that can be realized within the next few years with sufficient probability must be capitalized. A period of 5 years was used to determine realizability. The effect attributable to the 2023 financial year leads to a reduction in tax expenses of EUR 0.5 million.

8) The following illustration summarizes the effects described see table on the following page.

Conversion to IFRS has a positive effect on all KPIs of the Deutsche Rohstoff Group. The greatest effect is in the area of sales revenues, which at EUR 208.6 million are 6 % higher than the figure according to HGB. EBITDA increased by 5 % to

5) CONVERSION OF LEASES

	GERMAN GAAP	ADJUSTMENT	IFRS
Other operating expenses	-387,122	387,122	0
EBITDA	-	387,122	387,122
Depreciation	-	-338,403	-338,403
Interest expenses	-	-48,719	-48,719
CONSOLIDATED NET INCOME	-	0	0

6) CONVERSION TO EFFECTIVE INTEREST METHOD

	GERMAN GAAP	ADJUSTMENT	IFRS
Other operating expenses	-1,449,000	1,449,000	0
EBITDA	-	1,449,000	1,449,000
Interest expenses	-	-448,546	-448,546
CONSOLIDATED NET INCOME	-	1,000,454	1,000,454

7) CONVERSION OF LOSS CARRYFORWARD

	GERMAN GAAP	ADJUSTMENT	IFRS
Tax expense	-	508,034	508,034
CONSOLIDATED NET INCOME	-	508,034	508,034

over EUR 165 million and consolidated net income by approx. 10 % to EUR 71.8 million.

The effects recognized in profit or loss are mainly the result of the increased use of fair value accounting under

IFRS, which can also lead to greater volatility in earnings figures. This relates in particular to the effects in the area of hedging transactions and therefore the amount of adjustments in the area of sales revenue and other operating income.

GROUP MANAGEMENT REPORT INTERNATIONAL FINANCIAL REPORTING STANDARDS

8) INCOME STATEMENT

	GERMAN GAAP 31/12/2023 EUR	ADJUSTMENT ACCORDING TO IFRS (PRO FORMA)	IFRS 31/12/2023 EUR	DELTA IN %
1. REVENUE	196,650,984	11,962,604	208,613,588	6 %
2. Increase or decrease in finished goods	29,383	-	29,383	
4. Other operating income	20,552,507	13,795,671	34,348,178	
5. Cost of materials	34,294,137	-	34,294,137	
6. Personnel expenses	10,275,218	-	10,275,218	
7. Other operating expenses	14,405,991	18,529,403	32,935,393	
EBITDA	158,257,528	7,228,873	165,486,400	5 %
8. Amortization and depreciation	63,618,591	911,960	64,530,551	
9. Amortization of financial assets	671,045	-	671,045	
EBIT	93,967,891	6,316,913	100,284,804	7 %
10. Interest and similar income	1,490,367	-	1,490,367	
11. Interest and similar expenses	9,719,299	203,622	9,922,921	
12. Income taxes	18,252,150	-508,034	17,744,116	
13. Earnings after taxes	67,486,809	6,621,325	74,108,134	
14. Other taxes	3,333	-	3,333	
15. NET INCOME FOR THE GROUP BEFORE MINORITIES	67,483,477	6,621,325	74,104,802	10 %
16. Minorities	2,308,388	-	2,308,388	
17. NET LOSS/INCOME FOR THE GROUP FOR THE YEAR	65,175,088	6,621,325	71,796,415	10 %
EARNINGS PER SHARE	13.02	-	14.34	10 %

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FINANCIAL POSITION

AT A GLANCE

- Balance sheet total increases by 41 % to EUR 493.8 million as a result of investment activity
- Equity ratio increases by 0.2 percentage points to 38.0

DEVELOPMENT OF ASSETS

See table.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The consolidated balance sheet total rose from EUR 350.3 million to EUR 493.8 million in the reporting year, an increase of 41 %. Property, plant and equipment rose to EUR 317.6 million due to high investments after deducting depreciation and disposals from the sale of the Utah assets. Intangible assets fell from EUR 33.9 million to EUR 23.5 million as a result of amortization and disposals from sales. As at December 31, 2023, intangible assets consisted of promotion rights amounting to EUR 22.2 million (previous year: EUR 32.5 million) and goodwill amounting to EUR 1.0 million (previous year: EUR 1.2 million). Property, plant and equipment mainly consists of producing oil production facilities amounting to EUR 255.1 million (previous year: EUR 161.9 million) and technical facilities for the transportation of gas (pipeline) and water infrastructure amounting to EUR 19.5 million.

DEVELOPMENT OF FINANCIAL ASSETS AND RECEIVABLES

The shares in Almonty Industries amounting to EUR 15.4 million (previous year: EUR 15.4 million) and loans in the form of loans and convertible bonds to Almonty Industries amounting to EUR 14.8 million (previous year: EUR 14.2 million) are a significant component of financial assets. In return, the shares in Northern Oil and Gas (NOG) with a residual carrying amount of EUR 4.1 million were sold in full, meaning that the total value of financial assets fell to EUR 30.6 million (previous year: EUR 33.9 million).

Receivables with a term of up to one year and other assets amounted to EUR 35.1 million as at December 31, 2023 (previous year: EUR 33.6 million). The main item here is trade receivables with a value of EUR 29.6 million (previous year: EUR 28.6 million).

CASH AND CASH EQUIVALENTS

Marketable securities amounted to EUR 6.4 million (previous year: EUR 6.7 million). Bank balances amounted to EUR 75.8 million (previous year: EUR 47.4 million).

TAB. DEVELOPMENT OF ASSETS

	31/12/2023		31/12/2022		CHANGE	
	IN MIO. EUR	IN %	IN MIO. EUR	IN %	IN MIO. EUR	IN %
Non-current assets	371.7	75	260.5	74	111.2	42.7 %
Current assets	118.7	24	87.9	25	30.8	35.0 %
– thereof cash and cash equivalents	82.2	17	54.2	15	28.0	51.6 %
Total assets	493.8		350.3		143.4	40.9 %

TAB. DEVELOPMENT OF LIABILITIES

	31/12/2023		31/12/2022		CHANGE	
	IN MIO. EUR	IN %	IN MIO. EUR	IN %	IN MIO. EUR	IN %
Equity	187.5	38	132.4	38	55.1	41.6 %
Liabilities	204.8	41	149.9	43	54.9	36.6 %
Accruals	48.5	10	32.7	9	15.9	48.6 %
Deferred taxes	52.8	11	35.2	10	17.6	50.1 %
Total assets	493.8		350.3		143.4	40.9 %

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DEVELOPMENT OF LIABILITIES

See table.

INCREASE IN EQUITY

Equity increased to EUR 187.5 million (previous year: EUR 132.4 million) as a result of the consolidated net profit for the year as at December 31, 2023. The equity difference from currency translation fell by EUR 7.6 million to EUR 1.0 million as a result of the weaker US dollar. The equity ratio therefore amounted to 38.0 % in the financial year (previous year: 37.8 %).

Provisions amounted to EUR 48.5 million as at December 31, 2023 (previous year: EUR 32.7 million) and mainly relate to local taxes not yet due for the US oil and gas companies in the amount of EUR 22.5 million, services not yet invoiced by oil-field service companies in the amount of EUR 9.7 million and provisions for dismantling obligations of the US subsidiaries in the amount of EUR 8.4 million.

DEVELOPMENT OF LIABILITIES

The **bonds** with a volume of EUR 120.5 million (previous year: EUR 109.8 million) consist of two bullet bonds. The non-convertible, bullet bond 2019/2024 in the amount of EUR 20.5

million has a term until December 6, 2024 and bears interest at 5.25 %. On September 27, 2023, the company placed a new non-convertible, bullet bond with a volume of EUR 100.0 million and a term until September 26, 2028. The convertible bond with a volume of EUR 9.8 million that still existed at the beginning of 2023 was repaid on time and in full at the end of March 2023.

In the USA, the subsidiary 1876 Resources utilized a reserve-based lending facility (RBL) in the amount of EUR 40.8 million (USD 44.9 million) (previous year: EUR 0 million). At the end of the year, 1876 Resources and Salt Creek Oil & Gas also had unused RBL credit lines totaling USD 45.1 million.

The **other liabilities** of EUR 17.0 million (previous year: EUR 28.7 million) result in particular from tax liabilities and revenue payments at 1876 Resources, which are still to be paid to royalty owners and partner companies involved in the drilling projects.

Deferred tax liabilities of EUR 52.8 million (previous year: EUR 35.2 million) result from the tax treatment of oil and gas wells in the USA, for which US tax law predominantly permits immediate amortization, which is associated with the recognition of deferred tax liabilities.

FINANCIAL POSITION

AT A GLANCE

- Cash and cash equivalents increased by over 50 % to EUR 82.2 million
- Leverage ratio (net debt/EBITDA) increased slightly to 0.5
- Available credit lines in the USA at USD 45 million as at the reporting date

PRINCIPAL AND OBJECTIVES OF FINANCIAL MANAGEMENT

Deutsche Rohstoff AG has a centralized financial management system whose most important objective is to secure the Group's long-term financial strength. Deutsche Rohstoff's financial management comprises capital structure management, cash and liquidity management and the management of commodity, currency and investment risks. Financial processes and responsibilities are defined and monitored throughout the Group. The investment policy is approved by the Supervisory Board.

Capital structure management aims to establish an appropriate capital structure for each company within the Group while minimizing costs and risks. An appropriate structure must comply with tax, legal and commercial requirements. The Group increases or decreases the capital within the Group companies in line with the strategic orientation of the companies.

TAB. SUBSCRIPTION RIGHTS TO SHARES

	31/12/2022	EXECUTION	CASH COMPENSATION	EXPIRED	ALLOCATION	31/12/2023
Subscription rights to shares	291,500	2,000	15,000	4,500	0	270,000

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Liquidity management aims to ensure the effective management of cash flows within each company. The finance department and local management monitor cash flows within the Group several times a week and take corrective action if necessary. Financing requirements are covered from cash within the Group through intra-Group loans, changes in equity or by drawing on credit lines from the US subsidiaries.

The parent company's dividend policy aims to distribute an appropriate dividend to the shareholders of Deutsche Rohstoff

AG each year. The distribution potential depends on the net retained profits of Deutsche Rohstoff AG (December 31, 2023: EUR 17.5 million) and, in a broader sense, is limited by the following influencing factors, among others, but not conclusively:

- The amount of the parent company's annual expenses in the form of personnel expenses, other operating expenses and interest, which must be covered by sufficient income from investments in order to maintain or further increase the distribution base,

- A minimum equity ratio for the Group and the parent company of 25 % as a commitment in the prospectus for the 2023/2028 bond,

- The annual ability of subsidiaries to distribute dividends, which may be temporarily excluded, for example, due to the drawing of local credit lines,

- Local tax requirements that require at least a balanced mix between dividends and repayments when granting shareholder loans,

- The equity base of the subsidiaries, the current investment policy, the cost of raising capital and the level of local taxes.

The investment policy is determined by the Executive Board in consultation with the management of the subsidiaries and approved by the Supervisory Board of Deutsche Rohstoff AG. Surplus cash is invested in accordance with this policy.

Due to its international business activities, the Deutsche Rohstoff Group mainly makes its investments in USD and, to a much lesser extent, in AUD and CAD. The associated exchange rate risk is monitored centrally and taken into account as part of liquidity management. Speculative foreign currency transactions are not concluded.

FUNDING

The equity ratio increased slightly over the course of the financial year to 38.0 % (previous year: 37.8 %).

The share capital of Deutsche Rohstoff AG amounted to EUR 5,005,438 as at December 31, 2023 (December 31, 2022: EUR



1876 RESOURCES WELL ON THE NETZ PAD, WYOMING

GROUP MANAGEMENT REPORT

5,003,081). It is divided into 5,005,438 no-par value registered ordinary shares with a pro rata amount of the share capital of EUR 1.00 per share. All shares are fully paid up. The change in share capital is due to the exercise of subscription rights as part of the share option programs for employees on the one hand and the shares issued as part of the pro rata conversion of the convertible bond on the other.

In the 2023 financial year, 2,000 share options from past share option programs were exercised (2022: 5,000 options) and a cash settlement was made for 15,000 shares (2022: 0 options). 4,500 share options expired (previous year: 0) and no new share options were issued (2022: 96,500 options).

The most important financing instruments in the Deutsche Rohstoff Group are two bonds.

The first bond 2019/2024 with ISIN DE000A2YN3Q8 / WKN A2YN3Q (hereinafter also referred to as the "old bond") was issued on December 6, 2019 and was placed in full on January 1, 2023 with a volume of EUR 100,000,000.00. This non-convertible bond is bullet, matures on December 6, 2024 and bears interest at 5.25 % p.a. As part of the issue of the new 2023/2028 bond (WKN A3510K, ISIN DE000A3510K1) in September 2023, the old 2019/2024 bond was exchanged for the new 2023/2028 bond at a nominal value of EUR 58,967,000. Furthermore, the right to call the old bond was exercised in December 2023 and half of the remaining volume (EUR 20,516,500) was repaid at 101 % of the agreed nominal amount. The old 2019/2024 bond therefore still has a volume of EUR 20,516,500 as at December 31, 2023, which matures on December 6, 2024. In the reporting year, it traded between 98.4 % and 103.0 %, with an average of 100.8 %.

The second, also non-convertible, new bond 2023/2028, was issued on September 27, 2023 and has a five-year term until September 26, 2028. It also has a bullet maturity and bears interest at 7.50 % p.a. As at December 31, 2023, the bond had an outstanding volume of EUR 100,000,000.00 and a term until September 26, 2028. In the reporting year, the bond traded between 100.6 (opening price) and 109.0 %, with an average price of 106.7 %.

In March 2018, the company issued a convertible bond (WKN A2LQF2, ISIN DE000A2LQF20) as a further financing instrument. The outstanding volume amounted to EUR 9.805 million until the due repayment on March 29, 2023. As at December 31, 2023, there are therefore no longer any liabilities from convertible bonds.

As at December 31, 2023, the Group's US companies had drawn down loans in the amount of USD 44.9 million (previous year: USD 0 million) and had undrawn credit lines of USD 45.1 million as at the reporting date (previous year: USD 60 million).

CASH AND CASH EQUIVALENTS

As at December 31, 2023, the Group's cash and cash equivalents including marketable securities amounted to EUR 82.2 million (previous year: EUR 54.2 million), of which EUR 75.8 million (previous year: EUR 47.5 million) was in the form of bank balances.

CASH FLOW

Cash flow from operating activities amounted to EUR 139.3 million in 2023 (previous year: EUR 142.7 million). This positive cash flow is primarily the result of sales revenue from the

US subsidiaries 1876 Resources (EUR 94.8 million), Elster Oil & Gas (EUR 8.5 million), Salt Creek Oil & Gas (EUR 85.8 million) and Bright Rock Energy (EUR 7.4 million). The cash income was offset by cash expenses from operating activities, primarily for the operating costs of the wells (EUR 34.3 million) and personnel expenses (EUR 10.3 million). The profit from the sale/valuation of the Utah assets and the securities held as fixed and current assets (EUR 17.1 million) is completely eliminated from the operating cash flow and appears in the investment section of the cash flow statement.

Cash flow from investing activities in 2023 is mainly characterized by investments in the US oil and gas activities of around EUR 198 million less divestments in the Utah assets and net proceeds from share purchases and sales of around EUR 49 million. Investments at 1876 Resources amounted to around EUR 110 million and at Salt Creek Oil & Gas to around EUR 86 million.

Cash flow from financing activities amounted to EUR 39.6 million (previous year: EUR -34.7 million). Here, the proceeds from the issue of the 23/28 bond in the amount of around EUR 41 million (net after deduction of the exchange from the 2019/2024 bond), the net payments received from the draw-down of the USD credit lines in the amount of EUR 40.9 million and the payments for the repayment of the convertible bond (EUR -9.8 million) were offset by half of the termination of the 2019/2024 bond (EUR -20.5 million) and the payments for dividends (EUR 6.5 million).

From today's perspective, the Executive Board believes that the Deutsche Rohstoff Group will continue to be able to meet its future obligations and make investments on the basis of a

GROUP MANAGEMENT REPORT

very good equity and liquidity position at all times.

In the following, the company provides an overview of other key figures that are not used for the direct management of the company and that are particularly important for assessing the ability to service debt. This is a reporting date analysis as at December 31, 2023.

OTHER SELECTED FINANCIAL INFORMATION

Other selected financial information includes key figures that are frequently used to assess the financial position or debt capacity and relate to the interest cover ratio and the gearing ratio in various definitions. All key figures deteriorated slightly in the past financial year, but are all still in a good to very good range.

	2023	2022	DELTA IN %
EBIT Interest Coverage Ratio ¹	9.7	13.3	-27.3 %
EBITDA Interest Coverage Ratio ²	16.3	20.2	-19.5 %
Total DEBT / EBITDA ³	1.0	0.8	29.0 %
Total Net Debt/EBITDA (Leverage ratio) ⁴	0.5	0.4	24.9 %

¹ Ratio of EBIT (EBIT is defined as net revenue plus changes in inventories plus other own work capitalized plus other operating income less cost of materials less personnel expenses less depreciation and amortization less other operating expenses less other taxes plus income from investments) to interest expense and similar charges.

² Ratio of EBITDA (EBITDA is defined as EBIT plus depreciation and amortization) to interest expense and similar charges.

³ Ratio of financial liabilities (financial liabilities are defined as liabilities to banks plus liabilities from bonds plus other interest-paying liabilities) to EBITDA.

⁴ Ratio of net debt (net debt is defined as total debt less cash and cash equivalents) to EBITDA. Cash and cash equivalents are bank balances plus current securities.

NON-FINANCIAL PERFORMANCE INDICATORS

The management aims to completely avoid incidents in the area of HSE (Health, Safety, Environment). There are clear and detailed rules that employees and visitors must observe. The number of incidents in this area is the key non-financial performance indicator. There were no such incidents in the Group last year. In this respect, the target was achieved.

INCENTIVES AND REMUNERATION OF MANAGEMENT AND SUPERVISORY BOARD IN THE US COMPANIES

The recruitment and long-term retention of experienced and entrepreneurial managers is a key success factor for the Group. The US subsidiaries are the main contributors to sales and earnings.

In the years from 2011 onwards, Deutsche Rohstoff AG's small size, limited financing options and lack of experience in the US oil business made it an unattractive partner from the perspective of highly skilled managers. One of the incentives was therefore a high equity ownership. US management initially held 40 % of the shares in Tekton Energy, 26 % in Cub Creek Energy and around 40 % in Salt Creek Oil & Gas (see annual reports from 2011 onwards). These high shareholdings

were also accompanied by corresponding voting-rights. Deutsche Rohstoff AG has steadily improved its reputation as a reliable partner for experienced managers in the USA. In addition to the successful sales of assets by Tekton Energy in 2014 and Salt Creek in 2018, the significantly expanded financing capabilities also contributed to this. For the first time, when Bright Rock was founded in 2018, the management team was therefore no longer integrated via an extensive equity investment, but rather a much more common incentive structure in the USA, as used by privately held companies. In recent years, this model has also been introduced at 1876 Resources and Salt Creek.

Profit participation – “Profit Interests”

The core of the new framework is the granting of shares in profits generated by management over the long term. Under US LLC law, the non-voting profit participations are structured as “Profit Interests” or “Series B Incentive Units”. As a rule, a payment is only made when the shares in the subsidiary in question or its assets are sold (“exit”) or when a subsidiary distributes long-term profits. In any case, however, Deutsche Rohstoff AG only receives back the capital it has invested in a subsidiary together with interest. For example, if Deutsche Rohstoff AG invests USD 100 million, it will initially receive around USD 146 million back after four years with a preferred return of 10 %, before management profit participation comes into effect.

In the subsidiaries, this profit participation amounts to a percentage of the income that remains after Deutsche Rohstoff AG has received back its invested funds plus interest. In the event of a multiplication of the capital invested, the incremental amount in excess of the multiplication may be higher in some cases (see table 1).

GROUP MANAGEMENT REPORT

This model, which is very common in the USA, essentially has two objectives:

1. To align the interests of the management in the USA with the interests of Deutsche Rohstoff AG and its shareholders and at the same time create an incentive to create the highest possible value in the shortest possible time.
2. To be able to offer competitive remuneration in relation to US groups and companies in the oil & gas sector, to be able to keep US salaries at a moderate level and not to have to issue Deutsche Rohstoff AG stock-options to US management.

Compared to the original equity participation model, the new model also has the advantage that the management has virtually no co-determination rights under company law. All major decisions can be made by Deutsche Rohstoff AG or the Board members appointed by it. The Group has the option of terminating a manager or director who holds Profits Units at any time and buying back all Profits Units that do not expire upon termination at fair value. There are no notice periods.

At present, there are no binding guaranteed claims to payouts. In the event of a departure, long-standing managers can receive compensation for their profit units under certain conditions, provided that the profit units are assigned a fair value. For this case, EUR 1.5 million has so far been accumulated under minority interests in the Group. No payments were made for profits interests in the 2023 financial year. In 2024, two managers left the company 1876. Their profits interests expired with no value.

The "Profits Interests" existing in 2023 were awarded to a total of 13 members of the Board of Directors of the US subsidiaries from 2018. In the case of Bright Rock Energy and Salt Creek Oil & Gas, Jan-Philipp Weitz (member of the Executive Board) and Dr. Thomas Gutschlag (former member of the Executive Board) received "Profit Interests" in their role as representatives of Deutsche Rohstoff AG on the Board of Directors of these subsidiaries.

To illustrate the possible economic implications of the "Profits Interests" for the Group, Table 1 shows the key parameters of the "Profits Interests" and Table 2 scenarios of a possible performance of the "Profits Interests" for an "Exit Case".

The scenarios in Table 2 outline a possible performance of the "Profits Interests". The theoretical extreme case is simulated in which the Group's entire US business is liquidated in three years, i.e. all assets of the four US subsidiaries are sold at book value (as at December 31, 2023) or a multiple thereof

at the end of 2026. It is assumed that the assets will be sold and that all US liabilities will be repaid in full and the liquidity distributed to the US holding company Deutsche Rohstoff USA ("DRUSA").

The scenarios outline the returns that Deutsche Rohstoff AG and Deutsche Rohstoff USA ("Group") could expect after payment of the profits interests. In the scenarios shown, the profits interests amount to 1 %–3.5 % of the assets sold. They may increase with rising proceeds for the Group.

Equity investments – "A shares"

Irrespective of the profit interests, there are several cases in which members of the Board of Directors have acquired an equity interest, known as A shares, on the same terms as Deutsche Rohstoff AG. The two managers of Bright Rock currently hold around 1.5 % and four managers of 1876 Resources 3.0 % in the respective companies. They have invested around EUR 1.7 million in this since 2018. Dr. Gutschlag has

TAB. KEY PARAMETERS OF THE PROFIT INTERESTS

	SALT CREEK	1876 RESOURCES	BRIGHT ROCK
Interest rate 2023 - "preferred return" Deutsche Rohstoff	10 %	8 %	8 %
Profit participation for 100 % of the profit interests after return of capital incl. interest to Deutsche Rohstoff AG	8 % possible returns, no deviation	Parameter 1876, exemplary for Bright Rock and 1876: 20 % of income after return of capital incl. interest can be allocated to profit participation 25 % of income above 150 % return of capital 27.5 % of income above 200 % return 35 % of income above 300 % return flow 40 % of income above 400 % return flow	

GROUP MANAGEMENT REPORT

directly held around 0.9 % of 1876 Resources (formerly Cub Creek Energy) since 2015, which he acquired on the same terms as Deutsche Rohstoff AG. Former managers of Elster Oil & Gas (formerly: Tekton Energy) hold 7 % of the shares in Elster Oil & Gas.

These equity investments are reported in the balance sheet of the Deutsche Rohstoff Group as "Non-controlling interests" in equity and with their share of earnings as minority interests in the income statement.

OVERALL STATEMENT

The 2023 financial year was another record year for the Deutsche Rohstoff Group.

Production was expanded significantly. The four subsidiaries in the USA produce oil & gas from around 170 wells (gross) or 96 net wells with a calculated share of 100 %. As a result, a production level of 12,762 barrels of oil equivalent per day (BOEPD) was achieved after an average of around 9,600 BOEPD in the previous year.

A total of around EUR 180 million was invested in oil & gas drilling in 2023. Of this, around EUR 86 million was invested in the drilling program with Oxy, around EUR 84 million in drilling in Wyoming and around EUR 10 million in non-operated wells drilled by other companies. In contrast to the previous year, continuous cost reductions were realized in the development of wells due to efficiency improvements and also as a result of the deflationary trend. In addition, EUR 18 million was invested in gas pipelines and water infrastructure.

Investments further increased the value of oil and gas reserves. The secure, already producing reserves increased by 28 % to 18.9 million BOE/52 % oil) (previous year: 14.8 million BOE/42 % oil). They will lead to an expected net cash flow of USD 468 million in the future. The discounted value of the producing wells amounts to USD 313 million as at December 31, 2023 (previous year: USD 246 million). Despite record production of around 4.7 million BOE in 2023, this more than replaced the reserves produced. This was primarily due to the commissioning of new wells in Wyoming and higher production at numerous drilling sites.

As at December 31, 2023, the value of the secure reserves discounted at 10 % amounted to USD 386 million (previous year: USD 352 million), while the value of the secure and probable reserves together amounted to USD 420 million (previous year: USD 372 million). As at the end of the year, the safe reserves were calculated at 31.4 million BOE (previous year: 35.7 million BOE) and the probable reserves at 11.9 million BOE (previous year: 13.7 million BOE).

TAB. PERFORMANCE OF THE PROFIT INTERESTS IN THE „EXIT CASE“*

	SZENARIO 1	SZENARIO 2	SZENARIO 3
Sale of US assets at the end of 2026	Sale at book value	Sale 20 % above book value	Sale 40 % above book value
Possible inflow to the Group after repayment of all third-party liabilities and deduction of profit interest, before tax	Approx. 320 million EUR	Approx. 380 million EUR	Approx. 440 million EUR
Possible value Profits Interest US Manager	2–3 million EUR	7–9 million EUR	14–16 million EUR
Possible value Profits Interest Organs Germany	0.2–0.3 million EUR	0.7–0.8 million EUR	1.1–1.3 million EUR
% share of profits interest vs. inflow Group	approx. 1 %	2 %	3.5 %

* The table shown serves as an example of the possible performance of „Profits Interests“ in the Group. A number of assumptions have been made for the calculation. In principle, an „exit case“ is a purely hypothetical scenario in order to simulate a valuation of the „profits interests“ as at the reporting date.

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Compared to the previous year, the volumes of oil and gas produced increased by more than 32 %. The decline in realized prices for oil by 3 % year-on-year to USD 73.91/BBL, gas by 33 % year-on-year to USD 2.86/Mcf, NGL by 41 % year-on-year to USD 23.34/BBL and the decline in the USD exchange rate by around 3 % resulted in record sales of EUR 196.7 million (+19 % year-on-year).

As a result of the strong sales performance, the key profitability figures also improved once again. EBITDA rose by 14 % to EUR 158.3 million (previous year: EUR 139.1 million). Consolidated net profit rose to EUR 65.2 million (previous year: EUR 60.8 million), exceeding the best annual result in the company's history to date from 2022 by over 7 %.

The net assets and financial position also improved further in the 2023 financial year. Equity reached a new high of EUR 187.5 million (31/12/2022: EUR 132.4 million). The equity ratio increased to 38.0 % (31/12/2022: 37.8 %) and the net debt/EBITDA ratio rose only slightly to 0.5 (previous year: 0.4) despite the record investments.

Looking ahead, the Deutsche Rohstoff Group believes it is well equipped to continue to ensure a stable level of sales and profitability in the future, following on from the record years of 2022 and 2023. An important milestone for this was the proof of concept of the land packages in Wyoming in 2023. Both the nine operated wells drilled by 1876 Resources and a further 15 non-operated wells in the joint venture with Oxy proved that the investments were on target in

terms of amount and timing, while the expected returns were even exceeded on average. Complemented by the start of three own wells by Bright Rock, the midstream acquisition of the gas pipeline and the construction of water infrastructure, the foundations have been laid for the efficient and profitable further exploitation of the extensive acreage in subsequent years.

Activities in the metals sector were also driven forward in 2023. The portfolio company Almonty Industries continued the construction of the important Sangdong Mine in Korea in 2023 and was able to access extensive project financing from KfW-IPEX Bank. The early-stage exploration of potential lithium exploration targets in Western Australia in the joint venture company EXAI was able to contract various attractive land packages and raise sufficient liquidity for an initial drilling program on the capital market as part of a "reverse IPO" together with a capital increase and change of name at the beginning of 2024. Prime Lithium AG's development project for processing lithium precursors into high-purity lithium products has achieved several milestones in its business plan by establishing a highly professional team, a laboratory and office location and by concluding a land reservation agreement at a chemical Verbund site.

With the significantly stronger financial figures, the further increase in reserves and the ongoing projects in both the core oil and gas business and the strategic metals projects of the future, we believe we are well equipped to continue our successful business model.

III. GUIDANCE, OPPORTUNITY AND RISK REPORT

1. GUIDANCE

The Group's business activities focus on the production of oil and gas in the USA. At the end of 2023, 85 wells in which the Group is the operator and 88 wells in which the Group holds a minority interest were producing.

GUIDANCE 2024 & 2025

The guidance is essentially based on the currently producing wells in Colorado and Wyoming. In addition, the planning includes further wells from the subsidiaries 1876 Resources, Salt Creek Oil & Gas and Bright Rock, which are currently being drilled or have been decided by management (2024 wells) or planned (2025 wells) and are very likely to commence production in the course of 2024 and 2025.

Daily production of 14,700 to 15,700 BOE is expected for 2024, which corresponds to an increase of around 20 % compared to the 2023 financial year. In terms of volume, 60 % of production is expected to be oil and 40 % natural gas and condensates. In terms of value, this corresponds to a revenue share of around 85 % for oil and around 15 % for natural gas and condensates. The plan for 2025 is to approximately replicate these volumes, provided the oil price remains at the current attractive level. The drilling program as the basis for the guidance reflects this plan and leads to volumes that are currently around 10 % below 2024. According to current planning, 2024 is another very strong year, with significant production growth, as the last investments of around EUR 35 million were made in the joint venture with

GROUP MANAGEMENT REPORT

Oxy and at the same time 1876 is aiming for its expanded drilling program.

The guidance for 2024 and 2025 is based on the following key components:

2024:

1. The wells already producing in 2024
2. Start of production of 10 wells (45 % share) at Salt Creek in joint venture with Oxy
3. Production start of 13–15 gross wells (approx. 70 % share) in Wyoming, of which 3 have already been drilled and 2 have been producing since January 2024, and a further 8–10 will be drilled from April of 1876.

2025:

1. The wells already producing in 2025
2. Production start of 11 gross wells in Wyoming (96 % share)

The limited availability of drilling equipment or other materials due to various factors has always been a premise that is difficult to plan in the past. For this reason, the timing of the commissioning of the planned wells is also subject to increased uncertainty in this guidance. There is also a risk that drilling will not be completed as planned or that production rates will deviate from the expected values. In particular, the wells that form the basis for the 2025 guidance have not yet been specifically planned or approved.

The investment budget as part of the guidance for drilling in Wyoming amounts to around EUR 250 to 270 million for 2024 and 2025. EUR 145 to 165 million is attributable to 2024, of which EUR 50 million had already been incurred by mid-April. Acquisitions or the drilling of or participation in new wells may result in additional new production and increased investments. In contrast, the sale of acreage may also result in lower production and the discontinuation of any planned wells. Such transactions or developments are not included in the guidance. Of course, falling commodity prices or rising costs may lead to investments being interrupted or scaled back in the near future, resulting in lower sales.

TAB. GUIDANCE FOR 2024 AND 2025

2024	BASE SZENARIO	INCREASED SZENARIO	2025	BASE SZENARIO	INCREASED SZENARIO
Revenue	EUR 210–230 million	EUR 235–255 million	Revenue	EUR 180–200 million	EUR 205–225 million
EBITDA	EUR 160–180 million	EUR 180–200 million	EBITDA	EUR 125–145 million	EUR 150–170 million
UNDERLYING ASSUMPTION:			UNDERLYING ASSUMPTION:		
Oil price	75.00 USD	85.00 USD	Oil price	75.00 USD	85.00 USD
Gas price	2.00 USD	3.00 USD	Gas price	2.00 USD	3.00 USD
Exchange rate	1.12 USD	1.12 USD	Exchange rate	1.12 USD	1.12 USD

GROUP MANAGEMENT REPORT

The Group currently has no ongoing production in the Metals division. Income can therefore only be generated through the sale of assets or investments. As such income is naturally difficult to guidance, it is not included in the guidance. The same applies to impairment losses. The guidance for 2024 and 2025 comprises a base scenario and an increased price scenario with the following ranges and underlying assumptions:

The Management Board expects to be able to achieve a clearly positive consolidated result in both years.

2. RISK AND OPPORTUNITIES

RISK AND OPPORTUNITY MANAGEMENT

Deutsche Rohstoff AG itself only conducts a subordinate operating business. All significant activities take place in the subsidiaries and equity investments, each of which has its own management. Activities in the mining and oil and gas sector are subject to a variety of external and internal risks and opportunities. We try to identify and exploit opportunities at an early stage without neglecting or underestimating the associated risks. The management of Deutsche Rohstoff AG as well as the management of the Group companies attach particular importance to identifying risks in good time, assessing the consequences of the occurrence of the respective risk, evaluating the probability of occurrence on an ongoing basis and quantifying it where possible.

The Executive Board of the holding company in Mannheim uses a range of tools to identify opportunities, recognize risks and take countermeasures at an early stage:

- The annual financial plan is prepared on a monthly basis for both the holding company and the subsidiaries and is subject to an ongoing target/actual comparison. Significant deviations are taken as an opportunity to immediately review the corresponding costs or adjust the planning if necessary.
- The liquidity situation of all Group companies is monitored centrally on a weekly basis and the subsidiaries' credit and

cash management is coordinated with the parent company. No major transactions take place without the approval of the parent company.

- The hedging policy for oil and gas price risks using derivative financial instruments (portfolio hedges) is monitored and coordinated centrally by the parent company. Minimum hedging requirements for local loan agreements, the existing production volume, the timing of new wells and the current price

RISK ASSESSMENT

Economic relevance	high > 50 Mio. €	Political risks Liquidity risks Reserve estimate	Regulatory / Environment Exchange rates Investment / Acquisition	Price changes Impairment variable
	medium > 2,5 < 10 Mio. €	Procurement Leasing Mineral Rights Land development Other risks	Conveyance rates Exploration Almonty Derivatives	
	low < 2.5 Mio. €	Personnelrisks		
		low < 25 %	medium > 25 % < 50 %	high > 50 %
		Probability of occurrence		

GROUP MANAGEMENT REPORT

level are included in the decision-making process in order to ensure sufficient predictability of cash flows for risk hedging on the one hand and to participate in opportunities for future price increases on the other. In principle, the Group aims to secure around 50 % of the existing production volume for the next 12 months and a further 20–30 % for the period between 13 and 24 months.

- As the parent company, Deutsche Rohstoff AG is represented on all supervisory boards of the Group companies as well as the investments. Board meetings and Supervisory Board meetings are held at regular intervals, at which business policy is discussed in detail. In all cases, the representative of Deutsche Rohstoff chairs the Supervisory Board. In the case of companies in which the Group holds a majority stake, the Group representatives have the majority of votes.
- Detailed telephone or video conferences are held with the management of the subsidiaries two to three times a month or more frequently if necessary. In these telephone conferences, the Management Board is informed about all current developments and discusses upcoming measures.
- The CEO and the Chairman of the Supervisory Board of Deutsche Rohstoff AG are members of the boards of the US subsidiaries. They are therefore involved in all important decisions at an early stage, also for the Supervisory Board.

Personal visits on site or to the management of subsidiaries in Mannheim also provide an opportunity to discuss the situation in detail and plan operations for the coming months/years. Under normal circumstances, such personal visits take

place at least four times a year. There is also a regular exchange with the portfolio companies at management level, both during on-site visits and by telephone and in writing during the year.

RISK AND OPPORTUNITIES

Risk Assessment

Risks are assessed on the basis of the probability of occurrence and the possible extent of the risk (economic relevance), in each case according to the levels “low”, “medium” and “high”.

The management of the individual companies focuses on the main opportunities and risks. Such significant opportunities and risks are discussed with the Group Management Board on an ongoing basis. They are the subject of regular telephone calls, reports, minutes and discussions during on-site visits. It is generally the responsibility of the subsidiary’s top management level to assess significant opportunities and risks and report regularly to the Group management. Together with those responsible, the Group management defines measures to limit the risks.

STRATEGIC RISKS AND OPPORTUNITIES

Investment and acquisition risks and opportunities

The Deutsche Rohstoff Group had and has the intention to grow organically. This may involve investments in existing and new subsidiaries in the Oil & Gas and Metals divisions. Investment and acquisition projects in and of subsidiaries are regularly associated with complex risks. If economic or legal conditions change unexpectedly, the respective costs of an investment and acquisition project may increase or project deadlines may be delayed. Investment and acquisition deci-

sions of the Deutsche Rohstoff Group are therefore carried out in accordance with specific processes and procedures, carefully reviewed and continuously monitored by project and cost controlling.

Investments can also be made in subsidiaries that are in an early phase and are associated with considerable investments and risks, but can also open up enormous potential opportunities in the long term. In the case of investments in subsidiaries, there is a risk that they will not be economically successful and that the invested capital will be returned to the parent company. There are high risks at an early stage, particularly in the area of exploration and development of processes for processing mining precursors.

Depending on the size of a potential acquisition or investment, even far-reaching changes in business activities and thus a profound change in the Group’s risk profile cannot be ruled out.

Conversely, divestments are also associated with risks. It cannot be ruled out that the respective selling company will be held liable by the buyer under warranties, guarantees or indemnities, or that the relevant tax authorities will subsequently impose taxes on the sale.

Political and geopolitical risks and opportunities

As raw material deposits are localized, they are highly dependent on the political and legal framework conditions. The Deutsche Rohstoff Group operates in countries where a stable and reliable framework can be assumed. Nevertheless, regulatory changes can occur that have a significant impact on projects.

GROUP MANAGEMENT REPORT

Ban on fracking

In particular, a ban on hydraulic fracturing (fracking) would have a significant impact on Deutsche Rohstoff's business. Some communities in the USA are trying to ban fracking in general. Possible legislative changes or increased social pressure could make it impossible for the US subsidiaries to carry out fracking, which would have a direct impact on future development and reserves.

Protectionist measures

Due to protectionist measures worldwide, there is a risk that governments or administrative units could demand the nationalization or forced sale of raw material deposits. In the USA, the Committee on Foreign Investment in the United States (CFIUS) could implement such measures.

Opportunities and risks from changes in commodity prices

The Group is dependent on global market prices for crude oil, natural gas and possibly other commodity prices. These commodity prices are volatile and depend on numerous parameters over which Deutsche Rohstoff has no influence. The historically recurring distortions on the oil market clearly underline this risk. Price changes have a considerable impact on the profitability of the raw materials business and the liquidity requirements of the respective Group company. Falling prices therefore represent one of the Group's main risks. If the achievable prices permanently fall below the production, financing and administrative costs of such a unit, the existence of the company may be jeopardized. In the Group, the price risk currently exists primarily for crude oil and natural gas. For crude oil/natural gas, 1876 Resources, Elster Oil & Gas, Bright Rock Energy and Salt Creek Oil & Gas regularly use sensitivity analyses to calculate

how earnings and cash flow will change if prices vary. If the price of WTI crude oil were to fall below USD 50/barrel on a sustained basis, new horizontal wells would no longer pay for themselves as quickly as the management considers sensible from a risk/reward perspective. In this respect, no new wells would be drilled if the price fell below this threshold. Even above this threshold of USD 50/barrel, significant and sustained low prices for crude oil and natural gas could already have an impact on the economic profitability of Deutsche Rohstoff's current and future development activities in the areas of crude oil and natural gas. Under these conditions, investments already made in development activities would be partially or completely lost (see also the comments under impairment risk).

Not drilling new wells would have an impact on the net assets, financial position and results of operations. As at the balance sheet date, prices were above this threshold. A sustained or very long-term oil price level below USD 40 represents a significant risk to the business model of Deutsche Rohstoff AG, the further development of the areas in the USA and the overall economic situation of the Group.

The Group permanently hedges price risks for oil and gas using derivative financial transactions (portfolio hedges). In 2023, the Group exercised the option under Section 254 HGB to recognize the economic hedging relationship in the context of transactions to hedge the WTI oil price and the Henry Hub gas price by forming a valuation unit. The effective portion of the valuation unit formed is recognized using the net hedge presentation method.

The derivative financial instruments hedge a total production volume (underlying transaction) of 1.65 million BO and 1.5

million mcf. The transactions entered into hedge against a fall in the price of crude oil below around USD 75.00 and the price of gas below around USD 3.50. As at March 31, 2024, the Group had 1.1 million BO at USD 76.00 for the remaining year and 550,500 BO at USD 71.00 for 2025. The hedging transactions for gas as at March 31 amounted to 0.7 million mcf for 2024 at USD 3.41 and 0.4 million mcf for 2025 at USD 3.48. Income is generated for the corresponding forward transactions if the price of the commodity is below the hedged value at the respective maturity date. If the price is higher, a loss arises from the individual valuation of the unrealized forward transaction at market prices. As at the reporting date, energy prices were below the average value of the hedged corridor, resulting in an unrealized gain of around USD 12.9 million.

Crude oil is already being produced from existing production facilities at the time of hedging, so that the effectiveness of the hedging method is guaranteed and anticipatory valuation units have been formed in view of the reliably predictable volume and timing. The opposing effects of the hedged item and the hedging transaction therefore offset each other with a high degree of probability during the hedging period. The volume hedged by the hedging transaction is offset by volumes of crude oil and natural gas produced in at least the same amount. The loss from the derivative financial instruments is therefore offset by income from the production of raw materials, as production can also be operated profitably at the hedged price level. The effective effect of the loss is therefore a reduction in revenue. The risk that the derivative-hedged volume will not be matched by corresponding production of crude oil and natural gas is therefore considered to be very low.

GROUP MANAGEMENT REPORT

In a sensitivity analysis, a change in the oil price of USD 1 and a change in the gas price of 0.1 US-Dollar for the full year or remaining year 2024 has the following impact on revenue and EBITDA, taking into account the current hedging transactions:

	2024	2025
Oil price – change by 1 USD	+/- 1.5 MIO. EUR	+/- 2.3 Mio. EUR
Gas price – change by 0,1 USD	+/- 0.5 MIO. EUR	+/- 0.5 Mio. EUR

These hedging transactions are concluded for a significant portion of Deutsche Rohstoff’s production and comprise various derivative financial instruments, mostly swaps, which mean a fixed selling price, or a combination of call and put options that are concluded simultaneously, so-called costless collars. Accordingly, Deutsche Rohstoff’s income can be affected by changes in the value of the derivatives acquired by Deutsche Rohstoff.

Derivatives may give rise to the risk of financial losses in the following cases, for example:

- the prices of the hedged commodity rise above the hedged value,
- the production volume is below the quantities covered by the derivatives,
- the counterparty to the financial contract does not fulfill its contractual obligations,

· there are difficulties with the legal enforcement of the financial contract.

The financial contracts concluded by Deutsche Rohstoff entail the risk of a loss if the counterparty fails to fulfill its contractual obligations. Distortions on the financial markets can lead to a sudden and unexpected fall in the liquidity of a counterparty, with the result that this vAlmonty has to cover relatively high operating costs, most of which are fixed and can only be reduced with a certain lead time. Almonty believes that, based on the current price of tungsten concentrate (APT) of USD 313 during Q1 2024 and its forecast production plan for FY 2024, it will be able to generate sufficient cash flow to cover its ongoing obligations from the producing mine and cash operating costs for existing production volumes.

OPERATIONAL OPPORTUNITIES AND RISKS

Risks and opportunities arising from deviating funding rates

One of the main operational risks in the production of shale oil is that the expected production rates are not achieved. If this happens, the result is a lower cash flow at the same oil price and a lower than expected return on investment. A well that does not recoup the investment results in a loss. In such a case, unscheduled depreciation of the capitalized value may be necessary, with the corresponding impact on earnings and assets. Conversely, production rates may exceed expectations, which represents an opportunity.

The economic success of the wells depends on the production rates or the total possible production that can be

achieved over the lifetime of a well (EUR - Estimated Ultimate Recovery). In general, volumes (EUR) have risen continuously in recent years, particularly due to improved fracking methods. Technical progress therefore also represents a significant opportunity in the future that more oil and gas can be extracted from the same formation or that further formations – which are not yet economically accessible today – can be developed.

Risks and opportunities from the development of the areas

Development plans exist for the areas that have not yet been developed. These plans provide for multi-year drilling activities on the existing areas of the Deutsche Rohstoff Group. These deposits represent a significant part of the Group’s growth strategy. The ability to develop these deposits depends on a number of factors, such as market prices for crude oil and natural gas, the availability and cost of capital, the operating costs for drilling and production, the availability of service providers and materials, the results of drilling, the term of surface leases, restrictions due to storage and transportation capacities, access to and availability of water, government approvals, possible legal disputes and other factors. Due to these uncertain factors, it is not possible for the Group to say with certainty whether or when it will be possible to drill wells in all of the deposits it has identified or whether it will be possible to produce oil or gas from the wells. However, with each new well brought into production, the reservoir and the adjacent areas become more visible, so that the profitability calculation of the wells can again be based on several and more recent data points.

Risks and opportunities due to geographical concentration of areas

Deutsche Rohstoff operates through its subsidiaries in the Wattenberg field in Colorado, USA, and primarily in the Powder Basin in Wyoming. As a result of the current geographical concentration on the region mentioned, development and production are influenced by the same local events that affect the respective region. These include, in particular, natural disasters, bad weather, production delays or reductions, e.g. due to congestion of existing regional or national gas pipelines, unavailability of equipment, facilities, water or services, delays in or reductions in the availability of transportation, gathering or production capacity, changes in environmental regulations at the level of the US government authorities, by the respective state or the respective municipalities in whose territory the respective US subsidiary operates.

Risks in connection with oil and gas reserves

Information about the size and grade of mineral reserves and the economics of their extraction, including reserve reports such as those published by Deutsche Rohstoff, are estimates based on modeling assumptions, theoretical deductions and practical experience. These estimates are inherently imprecise and are based on the subjective interpretation of certain actual findings. Although they are prepared by specialists in accordance with precise specifications, they may prove to be incorrect or inaccurate. This applies to all information on raw material reserves or resources of the individual subsidiaries of Deutsche Rohstoff. In addition, these estimates may change over time due to newly available information, such as the evaluation of new data or current production results.

Risks in connection with mineral leasing contracts for undeveloped areas

The Deutsche Rohstoff Group holds approximately 73,000 acres of mineral leases in its subsidiaries. Approximately 50 % of the areas leased in the USA are undeveloped, i.e. no drilling or production has yet taken place on these areas. There is a risk that Deutsche Rohstoff will not be able to develop these areas or bring them into the production phase. In this case, the mineral leasing contracts, and thus the rights from these contracts, could expire. This could have a material adverse effect on the Group.

Under the terms of the mineral leases, the acreage must be transferred to the production phase before the end of the lease term in order for the Group to retain the acreage for production. The competitive environment for acreage is intense and if Deutsche Rohstoff is unable to drill a sufficient number of wells to retain the acreage, this could result in significant costs for a renewal of the mineral leases. If renewal of these contracts is not an option, the acreage and potential drilling opportunities would be lost to the Group.

Future reserves and future production of crude oil and natural gas, and therefore also future cash flows, therefore depend on whether the undeveloped areas can be successfully developed. Furthermore, the US subsidiaries could have legal deficiencies in their production rights that could impair their legal position or render the rights worthless.

Exploration risks and opportunities

Exploration in the raw materials sector entails high risks in that the capital invested in exploratory drilling can be com-

pletely lost if the results are uneconomical, meaning that the investment may be worthless.

Procurement risks

Business success also depends on the cost-efficient development and production of projects on the leased areas. There is a risk that increasing costs for services or materials for the drilling or operation of existing or future oil and gas wells could make the further development or operation of wells economically unattractive.

Personnel risks

The commitment and expertise of our employees form an important basis for our economic success. For this reason, we counter the risk of staff availability with targeted talent selection, long-term incentives in the form of share options and participation programs, individually tailored further development measures and company health management.

FINANCIAL OPPORTUNITIES AND RISKS

Opportunities and risks from exchange rate changes

The Deutsche Rohstoff Group holds the vast majority of its investments and assets in other currency areas, in particular in US dollars and, to a much lesser extent, in AUD and CAD. The associated exchange rate risk is considerable and is reflected in the consolidated financial statements both through profit or loss and directly in equity. Exchange rate risks arise initially from the fact that raw materials on the global market are usually paid for in US dollars, meaning that the potential future sales of the Deutsche Rohstoff Group from the raw materials obtained are invoiced in US dollars. The Group's expenses – apart from the activities of the issuer – are also

GROUP MANAGEMENT REPORT

primarily incurred in USD. Exchange rate risks result from the fact that the activities of the US subsidiaries are invoiced in US dollars, whereas the repayment of the bond and interest payments by the issuer must be made in euros. The translation of the individual financial statements of the foreign subsidiaries from the local currencies into euros also entails exchange rate risks. Finally, exchange rate risks arise from loans that the issuer has extended to the US subsidiaries in their local currency and is also expected to extend in the future (possibly indirectly via Tin International GmbH).

To date, the Deutsche Rohstoff Group has hedged exchange rate risks selectively with hedging transactions. Nevertheless, it cannot be ruled out that the Group could suffer losses from exchange rate fluctuations in the future, for example because it is unable to enter into hedging transactions to protect against exchange rate fluctuations, or is unable to do so to a sufficient extent and/or only on unfavorable terms. Such constellations could occur, for example, if volatility in the currency markets increases significantly, banks do not grant the Group a line or no corresponding contracts are offered on the futures exchanges. Exchange rate fluctuations, in particular the devaluation of the US dollar against the euro, could therefore have a significant negative impact on the Deutsche Rohstoff Group and thus on the Issuer itself. This applies in particular if a devaluation of the US dollar is not compensated for by rising commodity prices. It cannot be ruled out that the Deutsche Rohstoff Group will also be exposed to exchange rate risks with regard to other currencies as it continues to internationalize its business activities.

The Executive Board rates the materiality of this risk factor as high. In the opinion of the Executive Board, one of the greatest

risks for the Group is currency-related. The development of the EUR/USD in the past year led to a net currency loss of EUR 0.6 million (previous year: net currency gain of EUR 3.9 million).

In a sensitivity analysis, a change in the USD of 1 cent has the following effect on sales and EBITDA:

CHANGE BY 1 USD-CENT	EFFECT 2024
Effect on revenue	+/- 2.1 MIO. EUR
Effect on EBITDA	+/- 1.6 MIO. EUR

The management constantly examines the possibilities of hedging or reducing the currency risk through forward exchange transactions.

Almonty's business model also gives rise to a risk from exchange rate movements in the countries in which Almonty operates.

Liquidity risks

The ability to finance the project development of the Group's activities is one of the key success factors in raw materials extraction. At the end of 2023, Deutsche Rohstoff had a good equity base and sufficient cash reserves to meet all financial obligations and finance the ongoing operations of all Group companies. Nevertheless, the parent company may need to raise additional funds in order to carry out future horizontal drilling in the USA or to acquire new projects. The need for funds may also be higher than planned due to delays or cost increases in the projects. Whether additional funds can be raised depends on the success of current and

future project activities, capital market conditions and other factors.

A possible financing risk is the risk of not being able to secure the existing capital requirements by raising funds – particularly on the bond market - or refinancing at appropriate conditions, which may result in operating expenses having to be delayed, limited or discontinued and, depending on the duration and scope, may subsequently have a significant negative impact on the business, net assets, financial position or results of operations of the Deutsche Rohstoff Group.

Some of the US subsidiaries of Deutsche Rohstoff AG have concluded collateralized loan agreements with the Bank of Oklahoma (BOKF, NA) as part of a "Reserved Based Lending Facility" (RBL), which is customary in the industry. This type of loan agreement is collateralized by the existing oil and gas production reserves, the value of which is regularly determined on the basis of current market prices and determines the credit line in accordance with the contractual provisions. Should there be a massive drop in the price of crude oil and/or natural gas, there is a risk that the credit line utilized at that time will exceed the credit limit. This could lead to a breach of contractual obligations towards the Bank of Oklahoma. In such a case, the US subsidiary concerned might have to make at least a partial unscheduled repayment of the loan, which could lead to liquidity problems. The Bank of Oklahoma could also not extend a local credit line for these or other reasons, which would mean that Deutsche Rohstoff would have to fully finance the US subsidiary in question, with corresponding negative effects on the Group's financial resources and the availability of cash for further investments.

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Impairment risks

Goodwill, property, plant and equipment for raw materials extraction and financial assets are tested for impairment annually on the basis of reserve appraisals and plans based on past experience, current business results and the best possible estimate of future developments. Changes in conditions on the sales, procurement and financial markets in particular can give rise to impairment risks.

If commodity prices (in particular oil and natural gas prices) fall to such an extent that the future income from the production sites is below their carrying amounts for a considerable period of time, the Group may be forced by accounting regulations to write down the carrying amounts of its production sites. The carrying amounts of the production sites are regularly reviewed for possible impairment ("impairment test").

Due to the specific circumstances at the time of such a review and in light of the ongoing evaluation of development plans, production data, profitability data and other factors, a write-down may be required. The carrying amount of the Group's oil & gas assets currently amounts to around EUR 373 million. If oil prices and prices for gas and NGLs fall significantly and permanently, investments for drilling increase significantly or production volumes deviate significantly from the expected volumes, this may result in high write-downs on the assets.

A write-down reduces income and, in the event of losses, burdens equity. If market conditions or other macroeconomic conditions deteriorate or if commodity prices (especially oil and gas prices) fall, the resulting write-downs could have a negative impact on the DRAG Group's earnings and net assets. Assuming a long-term reduction in the price of WTI to

USD 50/bbl and the price of gas to USD 2/Mcf, there would probably be a need to write down property, plant and equipment by more than EUR 100 million. Even with a smaller drop in prices, there could be a significant need for depreciation at individual production sites.

In view of the fall in the oil price at the end of the year, the Executive Board considers this impairment risk to be high. The risk is continuously monitored through ongoing monitoring of drilling costs, production rates and prices. Measures to mitigate the risk include a permanent hedging policy, particularly of the oil price, a certain opportunistic investment policy that only considers expanding drilling programs if prices and hedging transactions guarantee a sufficient return and the sustainable expansion of Group equity as a "risk buffer".

Some Group companies have significant tax loss carryforwards or the possibility of offsetting future investments against profits. This applies in particular to Deutsche Rohstoff USA and Deutsche Rohstoff AG. The Management Board assumes that, due to current tax legislation, these loss carryforwards or tax offsetting options can be carried forward and used to offset future or previous profits in accordance with the tax framework (e.g. minimum taxation). If it is not possible to use the tax loss carryforwards in full or in part, e.g. because it is not possible to operate raw material projects at a profit in the long term, due to short-term changes in legislation, changes in capital resources or ownership structures or other events, income tax payments would be incurred on the expected profits in the future if the respective subsidiaries develop successfully. These tax payments would have a negative impact on liquidity. The DRAG Group does not recognize deferred tax assets on loss carryforwards. Nevertheless, the

Management Board regularly monitors the offsetability of loss carryforwards. Local tax advisors are engaged in all countries in which the consolidated group is based to identify and eliminate tax risks at an early stage. The Management Board classifies the materiality of this risk factor as low.

Financing and impairment risks of Almonty

Deutsche Rohstoff AG holds a stake in Almonty Industries, Inc., which has a producing tungsten mine and also a promising tungsten deposit in Sangdong, South Korea. Tungsten prices are volatile and, beyond the DRAG Group's control, depend on factors such as global supply and demand for tungsten, demand for capital goods containing tungsten, exchange rate fluctuations, key interest rates and inflation rates, climatic conditions, speculative transactions and global and regional political events. After the APT price settled at a level of around USD 335/mtu in the course of 2022, the price fell towards USD 310/mtu in 2023. In the first quarter of 2024, the average price for tungsten was USD 313/mtu. If the price of tungsten concentrates falls below the production costs on a sustained basis or if the start of production or the investment volume of the Sangdong deposit is significantly delayed or increased, this could pose a risk to the continued existence of Almonty Industries, Inc. In this case, DRAG's investment and the convertible bonds held by DRAG in Almonty Industries, Inc. could become worthless, and there would also be a risk of default on the loans extended by DRAG to Almonty Industries, Inc. The maximum default risk corresponds to the carrying amount of the investment, the loans and the convertible bonds in the amount of EUR 30.2 million. As Almonty has recently reported good progress in the completion of the mine and has recently secured financing for the holding company and the individual projects, the Management Board classifies this risk factor as medium.

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LEGAL RISKS AND OTHER OPPORTUNITIES AND RISKS

Risks of joint ventures and consortium agreements

In the past, the US subsidiaries have entered into joint ventures or consortium agreements with other companies, particularly in order to participate in higher-volume or a larger number of lower-risk projects. There are various risks inherent in the co-investors that cannot be controlled by the US subsidiaries. For example, the economic or entrepreneurial interests of the co-investors may differ from those of the US subsidiaries or the co-investors may not be able to fulfill their financial and other obligations under the joint venture, existing claims of the US subsidiaries or the consortium agreement, or exercise their (veto) rights against the objectives and interests of the US subsidiaries. Furthermore, the co-investors could get into financial difficulties or become insolvent.

Issuing and withdrawing drilling and production licenses

The US subsidiaries have either already received drilling permits from the relevant authorities or are dependent on future permits. The authorities can be both local and national bodies such as the Bureau of Land Management. Some licenses are located on federal land owned by the US government.

Interruptions or restrictions to the granting of permits or production due to official orders could have a negative impact on the Group. There is no guarantee that regulatory approvals will be granted or renewed on time, and such approvals could be contested by third parties.

Legal disputes

The Group's activities entail the risk of legal disputes that could affect various areas such as land rights, contractual

disputes, environmental damage or personal injury and property damage. Successful lawsuits, particularly in the USA and the states of Wyoming and Colorado, could result in high claims for damages and impact the Group's business, as well as defense and settlement costs and negative press coverage. An unfavorable outcome of legal disputes could lead to operational changes, liability, fines or other sanctions and have a significant negative impact on the Group, possibly even exceeding existing provisions and, in extreme cases, could pose a significant risk to the Group's continued existence.

Effects of climate protection laws

In recent years, international, national and local authorities have taken measures to reduce greenhouse gas emissions. Deutsche Rohstoff's business operations result in the emission of greenhouse gases and are therefore subject to relevant laws, directives and regulations relating to the emission of greenhouse gases, including the Paris Agreement and related laws and regulations enacted to implement the objectives of the Paris Agreement. Compliance with new obligations or obligations that are still in the legislative process could lead to significant costs that cannot be reliably quantified at present.



1876 RESOURCES COMPLETION ON THE ETHEL PAD, WYOMING

GROUP MANAGEMENT REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

The development of oil and gas reserves involves various risks, including unexpected geological conditions, operational accidents such as blowouts or explosions and specific hazards associated with horizontal drilling and fracking. These events could lead to environmental damage, injury or even death and affect production. They could also lead to delays, suspension of operations, damage to equipment and legal consequences, including lawsuits, fines and criminal penalties.

Since the start of fracking technology, a dense network of regulatory provisions has developed in the USA to ensure that the extraction of oil and gas is carried out in fair competition and taking into account the interests of all stakeholders. The protection of the environment and local residents plays a special role in this. In Colorado and Wyoming, for example, there are extensive laws that we comply with at all times through trained personnel and the following exemplary measures:

- Protection of groundwater: The drilling and, in particular, the correct cementing of the wellbore is continuously monitored and documented. This ensures that no oil, gas or fluids can escape into groundwater-bearing layers.
- Protection of wild animals: The nesting sites of rare birds, including the bald eagle, golden eagle and the endangered ground-nesting Sage-Grouse, are documented at regular intervals on publicly available maps. If these are in critical proximity to our drilling sites, no drilling activities are carried out during the nesting period from February 1 to July 31 of each year.
- Protection of local residents: We minimize noise emissions with noise barriers and, in selected areas, by electrifying the conveyor technology and are in constant communication with the authorities about emission values.
- Protection of the atmosphere: All production sites are equipped with emission control devices that check whether gas is escaping from the wellbore into the atmosphere. The emission limits have been continuously reduced in recent years and we comply with them. Increasingly, emissions are also being further reduced during drilling, e.g. through the use of generators that use compressed natural gas (CNG) instead of conventional diesel fuels, thereby reducing the CO2 impact on the environment. In addition, the infrastructure at the drilling site is monitored at regular intervals using special equipment that can detect methane gas emissions. In the state of Colorado, these checks are carried out several times a quarter, in most cases even monthly.
- Cleanliness of roads: The arrival and departure of conveyor systems, water and, ultimately, oil that is not sold through pipelines is transportation-intensive. We constantly monitor damage or soiling of roads and remove any soiling promptly.
- Fluid monitoring: Wyoming was the first state to require disclosure of the additives (called fluids) to fracking water that ensure oil flowability, control microbial growth and prevent corrosion. Today, this transparency is required in all federal states in which we are active. Overall, it should be noted that due to their low concentration and composition, these fluids do not pose a risk to groundwater or to the water quality of oil and gas-bearing strata.
- Renaturation of the drilling sites: As soon as the drilling work is completed, the areas outside the direct production facilities are re-vegetated, so that – measured against the depth of a wellbore – the impact on nature is visually very manageable.
- Dismantling the production facilities: After the end of oil and gas production, all facilities are uninstalled, the wellbore is professionally sealed and capped and the surface is completely renaturalized. We set aside appropriate provisions for this every year, which amounted to EUR 7.3 million as at December 31, 2023.

The Deutsche Rohstoff Group naturally complies with all regulatory requirements. Nevertheless, violations of the law that are due to oversights or circumstances beyond the control of Deutsche Rohstoff cannot be ruled out. Violations of relevant laws, regulations or standards, in particular environmental protection law, can result in considerable sanctions, in particular fines and regulatory measures, costs for clean-up work or even restrictions on business activities ordered by the authorities. Compliance with future, stricter regulations may result in an increase in the operating costs of exploration, development and production projects, which may impact their profitability.

OTHER RISKS

The internationalization of Deutsche Rohstoff's business activities entails various risks, including legal disputes before foreign courts, tax challenges, regulatory changes, compliance with foreign laws and regulations and trade restrictions. The operation and protection of IT structures and the implementation of risk management and controlling structures also pose challenges.

GROUP MANAGEMENT REPORT

The risks arising from the Group structure and the role of the Issuer as a management holding company as well as from the financing structure of the Issuer and its subsidiaries mainly consist of the fact that the Issuer is heavily dependent on the profit distributions of its operating subsidiaries in order to meet its obligations. The insolvency of a subsidiary could lead to considerable value adjustments and a reduction in equity and could even result in the insolvency of the issuer. The Issuer classifies the materiality of this risk as medium.

In the area of other risks, the risk of accidents affecting employees or third parties should be mentioned in particular. Such accidents can lead to high claims for damages and also damage the company's reputation. Both can have a negative impact on earnings and assets, and in extreme cases can even jeopardize the company's continued existence.

Overall picture of the risk situation

The main risks for the business model of Deutsche Rohstoff AG are the oil price and the natural gas price, the currency risk, the recoverability of investments (including Almonty) and property, plant and equipment for raw materials extraction and the risks from the area of oil & gas reserve estimates and the associated expected production volumes. In addition, relevant risks arise from the US land system, regulatory/environmental issues and claims for damages. However, in the opinion of the Executive Board, all risks are currently manageable. The Management Board is therefore of the opinion that the company risk is moderate (medium) overall. The main risks are also offset by opportunities arising from the currently high and potentially still rising commodity prices, favorable currency developments, a stable regulatory environment in the USA and successful project development by the exploration com-

panies. In addition, the company's solid liquidity position and good reputation on the capital market give it the opportunity to financially advance promising ongoing activities and invest in new activities. In summary, we therefore continue to see a very attractive opportunity and risk profile for our business model and therefore an attractive starting point for further value growth for our shareholders.

IV. SUBSEQUENT EVENTS

After the balance sheet date, the following events had a significant impact on the further course of business until the beginning of April 2024:

In mid-February 2024, Deutsche Rohstoff AG announced the status of its reserves as at December 31, 2023. The discounted value of the secure reserves increased from USD 352 million to USD 386 million. The discounted value of producing wells as at December 31, 2023 amounted to USD 313 million (previous year: USD 246 million). Despite record production of just over 4.7 million BOE in 2023 and a net operating cash flow at project level of over USD 175 million, the reserves thus produced were not only replaced but also further expanded.

In January 2024, EXAI was incorporated into the listed company Premier 1 Lithium. Following a capital increase without the participation of Deutsche Rohstoff AG, Deutsche Rohstoff AG holds 19.9 %.

Bright Rock Energy was able to complete the three wells started in December 2023 in the first quarter of 2024. A well planned for two miles into the Niobrara formation had to be limited to a length of one mile due to technical complications.

A total of 12 wells at Salt Creek and 1876 Resources commenced production in the first quarter.

Mannheim, 23 April 2024

The Executive Board

Jan-Philipp Weitz

Henning Döring

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN TEUR	EQUITY OF THE PARENT COMPANY						NON-CONTROLLING INTERESTS				GROUP EQUITY
	Subscribed Capital	Capital Reserves according to § 272 paragraph 2 nr. 1-3 HGB	Equity differences from currency translation	Consolidated profit / loss carried forward	Consolidated net profit / loss for the year attributable to the parent company	Total	Non-controlling interests before equity difference from currency translation and net income	Currency translation difference attributable to non-controlling interests	Profit / loss attributable to non-controlling interests	Total	
AS OF 01/01/2022	4,953,937	29,999,609	3,469,855	9,505,193	24,794,287	72,722,881	2,421,053	6,746	4,923,383	7,351,182	80,074,063
Change through capital increase of parent company	49,144	1,250,642	0	0	0	1,299,786	0	0	0	0	1,299,786
Capital repayment and distribution to minority shareholders	0	0	0	-7,908,292	0	-7,908,292	-9,513,930	0	0	-9,513,930	-17,422,222
Change through capital increase with participation of minority shareholders	0	0	0	0	0	0	88,382	0	0	88,382	88,382
Distribution	0	0	0	-2,982,777	0	-2,982,777	0	0	0	0	-2,982,777
Currency translation	0	0	5,063,853	0	0	5,063,853	0	58,181	0	58,181	5,122,034
Other changes	0	0	0	24,794,287	-24,794,287	0	0	0	0	0	0
Consolidated net profit / loss for the year	0	0	0	0	60,765,991	60,765,991	0	0	5,419,614	5,419,614	66,185,605
AS OF 01/01/2023	5,003,081	31,250,251	8,533,708	23,408,411	60,765,991	128,961,442	-7,004,495	64,927	10,342,997	3,403,429	132,364,871
Change through capital increase of parent company	2,357	46,763	0	0	0	49,120	0	0	0	0	49,120
Capital repayment and distribution to minority shareholders	0	0	0	0	0	0	-367,970	0	0	-367,970	-367,970
Change through capital increase with participation of minority shareholders	0	0	0	0	0	0	1,821,185	0	0	1,821,185	1,821,185
Veränderung durch Aufnahme von Minderheitsgesellschaftern	0	0	0	266,944	0	266,944	0	0	0	0	266,944
Distribution	0	0	0	-6,504,469	0	-6,504,469	0	0	0	0	-6,504,469
Currency translation	0	0	-7,576,544	0	0	-7,576,544	0	-55,609	0	-55,609	-7,632,153
Other changes	0	0	0	60,765,991	-60,765,991	0	0	0	0	0	0
Consolidated net profit / loss for the year	0	0	0	0	65,175,089	65,175,089	0	0	2,308,388	2,308,388	67,483,477
AS OF 31/12/2023	5,005,438	31,297,014	957,164	77,936,877	65,175,089	180,371,582	-5,551,280	9,318	12,651,385	7,109,423	187,481,005

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

ACQUISITION AND PRODUCTION COST

IN EUR	01/01/2023	ADDITIONS	DISPOSALS	UMGLIEDERUNGEN	FOREIGN CURRENCY TRANSLATION	31/12/2023
I. INTANGIBLE ASSETS						
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	50,397,827	651,357	-9,244,686	-623,760	-1,301,269	39,879,469
2. Goodwill	4,308,476	0	0	0	-85,689	4,222,786
3. Advance payments	276,963	267,250	0	0	0	544,213
	54,983,266	918,607	-9,244,686	-623,760	-1,386,959	44,646,468
II. PROPERTY, PLANT AND EQUIPMENT						
1. Producing oil production facilities	356,074,106	30,246,532	-29,989,036	150,723,147	-17,008,621	490,046,129
2. Exploration and evaluation	32,264,304	111,078,080	-190,615	-115,241,925	-615,058	27,294,786
3. Technical equipment and machinery	780,769	20,423,030	0	-388,101	-376,441	20,439,257
4. Other equipment, operating and office equipment	837,428	1,435,138	-12,027	388,101	-45,861	2,602,779
5. Advance payments and assets under construction	0	52,255,123	0	-34,857,463	-391,889	17,005,771
	389,956,606	215,437,903	-30,191,677	623,760	-18,437,870	557,388,722
III. FINANCIAL ASSETS						
1. Equity investments	22,233,561	0	-6,826,909	0	0	15,406,652
2. Loans to other investees and investors	6,617,032	333,881	0	0	0	6,950,913
3. Securities classified as fixed assets	17,308,567	305,152	-9,274,185	0	0	8,339,534
	46,159,160	639,033	-16,101,094	0	0	30,697,098
	491,099,032	216,995,543	-55,537,457	0	-19,824,829	632,732,288

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

ACCUMULATED AMORTIZATION, DEPRECIATION AND WRITE-DOWNS

IN EUR					NET BOOK VALUES		
	01/01/2023	ADDITIONS	DISPOSALS	FOREIGN CURRENCY TRANSLATION	31/12/2023	31/12/2023	31/12/2022
I. INTANGIBLE ASSETS							
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	17,908,666	2,190,390	-2,056,733	-348,260	17,694,063	22,185,406	32,489,161
2. Goodwill	3,145,118	163,916	0	-48,760	3,260,274	962,512	1,163,358
3. Advance payments	0	145,063	0	0	145,063	399,150	276,963
	21,053,784	2,499,369	-2,056,733	-397,021	21,099,400	23,547,068	33,929,482
II. PROPERTY, PLANT AND EQUIPMENT							
1. Producing oil production facilities	194,176,701	59,139,211	-10,249,399	-8,083,272	234,983,241	255,062,888	161,897,405
2. Exploration and evaluation	1,906,840	1,012,164	0	-13,460	2,905,544	24,389,243	30,357,464
3. Technical equipment and machinery	504,718	437,349	0	-47,241	894,826	19,544,431	276,051
4. Other equipment, operating and office equipment	728,506	295,705	-8,651	-25,523	990,037	1,612,742	108,922
5. Advance payments and assets under construction	0	0	0	0	0	17,005,771	0
	197,316,765	60,884,428	-10,258,050	-8,169,495	239,773,648	317,615,074	192,639,842
III. FINANCIAL ASSETS							
1. Equity investments	6,826,909	0	-6,826,909	0	0	15,406,651	15,406,651
2. Loans to other investees and investors	128,059	0	0	0	128,059	6,822,854	6,488,973
3. Securities classified as fixed assets	5,260,648	0	-5,260,648	0	0	8,339,534	12,047,919
	12,215,616	0	-12,087,557	0	128,059	30,569,040	33,943,543
	230,586,165	63,383,797	-24,402,340	-8,566,516	261,001,107	371,731,184	260,512,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL PRINCIPLES

The consolidated financial statements of Deutsche Rohstoff AG have been prepared in accordance with the accounting provisions of the German Commercial Code (Handelsgesetzbuch, HGB) (sections 290 et seq.) and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz, AktG).

The consolidated income statement has been prepared using the nature of expense method.

For reasons of clarity, individual items of the consolidated statement of financial position and consolidated statement of income have been combined and broken down and explained separately in these notes. For the same reason, the disclosures relating to other items and notes thereon have also been made in this section.

The consolidated financial statements are presented in Euro (EUR). Unless otherwise stated, all figures are rounded up or down to the nearest EUR in accordance with commercial rounding principles. Please note that differences may arise from the use of rounded amounts and percentages for computational reasons.

The registered office of the parent company Deutsche Rohstoff AG is in Mannheim. The company is entered in the register of the Mannheim Local Court under number HRB 702881.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include Deutsche Rohstoff AG as well as three domestic and nine foreign sub-

sidiaries. In the previous year, the consolidated financial statements comprised three domestic and seven foreign subsidiaries. The Australian subsidiary Exploration Ventures AI Pty. Ltd. was included in the scope of consolidation at the end of January 2023. As of 31 December 2023, the shareholding in this company was 70.00 %. In May 2023, 1876 Resources LLC founded the wholly owned subsidiary Coyote Hill Midstream LLC. The indirect shareholding in the Group amounted to 96.09 % as of 31 December 2023.

Due to capital contributions by management, the shareholding in 1876 Resources LLC decreased from 97.67 % to 96.09 % as of 31 December 2023.

Furthermore, the stake in Prime Lithium AG was reduced from 100 % to 88 % as a result of capital contributions and sales to the CEO and co-founder.

At the end of 2022, the Annual General Meeting of Tin International AG (now: Tin International GmbH) resolved to transfer the shares of the remaining shareholders to Deutsche Rohstoff AG as the main shareholder ("squeeze-out") in return for cash compensation. The transfer became effective on 19 January 2023 through entry in the commercial register. As a result of the share purchases, the shareholding in this company is now 100 %. See 5.2 Information on shareholdings.

3. CONSOLIDATION PRINCIPLES

Capital consolidation for companies that are consolidated for the first time as a result of an acquisition is carried out using the purchase method at the time at which the companies became subsidiaries.

The carrying amount of the shares belonging to the parent company is offset against the amount of the subsidiary's equity attributable to these shares. Equity is recognized at the amount that corresponds to the fair value of the assets, liabilities and prepaid expenses to be included in the consolidated financial statements at the time of consolidation. Any difference remaining after offsetting, if it arises on the assets side, is recognized as goodwill and, if it arises on the liabilities side, is reported separately in equity under the item difference from capital consolidation.

The relevant date for determining the fair value of the assets, liabilities and prepaid expenses to be included in the consolidated financial statements and for capital consolidation is generally the date on which the company became a subsidiary.

Receivables and liabilities, sales, expenses and income as well as interim results within the scope of consolidation were eliminated.

4. RECOGNITION AND MEASUREMENT POLICIES

The following accounting and valuation methods were used to prepare the annual financial statements.

The financial statements of the companies included in the consolidated financial statements were prepared in accordance with uniform accounting and valuation principles.

Purchased **intangible** fixed assets are recognized at acquisition or production cost and, if they are subject to wear and tear, are amortized over their useful life using the straight-line

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

method. The useful life is between 3 and 5 years. Intangible assets mainly include extraction rights and exploration and mining licenses. Exploration licenses are amortized on a straight-line basis from the date of acquisition over the expected total exploration period. Mining licenses, on the other hand, are amortized on a straight-line basis over the expected remaining useful life of the deposit. There is an exception to the straight-line amortization method for extraction rights, which are amortized according to the degree of utilization. The degree of utilization reflects the economic depreciation process.

Impairment losses are recognized if the impairment is expected to be permanent.

Goodwill from the initial consolidation of shares prior to 1 January 2016 is amortized pro rata temporis over a period of 5 years. For goodwill arising after 31 December 2015, explanations on the determination of the respective useful life are provided in accordance with the provisions of the BilRUG as part of the explanations on fixed assets. The useful life estimate is based on the expected funding periods and funding volumes, whereby the appropriateness of the useful life is regularly reviewed and adjusted downwards if necessary.

Property, plant and equipment is recognized at acquisition or production cost and, if depreciable, is reduced by scheduled depreciation. The production costs of internally generated assets include direct costs and pro rata overheads.

Property, plant and equipment includes the item producing oil extraction facilities due to the specifics of a commodity producing company. The producing oil production facilities

relate to production facilities operated by 1876 Resources LLC in the Wattenberg field in Colorado (USA) and in the Powder River Basin in Wyoming (USA). This item also includes the producing oil production facilities in the USA in which the companies Elster Oil & Gas LLC, Salt Creek Oil & Gas LLC, 1876 Resources LLC and Bright Rock Energy LLC hold interests as non-operators. Specifically, these are investments in producing oil production facilities in the Wattenberg field in Colorado (USA) held by Elster Oil & Gas LLC and in the Powder River Basin in Wyoming (USA) held by Salt Creek Oil & Gas LLC, 1876 Resources LLC and Bright Rock Energy LLC.

The classification of property, plant and equipment also includes an exploration and evaluation item. This item includes expenditure in the exploration and evaluation phase that is directly related to a discovered, recoverable deposit and directly serves the extraction of commodities for which future cash flows are expected with a high degree of probability. Direct costs and pro rata overheads are capitalized.

From the time of commercial extraction, the assets are reclassified to the respective fixed asset items. If, due to events or changed circumstances, it becomes apparent that the estimated commodity deposits are not sustainable or significantly lower or that the yield is not sufficient for commercial extraction, the assets concerned are written down and recognized in profit or loss.

Property, plant and equipment are depreciated according to the degree of utilization for their most significant item, the producing oil production facilities. The degree of utilization reflects the economic depreciation trend and is reviewed an-

nually on the basis of reserve appraisals. Other items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. The useful life for technical equipment and machinery is between 8 and 25 years, and between 3 and 13 years for other equipment, operating and office equipment.

Impairment losses are recognized for impairments that are expected to be permanent. In addition to current and expected future production volumes at well field level, current and future prices for crude oil (WTI), gas (CIG) and condensates are a significant factor in the assessment of expected permanent impairment of oil production facilities.

Financial assets are recognized at the lower of cost or fair value.

Inventories are recognized at the lower of cost or market value.

Finished goods and merchandise are valued at production cost, taking into account direct material costs, direct labor and special direct costs as well as production and material overheads and depreciation. Interest on borrowed capital was not included in the production costs. General administration costs were also not capitalized.

In all cases, loss-free valuation was applied, i.e. deductions were made from the expected sales prices for costs still to be incurred.

Receivables and other assets were recognized at nominal value less value discounts for individual risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Derivative financial instruments are not recognized as pending transactions. Gains from hedging transactions that are not allocated to a specific underlying transaction are not realized until maturity. Unrealized losses from derivative financial instruments are recognized in profit or loss unless they are included in a valuation unit and the unrealized losses are compensated by offsetting changes in the value of the underlying transaction. The company has exercised the option under Section 254 HGB to recognize the economic hedging relationship in the context of transactions to hedge the WTI oil price and the CI-G natural gas price by forming a valuation unit. The net hedge presentation method is applied here. The offsetting positive and negative changes in value are recognized without affecting the income statement.

Other marketable securities are recognized at acquisition cost or, if applicable, at lower values resulting from stock exchange or market prices on the reporting date.

Prepaid expenses include expenses prior to the balance sheet date that represent an expense for a certain period after that date.

Other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are recognized at the settlement amount required according to prudent business judgment (i.e. including future cost and price increases). Provisions with a remaining term of more than one year were discounted. Recultivation provisions were mainly recognized for field clearance and well backfilling. They are accumulated in installments, taking into account expected future price and cost increases and discounting in accordance with the respective remaining term.

Provisions are discounted using an interest rate appropriate to the term in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung).

Liabilities were recognized at the settlement amounts.

To calculate **deferred taxes** due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income under commercial law and their tax carrying amounts or due to tax loss carryforwards, the amounts of the resulting tax burden and relief are measured at the company-specific tax rates at the time the differences are eliminated and are not discounted. Differences resulting from consolidation measures in accordance with Sections 300 to 307 HGB are also taken into account, but not differences from the initial recognition of goodwill or negative goodwill from capital consolidation. The option to capitalize deferred taxes on tax loss carryforwards was not exercised. Deferred tax assets and liabilities are netted where permissible.

CURRENCY CONVERSION

Assets and liabilities denominated in foreign currencies were generally translated at the mean spot exchange rate on the reporting date. If the remaining term to maturity is more than one year, the realization principle and the acquisition cost principle were applied.

With the exception of equity, the asset and liability items in the annual financial statements prepared in foreign currencies were translated into EUR at the mean spot exchange rate on the reporting date. Equity was translated using historical ex-

change rates. The items in the income statement are translated into EUR at the average exchange rate. The resulting translation difference is reported within Group equity under the item "Equity differences from currency translation".

5. NOTES TO THE CONSOLIDATED BALANCE SHEET

5.1. FIXED ASSETS

The development of fixed assets is shown in the statement of changes in fixed assets, including depreciation and amortization for the financial year.

In the 2013 and 2014 financial years, shares in Elster Oil & Gas LLC were acquired from minority shareholders. These capital increases revealed hidden reserves totaling EUR 8,569 thousand, which were capitalized in the item concessions, industrial property rights and similar rights acquired for consideration.

Furthermore, production rights in connection with potential and producing oil and gas wells are capitalized under this item.

In November 2023, Salt Creek Oil & Gas LLC sold all of its production rights as part of the sale of all assets in Utah. The remainder relates to software licenses.

The item concessions, industrial property rights and similar rights and assets acquired for consideration as well as licenses to such rights and assets is made up as follows, see table 5.1.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exploration and evaluation include drilling projects in the oil and gas sector that are under development at the relevant time but have not yet started production.

As of 31 December 2023, goodwill in the amount of EUR 962,512 is still reported, which relates to the company 1876 Resources LLC. This goodwill is amortized on a straight-line basis over a useful life of 15 years. The useful life was estimated based on the average production periods of the oil wells of 1876 Resources LLC.

The "Exploration and evaluation" item primarily includes investments by 1876 Resources LLC for two new wells in the amount of EUR 15.1 million, which went into production in January 2024. Due to the sale of all shares in wells in the state of Utah during the year, Salt Creek Oil & Gas LLC only holds the shares in the wells in the joint venture with Occidental Petroleum in Powder River Basin/Wyoming as of 31 December 2023. Bright Rock Energy LLC reports investments for three new wells totaling EUR 9.3 million, which are scheduled to go into production in the course of 2024.

The "Exploration and evaluation" item is composed as follows, see table 5.1.2.

The item "Producing oil production facilities" is composed as follows, see table 5.1.3.

The table 5.1.4. provides an overview of the number of net wells per company in each state.

The item "Technical equipment and machinery" mainly comprises the acquisition costs in connection with the purchase

TAB 5.1.1. CONCESSIONS, INDUSTRIAL PROPERTY RIGHTS AND SIMILAR RIGHTS AND ASSETS

PROJECT / COMPANY	RESOURCE	2023	2022
Elster Oil & Gas LLC	Oil and gas	3,184,430	3,943,582
Salt Creek Oil & Gas LLC	Oil and gas	13,521	7,951,585
1876 Resources LLC	Oil and gas	12,353,196	13,099,048
Bright Rock Energy LLC	Oil and gas	6,627,848	7,491,034
Other	Various	6,411	3,911
		22,185,406	32,489,161

TAB 5.1.2. EXPLORATION AND EVALUATION

PROJECT / COMPANY	RESOURCE	2023	2022
Salt Creek Oil & Gas LLC	Oil and gas	0	20,884,382
1876 Resources LLC	Oil and gas	15,121,718	6,118,364
Bright Rock Energy LLC	Oil and gas	9,267,525	3,354,718
		24,389,243	30,357,464

TAB 5.1.3. PRODUCING OIL PRODUCTION FACILITIES

PROJECT / COMPANY	RESOURCE	2023	2022
Elster Oil & Gas LLC	Oil and gas	10,732,941	13,396,623
1876 Resources LLC	Oil and gas	155,038,388	99,673,864
Salt Creek Oil & Gas LLC	Oil and gas	81,969,304	40,245,057
Bright Rock Energy LLC	Oil and gas	7,322,255	8,581,861
		255,062,888	161,897,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of the pipeline infrastructure and the construction of water basins by the company 1876 Resources LLC.

The item "Advance payments and assets under construction" includes carrying amounts of EUR 17.0 million. This item includes further payments from Salt Creek Oil & Gas in connection with the joint venture with the US oil and gas producer Occidental for participation in 10 additional wells in the Powder River Basin/Wyoming.

5.2. INFORMATION ON SHAREHOLDINGS

Information on shareholdings as of 31 December 2023, see table 5.2. on page 65. The investment in Almonty Industries Inc. was recognized at the carrying amount of EUR 15,407 thousand in accordance with the valuation option pursuant to Section 253 (3) sentence 6 HGB.

The carrying amount of the investment as of 31 December 2023 is based on an average market value of CAD 0.72 (EUR 0.50) per share at the time of acquisition.

The share price as of 31 December 2023 was CAD 0.54/share (EUR 0.37/share), with the share price fluctuating between CAD 0.55/share (EUR 0.34/share) and CAD 0.70/share (EUR 0.43/share) in the first three months of 2024.

Suomi Exploration Oy, Finland, pursued an early-stage metal exploration project in Finland in 2023. At the beginning of 2024, it was decided not to pursue this project any further and to liquidate the company.

Suomi Exploration Oy, Finland, pursued an early-stage metal exploration project in Finland in 2023. At the beginning of 2024, it was decided not to pursue this project any further and to liquidate the company.

5.3. INVESTMENT SECURITIES

Securities held as fixed assets decreased from EUR 12,048 thousand to EUR 8,340 thousand over the course of the year. This reduction is mainly due to the sale of all Northern Oil & Gas shares and the resulting book value reduction of EUR 4,013,536.02.

5.4. INVENTORIES

Inventories relate to gold in the finished goods area.

5.5. RECEIVABLES AND OTHER ASSETS

The breakdown of receivables and other assets by residual term is as follows, see table 5.5.

Trade receivables relate to receivables from the sale of crude oil and natural gas and are generally due within 30 to 60 days.

Other assets mainly consist of tax refunds from withheld US withholding tax in the amount of EUR 2.9 million (USD 3.2 million).

5.6. DERIVATIVE FINANCIAL INSTRUMENTS

There are transactions of a derivative nature. The transactions include derivative financial instruments in the form of "costless collars", consisting of put and call options and swaps, which were concluded to hedge the oil and gas price risk in the USA. On the other hand, transactions with so-called foreign currency futures are carried out to hedge the currency risk in the EUR/USD area. There were no foreign currency futures as of the balance sheet date.

TAB 5.1.4. NET WELLS

COMPANY	COLORADO	WYOMING	UTAH	TOTAL
1876 Resources LLC	49.1	19.9	0	69.0
Elster Oil & Gas LLC	12.9	0	0	12.9
Bright Rock Energy LLC	0	4.6	0.5	5.1
Salt Creek Oil & Gas LLC	0	9.1	0	9.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Derivative financial instruments are measured at fair value based on published market prices. If no price quoted on an active market exists, other suitable valuation methods are used. The market values of the oil price hedging transactions were provided by the corresponding contractual partners (financial service providers) with whom the hedging transactions were concluded.

To determine the market value of the put and call options (costless collars) as of the balance sheet date, the values provided by the relevant contractual partner were also used. The market value of put and call options (costless collars) is determined on the basis of a mark-to-market valuation. The value of foreign currency futures is determined and made available on futures exchanges on an ongoing basis.

The company has exercised the option under Section 254 HGB to recognize the economic hedging relationship in the context of transactions to hedge the WTI oil price and the CIG gas price by forming a valuation unit. The disclosures required in accordance with Section 314 (1) No. 15 HGB are presented in the Group management report in the section "Opportunities and risks from changes in commodity prices".

5.7. PREPAID EXPENSES

This mainly relates to prepaid insurance and rental amounts as well as accrued interest expenses.

5.8. DEFERRED TAXES

Deferred taxes were calculated using a tax rate of 22.16 % in accordance with local tax law. Deferred tax assets were cap-

TAB. 5.2. INFORMATION ON SHAREHOLDINGS

	CURRENCY	SHAREHOLDING IN %	EQUITY IN NATIONAL CURRENCY	RESULT IN NATIONAL CURRENCY
DOMESTIC				
Tin International AG	EUR	100.00	3,091,915	118,872
Ceritech AG	EUR	72.46	129,991	-28,563
Prime Lithium AG	EUR	88.00	-1,732,119	-2,026,334
FOREIGN				
Deutsche Rohstoff USA Inc., USA	USD	100.00	11,812,750	-23,699,980
Elster Oil & Gas LLC, USA ¹	USD	93.00	11,666,502	2,690,963
Diamond Valley Energy Park LLC, USA ²	USD	100.00	1,791,657	0
1876 Resources LLC, USA ¹	USD	96.09	131,725,293	36,793,056
Coyote Hill Midstream LLC, USA ³	USD	100.00	0	1,177,326
Salt Creek Oil & Gas LLC, USA ¹	USD	100.00	108,549,390	69,880,583
Bright Rock Energy LLC, USA ¹	USD	98.49	25,383,421	2,489,278
Suomi Exploration Oy	EUR	100.00	-335,708	-32,065
Exploration Ventures AI Pty Ltd, Australien	AUD	70.00	-175,948	-1,270,948
OTHER COMPANIES				
Almonty Industries Inc., Kanada	CAD	13.11	48,508,000	-8,837,000

¹ indirectly via Deutsche Rohstoff USA Inc., USA

² indirectly via Elster Oil & Gas LLC, USA

³ indirectly via 1876 Resources LLC, USA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

itized on tax loss carryforwards at the local tax rate of 22.16 %. The theoretical Group tax rate is 22.16 %. Deferred tax assets were only recognized for tax loss carryforwards that are expected to be utilized within the next five years. The deferred tax assets and liabilities determined separately at country level are offset in the balance sheet at the level of the individual taxable entities.

5.9. EQUITY

The development of consolidated equity is shown in the consolidated statement of changes in equity (appendix to the notes).

As of 31 December 2023, the subscribed capital of EUR 5,005,438 (previous year: EUR 5,003,081) corresponds to the balance sheet item reported at the parent company.

The subscribed capital was increased by EUR 357 at EUR 28/ share through conversions in connection with the 2018/2023 convertible bond and the associated share issue and by the partial exercise of the 2018 share option program in the amount of EUR 2,000.

The capital reserve for the current year is EUR 46,763 higher than the capital reserve for the previous year (EUR 31,250,251). The change is based on the above-mentioned conversion in connection with the convertible bond in the amount of EUR 9,643 and the exercise of the 2018 share option program in the amount of EUR 37,120.

5.10. PROVISIONS

The development of other provisions is as follows, see table 5.10. Other provisions mainly relate to local taxes not yet due for the US oil and gas companies in the amount of EUR 22.5 million, services not yet invoiced by oilfield service companies in the amount of EUR 9.7 million and provisions for dismantling obligations of the US subsidiaries in the amount of EUR 8.4 million.

5.11. VERBINDLICHKEITEN

The liabilities are shown in the table 5.11.

The item "Bonds, non-convertible" contains liabilities from the issue of two corporate bonds in the amount of EUR 120,516,500.00.

The 2019/2024 bond (hereinafter also referred to as the "old bond") was issued on 6 December 2019 and was placed in

TAB 5.5. RECEIVABLES AND OTHER ASSETS

IN EUR			31/12/2023
	< 1 YEAR	> 1 YEAR	TOTAL
Trade receivables	29,603,344	0	29,603,344
Receivables from companies in which an equity investment is held	0	0	0
Other assets	3,075,567	2,346,892	5,422,459
			35,025,803

IN EUR			31/12/2022
	< 1 YEAR	> 1 YEAR	TOTAL
Trade receivables	28,649,495	0	28,649,495
Receivables from companies in which an equity investment is held	83,157	0	83,157
Other assets	3,364,547	1,519,705	4,884,252
			33,616,904

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

full on 1 January 2023 with a volume of EUR 100,000,000. This non-convertible bond is bullet, matures on 6 December 2024 and bears interest at 5.25 % p.a. As part of the issue of the new 2023/2028 bond in September 2023, the old 2019/2024 bond was exchanged for the new 2023/2028 bond at a nominal value of EUR 58,967,000. Furthermore, the right to call the old bond was exercised in December 2023 and half of the remaining volume (EUR 20,516,500) was repaid at 101 % of the agreed nominal amount. The old 2019/2024 bond therefore still has a volume of EUR 20,516,500 as of 31 December 2023, which matures on 6 December 2024.

The new 2023/2028 bond, which is also non-convertible, was issued on 27 September 2023 and has a five-year term until 26 September 2028. It has a bullet maturity and bears interest at 7.50 % p.a. As of 31 December 2023, the bond had an outstanding volume of EUR 100,000,000 and a term until 26 September 2028.

The liabilities from the issue of a convertible bond in the amount of EUR 9,815,000 included in the "Bonds, convertible" item as of 31 December 2022 were repaid in full on time in March 2023. As of the reporting date of 31 December 2023, there are therefore no longer any liabilities from convertible bonds.

Liabilities as of 31 December 2023 with a term of up to one year include a loan to banks in the amount of EUR 40,807 thousand, which relates to the company 1876 Resources LLC. The loan serves to finance ongoing oil and gas drilling activities and was concluded with BOKF N.A. The credit line, which is recalculated every six months, amounted to USD

TAB. 5.8. DEFERRED TAXES

IN EUR	31/12/2023	31/12/2022
DEFERRED TAX ASSETS ON DIFFERENCES		
Other provisions	1,233,475	1,008,133
Deferred items	954,789	0
TOTAL	2,188,264	1,008,133
Deferred taxes on loss carry forwards	9,658,718	3,376,659
TOTAL DEFERRED TAX ASSETS	11,846,981	4,384,793
DEFERRED TAX LIABILITIES ON DIFFERENCES IN THE CARRYING AMOUNTS OF ASSETS AND LIABILITIES FOR		
Intangible assets	339,760	485,571
Property, plant and equipment	63,110,969	38,083,292
TOTAL DEFERRED TAX LIABILITIES	63,450,729	38,568,863
TOTAL DEFERRED TAXES, NET	-51,603,748	-34,184,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TAB. 5.10. PROVISIONS

IN EUR	01/01/2023	UTILIZATION	CLOSING	ALLOCATION	CURRENCY	31/12/2023
Tax provisions	1,017,900	79,123	0	58,068	0	996,845
Other accrued liabilities	31,634,932	27,315,744	1,000	44,949,685	-1,750,087	47,517,786
TOTAL PROVISIONS	32,652,832	27,394,867	1,000	45,007,753	-1,750,087	48,514,631

TAB. 5.11. LIABILITIES

REMAINING TERM IN YEARS			31/12/2023	TOTAL	THEREOF SECURED
IN EUR	< 1 YEAR	1-5 YEARS	> 5 YEARS		
Bonds, non-convertible	20,516,500	100,000,000	120,516,500	120,516,500	0
Bonds, convertible	0	0	0	0	0
Liabilities to banks	40,806,709	0	40,806,709	40,806,709	40,806,709
Trade payable	26,550,778	0	26,550,778	26,550,778	0
Other liabilities	16,974,486	0	16,974,486	16,974,486	0
– of which social security	31,692	0	31,692	31,692	0
– thereof from taxes	416,683	0	416,683	416,683	0

REMAINING TERM IN YEARS			31/12/2022	GESAMT	THEREOF SECURED
IN EUR	< 1 YEAR	1-5 YEARS	> 5 YEARS		
Bonds, non-convertible	0	100,000,000	0	100,000,000	0
Bonds, convertible	9,815,000	0	0	9,815,000	0
Liabilities to banks	77,096	0	0	77,096	0
Trade payable	11,375,562	0	0	11,375,562	0
Other liabilities	28,673,867	0	0	28,673,867	0
– of which social security	20,462	0	0	20,462	0
– thereof from taxes	1,230,267	0	0	1,230,267	0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

60.0 million as of 31 December 2023, of which USD 44.9 million or EUR 40,807 thousand had been drawn down. The interest rate is variable, with a weighted average interest rate of 9.03 % as of 31 December 2023. The loan has a term until 31 May 2024. At the time these financial statements were prepared, 1876 Resources was in negotiations with BOKF N.A. regarding the extension of the aforementioned credit line.

The item "Other liabilities" amounts to EUR 16,974 thousand and mainly comprises license obligations to landowners of the companies 1876 Resources and Elster Oil & Gas as well as interest liabilities in connection with the corporate bond.

6. NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.1. REVENUE

Revenues mainly relate to the US companies 1876 Resources, Salt Creek Oil & Gas, Bright Rock Energy and Elster Oil & Gas and their interest in the producing oil wells. Production taxes are incurred on revenues from oil wells, which must be deducted directly from revenues in accordance with the provisions of BilRUG. Production taxes of EUR 19.3 million were incurred in the 2023 financial year (previous year: EUR 20.3 million). Gains from hedging transactions are also offset directly against revenue and amounted to EUR 0.3 million in the 2023 financial year (previous year: losses from hedging transactions: EUR 38.6 million).

Sales by division (or region) are as follows:

IN EUR	2023	2022
Gold	75,698	23,723
Oil	162,036,876	122,632,709
Gas and condensates	34,538,410	42,782,834
	196,650,984	165,439,266
IN EUR	2023	2022
Germany	75,698	23,823
USA	196,575,286	165,415,543
	196,650,984	165,439,266

6.2. OTHER OPERATING INCOME

Income from the disposal of property, plant and equipment includes the profit from the sale of all assets in Utah by the company Salt Creek Oil & Gas LLC. Furthermore, the sale of the land package for the period up to the closing on December 21 resulted in income of around EUR 7 million, which is included in revenue. Income from the sale of financial assets and current assets includes gains from the sale of shares generated at the level of Deutsche Rohstoff AG.

6.3. COST OF MATERIALS

As of 31 December 2023, expenses for purchased services amounting to EUR 34.3 million were reported (previous year: EUR 30.4 million). They mainly relate to ongoing operating costs incurred for ongoing drilling activities at the companies

1876 Resources LLC, Salt Creek Oil & Gas LLC, Bright Rock Energy LLC and Elster Oil & Gas LLC.

6.4. AMORTIZATION AND DEPRECIATION

Depreciation and amortization consist of scheduled depreciation and amortization of EUR 62.4 million (previous year: EUR 42.2 million) and impairment losses (EUR 1.0 million).

Scheduled depreciation mainly relates to the oil production facilities in the USA. Depreciation is based on the degree of utilization of the reserves, which reflects the economic depreciation trend. The calculation of depreciation is based on the proven reserves per oil well on the respective reporting date, calculated in barrels of oil equivalent. These are set in relation to the total capitalized costs per well and multiplied by the quantity produced. The reserves of each oil well are recalculated annually.

6.5. EXTRAORDINARY WRITE-DOWNS

An impairment loss of EUR 1.0 million was recognized on assets under construction at Bright Rock Energy LLC in order to reflect the carrying amount at fair value.

Amortization is reported under the item "Amortization of intangible assets and depreciation of property, plant and equipment".

6.6. OTHER OPERATING EXPENSES

The composition of the main items of other operating expenses is shown in table 6.6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The item "Expenses for exchange rate losses" mainly comprises expenses from exchange rate losses incurred at the level of Deutsche Rohstoff AG. These are primarily currency losses in connection with the sale of securities held as current assets and currency losses arising from the repayment of interest by the US subsidiaries.

6.7. TAXES ON INCOME

The item "Taxes on income" composed as follows, see table 6.7.

7. OTHER NOTES

7.1. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents comprise the balance sheet item cash at banks less current accounts. In the 2023 financial year, cash outflows were mainly due to the high level of investment activity, particularly in drilling activities in the USA, amounting to EUR 149.4 million, the repayment of the convertible bond in the amount of EUR 9.8 million and payments to shareholders for dividends and profit sharing and interest in the amount of EUR 14.7 million. Cash inflows mainly resulted from the issue of the new bond 23/28 in the amount of the non-exchanged portion of the old bond 19/24 of EUR 41.0 million and the drawing of a US credit line in the amount of EUR 41.6 million.

7.2. RELATED PARTY TRANSACTIONS

No material transactions were conducted with related parties at non-standard market conditions in the financial year.

TAB. 6.2. OTHER OPERATING INCOME

IN EUR	2023	2022
Income from the disposal of intangible assets	0	0
Income from the disposal of property, plant and equipment	10,945,560	2,978,606
Income from the disposal of financial assets	3,374,481	7,157,612
Income from the write-up of items of property, plant and equipment	0	2,472,222
Income from the reversal of write-downs of financial and current assets	1,417,938	2,882,627
Income from the sale of current assets	4,210,209	2,787,940
Income from foreign currency gains	531,664	6,545,124
Miscellaneous other income	72,655	1,031,190
	20,552,507	25,855,321

TAB. 6.6. OTHER OPERATING EXPENSES

IN EUR	2023	2022
Project development and exploration expenses	706,361	882,838
Expenses for exchange losses	1,174,196	2,613,442
Legal and consulting fees	3,310,509	2,191,823
Financial statement and audit expenses	340,407	206,142
Losses from the sale of current assets	1,740,552	2,619,783
Allocation to provisions for recultivation	1,112,247	1,093,472
Losses from the disposal of property, plant, and equipment	2,929	1,650,302
General administration costs *	3,646,048	3,474,837
Costs of the SME bond 2023/2028	1,527,213	0
Other expenses	845,529	527,577
	14,405,991	15,260,516

* Insurance, rents, IT systems, cash transactions and increase of the bond, Annual General Meeting, investor relations, committees, travel expenses, external accounting in the USA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7.3. CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

CONTINGENT LIABILITIES

There were no liabilities from guarantee transactions as of the reporting date.

OFF-BALANCE SHEET TRANSACTIONS

See table 7.3.1.

OTHER FINANCIAL OBLIGATIONS

In addition to contingent liabilities, there are other financial obligations, see table 7.3.2.

STOCK OPTION PROGRAMS

Based on the resolution of the Annual General Meeting of Deutsche Rohstoff AG on 10 July 2018, the Executive Board (or the Supervisory Board in the case of the issue of options to the Executive Board) was authorized to issue up to 200,000 stock options with subscription rights to new registered shares in the company with a pro rata amount of the share capital of EUR 1.00 per share attributable to each share with a term of up to seven years to members of the

Executive Board and members of the management of affiliated companies, selected employees of the company and affiliated companies, with the proviso that each share option generally grants the right to subscribe to one new share in the company.

The 200,000 stock options were issued in full with the resolutions of 3 October 2018 (34,500 options to employees), 15 May 2019 (50,000 options to Executive Board members), 19 December 2019 (21,000 options to employees), 23 March (44,500 options to employees) and 9 July 2021 (50,000 options to Executive Board members).

Based on the resolution of the Annual General Meeting of Deutsche Rohstoff AG on 28 June 2022, the Executive Board (or the Supervisory Board in the case of the issue of options to the Executive Board) was again authorized to issue up to 200,000 share options with subscription rights to new registered shares in the company with a pro rata amount of the share capital of EUR 1.00 per share attributable to each share with a term of up to seven years to members of the Executive Board and members of the management of affiliated companies, selected employees of the company and affiliated companies, with

the proviso that each share option generally grants the right to subscribe to one new share in the company.

With the resolutions of 16 November 2022 (46,500 options to employees) and 17 November 2022 (50,000 options to Executive Board members), a total of 96,500 share options were issued.

Due to the exercise of 5,000 options to date in the 2022 financial year and 2,000 options in November 2023, the share option program led to an increase in the share capital in the same amount in each case.

In the resolution of the Annual General Meeting of Deutsche Rohstoff AG on 10 July 2018, a cash settlement was excluded. However, in this resolution, the Annual General Meeting of Deutsche Rohstoff AG authorized the Executive Board (or the Supervisory Board in the case of the issue of options to the Executive Board) that the option conditions may also provide for a right of the company to make a cash settlement as an alternative to fulfilling the subscription rights.

The Executive Board therefore resolved on 1 December 2023, with the approval of the Supervisory Board on 1 December 2023, to pay cash compensation for all subscription rights issued in 2018 and 2019 and exercised or to be exercised in accordance with Section 8 of the 2018 share option program. subscription rights of those subscription right holders who have signed the supplementary agreement to subscription agreements for share options as part of the 2018 share option program of Deutsche Rohstoff AG, to pay cash compensation in the amount of the difference between the exercise price pursuant to Section 6 (2) of the share option program and the

TAB. 6.7. TAXES ON INCOME

IN EUR	2023	2022
Current tax	-826,371	1,951,108
Refund withholding tax	0	0
Income (-)/expense (+) from the change in deferred taxes	19,078,521	17,801,305
	18,252,150	19,752,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

closing price of the company's share in XETRA trading (or a comparable successor system) on the day the subscription right is exercised. In December, 15,000 subscription rights were settled in cash. Personnel costs of around EUR 1.9 million were set aside for the cash settlement as part of the 2018 share option program, of which EUR 915 thousand is attributable to executive bodies.

At the time they were granted, the share options had a value of EUR 0 thousand. As of the balance sheet date, this value amounted to EUR 0 thousand.

7.4. EMPLOYEES

Average number of employees during the financial year, see table 7.4.

The average number of employees is the fourth part of the sum of the number of employees employed on 31 March, 30 June, 30 September and 31 December.

TAB. 7.4. EMPLOYEES

NUMBER OF EMPLOYEES	2023	2022
Workers	5	0
Salaried Employees	39	28
Trainees	0	0
TOTAL	44	28

TAB. 7.3.1. OFF-BALANCE SHEET TRANSACTIONS

	PURPOSE	RISKS	ADVANTAGES
Operating lease	Preservation of the liquidity situation and improvement of the equity ratio	Risks exist in the non-cancelable basic rental period and the higher refinancing costs.	Short-term contractual commitment, which means that the leased assets can be replaced as technical progress occurs.

TAB. 7.3.2. OTHER FINANCIAL OBLIGATIONS

IN EUR	RESIDUAL TERM < 1 YEAR	RESIDUAL TERM > 1 YEAR	2023	RESIDUAL TERM < 1 YEAR	RESIDUAL TERM > 1 YEAR	2022
Office rent	460,982	650,773	1,111,755	135,218	471,927	607,145
Car leasing	17,365	10,361	27,727	16,805	19,134	35,939
Other	1,842	2,610	4,452	1,842	4,452	6,294
			1,143,934			649,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7.5. ORGANS OF THE COMPANY

BOARD OF DIRECTORS

Jan-Philipp Weitz · Chairman of the Executive Board, CEO

Henning Döring · Member of the Executive Board, CFO

SUPERVISORY BOARD

Dr. Thomas Gutschlag · Chairman, Mannheim
Entrepreneur and member of supervisory boards

Martin Billhardt · Brunnen (SZ)/Switzerland,
Managing Director Sidlaw GmbH

Dr. Werner Zöllner · Wörthsee
Managing Director Seed GmbH

7.6. TOTAL REMUNERATION OF THE EXECUTIVE BOARD

The remuneration of the Executive Board of Deutsche Rohstoff AG for the performance of its duties in the parent company and the subsidiaries amounted to EUR 883 thousand (previous year: EUR 831 thousand).

7.7. TOTAL REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board of Deutsche Rohstoff AG for the performance of its duties in the parent

company and subsidiaries amounted to EUR 203 thousand (previous year: EUR 185 thousand).

7.8. AUDITOR'S FEE

The total fee charged by the Group's auditor for the financial year amounted to EUR 105 thousand for auditing services and EUR 63 thousand for other assurance services.

7.9. SUBSEQUENT EVENTS

After the balance sheet date, the following events had a significant impact on the further course of business until the beginning of April 2024:

In mid-February 2024, Deutsche Rohstoff AG announced the status of its reserves as of 31 December 2023. The value of the secure reserves increased from USD 352 million to USD 386 million. The discounted value of producing wells as of 31 December 2023 amounted to USD 313 million (previous year: USD 246 million). Despite record production of just over 4.7 million BOE in 2023 and a net operating cash flow at project level of over USD 175 million, the reserves thus produced were not only replaced but also further expanded.

In January 2024, EXAI was contributed to the listed company Premier 1 Lithium. Following a capital increase without the participation of Deutsche Rohstoff AG, Deutsche Rohstoff AG now holds 19.9 %.

Bright Rock Energy LLC was able to complete the three wells started in December 2023 in the first quarter of 2024. A well

planned for two miles into the Niobrara formation had to be limited to a length of one mile due to technical complications.

A total of 12 wells at Salt Creek and 1876 Resources commenced production in the first quarter.

Mannheim, 23 April 2024

The Executive Board

Jan-Philipp Weitz

Henning Döring

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

In the past fiscal year, the Supervisory Board of Deutsche Rohstoff AG (hereinafter also referred to as the “**Company**”) performed the duties incumbent upon it in accordance with the law, the Articles of Association and the rules of procedure and closely monitored the management of the business by the Executive Board in fulfillment of its advisory and supervisory function. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. As part of the fulfillment of its duties, the Supervisory Board received regular, timely and comprehensive reports from the Executive Board on corporate planning, the situation and development of the company and its affiliated subsidiaries and associated companies, as well as on all significant business transactions, both in writing and verbally or by telephone. After careful examination and consultation, the Supervisory Board cast its vote on decisions or measures of the Executive Board that require approval in accordance with the law, the articles of association or the Executive Board’s rules of procedure, as well as on other decisions of fundamental importance.

In addition to the reports from the Executive Board, I maintained constant contact with the Executive Board in my role as Chairman of the Supervisory Board. I kept myself informed about current business developments within the Group, in particular the effects of the oil price trend, the development of oil and gas production in the USA, the progress of current investments and the liquidity and financing of the Group. Through my function as Chairman of the Boards of the US subsidiaries and as Chairman of the Supervisory Board of Ceritech AG and the Supervisory Board of Prime Lithium AG, I was informed in detail about the Group’s activities at all times.

MEETINGS OF THE SUPERVISORY BOARD AND MAIN TOPICS OF DISCUSSION

A total of five Supervisory Board meetings were held in the 2023 fiscal year. All members of the Board attended all meetings. No committees were formed. The meetings of the Supervisory Board in the 2023 financial year focused in particular on the following topics

- the ongoing production of oil and gas in the USA at the various locations;
- the progress of the Farm-In and Development Agreement with Occidental Petroleum through the subsidiary Salt Creek Oil & Gas LLC;
- the development of the areas in Wyoming by the subsidiary 1876 Resources LLC, in particular the purchase of a pipeline system and further investments in infrastructure as well as an accelerated drilling program;
- the financing of the subsidiary Prime Lithium AG and the discussion of progress in the development of activities in the field of lithium exploration and conversion;
- the successfully completed squeeze-out of the subsidiary Tin International AG and the subsequent conversion into a GmbH;
- possible business areas that could be transferred to the listed subsidiary Ceritech AG;
- the adoption of the annual financial statements and the approval of the consolidated financial statements of Deutsche Rohstoff AG for the 2022 financial year at the balance sheet meeting on 26 April 2023 after detailed discussion with the auditors of the annual and consolidated financial statements for the 2022 financial year
- the business development and financial situation of Almonty Industries Inc. and the extension of existing loans and convertible bonds by Deutsche Rohstoff AG;
- the results of the company’s interim financial statements as at 30 June 2023 and the quarterly report for the first nine months of 2023
- the sale of acreage in Utah by the subsidiary Salt Creek Oil & Gas LLC;
- a drilling program of the subsidiary Bright Rock Energy LLC with the associated financing;
- the issue of a new bond with a volume of EUR 100 million;
- price hedging of the expected oil production for the years 2023 to 2025;
- the investment of the company’s cash and cash equivalents;
- the development of the share and bond portfolio;

REPORT OF THE SUPERVISORY BOARD

- the development of commodity prices, in particular the price of oil in the USA and the European tungsten APT (ammonium paratungstate);
- the assessment of currency trends, in particular the EUR/USD;
- the investment and budget planning of the company and the Group for the 2024 financial year.

The budget planning prepared by the Executive Board for the 2024 financial year was reviewed and approved by the Supervisory Board. The strategic direction of the company and the Group was discussed, reviewed and adjusted on the basis of medium and long-term corporate planning and scenarios. The Supervisory Board analyzed and reviewed the information received from the Executive Board in detail and discussed it with the Executive Board. Particular attention was paid to the risk situation and risk management.

The Executive Board regularly informed the Supervisory Board about the net assets, financial position and results of operations of Deutsche Rohstoff AG and its subsidiaries and affiliates.

At various meetings and by means of resolutions outside of meetings, the Supervisory Board also gave its approval to transactions that required approval in accordance with the law, the company's articles of association or the rules of procedure for the Executive Board. These were in particular

- the purchase of the pipeline infrastructure in Wyoming by 1876 Resources LLC

- approval of the Group's capex budget and the budget for Deutsche Rohstoff AG for 2024;
- the increase in the capex budget for 2023 to accelerate the development of the 1876 Resources LLC acreage;
- the approval of the increase in share capital to EUR 5,003,438.00;
- the approval of various loans to Prime Lithium GmbH
- new bylaws for the Executive Board;
- the approval of the cash settlement of employee options and Executive Board options;
- the conclusion of a new D&O insurance policy;
- the granting of bonuses to the members of the Executive Board in accordance with the Executive Board contracts;
- the extension of the loans and convertible loans to Almonty Industries Inc. until October 2024;
- the approval of the issue of a new bond of up to EUR 100 million;
- approval for redemption of half of the 2019/2024 bond;
- the approval of the sale of the 70 percent stake in EXAI plc to SensOre plc in return for the granting of 19.9 percent of the shares in SensOre plc.

ANNUAL FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS, GROUP MANAGEMENT REPORT AND PROPOSAL FOR THE APPROPRIATION OF NET RETAINED PROFITS

Falk GmbH & Co KG Wirtschaftsprüfungsgesellschaft, based in Heidelberg, Im Breitenspiel 21, 69126 Heidelberg ("Falk" for short), was appointed as auditor and Group auditor for the 2023 financial year by the Annual General Meeting on 29 June 2023 and subsequently commissioned by the Supervisory Board to audit the company's separate and consolidated financial statements. Falk reviewed the separate and consolidated financial statements (including the Group management report) prepared by the Executive Board for the 2023 financial year and issued an unqualified audit opinion in each case.

All Supervisory Board members received the special documentation relevant to the financial statements, in particular the annual financial statements and consolidated financial statements, the associated audit reports from Falk and the Executive Board's proposal for the appropriation of net profit, in good time before the Supervisory Board's balance sheet meeting on 23 April 2024. All members of the Supervisory Board examined the aforementioned documents in detail in preparation for this meeting. At the balance sheet meeting, the annual financial statements, the consolidated financial statements, the Group management report and the proposal for the appropriation of the balance sheet profit were discussed in detail with the Executive Board. The Supervisory Board independently examined the annual financial statements prepared by the Executive Board, the consolidated financial statements and the Group management report for legality, regularity, expediency and economic efficiency, as well

REPORT OF THE SUPERVISORY BOARD

as the Executive Board's proposal for the appropriation of net retained profits. The responsible partner from Falk and the audit manager also attended the balance sheet meeting on 23 April 2023. They reported on the audit, commented on the focal points of the audit and were available to answer additional questions and provide information to the Supervisory Board.

After a detailed examination of the annual financial statements and the consolidated financial statements as well as the Group management report for the 2023 financial year, the Supervisory Board raised no objections to this, nor to the Executive Board's proposal for the appropriation of net retained profits. The Supervisory Board concurred with Falk's audit results and approved the annual financial statements and the consolidated financial statements of Deutsche Rohstoff AG. The annual financial statements of Deutsche Rohstoff AG are therefore approved.

The Supervisory Board would like to thank the members of the Executive Board and all employees for their great commitment and achievements in the 2023 financial year.

Mannheim, April 2024

For the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Thomas', with a large, stylized flourish at the end.

Dr. Thomas Gutschlag
Chairman

AUDITOR'S REPORT

TO DEUTSCHE ROHSTOFF AG, MANNHEIM

AUDIT OPINIONS

We have audited the consolidated financial statements of Deutsche Rohstoff AG, Mannheim, and its subsidiaries (the Group) – which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of Deutsche Rohstoff AG, Mannheim, for the financial year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

OTHER INFORMATION

The Report of the Supervisory Board is the responsibility of the Supervisory Board. The executive directors are responsible for the other information. The other information includes:

- Letter from the Executive Directors to the Shareholders
- Comments on the shares and bonds in the Annual Report
- Report of the Supervisory Board

Our audit opinions on the consolidated financial statements and on the group management report do not extend to the other information, and accordingly, we do not express an opinion or any other form of assurance on it. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in doing so, to consider whether the other information is

- materially inconsistent with the consolidated financial statements, the group management report or the knowledge obtained during our audit , or
- otherwise materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the exec-

AUDITOR'S REPORT

utive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group manage-

ment report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to

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the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

· Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

· Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

· Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

· Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not

express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Heidelberg, 23 April 2024

FALK GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Steffen Ahrens

Bastian Wenk

Wirtschaftsprüfer

Wirtschaftsprüfer

DISCLAIMER

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect the management's current views in respect of future developments. Such statements are subject to risks and uncertainties that are beyond the ability of Deutsche Rohstoff AG (DRAG) to control or estimate precisely. Such statements may include future market conditions and economic environment, the behaviour of other market participants, the successful acquisition or sale of group companies or interests and the actions of government bodies. Should any of the above stated risks or other risks and uncertainties occur, or should the assumptions underlying any of these statements prove incorrect, then the actual results may differ significantly from those expressed or implied by such statements. DRAG neither intends nor assumes any obligation to update any forward-looking statements to reflect events or developments that take place after the date of this report.

DEVIATIONS RESULTING FROM TECHNICAL GROUNDS

For technical reasons (e.g. resulting from the conversion of electronic formats) deviations may arise between the accounting documents contained in this Annual Report and those submitted to the electronic Federal Gazette in Germany. In this case the version submitted to the electronic Federal Gazette shall be considered the binding version.

This English version of the Annual Report is a translation of the original German version; in the event of any deviation, the German version of the Annual Report shall take precedence over the English version.

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CONTACT DETAILS / PUBLISHER

Deutsche Rohstoff AG
Q7, 24
68161 Mannheim
Germany

Telephone +49 621 490 817 0

info@rohstoff.de
www.rohstoff.de

District Court: Mannheim
HRB Number: 702881

Deutsche Rohstoff



@deurohstoffag



<https://tinyurl.com/DRAGLinkedIn>

