UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Introduction

The unaudited pro forma financial information of the Enlarged Group (the "**Unaudited Pro Forma Financial Information**") presented below has been prepared to illustrate the unaudited pro forma consolidated statement of financial position of the Enlarged Group as if the acquisition of the Target Group ("**Acquisition**") had been completed on 30 June 2026.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following completion of the Acquisition.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared based on the use of accounting policies of the Enlarged Group consistent with that of the Group, and the unaudited consolidated statement of financial position of the Group as at 30 June 2026 included in the published interim report of the Company for the six months ended 30 June 2026, and the audited consolidated statement of financial position of the Target Group as at 30 June 2026, which has been extracted from the accountant's report of the Target Group as set out in Appendix II to this circular, respectively, after giving effect to the unaudited pro forma adjustment as described in the accompanying notes.

The Unaudited Pro Forma Financial Information was also prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only. Due to its hypothetical nature, the Unaudited Pro Forma Financial Information may not purport to predict what the assets and liabilities of the Enlarged Group would be.

The Unaudited Pro Forma Financial Information should be read in conjunction with amongst others, the financial information of the Group as set out in the published interim report of the Company for the six months ended 30 June 2026 and other financial information included elsewhere in this circular.

PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Pro Forma Consolidated Statement of Financial Position of the Enlarged Group as at 30 June 2026

	The Group	The Target Group		Pro Forma Adjustments			Unaudited Pro Forma Enlarged Group
	A$'m	*US$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*
	(Note 1)	*(Note 2)*	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
Current assets							
Cash and cash equivalents	2,094	181	263	(1,155)	–	(220)	982
Trade and other receivables	650	89	130	–	–	–	780
Inventories	419	59	86	–	–	–	505
Royalty receivable	19	–	–	–	–	–	19
Other current assets	36	2	3	–	–	–	39
Total current assets	**3,218**	**331**	**482**	**(1,155)**	**–**	**(220)**	**2,325**
Non-current assets							
Trade and other receivables	97	6	9	–	–	–	106
Property, plant and equipment	4,236	736	1,071	–	–	–	5,307
Mining tenements	3,467	1,164	1,695	–	246	–	5,408
Exploration and evaluation assets	241	–	–	–	–	–	241
Intangible assets	130	1	1	–	–	–	131
Royalty receivable	155	–	–	–	–	–	155
Interest in other entities	380	–	–	–	–	–	380
Kestrel investment	56	–	–	2,420	(2,476)	–	–
Other non-current assets	10	–	–	–	–	–	10
Total non-current assets	**8,772**	**1,907**	**2,776**	**2,420**	**(2,230)**	**–**	**11,738**
Total assets	**11,990**	**2,238**	**3,258**	**1,265**	**(2,230)**	**(220)**	**14,063**

	The Group	The Target Group		Pro Forma Adjustments			Unaudited Pro Forma Enlarged Group
	A$'m	*US$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*
	(Note 1)	*(Note 2)*	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
Current liabilities							
Trade and other liabilities	963	63	92	–	–	–	1,055
Interest-bearing liabilities	37	3	4	–	–	–	41
Current tax liabilities	35	2	3	–	–	–	38
Provisions	137	41	60	–	–	–	197
Total current liabilities	**1,172**	**109**	**159**	**–**	**–**	**–**	**1,331**
Non-current liabilities							
Trade and other payables	56	–	–	–	–	–	56
Contingent consideration	–	–	–	149	–	–	149
Interest-bearing liabilities	23	428	623	1,116	–	–	1,762
Deferred tax liabilities	273	123	179	–	–	–	452
Provisions	1,445	46	67	–	–	–	1,512
Total non-current liabilities	**1,797**	**597**	**869**	**1,265**	**–**	**–**	**3,931**
Total liabilities	**2,969**	**706**	**1,028**	**1,265**	**–**	**–**	**5,262**
Net assets	**9,021**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,801**
Equity							
Contributed equity	6,698	1,184	1,724	–	(1,724)	–	6,698
Reserves	7	–	–	–	–	–	7
Retained earnings	2,314	348	506	–	(506)	(220)	2,094
Capital and reserves attributable to owners	**9,019**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,799**
Non-controlling interests	2	–	–	–	–	–	2
Total equity	**9,021**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,801**

A. NOTES TO THE PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The financial information of the Group as at 30 June 2026 is extracted from the unaudited financial statements of the Group.

2. The financial information of the Target Group as at 30 June 2026 is extracted from the Accountants' Report as set out in Appendix II to this circular and translated to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026.

   No representation is made that any amounts in US$ can be or could have been converted to A$ at the relevant date and period at the above rates or any other rates or at all.

3. This pro forma adjustment recognises the Investment Cost at Completion of A$2,412 million and the funding sources of the Acquisition.

   Investment Cost

   According to the Sale and Purchase Agreement (the "**SPA**"), the Company would acquire the entire equity interests in Kestrel Coal Group Pty Ltd, the head entity of the Target Group.

   The consideration for the Acquisition (the "**Total Consideration**") consists of:

   (i) US$1.85 billion (the "**Upfront Consideration**") payable upon Completion, inclusive of a US$40 million deposit paid on signing of the SPA on 14 April 2026.

   (ii) Up to US$550 million in contingent cash consideration (the "**Contingent Consideration**"), payable annually over a five-year period from Completion, if in any year the average (mean) published daily prices for the Platts Premium Low Vol. Hard Coking Coal FOB Australia (PLVHA00) Index exceeds a specified threshold.

   The Directors considered that the discounted present value of the Contingent Consideration to be US$102 million, based on a probabilistic NPV analysis.

   The Total Consideration is subject to:

   (i) a net debt (borrowings less cash) adjustment determined with reference to the actual net debt at the date of Completion.

   (ii) a working capital adjustment determined by the difference between the actual working capital at the date of Completion and the target working capital.

The net debt and working capital adjustments are defined in the SPA and are subject to agreement between the transacting parties.

For illustrative purposes interest-bearing liabilities have been assumed to be a reasonable proxy for debt as defined in the SPA and the Directors have assumed that no adjustment to the net working capital is required for the purpose of the Unaudited Pro Forma Financial Information.

The following is a reconciliation of the Total Consideration including a translation to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026:

	US$'m	**A$'m**
Upfront Consideration (US$1.85 billion less US$40 million deposit)	1,810	2,635
Add:		
Cash and cash equivalents at 30 June 2026	181	263
Less:		
Interest-bearing liabilities at 30 June 2026	(431)	(627)
Adjusted Upfront Consideration	**1,560**	**2,271**
Contingent Consideration (US$102 million)	102	149
Investment Cost at Completion	**1,662**	**2,420**
Add: Deposit paid (US$40 million)[11]	40	56
Total Investment Cost (Total Consideration)	**1,702**	**2,476**

[11] US$40 million translated at US$1 to A$1.4118, which is based on the Reserve Bank of Australia published closing rate on 14 April 2026.

Funding

The Adjusted Upfront Consideration for the Acquisition of US$1,560 million will be settled by a combination of available cash and cash equivalents and a US$1.2 billion five-year syndicated acquisition loan facility.

The following is a reconciliation of the funding sources to settle the Adjusted Upfront Consideration including a translation to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026:

	US$'m	**A$'m**
Cash and cash equivalents	624	908
Debt facility (up to US$1.2 billion)	936	1,363
Adjusted Upfront Consideration	**1,560**	**2,271**

It is the Company's intention that immediately on completion of the Acquisition, or soon thereafter, that the Target Group's syndicated bank loan, will be repaid in full. The loan balance recognised on the Target Group's balance sheet at 30 June 2026 was US$424 million before unamortised borrowing costs of US$5 million (noting the total interest-bearing liabilities of US$431 million also includes lease liabilities of US$12 million). For the purposes of the Unaudited Pro Forma Financial Information it is assumed that the US$424 million is repaid at Completion from available cash and cash equivalents and by drawing from the US$1.2 billion five-year syndicated acquisition loan facility as set out in the table below.

	US$'m	**A$'m**
Cash and cash equivalents	170	247
Debt facility (up to US$1.2 billion)	254	370
Target Group debt	**424**	**617**

4. This adjustment eliminates the Total Investment Cost of A$2,476 million in the Target Group.

The Group has applied the acquisition method in accordance with International Financial Reporting Standard ("**IFRS**") 3 "Business Combinations" to account for the Acquisition as if the Acquisition had been completed on 30 June 2026 and a summary of the acquisition accounting is set out below.

	Note	**US$'m**	**A$'m**
Total Consideration (note 3)		**1,702**	**2,476**
Fair value of identifiable assets and liabilities			
– Carrying amount of identifiable net assets (note 2)		1,532	2,230
– Pro forma fair value adjustments			
– Mining tenements	(i)	170	246
		1,702	**2,476**
Pro forma Goodwill		**–**	**–**

For the purpose of preparation of the Unaudited Pro Forma Financial Information, it is assumed that the fair values of the identifiable assets and liabilities of the Target Group, except for those items set out below, approximates to their respective carrying amounts as at 30 June 2026.

Note:

(i) The Directors note that the Acquisition was the result of a competitive multi-company bid process that culminated in the Company being nominated as the preferred bidder prior to final agreement of the Total Consideration. As such the directors of the Company believe the Total Consideration represents the fair value of the identifiable assets and liabilities acquired between a willing buyer and seller. As a result, the directors of the Company believe that in accordance with IFRS 3 there is no goodwill or gain on bargain purchase attributable to the Acquisition.

The Directors note the outcome of the Valuation Report that included a mid-point valuation of US$2,334 million included in Appendix VII to this circular, and that this is in excess of the Total Consideration of US$1,952 million (on a no cash no debt basis).

This surplus valuation has been used to support a fair value uplift of US$170 million to the value of mining tenements.

5. This adjustment includes the estimated transaction costs.

   The Acquisition is subject to Queensland State Government Stamp Duty based on the assessed dutiable value of the Acquisition. This amount is still subject to finalisation, but the estimated amount is up to US$138 million (A$200 million) and is expected to be settled no earlier than December 2026. The final amount of stamp duty payable may be higher or lower than the estimated amount due to various factors including the finalisation of independent valuations.

   Transaction costs of approximately A$20 million, relating to financial advisors, legal, accounting and tax and other professional services, are estimated to be incurred from 30 June 2026 to the date of lodgement of this Circular, including Completion.

   Stamp duty and transaction costs incurred are expensed to the consolidated statement of profit or loss when incurred but for the purposes of the Unaudited Pro Forma Financial Information the cash flow is assumed to occur on Completion.

   The transaction cost adjustment is not expected to have a continuing effect on the Enlarged Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

The fair values of the identifiable assets and liabilities of the Target Group determined on the Completion date may be materially different from their respective values used in the preparation of the Unaudited Pro Forma Financial Information. Accordingly, the final amounts of assets or liabilities and goodwill, if any, to be recognised in the consolidated financial statements of the Enlarged Group upon Completion may be materially different from the amounts adopted in the preparation of this Unaudited Pro Forma Financial Information.

Deferred taxation is calculated on the temporary differences arising from the difference in fair values and tax bases of the acquired assets on 30 June 2026 and is calculated using the Australian corporate tax rate of 30%.

The amounts of fair value adjustments and deferred tax impact are subject to change when the purchase price allocation is finalised based on the date of actual completion of the Acquisition and the taxable amounts of the relevant acquired assets are reviewed and confirmed by the local tax authority in Australia upon the actual completion of the Acquisition.

Set out below is the text of a report received from the independent reporting accountants of the Company, SW Audit, which has been prepared for the purpose of incorporated in this circular.

SW Accountants & Advisors

Take the lead

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Yancoal Australia Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yancoal Australia Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma statement of assets and liabilities as at 30 June 2026 and related notes as set out on pages IV-1 to IV-8 of the circular issued by the Company dated 23 November 2026 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages IV-1 to IV-8 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of the entire issued share capital of Kestrel Coal Group Pty Limited (the "Transaction") on the Group's financial position as at 30 June 2026 as if the transaction had taken place at 30 June 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's half-year consolidated financial statements for the half-year ended 30 June 2026, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the International Auditing and Assurance Standards Board ("IAASB"), which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Brisbane
Level 15
240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
Level 10
530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 18
197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800

sw-au.com

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Take the lead

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the IAASB. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules

Yours sincerely



SW Audit
Chartered Accountants
Rami Eltchelebi

Sydney, 23 November 2026