COAL ENERGY S.A.

Annual Report for FY2025

Content

Dear Shareholders,

Fiscal year 2025 was a year of transformation and strategic realignment for Coal Energy S.A., marked by decisive actions to strengthen our operating foundations and position the Company for sustainable growth in Central and Eastern Europe. Despite a challenging macroeconomic and geopolitical environment, the steps taken during the year reinforce our long-term strategy and create a solid platform for future development.

Our operating and financial performance in FY2025 was supported by the launch of a new business segment – the provision of mining services to coal producers in Poland. Revenue from service activities reached USD 3.76 million, representing a 52.4% year-on-year increase. This segment has already become an important contributor to revenue growth and is expected to remain a key driver of expansion as we continue to strengthen our service offering and scale operations in Poland.

At the same time, the Company reported negative EBITDA of USD 0.9 million for FY2025. This result was largely influenced by non-cash accounting provisions, including expected credit losses and provisions for unused vacation balances. These adjustments were prudential in nature, improved the transparency of our financial statements, and did not affect the Company's liquidity or underlying operational capabilities.

FY2025 was also a year of important structural and portfolio decisions. In line with our development strategy, Coal Energy completed the disposal of selected foreign subsidiaries, including Ukrainian and Cypriot entities, allowing the Group to sharpen its focus on markets with the strongest operational and regulatory potential.

In September 2025, the Management Board approved an Update of Coal Energy S.A.'s Development Strategy for 2025–2027, reflecting newly secured financing, ongoing investment projects, and the prolonged armed conflict in Ukraine. The updated strategy is built on four pillars:

1. coal mining operations in Poland and Romania,
2. provision of mining services in Poland and Romania,
3. development of critical raw materials extraction in Central and Eastern Europe and Ukraine, and
4. global advisory services for the mineral resources sector.

Following the end of the reporting period, a number of significant events further strengthened the Company's outlook. Coal Energy received a comprehensive legal and technical analysis confirming the feasibility of exploiting the Bobrek-Miechowice coal deposit, an important milestone in the process of obtaining a mining license and re-establishing mining operations in Poland. In parallel, we are advancing preparations to enter the Romanian market and exploring operational projects in Albania, where a memorandum of cooperation was signed covering licenses for copper, gold, and cobalt. The Company has also announced its intention to commence exploration activities for rare earth metals.

An important enabler of our strategy has been the successful securing of financing through the issuance of interest-free convertible bonds under an agreement with the Global Tech Opportunities 31 fund, part of the ABO Securities group. To date, Coal Energy has received

PLN 4.5 million, with a portion of the bonds already converted into newly issued shares, strengthening the Company's equity base.

Looking ahead, we remain cautiously optimistic about the outlook for mining service providers and resource development projects. Aging infrastructure, rising regulatory requirements, and workforce shortages are driving increased demand for specialized external mining services—an area in which Coal Energy has proven expertise. At the same time, we continue to build long-term value through disciplined development of mining and critical raw material projects aligned with Europe's evolving resource needs.

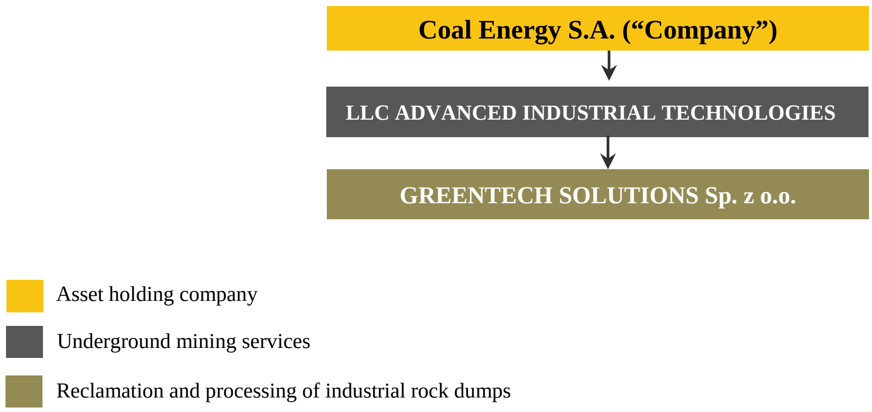
I would like to thank our Shareholders for their continued trust and our employees and partners for their commitment and professionalism. I am confident that consistent execution of our updated strategy will allow Coal Energy S.A. to strengthen its market position and deliver sustainable value in the years ahead.

With best regards,
Viktor Vyshnevetskyy
Chairman of the Board of Directors and Chief Executive Officer

Business overview

Coal Energy S.A. (hereinafter “Coal Energy” or “the Company” or “the Group”) incorporated in the Grand Duchy of Luxembourg is a holding company for a group of 3 companies operating in the mining industry (as of the day of publication of this report). In July 2011 the Group placed 25% of its shares on the Warsaw Stock Exchange via initial public offering.

Structure of the Coal Energy S.A. Group



The Company’s principal business in FY2025 was providing mining services to European companies.

In December 2023 the Company has signed an agreement on acquisition of 100% of shares of ADVANCED INDUSTRIAL TECHNOLOGIES Sp. z o.o. - company registered in Katowice, Poland. LLC ADVANCED INDUSTRIAL TECHNOLOGIES was established in 2018 and provides underground mining services to coal mines in Poland.

In January 2024 ADVANCED INDUSTRIAL TECHNOLOGIES (Poland) jointly with DSB GROUP Sp. Zo.o. have incorporated GREENTECH SOLUTIONS Sp. z o.o. in Poland. The authorized capital of the new Company is 100 000 PLN, each party holds 50% share. The main activity of the new company will be the reclamation and processing of industrial rock dumps and mine waste dumps, as well as the reclamation of lands disturbed by man-made activities

Our markets (based on available statistical and media information)

During the first quarter of 2025 financial year, Poland’s mining services sector operated within a dynamic and transitional landscape shaped by regulatory, geopolitical, and technological forces. Despite structural shifts in the national energy mix coal remained a vital component of Poland’s energy matrix, contributing significantly to energy security and industrial continuity. According to the Polish Ministry of State Assets coal-fired power still supplied over 49% of the country’s electricity demand as of late Q3 2024 (1QFY2025) underscoring relevance of coal in national energy strategy.
In response mining service providers focused on solutions that optimize performance, extend mine viability and enhance operational transparency. Emerging trends in automation, predictive maintenance and environmental monitoring gained traction across both public and privately managed coal operators. This momentum has created new opportunities for service partners delivering cost efficient infrastructure support, safe dewatering, drilling and transport solutions.

The mining support services industry in Poland was valued at approximately €648.5 million in 2024, with over 430 active businesses and 14,000 employees, according to IBISWorld. While the sector faced moderate competition, it benefited from relatively low revenue volatility and a growing emphasis on technological partnerships and sustainable practices.

Geopolitical tensions, particularly the ongoing war in Ukraine, continued to disrupt regional supply chains, prompting Polish mining firms to diversify sourcing strategies and enhance domestic capabilities. This environment has increased demand for resilient, tech-enabled service providers capable of supporting both legacy operations and new mineral exploration projects.
In the fourth quarter of 2024, Poland's coal mining sector remained a critical component of the national energy and industrial landscape, despite ongoing structural and regulatory pressures. While the long-term trajectory points toward diversification and decarbonization, coal—particularly hard coal—continues to play a stabilizing role in Poland's energy security and economic resilience.

The sector continues to face rising operational costs, aging infrastructure, and environmental compliance demands. However, these pressures are also creating opportunities for service providers offering modernization and efficiency solutions.

While Poland remains committed to phasing out coal by 2049 under EU climate directives, the near- to mid-term outlook for coal mining services remains stable and opportunity-rich. Companies that position themselves as partners in operational resilience, safety, and modernization are well-placed to support the sector's evolution.

Outlook for 2025 assumes Poland's coal industry continues to operate in a dual reality: while thermal coal faces long-term decline under EU decarbonization goals, coking coal remains a strategic industrial asset, both domestically and across Europe. As the only EU country with significant coking coal production, Poland plays a central role in securing supply for the steel and heavy manufacturing sectors.

Poland is expected to produce approximately 11 million tonnes of coking coal in 2025, up from 9.9 million tonnes in 2024. Coking coal is classified as a Critical Raw Material under the EU's 2024 Critical Raw Materials Act due to its essential role in steelmaking and high supply risk. Demand is projected to remain stable at 12.5–13 million tonnes per year through 2040, aligning with current production levels.

As of the first quarter of 2025 calendar year, Poland's coal mining sector remains a structurally significant part of the national economy, operating at the intersection of industrial necessity and regulatory transition. While the long-term policy direction favors decarbonization, coal—particularly coking coal—continues to underpin strategic industries such as steel and heavy manufacturing. In March 2025, hard coal production in Poland reached 3.59 million tonnes, with cumulative Q1 output slightly exceeding expectations due to stable winter demand. However, sales volumes declined by 4% month-on-month, reflecting market volatility and pricing pressure.

The outlook for mining service providers in 2025 remains cautiously optimistic. As coal producers face aging infrastructure, rising compliance costs, and workforce attrition, demand is increasing for specialized external support in the following areas: underground infrastructure maintenance and modernization, ventilation, safety systems, and hazard mitigation, operational efficiency consulting and equipment servicing, environmental monitoring and reporting support.

Companies positioned as strategic partners in resilience, safety, and modernization are expected to benefit from long-term service contracts and EU-funded transition programs. The Polish government's 2025 Industrial Adaptation Framework includes provisions for technical service subsidies in mining regions, further supporting demand.

Coking coal remains Poland's most resilient coal segment. With projected national output of 11 million tonnes in 2025, Poland continues to serve as the EU's primary supplier of this Critical Raw Material. Demand is expected to remain stable at 12.5–13 million tonnes annually through 2040, driven by steel production and limited substitution options.

This sustained demand reinforces the need for reliable mining operations, where service providers play a key role in ensuring safety, continuity, and regulatory compliance. Companies offering integrated underground services are increasingly viewed not just as contractors, but as long-term operational partners.

People

In FY2025, the Group employed an average of 96 employees (weighted average headcount), reflecting a decrease of 4.0% year-on-year. The slight reduction in headcount primarily reflects efficiency measures and organizational adjustments undertaken during the year. Despite the decline, the Group continues to maintain adequate staffing levels to support ongoing operations and the development of its business segment in Poland.

	FY 2025	FY 2024
Mining	71	75
Support production	-	-
Administrative and sales personnel	25	25
Total	**96**	**100**

Summary of payments to the Polish authorities

in thousand of US$	FY2025	FY2024
Social Insurance Funds employer	1,264	344
Income tax	28	99
VAT	670	660
Other taxes	40	137
Total	**2,002**	**1,240**

Financial overview

The Group's financial performance in FY2025 reflected continued progress in developing its new business segment in Poland, which contributed to revenue growth despite challenging market conditions. The following table provides a summary of the Group's key indicators for FY2025 and FY2024 (all figures are rounded)

in thousands of US$	FY2025	FY2024	Relative change y-o-y
Revenue	3,759	2,466	52.4%
Gross profit	469	788	(40.5%)
EBIT	(914)	(559)	*n/a*
EBITDA	(911)	(559)	*n/a*
Net loss/profit	4,124	(2,130)	*n/a*

Revenue

For FY2025, total revenue amounted to **US$3,759 thousand**, compared to **US$2,466 thousand** in FY2024, representing a **52.4% year-on-year increase**. This growth reflects the continued expansion of the Company's new business segment in Poland, which has become a key contributor to overall performance.

In 4Q FY2025, revenue totaled **US$736 thousand**, compared to **US$857 thousand** in 3Q FY2025, reflecting a **14.1% quarter-on-quarter decline**. The quarterly decrease is due to normal fluctuations in service activity levels, decrease in the volume of ordered works while the full-year results confirm the positive trajectory of the Company's revenue base.

Services rendered are represented by mining works related to the reconstruction of existing third-party coal mines, installation of appropriate repair kits, works on strengthening of inclined planes, excavation of new lines and other mining works related to maintenance of coal mines.

Gross loss/profit

For FY2025, the Group reported a gross profit of **US$469 thousand as compared to US$788 thousand** representing a 40.5% year-on-year decline. In the 4Q of FY2025, gross loss of **US$129 thousand**, compared to a gross profit of US$142 thousand in the 3Q of FY2025.
The decline in quarterly performance was primarily due to cost of sales exceeding revenue, driven by the recognition of a US$150 thousand provision for unused vacations. This accounting adjustment had a material impact on gross margin, despite the overall improvement in full-year gross profit compared to prior periods

Operating profit/ loss

For FY2025, the Company recorded an operating loss of **US$914 thousand**, compared to **US$559 thousand** in FY2024, representing a **63.6% year-on-year increase in losses**. In the 4Q of FY2025, operating loss amounted to **US$613 thousand**, compared to an operating loss of **US$78 thousand** in the 3Q of FY2025.

The deterioration in FY2025 operating results was attributable to the recognition of provisions, including a US$255 thousand provision for expected credit losses and a US$165 thousand provision for unused vacations.

Financial costs

For FY2025, financial costs amounted to **US$137 thousand**, compared to **US$665 thousand** in FY2024, representing a **79.4% year-on-year decrease**. In the 4Q of FY2025, financial costs totaled **US$74 thousand**, compared to **US$34 thousand** in the 3Q of FY2025 attributable to significant foreign exchange differences, while the full-year reduction reflects lower expenses compared to the prior year, when costs were mainly driven by loan restructuring activities.

Net loss / profit

For FY2025, the Company recorded a net profit of **US$4,124 thousand**, compared to a net loss of **US$2,130 thousand** in FY2024, representing a **substantial improvement year-on-year**. In the fourth quarter of FY2025, net profit amounted to **US$2,524 thousand**, compared to **US$1,969 thousand** in the third quarter of FY2025.

The positive result in FY2025 was largely attributable to the disposal of four assets within the Group.

Risks and uncertainties

The Company's financial performance is dependent on the global price of and demand for coal

The Company's business is dependent on the global market price of coal. Sale prices and volumes in the worldwide coal market depend predominantly on the prevailing and expected levels of demand for and supply of coal, mainly from energy and steel manufacturers. But the company's financial results will increasingly depend on the situation on the coal market in the countries where the company will operate. In general, European countries are taking steps to slowly move away from coal mining, but at the same time, more and more attention is being paid to the extraction of other minerals that may also be of interest to the Company.

The Company's production costs and costs of technologies applied by the Company may increase

The Company's main production expenses are energy costs, salaries and consumables. Due to the company's new strategy, which provides for the transfer of operations abroad, it is expected that there will be additional costs related to starting operations in new markets, acquiring new entities and acquiring customers.

The Company's activity may be impacted by limited banking financing of its project

The Company's operations and growth initiatives could be significantly impacted by constrained access to banking financing for its projects. Such limitations in financing could restrict the Company's ability to fully implement its planned investment program, which is critical for achieving the strategic targets and ensuring the long-term sustainability of its business activities.

To continue funding its development plans at the levels required, the Company will need to seek alternative sources of external finance. These may include a broader range of financial instruments and capital-raising opportunities available to publicly listed companies, such as issuing bonds, equity or debt offerings in the capital markets, private placements, or seeking financing through international financial institutions and development agencies.

The Company can mitigate this risk by exploring alternative external financing options and utilizing other financial instruments available to publicly listed companies, such as equity or debt offerings, bond issuance, or government grants, to secure the necessary capital.

Corporate Governance

The Company has decided to observe the majority of the WSE Corporate Governance Rules included in the Code of Best Practice for WSE Listed Companies to the form and extent determined by the Resolution No. 13/1834/2021 of the Exchange Supervisory Board dated 29 March 2021. However, certain principles apply to the Company accordingly, with due observance of Luxembourg corporate law and the Company's corporate structure, especially the single board structure as opposed to the two-tier system that the WSE Corporate Governance Rules assume. The Company does not have two separate governing bodies (supervisory board and management board) which are obligatory in Polish joint stock companies. Instead, the Board of Directors of the Company performs both the management and supervisory functions. As a result, the Company applies those principles of the WSE Corporate Governance Rules which refer to relations between supervisory board and management board not directly, but accordingly. In all cases, the Company endeavours to create procedures maintaining the spirit of all rules applied accordingly. Therefore, the Company is of an opinion that it complies with the rules that refer to relations between supervisory board and management board or to the functioning of those bodies.

RULE	STATUS IN THE COMPANY
I. Recommendations for Best Practice for Listed Companies	
1. A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information. Using such methods to the broadest extent possible, a company should in particular: - maintain a company website whose scope and method of presentation should be based on the model investor relations service available at http://naszmodel.gpw.pl/; - ensure adequate communication with investors and analysts, and use to this purpose also modern methods of Internet communication.	The Company made the broad use of both traditional and modern methods /i.e. Internet tools/ to ensure effective communication and access to information for shareholders, analysts and investors. The Company’s website is not identical with the scope and method of presentation specified by naszmodel.gpw.pl, however the Company has launched website which in Company’s opinion meets the requirements for fast and secure communication with stakeholders and is designed to pursue effective information policy.
3. A company should make every effort to ensure that any cancellation of a General Meeting or change of its date should not prevent or restrict the exercise of the shareholders’ right to participate in a General Meeting	Complies
4. Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such	Not applicable, the Company’s securities are listed and traded on the WSE only

securities are traded	
5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.	Currently, the Company does not have a remuneration policy adopted. The Company does not exclude that the remuneration policy will be adopted by the General Meeting in the future
6. A member of the Supervisory Board should have appropriate expertise and experience and be able to devote the time necessary to perform his or her duties. A member of the Supervisory Board should take relevant action to ensure that the Supervisory Board is informed about issues significant to the company	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company.
7. Each member of the Supervisory Board should act in the interests of the company and form independent decisions and judgments, and in particular: - refuse to accept unreasonable benefits which could have a negative impact on the independence of his or her opinions and judgments; - raise explicit objections and separate opinions in any case when he or she deems that the decision of the Supervisory Board is contrary to the interest of the company.	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company.
8. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related entities	Complies
9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business	Currently, the Company does not comply with this recommendation. The Company supports this recommendation however the members of the Board of Directors are appointed by the General Meeting of Shareholders and therefore the compliance with this recommendation depends on the shareholders' future decisions

10. If a company supports different forms or artistic and cultural expression, sport activities, educational or scientific activities, and considers its activity in this area to be a part of its business mission and development strategy, impacting the innovativeness and competitiveness of the enterprise, it is good practice to publish, in a mode adopted by the company, the rules of its activity in this area.	Complies
11. As part of a listed company's due care for the adequate quality of reporting practice, the company should take a position, expressed in a communication published on its website, unless the company considers other measures to be more adequate, wherever with regard to the company: - published information is untrue or partly untrue from the beginning or at a later time; - publicly expressed opinions are not based on material objective grounds from the beginning or as a result of later circumstances. This rule concerns opinions and information expressed publicly by company representatives in the broad sense or by other persons whose statements may have an opinion-making effect, whether such information or opinions contain suggestions advantageous or disadvantageous to the company	Complies
A company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a plenipotentiary, outside the venue of the General Meeting, using electronic communication means.	Currently, the Company complies with this recommendation partially. Articles of Association of the Company provide that all the meetings take place in Luxembourg, in the place specified in the convening note and the Company has not implemented the technology enabling electronic communication. The Company however supports its shareholders to exercise their voting rights by authorizing the proxies who are bound by instruction or a third party. The Company does not preclude the possibility of providing shareholders with electronic communication tools during General Meetings in the future.
II. Best Practice for Management Boards of Listed Companies	
1. A company should operate a corporate website and publish on it, in addition to information required by legal regulations:	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company.

1) basic corporate regulations, in particular the statutes and internal regulations of its governing bodies; 2) professional CVs of the members of its governing bodies; 2a)on an annual basis, in the fourth quarter – information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years; 3) current and periodic reports; 4) *deleted* 5) where members of the company's governing body are elected by the General Meeting – the basis for proposed candidates for the company's Management Board and Supervisory Board available to the company, together with the professional CVs of the candidates within a timeframe enabling a review of the documents and an informed decision on a resolution; 6) annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the internal control system and the significant risk management system submitted by the Supervisory Board; 7) shareholders' questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions; 8) information about the reasons for cancellation of a General Meeting, change of its date or agenda together with grounds; 9) information about breaks in a General Meetings and the grounds of those breaks; 9a) a record of the General Meeting in audio or video format; 10) information on corporate events such as payment of the dividend, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations. Such information should be published within a timeframe enabling investors to make	Currently, the Company has not adopted rules of changing the company authorized to audit financial statements - rule II.1.14). The Company does not exclude that the rules will be adopted in the future. The Company has not implemented registration of General Meetings in audio or video format, nonetheless the Company does not exclude that such rule will be adopted in the future.

investment decisions; 11) information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting; 12) where the company has introduced an employee incentive scheme based on shares or similar instruments – information about the projected cost to be incurred by the company from its introduction; 13) a statement on compliance with the corporate governance rules contained in the last published annual report, as well as the report referred to in § 29.5 of the Exchange Rules, if published; 14) information about the content of the company's internal rule of changing the company authorized to audit financial statements or information about the absence of such rule.	
2. A company should ensure that its website is also available in English, at least to the extent described in section II.1.	Complies
3. Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake.	Not applicable. According to the Luxembourg corporate law there is a single board structure in the Company.
4. A member of the Management Board should provide notification of any conflicts of interest which have arisen or may arise, to the Management Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company. The Articles of Association address the conflict of interest issue in article 14.
6. A General Meeting should be attended by members of the Management Board who can answer questions submitted at the General Meeting.	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company.

7. A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	Complies
8. If a company's Management Board is informed that a General Meeting has been summoned pursuant to Article 399 § 2–4 of the Code of Commercial Partnerships and Companies, the company's Management Board shall immediately perform the actions it is required to take in connection with organizing and conducting a General Meeting. This rule shall also apply if a General Meeting is summoned on the basis of authorization given by the registration court pursuant to Article 400 § 3 of the Code of Commercial Partnerships and Companies.	Complies with the reservation that the Code of Commercial Partnerships and Companies is not applicable to the Luxembourg based companies and according to the Luxembourg corporate law there is a single board structure in the Company. Nonetheless the Articles of Association in article 15.3. states that shareholders representing one tenth of the subscribed share capital may, in compliance with the law of 10 August, as amended, on commercial companies, request the Board of Directors to call a General Meeting of shareholders.
III. Best Practice for Supervisory Board Members	
1. In addition to its responsibilities laid down in legal provisions the Supervisory Board should: 1) once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system; 2) *deleted* 3) review and present opinions on issues subject to resolutions of the General Meeting.	Not applicable. According to the Luxembourg corporate law there is a single board structure in the Company. The Board of Directors reports are available together with the auditor report and the annual accounts prior to the Annual General Meeting.
2. A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family, and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.	Not applicable. According to the Luxembourg corporate law there is a single board structure in the Company.
3. A General Meeting should be attended by members of the Supervisory Board who can answer questions submitted at the General Meeting.	Complies
4. A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company. The Articles of Association address the conflict of

the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	interest issue in article 14.
5. A member of the Supervisory Board should not resign from this function if this action could have a negative impact on the Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board.	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company.
6. At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	Complies with the reservation that according to the Luxembourg corporate law there is a single board structure in the Company. 2 members of the Board of Directors are independent.
8. Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors…* should apply to the tasks and the operation of the committees of the Supervisory Board.	Complies partially. The Board of Directors established from among its members the Audit Committee. The Company did not establish the Remuneration Committee. The tasks and duties contemplated by a remuneration committee and selection and appointment committee were performed by the entire Board of Directors
9. Execution by the company of an agreement/ transaction with a related entity which meets the conditions of section II.3 requires the approval of the Supervisory Board.	Not applicable. According to the Luxembourg corporate law there is a single board structure in the Company.
IV. Best Practices of Shareholders	
1. Presence of representatives of the media should be allowed at General Meetings.	Complies
2. The rules of General Meetings should not restrict the participation of shareholders in	Complies

General Meetings and the exercising of their rights. Amendments of the rules should take effect at the earliest as of the next General Meeting.	
4. A resolution of the General Meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting it or obligate the competent body to set it before the date of subscription rights within a timeframe enabling an investment decision.	Complies
5. Resolutions of the General Meeting should allow for a sufficient period of time between decisions causing specific corporate events and the date of setting the rights of shareholders pursuant to such events.	Complies
6. The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	Complies
7. A resolution of the General Meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfillment must take place before the date of setting the right to dividend.	Complies
9. A resolution of the General Meeting to split the nominal value of shares should not set the new nominal value of the shares at a level which could result in a very low unit market value of the shares, which could consequently pose a threat to the correct and reliable valuation of the company listed on the Exchange.	Complies
10. A company should enable its shareholders to participate in a General Meeting using electronic communication means through: 1) real-life broadcast of General Meetings; 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting.	Currently, the Company complies with this recommendation partially. Articles of Association of the Company provide that all the meetings take place in Luxembourg, in the place specified in the convening note and the Company has not implemented the technology enabling real-life broadcasting or real-time bilateral communication. The Company however supports its shareholders to exercise their voting rights by authorizing the proxies who are bound by instruction or a third party. The company does not preclude the possibility of providing shareholders with real-time

	bilateral communication during General Meetings in the future.

Board of Directors

The Company has a one-tier corporate governance structure and is administered and managed by the Board of Directors.

In FY2025 Company's Board of Directors composed of 4 directors. The information below sets forth the names, positions, election date, and terms of office of the members of the Board of Directors, discharging their responsibilities as for reporting date of 30th June 2025.

Name	Position/ Function	Class
Viktor Vyshnevetskyy	Chairman of the Board of directors, executive director	Class A director
Oleksandr Reznyk	Executive director	Class A director
Arthur David Johnson	Non-executive independent director	Class A director
Diyar Yakubov	Non-executive independent director	Class B director

The business address for all directors is: 33 rue du Puits Roman, L-8070 Bertrange, Luxembourg.

According to Articles of Association the number of directors is fixed by General Meeting of Shareholders. The General Meeting of Shareholders may decide to appoint Directors of two different classes, being class A Director(s) and class B Director(s). Any such classification of Directors shall be duly recorded in the minutes of the relevant meeting and the Directors be identified with respect to the class they belong. The Directors are to be appointed by the General Meeting of Shareholder for a period not exceeding six years until their successors are elected. Decision to suspend or dismiss a Director must be adopted by the General Meeting of Shareholders with a majority of more than one-half of all voting rights present or represented.

Committees of the Board of Directors

In FY2011, the Board of Directors has established from among its members the Audit Committee. The Company did not establish the Remuneration Committee. The tasks and duties contemplated by a remuneration committee and selection and appointment committee were performed by the entire Board of Directors.

General Meeting of Shareholders

The General Meeting of Shareholders has the powers conferred upon it by the Luxembourg act dated 10 August 1915 on commercial companies as amended.

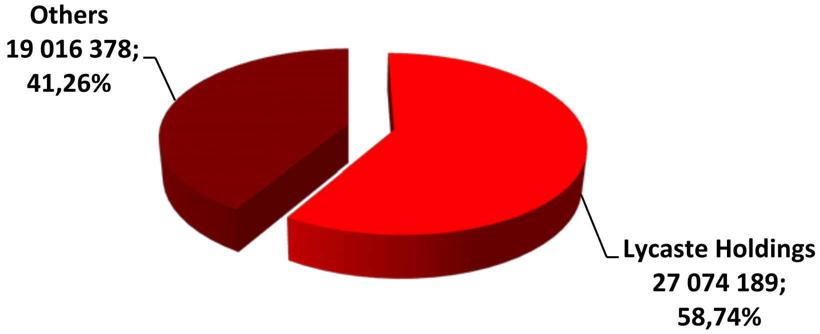
In 2024 calendar year the Company had postponed the Annual General meeting and held Annual General Meeting of Shareholders subsequently on 29th August 2025.

Equity and ownership structure of the parent company

As of the June 30, 2025 share capital of Coal Energy S.A. comprised 45,011,120 shares.

As at the report's publication date share capital of Coal Energy S.A. comprised 46,090,567 shares due to the increase of the share capital of the Company through the issuance of 1,079,447 new ordinary bearer shares with a nominal value of USD 0.01 each at the beginning of FY2026.

Ownership structure of significant blocks of shares (at least 5% of the total number of votes at the Shareholder Meeting of Coal Energy S.A.) as of the date of releasing this financial report is as follows:



*Ownership structure of **Others** is as follows:*

Shareholder	*Number of shares*	*Share in the share capital*
Admitted to trading on the WSE Main Market	11,252,780	24.41%
Shares not admitted to trading on WSE	7,763,598	16.84%

There are no restrictions on transferability of the Company's Shares. According to Articles of Association any transfer of registered shares shall be recorded in the register by the delivery to the Company of an instrument of transfer satisfactory to the Company. There are no holders with special control rights. As at the date of this report there are no agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities or voting right.

The Company may acquire its own Shares to the extent permitted by law. To the extent permitted by Luxembourg law the Board of Directors or as the case may be the Sole Director, is irrevocably authorized and empowered to take any and all steps to execute any and all documents and to do and perform any and all acts for and in the name and on behalf of the Company which may be necessary or advisable in order to effectuate the acquisition of the Shares and the accomplishment and completion of all related action. There are no agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

COAL ENERGY S.A.

2025FY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Coal Energy S.A.

2025FY

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STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

To the best of our knowledge, the consolidated financial statements as of 30 June 2025 of Coal Energy S.A.(the "Group") which have been prepared in accordance with the International financial reporting standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of both Coal Energy S.A. and its subsidiaries included into the Group, and the management report includes a fair review of the development and performance of the business and the position of both Coal Energy S.A. and its subsidiaries included into the Group together with a description of the principal risks and uncertainties they faced for the year ended 30 June 2025 as required under article 3(2)c) of the Transparency Law.

While preparing the consolidated financial statements, the Board of Directors bears responsibility for the following issues:

- selection of the appropriate accounting policies and their consistent application;
- making judgments and estimates that are reasonable and prudent;
- adherence to IFRS principals, with disclosure of all material departures from IFRS in the consolidated financial statements;
- preparation of the consolidated financial statements on the going concern basis.

The Board of Directors confirms that it has complied with the above mentioned principles in preparing the consolidated financial statements of the Group.

The Board of Directors is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group;
- taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- establishing for such internal controls is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

On behalf of the Board of Directors:

Directors A:

__________signed_____________
Chairman of the Board of Directors
Viktor Vyshnevetskyy

__________signed_____________
Business Development Director
Oleksandr Reznyk

__________signed_____________
Independent Non-executive Director
Arthur David Johnson

Directors B:

__________signed_____________
Independent Non-executive Director
Diyar Yakubov

Luxembourg, 19 December 2025

MANAGEMENT REPORT

Management of the Group hereby presents the consolidated financial statements for the year ended 30 June 2025.

1. Results and developments during the year ended 30 June 2025
For the year ended 30 June 2025, the Group's recorded EBITDA loss amounted USD 911 thousand (EBITDA loss for the year ended 30 June 2024 – USD 559 thousand). After depreciation, amortization, finance costs, finance income and taxation, net profit for the year ended 30 June 2025 was USD 4,124 thousand (net loss for the year ended 30 June 2024 – USD 2,130 thousand). The Group completed disposal of its Ukrainian mining operations, as well as Nertera Investments Limited, which resulted USD 5,488 thousand of gain on disposals of subsidiaries.

2. Future developments of the Group
The Group continues and develops its service activities in Poland related to land reclamations and processing and potential coal mining.

3. Activity in the field of research and development
Coal Energy S.A. has decided to initiate the process of obtaining a hard coal mining license in the territory of the Republic of Poland. The strategic project focuses on the "Bobrek-Miechowice" deposit, particularly its western part, which contains previously unexploited resources from the 400-seam series. These resources are currently not covered by any valid mining license and are estimated to exceed 9 million tons. These deposits are stratigraphically located above layers mined by other entities operating in the region, which, on the one hand, ensures their technological accessibility and, on the other, emphasizes the independent nature of the planned project. This project represents a significant step towards diversifying the Company's raw material base and building a solid foundation for operations in the domestic market.

4. Own shares
During the year ended 30 June 2025, the Group and its affiliates have not repurchased shares of Coal Energy S.A.

5. Group's internal control
Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:
- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS;
- provide reasonable assurance that receipts and expenditures of the Group are made in accordance with authorizations of Group's management and directors; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of Group's assets that could have a material effect on the financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Risk Management
The Group has implemented policies and procedures to manage and monitor financial market risks. Financial market activities are overseen by the Group Management Board. All financial market risks are managed in accordance with the treasury and financial risk management policies described in Note 24 as well as exposure to each category of risks. The Group does not use hedging derivatives accounting.

7. Branches
During the year ended 30 June 2025, the Group operated no branches.

8. Subsequent events
Significant events that occurred after the end of the reporting period are described in Note 28 to the consolidated financial statements.

This consolidated management report covers both the consolidated financial statements of the Group and the statutory annual accounts of Coal Energy S. A.

On behalf of management:

Directors A:

__________signed_____________
Chairman of the Board of Directors
Viktor Vyshnevetskyy

__________signed_____________
Business Development Director
Oleksandr Reznyk

__________signed_____________
Independent Non-executive Director
Arthur David Johnson

Directors B:

__________signed_____________
Independent Non-executive Director
Diyar Yakubov

Luxembourg, 19 December 2025

(all amounts in USD thousand, unless otherwise stated)

Coal Energy S.A.

Société anonyme
Registered address: 33 rue du Puits Romain, L-8070 Bertrange, Luxembourg,
the Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 154144
(the "**Company**")

CORPORATE GOVERNANCE STATEMENT

Directors:

Name	Date of Appointment	Date of Resignation
Viktor Vyshnevetskyy – Director A	17 May 2011	-
Oleksandr Reznyk – Director A	17 May 2011	-
Arthur David Johnson – Director A	10 June 2011	-
Diyar Yakubov - Director B	1 August 2016	-

Audit Committee:

Name	Date of Appointment	Date of Resignation
Arthur David Johnson – Director A	10 June 2023	-
Viktor Vyshnevetskyy – Director A	10 June 2023	-
Oleksandr Reznyk – Director A	10 June 2023	-

The Board of Directors (the "Board") states its application of Warsaw Stock Exchange corporate governance rules included in the "Code of Best Practice for WSE Listed Companies" to the form and extent determined by the Resolution No. 13/1834/2021 dated 29 March 2021. The code of Best Practice for WSE Listed Companies is available at the official website of the Warsaw Stock Exchange: gpw.pl/best-practice2021.

The Board is responsible for establishing and maintaining adequate internal and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure the effective oversight of the financial reporting process. These include appointing an independent administrator (the "Administrator") to maintain the accounting records of the Company independent of Coal Energy S.A. The Administrator has a duty of care to maintain proper books and records and prepare for review and approval by the Board the financial statements intended to give a true and fair view. The Board has appointed Wetrust Luxembourg S.A. as Administrator.

The Board is responsible for assessing the risk of irregularities caused by fraud or error in financial reporting and ensuring that the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

The Board maintains control structures designed and aimed at managing the risks, which are significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

The Group's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

There are no restrictions on voting rights.

The Group's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of financial records that, in reasonable detail, accurately and fairly reflect the transactions and disposals of the assets of the Company; provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with Luxembourg legal and regulatory requirements, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposals of the Company's assets that could have a material effect on the financial statements.

In order to ensure, that established controls over financial reporting system worked effectively during the year ended 30 June 2025, a summary of the work performed by the internal audit department was reviewed by the Audit Committee.

No person has any special rights of control over the Company's share capital.

Appointment and replacement of Directors and amendments to the Articles of Association
Regarding the appointment and replacement of Directors, the Company is governed by its Articles of Association (hereafter referred as the "Articles of Association") and Luxembourg Companies Law 1915. The Articles of Associations may be amended from time to time by a general meeting of the shareholders under the quorum and majority requirement provided for by the law of 10 August 1915 on commercial companies in Luxembourg, as amended.

Powers of Directors
The Board is responsible for managing the business affairs of the Company within the clauses of the Articles of Association. The Directors may only act at duly convened meetings of the Board of Directors or by written consent in accordance with article 9 of Articles of Association.

Rights of the shareholders
The operation of the shareholders meetings and their key powers, description of their rights is governed by Articles of Association and national laws and regulation.

Transfer of shares
Transfer of shares is governed by Articles of Association of the Company.

Environmental, social and governance
As part of the annual report, the Company prepares and discloses information on corporate governance. This includes review of compliance with the Code of Best Practice for WSE Listed Companies 2021, covering board structure, shareholder rights, transparency, and ethical standards. Listed SMEs (small and medium-sized enterprises) will only be required to prepare ESG reports starting with financial year 2026. Since the Company qualifies as an SME (meeting the thresholds for small/medium enterprise), it is not yet legally obliged to prepare full social and environmental sustainability reports.

The Company recognizes the importance of ESG factors and strives to ensure corporate governance transparency in line with the expectations of the WSE. While the Group's activities do not have a significant environmental impact, we monitor EU and Polish regulatory requirements regarding sustainable development and are gradually developing non-financial reporting. Currently, the Company monitors key ESG aspects, including corporate governance, employment compliance, business ethics, and risk management. As the regulatory environment evolves, sustainability-related disclosures will expand.

Renumeration policy
Compensation for members of the Board of Directors and management is based on the principles of transparency, proportionality, and market alignment. The Group uses an exclusively fixed compensation system, the amount of which is determined by the level of responsibility, competencies, and nature of the functions performed. The remuneration of management board members (both in the Luxembourg and the Polish subsidiary) consists exclusively of a fixed component or is absent entirely. Variable payments, bonuses, stock option programs, and long-term incentive plans are not used. Currently, a separate, formalized remuneration policy has not been approved. Once developed and adopted, it will be disclosed on the Group's official resources or on the corporate website.

On behalf of management:

Directors A:

__________signed_____________
Chairman of the Board of Directors
Viktor Vyshnevetskyy

__________signed_____________
Business Development Director
Oleksandr Reznyk

__________signed_____________
Independent Non-executive Director
Arthur David Johnson

Director B:

__________signed_____________
Independent Non-executive Director
Diyar Yakubov

Luxembourg, 19 December 2025

(all amounts in USD thousand, unless otherwise stated)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended 30 June 2025	Year ended 30 June 2024
CONTINUING OPERATIONS			
Revenue	6	3,759	2,466
Cost of sales	7	(3,290)	(1,678)
GROSS PROFIT/(LOSS)		**469**	**788**
General and administrative expenses	8	(1,055)	(520)
Other operating income/(expenses), net	9	20	(562)
Impairment of financial assets		(348)	(265)
OPERATING PROFIT/(LOSS)		**(914)**	**(559)**
Other non-operating income/(expenses), net	10	(254)	(1)
Finance income	11	60	173
Finance expenses	12	(137)	(665)
Acquisitions of subsidiaries	26	-	53
PROFIT/(LOSS) BEFORE TAX		**(1,245)**	**(999)**
Income tax benefit/(expenses), net	13	10	(988)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(1,235)**	**(1,987)**
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operation, net of tax	14	(129)	(143)
Gain on disposals of subsidiaries	27	5,488	-
NET PROFIT/(LOSS)		**4,124**	**(2,130)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent		4,128	(2,136)
Non-controlling interests		(4)	6
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods when specific conditions are met			
Effect of currency translation		(77)	236
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FROM CONTINUING OPERATIONS		**(77)**	**236**
DISCONTINUED OPERATIONS			
Effect of currency translation from discontinued operation	14	105	1,240
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**28**	**1,476**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**4,152**	**(654)**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent		4,154	(682)
Non-controlling interests		(2)	28
EARNINGS PER SHARE			
Weighted average number of ordinary shares	15	45,011,120	45,011,120
BASIC PROFIT/(LOSS) PER ORDINARY SHARE (USD cents)	**15**	**9.16**	**(4.73)**
BASIC PROFIT/(LOSS) PER ORDINARY SHARE FROM CONTINUING OPERATIONS (USD cents)	**15**	**(2.74)**	**(4.41)**

Basic profit/(loss) per ordinary share is equal to diluted profit/(loss) per ordinary share.

Notes on pages 11 to 31 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2025	30 June 2024
ASSETS			
Non-current assets			
Property, plant and equipment		25	18
Right-of-use assets	20	83	-
Financial assets		20	13
Investment in joint venture		14	-
		142	**31**
Current assets			
Inventories		-	2
Trade and other receivables	16	549	562
Prepayments		8	32
Other taxes receivables		45	10
Cash and cash equivalents	17	4	525
		606	**1,131**
TOTAL ASSETS		**748**	**1,162**
EQUITY			
Share capital	18	450	450
Share premium		77,578	77,578
Currency translation reserve	18	77	(663)
Currency translation reserve related to operations held for sale	18	-	(5,604)
Retained earnings		(80,658)	(84,786)
Equity attributable to equity holders of the parent		**(2,553)**	**(13,025)**
Non-controlling interest		-	(201)
TOTAL EQUITY		**(2,553)**	**(13,226)**
LIABILITIES			
Non-current liabilities			
Lease liabilities	20	60	-
		60	**-**
Current liabilities			
Loans and borrowings	19	1,144	529
Lease liabilities	20	23	-
Trade and other payables	21	1,804	640
Income tax payables	13	-	5,178
Other tax payables	22	270	341
Liabilities directly associated with the assets held for sale	14	-	7,700
		3,241	**14,388**
TOTAL LIABILITIES		**3,301**	**14,388**
TOTAL EQUITY AND LIABILITIES		**748**	**1,162**

Notes on pages 11 to 31 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent							
	Share capital	**Share premium**	**Currency translation reserve**	**Currency translation reserve related to operations held for sale**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Position at 30 June 2023 (restated)	**450**	**77,578**	**(899)**	**(6,822)**	**(82,650)**	**(12,343)**	**(229)**	**(12,572)**
Profit/(loss) for the year	-	-	-	-	(2,136)	**(2,136)**	6	**(2,130)**
Other comprehensive income/(loss)	-	-	236	-	-	**236**	-	**236**
Effect of currency translation from discontinued operation	-	-	-	1,218	-	**1,218**	22	**1,240**
Position at 30 June 2024	**450**	**77,578**	**(663)**	**(5,604)**	**(84,786)**	**(13,025)**	**(201)**	**(13,226)**
Profit/(loss) for the year	-	-	-	-	4,128	**4,128**	(4)	**4,124**
Other comprehensive income/(loss)	-	-	(77)	-	-	**(77)**	-	**(77)**
Effect of currency translation from discontinued operation	-	-	-	103	-	**103**	2	**105**
Disposal of subsidiaries			817	5,501	-	**6,318**	203	**6,521**
Position at 30 June 2025	**450**	**77,578**	**77**	**-**	**(80,658)**	**(2,553)**	**-**	**(2,553)**

Notes on pages 11 to 31 are an integral part of these consolidated financial statements.

(all amounts in USD thousand, unless otherwise stated)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 30 June 2025	Year ended 30 June 2024
OPERATING ACTIVITIES			
Profit/(loss) before tax from continuing operations		(1,245)	(999)
Profit/(loss) before tax from discontinued operations	14	5,359	(143)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expenses		3	-
Finance income	11	(60)	(173)
Finance expenses	12	137	665
Impairment/(recovery) of financial assets		348	265
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	98
Loss/(gain) from operational exchange differences	9	(19)	562
Development costs	10	245	-
Payables to disposed subsidiaries		1,136	-
Acquisitions of subsidiaries	26	-	(53)
Disposals of subsidiaries	27	(5,488)	-
		416	**222**
Working capital adjustments:			
Changes in trade and other receivables		13	231
Changes in prepayments made and prepaid expenses		24	(44)
Change in inventories		2	-
Changes in trade and other payables		(1,164)	(189)
Changes in tax balances		(106)	(49)
Changes in working capital due to currency translation		(251)	-
		(1,066)	**171**
Income tax paid	13	(28)	(99)
Net cash flow from operating activity		**(1,094)**	**72**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(7)	(18)
Issuing of loans		(5)	(13)
Net cash acquired with subsidiaries	26	-	494
Net cash flow from investing activity		**(12)**	**463**
FINANCING ACTIVITIES			
Obtaining loans and borrowings		572	-
Repayment of interests		(2)	-
Net cash flow from financial activity		**570**	**-**
NET CASH FLOWS		**(536)**	**535**
Cash and cash equivalents at the beginning of the period	17	**525**	**5**
Foreign exchange differences on cash		-	(6)
Effect of translation into presentation currency		15	(9)
Cash and cash equivalents at the end of the period	17	**4**	**525**

Notes on pages 11 to 31 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

1.1. Information about the Group

For the purposes of these consolidated financial statements, Coal Energy S.A. ("Parent company") and its subsidiaries have been presented as the Group as follows:

Parent company and its subsidiaries	Country of incorporation	Group shareholding, % as of	
		30 June 2025	30 June 2024
Coal Energy S.A.	Luxembourg	Parent	Parent
Nertera Investments Limited *	Cyprus	-	100.00
CwAL LE "Mine St.Matrona" *	Ukraine	-	99.00
Perspective resources LLC *	Ukraine	-	100.00
Ukrmineral Trading LLC *	Ukraine	-	100.00
Advanced Industrial Technologies Sp. z.o.o.**	Poland	100.00	100.00
Greentech Solutions Sp. z.o.o. ***	Poland	50.00	50.00

The parent company, Coal Energy S.A., was incorporated in Luxembourg as a joint stock company on 17 June 2010 and is listed on the Warsaw Stock Exchange. The registered office is located at 33 rue du Puits Romain, L-8070 Bertrange, Luxembourg and the Company number with the Registre de Commerce is B 154144. The principal activities of the Group are coal mining, coal beneficiation, waste dumps processing, and sales of marketable coal. The major production facilities are located in Poland.

* During the year ended 30 June 2025, the Group disposed four of its subsidiaries – Ukrmineral Trading LLC, CwAL LE "Mine St.Matrona", Nertera Investments Limited and Perspective resources LLC that led to deconsolidation of the following subsidiaries with loss of full interest in subsidiaries and recognition of gain on disposal of subsidiaries in amount of USD 5,488 thousand and is presented in profit or loss statement. Detailed description of the disposals is presented in Note 27.

** As of 21 December 2023, the Group has acquired a new subsidiary – Advanced Industrial Technologies Sp. z.o.o. with the main purpose of providing underground mining services to coal mines in Poland.

*** As of 25 January 2024, the Group jointly has incorporated a new entity – Greentech Solutions Sp. z.o.o, with the main purpose of reclamation and processing of industrial rock dumps and mine waste dumps, as well as the reclamation of lands disturbed by man-made activities. The Company did not start any activities at the date of these financial statements.

The Group has a significant influence but not a control over Greentech Solutions Sp. z.o.o., so it accounts as an investment into associate and is not consolidated.

The reporting date of both Advanced Industrial Technologies Sp. z.o.o. and Greentech Solutions Sp. z.o.o. is 31 December as per national Polish reporting standards and accounting legislation. During the preparation of these consolidated financial statements, interim data as of 30 June 2025 and 30 June 2024 was used to comply with the requirement of the same reporting date.

1.2. Operating environment

The Group's operations are located in Poland.

As of 24 February 2022, the Russian Federation launched a large-scale military invasion of Ukraine. Russian missiles began to hit locations across Ukraine. Russian ground forces entered the country. Ongoing military actions caused significant destruction of infrastructure, migration of the population and disruption of economic activity in Ukraine. Finally, it led to closing of all the Group's operations in Ukraine.

The Polish economy has weathered global and regional external shocks thanks to a well-diversified economic structure, integration into regional value chains, a commitment to macroeconomic stability, a sound financial sector, and domestic labor markets that have supported significant wage growth and private consumption, feeding into long-term poverty reduction and median income growth. The crises have weakened the fiscal stance, and the energy crisis resulting from the invasion of Ukraine has led to a sharp increase in inflation which reduced the purchase power of households and has started to weigh down on growth.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

The preparation of the consolidated financial statements in accordance with International Financial Accounting Standards (IFRS) as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying of the Group`s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

These consolidated financial statements are presented in thousands of USD, unless otherwise stated.

2.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Going concern

These consolidated financial statements are prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

During the year ended 30 June 2025, the Group recorded USD 1,235 thousand of net loss from continuing operations (during the year ended 30 June 2024, the Group recorded a net loss of USD 1,987 thousand). The Group has a net liability position of USD 2,553 thousand as of 30 June 2025 (net liability position as of 30 June 2024 – USD 13,226 thousand).

The Group disposed its assets in Ukraine due to suspended operational activities of CwAL LE "Mine St.Matrona" since the full-scale war actions in Ukraine. Additionally, the Group disposed Nertera Investments Limited due to absence of operations in Cyprus.

The above-mentioned factors may cast significant doubts on the Group's ability to continue as a going concern.

The Group provides its activity in Poland and accounted negative financial results for the year ended 30 June 2025 due to faced overdue from one state customer, as well as started occurring costs on development of Siltech project, which is focusing on plans of starting of mining activity in Poland. The Group plans to continue to expand its activity through other acquisitions and developments in Poland.

The Group entered into a conditional agreement concerning the issuance and subscription of convertible bonds into new shares of the Group that will satisfy the Group's need in working capital and development plans. For details of the agreement and its current stage, please refer to Note 28.

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the parent company has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the parent company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities, contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of comprehensive income. Costs incurred in connection with the purchase of subsidiaries are recognized as expenses.

Intragroup transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Subsequent to the loss of control of a subsidiary the value of the remaining shares are revalued at fair value that influences the amount of income/loss from the disposal.

Before 30 June 2010, the Parent company did not have direct or indirect ownership interest in consolidated entities included in the consolidated financial statements. The pooling of interest method was applied for business combinations under common control for the earlier periods.

Financial statements of Parent company and its Subsidiaries, which are used while preparing the consolidated financial statements, should be prepared as at the same date on the basis of consistent application of accounting policy for all companies of the Group.

(b) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. The result of disposals of a non-controlling interests being the difference between any consideration paid and the relevant share acquired of the carrying value of the subsidiary's net asset is reflected in the statements of changes in equity. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

Non-controlling interests are derecognized when a subsidiary is sold or liquidated and profit or loss on derecognition is recorded in the consolidated statements of changes in equity.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Changes in accounting policy and disclosures

The Group's accounting policies are consistent with those applied in the prior reporting year. Some new standards and interpretations have become mandatory for adoption in the reporting period beginning on or after 1 July 2024. Applying of these standards and interpretations had not material impact on the financial statements:

Amendments to IAS 1 "Presentation of Financial Statements" - "Classification of Liabilities as Current or Non-Current";
Amendments to IAS 1 "Presentation of Financial Statements" - "Non-Current Liabilities with Covenants";
Amendments to IFRS 16 "Leases" - "Lease Liability in a Sale and Leaseback Transactions";
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - "Disclosure of Supplier Finance Arrangements".

The Group has not applied the following standards and interpretations, and amendments to them that have been issued but are not yet effective:

IFRS 18 "Presentation and Disclosures in Financial Statements";
IFRS 19 " Subsidiaries without Public Accountability: Disclosures";
Amendments to IAS 21 "Effect of Changes in Exchange Rates" - "Lack of Exchangeability";
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments;
Annual Improvements to IFRS Accounting Standards — Volume 11.

The Group anticipates that the adoption of these standards and amendments in future periods will have no material impact on its financial statements. The Group currently does not plan early application of the above standards and interpretations.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Currency translation

(a) Functional and presentation currency

All items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The functional currency of the Parent (Luxembourg) and disposed Cyprus subsidiaries is US dollar ("USD"), and for the entities that operate in Poland the functional currency is Polish zloty (PLN). The functional currency of the disposed Ukrainian subsidiaries is Ukrainian Hryvnia ("UAH"). These consolidated financial statements are presented in thousands of US dollars, unless otherwise stated. Management selected USD as a presentation currency to satisfy expectations and needs of the Group's owners, as well as it is the common currency used for the valuation of the same businesses in Ukraine at both previous and current conditions.

(b) Foreign currency transactions

UAH to USD exchange rates used in the preparation of these consolidated financial statements were as follows:

Date/period	UAH/USD
As of:	
- 30 June 2025	41.6409
- 30 June 2024	40.5374
Average for the:	
- three months ended 30 June 2025	41.5078
- three months ended 31 March 2025	41.7563
- three months ended 31 December 2024	41.4493
- three months ended 30 September 2024	41.1412
- three months ended 30 June 2024	39.8478
- three months ended 31 March 2024	38.1727
- three months ended 31 December 2023	36.5942
- three months ended 30 September 2023	36.5686

PLN to USD exchange rates used in the preparation of these consolidated financial statements were as follows:

Date/period	PLN/USD
As of:	
- 30 June 2025	3.6164
- 30 June 2024	4.0320
Average for the:	
- three months ended 30 June 2025	3.7594
- three months ended 31 March 2025	3.9931
- three months ended 31 December 2024	4.0349
- three months ended 30 September 2024	3.9010
- three months ended 30 June 2024	3.9952
- three months ended 31 March 2024	3.9922
- three months ended 31 December 2023	3.9214

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Translation into presentation currency

- all assets and liabilities, both monetary and non-monetary, are converted at closing exchange rates at the dates of each statement of financial position presented;
- income and expense items are converted at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used;
- all equity items are converted at the historical exchange rates;
- all resulting exchange differences are recognized as a separate component in other comprehensive income;
- in the consolidated statements of cash flows, cash balances at the beginning and end of each period presented are converted at exchange rates at the respective dates. All cash flows are converted at the average exchange rates for the periods presented. Resulting exchange differences are presented as the effect of conversion to the presentation currency.

3.2 Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines that its contracts with customers do not contain a significant financing component. The Group does not incur costs to obtain or fulfil a contract with a customer.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance). The Group has no contract assets.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. The Group's contract liabilities are represented by advances received.

Revenue from rendering services is recognized based on the stage of work completion under each contract. When financial results can be measured reliably, revenue is recognized only to the extent of the amount of incurred charges, that can be recovered.

Information of disaggregated revenue is presented as follows:

Category	Information
Type of good or service	Services of reconstruction of existing third-party coal mines, installation of appropriate repair kits, works on strengthening of inclined planes, excavation of new lines and other mining works related to maintenance of coal mines
Geographic region	Poland
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price per unit of measurement of performed work (length or square of repaired area)
Contract duration	Short-term contracts
Timing of transfer of goods or services	Over time (usually each month)
Sales channels	Directly to consumers

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Services to coal mines	The Group provides repair and maintenance services on coal mines for customers on their land. Each contract applies to a length or an area of performed works with an agreed price per unit. Duration fully depends on the length or area size and usually does not extend beyond six months. Works are usually invoiced each month with a standard repayment term of 30-60 days.	Revenue is recognised over time (each month) based on the cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

3.3 Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

Income tax is recognized as an expense or income in profit and loss in the consolidated statements of comprehensive income, except when it relates to items recognized directly in other comprehensive income, or where they arise from the initial accounting for a business combination.

(a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to estimate the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.3 Income tax expense (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Major renewals and improvements are capitalized, and the assets replaced are retired. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the item 'Other non-operating income (expenses)' in the statement of comprehensive income.

Depreciation is calculated using the straight-line method over their estimated useful lives, as follows:

Underground mining	15 - 50 years
Buildings and constructions	5 - 50 years
Machinery, equipment and vehicles	2 - 30 years
Other	2 - 25 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Mine development costs are capitalized and classified as capital construction-in-progress. Mine development costs are transferred to mining assets when a new mine reaches commercial production quantities. Capital construction-in-progress comprises costs directly related to construction of buildings, infrastructure, machinery and equipment. Cost also includes finance charges capitalized during the construction period where such costs are financed by borrowings. Depreciation of these assets commences when the assets are put into operation.

3.5 Lease

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group’s incremental borrowing rate at commencement of the lease is used.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5 Lease (continued)

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
– Amounts expected to be payable under any residual value guarantee;
– The exercise price of any purchase option granted in favor of the Group if it is reasonable certain to assess that option;
– Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

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

– Lease payments made at or before commencement of the lease;
– Initial direct costs incurred;
– The amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

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

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

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.
Investment income earned on the temporary investment on specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Research costs are recognized as an expense as incurred. Costs incurred on development (relating to the design, construction and testing of new or improved devices, products, processes or systems) are recognized as intangible assets only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of adequate resources to complete the development, and the ability to measure reliably the expenditure during the development. Other development expenditures are recognized as an expense as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is charged on a straight-line basis over the following economic useful lives of these assets:

Licenses, special permissions and patent rights	5 - 20 years
Other intangible assets	5 - 10 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, individually or at the cash generating unit level.

3.8 Impairment of non-current assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of comprehensive income.

Where an impairment loss subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined had no impairment loss been recognized in prior periods. A reversal of an impairment loss is recognized in the consolidated statements of comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments

Financial assets and financial liability are recognized in the Group's consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories financial assets at amortized cost or at fair value through profit or loss (FVTPL). The classification depends on the business model and contractual cash flow characteristics of the financial assets or financial liabilities and is determined at the time of initial recognition.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables and trade payables that do not have a significant financing component which are measured at transaction price. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. All financial liabilities are measured subsequently at amortized cost using the effective interest method. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Amortized cost and effective interest method

The Group measures financial assets at amortized cost if both of the following conditions are met:
– the financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The effective interest method calculates the amortized cost of a debt instrument and allocates interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. The effect of initial recognition of financial assets and liabilities obtained/incurred at terms below the market is recognized net of the tax effect as an income or expense, except for financial assets and liabilities with shareholders or entities under control of the Beneficial Owner, whereby the effect is recognized through equity.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and all the risks and rewards to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes collateralized borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes based on of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in the Consolidated Statement of Profit or Loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on a financial asset, other than those at FVTPL, at the end of each reporting period. The amount of ECL and other current assets is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. The Group applies a simplified approach permitted by IFRS Accounting Standards to measuring ECL which uses a lifetime expected loss allowance for trade receivables. The ECL on trade receivables and other current assets is estimated using a provision matrix, based on historical credit loss experience and credit rating of customers, adjusted on observable and reasonable information.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or in the case of trade accounts receivable, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in profit or loss.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
– when there is a breach of financial covenants by the debtor; or
– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

Financial liabilities include balances of loans and borrowings.

Derecognition of financial liabilities

The Group recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.10 Inventories

Inventories are recorded at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is assigned by using the FIFO cost formula.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of work in progress and finished goods includes costs of raw materials, direct labor and other direct production costs and related production overheads (based on normal operating capacity).

The Group periodically analyses inventories to determine whether they are damaged, obsolete or slow-moving or if their net realizable value has declined and makes an allowance for such inventories. If such situation occurred, the sum reducing the cost of inventories should be reflected in statements of comprehensive income. If the circumstances that caused the write-down no longer exist, the amount of the write-down is reversed.

At the date of financial statements preparation, the Group estimates the balances of finished products to determine whether there is any evidence of impairment. The amount of impairment is measured based on the analysis of prices in the market of such inventories, existed at the reporting date and issued in official sources.

3.11 Value added tax

Value added tax (VAT) output equals the total amount of VAT collected within a reporting period and arises on the date of invoices services to a customer. VAT input is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Revenue, expenses and assets are recognized less VAT amount, except cases, when VAT arising on purchases of assets or services, is not recoverable by tax rules; in this case VAT is recognized as part of purchase costs or part of item of expenses respectively. Net amount of VAT, recoverable by tax authority or paid to tax authorities, is included into accounts receivable and payable, reflected in consolidated statements of financial position.

3.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of six months or less.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.13 Share capital

Ordinary shares are classified as equity. Nominal value of share capital of Parent company is specified in Note 18.

3.14 Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Discontinued operations

The Group classifies a non- current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The Group measures a non- current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. On subsequent remeasurement of a disposal group, the carrying amounts of any assets and liabilities that are not within the scope of the measurement requirements of this IFRS, but are included in a disposal group classified as held for sale, shall be remeasured in accordance with applicable IFRSs before the fair value less costs to sell of the disposal group is remeasured.

The Group recognises an impairment loss for any initial or subsequent write- down of the asset (or disposal group) to fair value less costs to sell.

3.16 Investments in an associates or joint venture

The Group accounts its investments in an associates or joint venture using equity method. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognized in these consolidated financial statements:

Expected credit losses measurement

The Group accrues allowances expected credit losses on financial assets and for irrecoverable amounts and doubtful debts on other assets in order to cover potential risks which may arise if customers will be unable to fulfill their financial obligations due to the Group. In order to accrue reasonable allowances the Management takes into account current economic situation at the market generally, ageing analysis, previous experience of debts repayment by debtor, solvency analysis. Changes in market conditions, situation in sector or financial position of separate debtor may lead to significant adjustments on those allowances and the amount of loss recognised.

Contingent liabilities

Contingent liabilities are determined by the occurrence or non-occurrence of one or more future events. Measurement of contingent liabilities is tightly connected with the development of significant judgments and estimates relating to the consequences of such future events. The Group recognizes provision for unused vacations in accordance with the national legislation of its subsidiaries.

5 INFORMATION ON OPERATING SEGMENTS

The group defines the following business segments that include goods and services distinguished by the level of risk and terms of income:
- service activities - includes income from services rendered for coal mines;
- other activities - includes income from the rendering of other works and services;
- mineral resource and processing industry – includes income from the sale of its own coal products and income from coal beneficiation (relevant for the year ended 30 June 2024 only).

Management controls the results of operating segments separately for the purpose of decision-making about the allocation of resources and performance measurement. The results of segments are estimated based on profit/(loss) before tax.

(all amounts in USD thousand, unless otherwise stated)

5 INFORMATION ON OPERATING SEGMENTS (continued)

Information about the segments of business for the year ended 30 June 2025:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity (Luxembourg)	Total
Revenue				
Sales to external customers	-	3,759	-	**3,759**
Profit/(loss) before tax of the segment		**(750)**	**(495)**	**(1,245)**
Operational assets	**-**	**659**	**89**	**748**
Operational liabilities	**-**	**757**	**2,544**	**3,301**
Disclosure of other information				
Capital expenditure	-	(8)	-	**(8)**
Depreciation charge	-	(3)	-	**(3)**

Information about the segments of business for the year ended 30 June 2024:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity (Luxembourg, Ukraine)	Total
Revenue				
Sales to external customers	-	2,466	-	**2,466**
Profit/(loss) before tax of the segment	**-**	**515**	**(1,514)**	**(999)**
Operational assets	**-**	**1,117**	**45**	**1,162**
Operational liabilities	**7,700**	**606**	**6,082**	**14,388**
Disclosure of other information				
Capital expenditure	-	(18)	-	**(18)**
Depreciation charge	-	-	-	**-**

The Group does not have assets and liabilities that are not included in the above-mentioned business segments. The Group does not engage in any inter-segment operations. All non-current assets of the Group are located in Poland.

During the year ended 30 June 2025, revenue from two significant counterparties of the Group amounted USD 3,759 thousand (year ended 30 June 2024: USD 2,466 thousand) arising from the services rendered and are presented in the Service activity segment.

6 REVENUE

	Year ended 30 June 2025	Year ended 30 June 2024
Revenue from services rendered	3,759	2,466
	3,759	**2,466**

Services rendered are represented by mining works related to the reconstruction of existing third-party coal mines, installation of appropriate repair kits, works on strengthening of inclined planes, excavation of new lines and other mining works related to maintenance of coal mines.

Revenue is recognized when the Company satisfies a performance obligation under the contracts with customers. In accordance with the signed contracts, the Company performs mining works over time and agrees on the performed results with the customers mostly on a monthly basis in terms of the general scope of works agreed. The standard payment term of the signed contracts with customers is 30 days from the date of the issuing of the invoice.

Geographical disaggregation of revenue was presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Poland	3,759	2,466
	3,759	**2,466**

The following table provides information about balances resulting from contracts with customers:

	30 June 2025 (aging of receivables 30-60 Days)	30 June 2024 (aging of receivables 30-60 Days)
Trade receivables, gross	605	536
Advances received (contract liabilities)	-	-

(all amounts in USD thousand, unless otherwise stated)

7 COST OF SALES

	Year ended 30 June 2025	Year ended 30 June 2024
Raw materials	(48)	(21)
Wages and salaries of operating personnel	(2,767)	(1,400)
Depreciation and amortization expenses	(3)	-
Subcontractors' services	(429)	(256)
Other expenses	(43)	(1)
	(3,290)	**(1,678)**

8 GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 30 June 2025	Year ended 30 June 2024
Subcontractors' services	(450)	(239)
Wages and salaries of administrative personnel	(502)	(219)
Taxes	(17)	(44)
Other expenses	(86)	(18)
	(1,055)	**(520)**

Fees accrued for the year ended 30 June 2025 with respect to auditors PKF Audit & Conseil comprise of USD 57 thousand for the Luxembourg statutory and Group audit and USD nil for other services. Fees accrued for the year ended 30 June 2025 with respect to auditors PKF Poland comprise USD 13 thousand for the statutory audit in Poland and USD nil for other services.

Fees accrued for the year ended 30 June 2024 with respect to auditors PKF Audit & Conseil comprise USD 60 thousand for the Luxembourg statutory and Group audit and USD nil for other services. Fees accrued for the year ended 30 June 2024 with respect to auditors Baker Tilly Ukraine comprise USD 17 thousand for the statutory audit in Ukraine and USD nil for other services.

9 OTHER OPERATING INCOME/(EXPENSES), NET

	Year ended 30 June 2025	Year ended 30 June 2024
Gain/(loss) from operational exchange differences	19	(562)
Other operating income	1	-
	20	**(562)**

10 OTHER NON-OPERATING INCOME/(EXPENSES), NET

	Year ended 30 June 2025	Year ended 30 June 2024
Development costs of Siltech project	(245)	-
Other non-operating expenses	(9)	(1)
	(254)	**(1)**

11 FINANCE INCOME

	Year ended 30 June 2025	Year ended 30 June 2024
Gain from non-operational exchange differences	54	173
Interest income	6	-
	60	**173**

12 FINANCE EXPENSES

	Year ended 30 June 2025	Year ended 30 June 2024
Loss from non-operational exchange differences	(96)	(26)
Interest expenses	(2)	-
Expenses from measurement of financial instruments at amortized cost	-	(3)
Other finance expenses on loans restructure	(39)	(636)
	(137)	**(665)**

The Group recognized USD 636 thousand of other finance expenses as part of the overdue fee on borrowing disclosed in Note 19.

13 INCOME TAX

	Year ended 30 June 2025	Year ended 30 June 2024
Current income tax	10	(988)
Deferred tax	-	-
Income tax benefit/(expenses)	**10**	**(988)**
Reconciliation of tax expense and the accounting profit:		
Profit/(loss) before tax from continuing operations	**(1,245)**	**(999)**
Profit/(loss) before tax in Poland	(877)	515
Profit/(loss) before tax in Cyprus	14	(857)
Profit/(loss) before tax in Luxembourg	(257)	(787)
Profit/(loss) before tax in Ukraine	(125)	130

(all amounts in USD thousand, unless otherwise stated)

13 INCOME TAX (continued)

	Year ended 30 June 2025	Year ended 30 June 2024
Theoretical income tax in Poland (19%)	167	(98)
Tax effect of permanent differences in Poland	(157)	(17)
Theoretical income tax in Cyprus (12,5%)	(2)	107
Tax effect of permanent differences in Cyprus	2	(980)
Theoretical income tax in Ukraine (18%)	23	(23)
Tax effect of permanent differences in Ukraine	(23)	23
Income tax benefit/(expenses)	**10**	**(988)**

The following corporate income taxes rates are applied to the Group's subsidiaries in respective jurisdictions: Poland – 19%, Cyprus – 12.5%, Luxembourg – is not a subject of income tax applied due to significant accumulated losses and is a subject of net wealth tax only.

Changes in income tax payables are presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
At the beginning of the year	**5,178**	**4,294**
Current income tax charge	22	988
Repayment	(28)	(99)
Disposal of subsidiaries	(5,172)	-
Effect of translation to presentation currency	-	(5)
At the end of the year	**-**	**5,178**

Income tax payable in amount of USD 5,172 thousand is owned by Nertera Investments Limited, which disposed out of the Group on 9 June 2025, so this payable was disposed to the new owner and has not been repaid. The Group has not any obligations in terms of this payable.

Deferred tax assets and liabilities are measured at the income tax rates, which are expected to be applied in the periods when an asset is realized, or liability is calculated in accordance with the tax rates provided by the Tax Code.

14 DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

Events and conditions of military invasion, as disclosed in the Note 2 to these consolidated financial statements, forced the suspension of operating activity of the last Ukrainian coal mine – CwAL LE "Mine St.Matrona". Since then, Management assessed the inability to restore any kinds of activity and disposal of this operation unit. As of 30 June 2024, Management determined that the criteria of IFRS 5 were met and therefore the assets and liabilities are measured at their fair value less cost of sales and classified CwAL LE "Mine St.Matrona" as disposal group held for sale. Its operations were accordingly reclassified as discontinued operations in these consolidated financial statements. During the year ended 30 June 2024, management committed a plan to sell CwAL LE "Mine St.Matrona". Accordingly, net liabilities of the subsidiary were presented as a disposal group held for sale. Management expects to complete disposal of coal mine during the year ended 30 June 2025. Details of the disposal of CwAL LE "Mine St.Matrona" are disclosed in Note 27.

During the years ended 30 June 2025 and 30 June 2024, total comprehensive income/(loss) from discontinued operation was presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Revenue from sales	-	3
General and administrative expenses	-	(3)
Other operating income/(expenses), net	61	-
Recovery/(impairment) of financial assets	30	82
Idle capacity expenses	-	(23)
Other non-operating income/(expenses), net	-	(20)
Impairment loss recognised on the remeasurement to fair value less costs to sell	-	(43)
Finance income	-	6
Finance expenses	(220)	(145)
Profit/(loss) from discontinued operation before tax	**(129)**	**(143)**
Income tax benefit/(expenses), net	-	-
Profit/(loss) from discontinued operation, net of tax	**(129)**	**(143)**
Effect of currency translation from discontinued operation	105	1,240
Total other comprehensive income from discontinued operation	**105**	**1,240**
Total comprehensive income/(loss) from discontinued operation	**(24)**	**1,097**

During the years ended 30 June 2025 and 30 June 2024, net cash flows from discontinued operation were presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Net cash flow from operating activity from discontinued operation	-	-
Net cash flow from investing activity from discontinued operation	-	-
Net cash flow from financial activity from discontinued operation	-	-
Net cash flow from discontinued operation	**-**	**-**

(all amounts in USD thousand, unless otherwise stated)

14 DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (continued)

As of 30 June 2025 and 30 June 2024, net liabilities directly associated with the disposal group held for sale were presented as follows:

	30 June 2025	30 June 2024
Property, plant and equipment	-	-
Right-of-use assets	-	-
Inventories	-	-
Total assets	**-**	**-**
Lease liabilities	-	2,125
Defined benefit obligation	-	1,288
Provisions	-	918
Trade and other payables	-	1,941
Other tax payables	-	1,428
Total liabilities	-	**7,700**
Net liabilities directly associated with the disposal group held for sale	**-**	**7,700**

As of 30 June 2025, the Group does not hold cumulative losses in form of currency translation reserve due to its disposal (30 June 2024: USD 6,267 thousand).

15 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding:

	Year ended 30 June 2025			Year ended 30 June 2024		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit/(loss) attributable to ordinary equity holders of the parent:	(1,235)	5,359	**4,124**	(1,987)	(149)	**(2,136)**
Weighted average number of ordinary shares	45,011,120	45,011,120	**45,011,120**	45,011,120	45,011,120	**45,011,120**
Basic profit/(loss) per share attributable to ordinary equity holders of the parent:	(2.74)	11.90	**9.16**	(4.41)	(0.33)	**(4.74)**

Basic profit/(loss) per ordinary share is equal to diluted profit/(loss) per ordinary share.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

16 TRADE AND OTHER RECEIVABLES

	30 June 2025	30 June 2024
Trade receivables	605	536
ECL allowance for trade receivables	(260)	-
Loans issued to employees	124	
ECL allowance for loans issued to employees	(5)	
Other receivables	85	26
ECL allowance for other receivables	-	-
	549	**562**

As of 30 June 2025 and 30 June 2024, loans were not secured by trade and other receivables.

Changes in allowance for trade and other receivable are presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Balance as of the beginning of the year	**-**	**-**
(Accrual)/reverse	(255)	-
Effect of currency translation	(10)	-
Balance as of the end of the year	**(265)**	**-**

(all amounts in USD thousand, unless otherwise stated)

16 TRADE AND OTHER RECEIVABLES (continued)

As of 30 June 2025, breakdown (ageing) of trade receivables estimated total gross amount at default (equal to gross carrying amount), probability of default and loss allowance (lifetime ECL) is presented as follows:

	Overdue less than 180 days	Overdue more than 180 days	Total
Trade receivables	360	245	**605**
Weighted average ECL rate	4.259%	100%	**-**
ECL allowance for trade receivables	(15)	(245)	**(260)**

As of 30 June 2024, breakdown (ageing) of trade receivables estimated total gross amount at default (equal to gross carrying amount), probability of default and loss allowance (lifetime ECL) is presented as follows:

	Overdue less than 180 days	Overdue more than 180 days	Total
Trade receivables	536	-	**536**
Weighted average ECL rate	-	100%	**-**
ECL allowance for trade receivables	-	-	**-**

The credit risk arising from trade and other receivables to which the Group is exposed is described in Note 24.

17 CASH AND CASH EQUIVALENTS

	30 June 2025	30 June 2024
Cash in bank	4	455
Cash in hand	-	41
Other cash	-	29
	4	**525**

As of 30 June 2025 and 30 June 2024, loans were not secured by cash and cash equivalents. As of 30 June 2025 and 30 June 2024, there were no cash and cash equivalents restricted in use.

18 EQUITY

Ownership of the Parent company's share capital is presented as follows:

	30 June 2025		30 June 2024	
	%	Amount	%	Amount
Lycaste Holding Limited	60.15	271	60.15	271
Management of subsidiaries	14.85	67	14.85	67
Free float	25.00	112	25.00	112
	100.00	**450**	**100.00**	**450**

During the years ending 30 June 2025 and 30 June 2024, the number of shares has remained unchanged.

Currency translation reserve
Foreign currency translation reserve is an equity account that accumulates the exchange differences from translating the financial statements of a foreign subsidiary from its functional currency into the presentation currency. This reserve accounts for the cumulative gains and losses arising from the consolidation process of foreign operations. When the foreign operation is sold or disposed of, the amount accumulated in the currency translation reserve is reclassified to profit or loss.

Currency translation reserve related to operations held for sale
Currency translation reserve related to operations held for sale is an equity accounts that separately accumulates the exchange differences from translating the financial statements of a foreign subsidiary from its functional currency into the presentation currency after the management's decisions of disposal of such foreign operations.

19 LOANS AND BORROWINGS

	30 June 2025	30 June 2024
Current loan	644	-
Current borrowing	500	529
	1,144	**529**

As of 30 June 2025, non-current loan is received from Lynx Overseas Consulting CY LTD in amount of EUR 550 thousand (USD 644 thousand) at 1% per annum basis and repayable at 30 June 2026.

As of 30 June 2025 and 30 June 2024, current borrowing consists of interest-free loans from «Financial Company Altares Finance» LLC, repayable on demand. These borrowings originated from the restructuring of a previously received loan from EBRD, which was restructured during the year ended 30 June 2021, transferring the claim rights for the residual debt to «Financial Company Altares Finance» LLC.

(all amounts in USD thousand, unless otherwise stated)

20 LEASES

The Group recognises its right-of-use assets and lease liabilities as of 30 June 2025. The Group leases 2 vehicles and office area. Vehicle lease agreements contain agreed repayment schedules and interest rates, while office lease agreement has an original maturity of 1 year, but the Group has a right to prolong it on demand. Based on it, Management assessed that lease of office will be exercised for at least 5 years starting from 30 June 2025.

Lease liabilities

	30 June 2025		30 June 2024	
	Carrying amount	**Minimum lease payments**	**Carrying amount**	**Minimum lease payments**
One year	23	27	-	-
From two to five years	60	66	-	-
	83	**93**	**-**	**-**

Changes in lease liabilities are presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Balance as of the beginning of the year	**-**	-
Recognition	83	-
Balance as of the end of the year	**83**	**-**

Right-of-use assets

	30 June 2025	30 June 2024
Office area	57	-
Vehicles (2)	26	-
	83	**-**

Changes in right-of-use assets are presented as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Balance as of the beginning of the year	**-**	-
Recognition	83	-
Balance as of the end of the year	**83**	**-**

The Group had no interest expenses as well as depreciation charges due to recognition of lease as of 30 June 2025. The Group had no cash flows related to leases except short-term and low-value assets lease.

During the year ended 30 June 2025, the Group recognizes lease expenses (short-term and low-value assets lease) as part of operational costs in amount of USD 24 thousand (year ended 30 June 2024: USD 20 thousand).

The Group has a right to acquire one vehicle amounting to USD 9 thousand after full lease repaying. Management does not plan to exercise this right.

21 TRADE AND OTHER PAYABLES

	30 June 2025	30 June 2024
Financial payables		
Trade payables	303	154
Other payables	1,198	338
	1,501	**492**
Non-financial payables		
Payables for wages and salaries	131	148
Unused vacations provision	172	-
	303	**148**
	1,804	**640**

22 OTHER TAX PAYABLES

	30 June 2025	30 June 2024
VAT payable	68	62
Payable for wages and salaries related taxes	191	275
Payables for other taxes	11	4
	270	**341**

(all amounts in USD thousand, unless otherwise stated)

23 TRANSACTIONS WITH RELATED PARTIES

According to existing criteria of determination of related parties, the related parties of the Group are divided into the following categories:
- Entities - related parties under common control with the Companies of the Group;
- Entities - related parties, which have joint key management personnel with the Companies of the Group.

Ultimate controlling party is Mr. Vyshnevetskyy V.
The sales of finished goods, merchandises and rendering of the services to related parties are made at terms equivalent to those that prevail in arm's length transactions on market price basis. Provision of loans are made at terms different from the transactions with independent parties. Transactions between related parties attributable to the second category are occasional.

There were no such transactions with related parties in reporting periods.

Details of balances with related parties under common control with the Group are presented as follows:

	30 June 2025	30 June 2024
Loans issued	20	13
Loans issued to employees	46	-
Other payables	46	225
Trade payables	97	104
Total	**(77)**	**(316)**

Remuneration of key management personnel

	Year ended 30 June 2025	Year ended 30 June 2024
Wages and salaries	142	78
Contribution to Pension Fund and other social taxes	28	16
	170	**94**
The average number of key management personnel, persons	**5**	**6**

During the years ended 30 June 2025 and 30 June 2024, there were no other benefits to key management personnel except above listed.

Remuneration of personnel

	Year ended 30 June 2025	Year ended 30 June 2024
Wages and salaries of operating personnel	2,767	1,400
Wages and salaries of administrative personnel	502	222
Wages and salaries of personnel for discontinued operation	-	22
Wages and salaries of personnel of Siltech project (non-operating expenses)	178	-
	3,447	**1,644**
The average number of employees, persons	**96**	**100**

24 FINANCIAL RISKS MANAGEMENT

Operating environment

The operations and earnings of the Group are affected by political, legislative, fiscal and regulatory developments. It is not possible to predict the nature and frequency of these developments, or to assess their potential impact on the Group's future operations and financial performance.

The Group carries out its main activities in Poland, where certain environmental and compliance risks may arise. Management maintains ongoing communication with tax, legal and accounting advisors to ensure full compliance with the applicable laws and regulations in Poland.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the financial performance of the Group. Risks are managed centrally.

This note presents information about the Group's exposure to each type of risk~~s~~, objectives of risk management, policies and procedures of assessment and management, as well as approaches to capital management. Additional qualitative and quantitative information are disclosed through the overall consolidated financial statements.

Credit risk

Credit risk is a risk of financial loss to the Group, which results from the failure of a buyer or a contractor under the financial instrument to fulfill its contractual obligations. Credit risk arises from cash and cash equivalents, deposits in banks as well as credit exposures to customers, including outstanding receivables.

Financial assets are subject to the credit risk of the Group. Management of the Group assesses the credit risk as for financial assets on an annual basis considering counterparties' financial position, credit reputation, background cooperation and other factors.

(all amounts in USD thousand, unless otherwise stated)

24 FINANCIAL RISKS MANAGEMENT (continued)

Financial assets are subject to the credit risk of the Group. Management of the Group assesses the credit risk as for financial assets on an annual basis considering counterparties' financial position, credit reputation, background cooperation and other factors.

The Group recognizes an allowance for receivables to secure trade and other receivables. The Group's Management performs monitoring of the payback period. In case of delay in payment, the reasons are clarified, and the decision whether to implement a sanction or provide a short time delay of payment is made. It should be noted that the average delay period in payment for the main debtors is 30-60 days.

The maximum exposure to credit risk at the reporting date is limited to the carrying amount of financial assets. The Group considers the concentration of risk on trade and other receivables to be high.

The Group's activity implies that most trade receivables are from wholesale customers.

The gross amount of financial assets representing the Group's maximum exposure to credit risk is as follows:

	30 June 2025	30 June 2024
Trade receivables	605	536
Loans issued to employees	124	-
Other receivables	85	26
Loans issued	20	13
Cash in bank and other cash	4	484
	838	**1,059**

As of 30 June 2025, trade accounts receivable amounted to USD 605 thousand, being 100% of the net trade receivables, are concentrated in 5 customers (as of 30 June 2024: 2 customers amounted to USD 526 thousand, being 98%).

For general evaluation of potential customers, the Group assesses the ratings of companies based on public information (if any) from all available sources of information, as well previous experience of business partnership with counterparties is taken for evaluation purposes. Apart from the general evaluation made by management, there is an approval procedure which each potential customer must follow. Customer reliability is evaluated and approved by the following departments: sales department, financial department and legal department.

As a result of evaluation procedures, the approval sheet is completed with signoffs and comments if any of all stated above departments.

After Management's approval and clarifications of all responsible departments' comments, the approval sheet is completed. Following the completion of the approval sheet, the department which initiated cooperation with the counterparty is entitled to sign an agreement.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity management lies in providing, as much as possible, permanent availability of liquid funds, sufficient for the repayment of liabilities on time, not allowing losses and not exposing Group to risk. Liquidity risk management implies maintaining the availability of funding through an adequate amount of committed credit facilities. Management regularly analyzes the terms of settlement of obligations and receipts from financial assets, and monitors the expected cash flows from operating activities.

Contractual cash flows of the Group's financial liabilities by maturity as of 30 June 2025 are presented as follows:

	Carrying amount	Up to 1 year	From 2 to 5 years	Total
Loans and borrowings	1,144	1,150	-	**1,150**
Lease liabilities	83	27	66	**93**
Trade and other payables	1,501	1,501	-	**1,501**
	2,728	**2,678**	**66**	**2,744**

Contractual cash flows of the Group's financial liabilities by maturity as of 30 June 2024 are presented as follows:

	Carrying amount	Up to 1 year	From 2 to 5 years	Total
Loans and borrowings	529	529	-	**529**
Lease liabilities	-	-	-	**-**
Trade and other payables	492	492	-	**492**
	1,021	**1,021**	**-**	**1,021**

Market risk

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables. The Group is mainly exposed to foreign currency risk and interest rate risk.

(all amounts in USD thousand, unless otherwise stated)

24 FINANCIAL RISKS MANAGEMENT (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities (when transactions are denominated in a different currency from the Group's functional currency).

The carrying amounts of the Group's financial assets and liabilities as of 30 June 2025 are presented as follows:

	USD	EUR	PLN	UAH	Total
Financial assets					
Loans issued	-	-	20	-	**20**
Trade and other receivables	-	77	472	-	**549**
Cash and cash equivalents	3	-	1	-	**4**
	3	**77**	**493**	**-**	**573**
Financial liabilities					
Loans and borrowings	500	644	-	-	**1,144**
Lease liabilities	-	-	83	-	**83**
Trade and other payables	23	237	105	1,136	**1,501**
	523	**881**	**188**	**1,136**	**2,728**
Net position	**(520)**	**(804)**	**305**	**(1,136)**	**(2,155)**

The carrying amounts of the Group's financial assets and liabilities as of 30 June 2024 are presented as follows:

	USD	EUR	PLN	UAH	Total
Financial assets					
Loans issued	-	-	13	-	**13**
Trade and other receivables	-	-	557	5	**562**
Cash and cash equivalents	-	1	523	1	**525**
	-	**1**	**1,093**	**6**	**1,100**
Financial liabilities					
Loans and borrowings	500	-	29	-	**529**
Lease liabilities	-	-	-	-	**-**
Trade and other payables	15	365	78	34	**492**
	515	**365**	**107**	**34**	**1,021**
Net position	**(515)**	**(364)**	**986**	**(28)**	**79**

Sensitivity to a reasonably possible change in exchange rates is presented as follows:

	Increase /(decrease) in exchange rates	Effect on profit before tax
EUR		
30 June 2025	+10%/(5%)	(80)/40
30 June 2024	+10%/(5%)	(36)/18
PLN		
30 June 2025	+10%/(5%)	31/(15)
30 June 2024	+10%/(5%)	99/(49)

Interest rate risk

The Group is not exposed to interest rate risk, as it does not have floating-rate borrowings and lease floating rates are immaterial.

Financial instruments by categories

As of 30 June 2025, the following accounting policies have been applied to the financial instruments:

	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit loss	Financial instruments at amortized cost	Total
Financial assets				
Loans issued	-	-	20	**20**
Trade and other receivables	-	-	549	**549**
Cash and cash equivalents	-	-	4	**4**
Financial liabilities				
Loans and borrowings	-	-	1,144	**1,144**
Lease liabilities			83	**83**
Trade and other payables	-	-	1,501	**1,501**

(all amounts in USD thousand, unless otherwise stated)

24 FINANCIAL RISKS MANAGEMENT (continued)

As of 30 June 2024, the following accounting policies have been applied to the financial instruments:

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit loss	Financial assets at amortized cost	Total
Financial assets				
Loans issued	-	-	13	**13**
Trade and other receivables	-	-	562	**562**
Cash and cash equivalents	-	-	525	**525**
Financial liabilities				
Loans and borrowings	-	-	529	**529**
Lease liabilities	-	-	-	**-**
Trade and other payables	-	-	492	**492**

Set out below is a comparison by category of carrying amounts and fair values of financial instruments:

	Carrying amount		Fair value	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Financial assets				
Loans issued	20	13	20	13
Trade and other receivables	549	562	549	562
Cash and cash equivalents	4	525	4	525
Financial liabilities				
Loans and borrowings	1,144	529	1,144	529
Lease liabilities	83	-	83	-
Trade and other payables	1,501	492	1,501	492

Cash and cash equivalents, trade receivables, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Receivables are evaluated by the Group based on individual creditworthiness. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As of each reporting date, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values. The fair value of unquoted instruments, loans from banks, obligations under finance leases, as well as other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

25 CONTINGENT ASSETS AND LIABILITIES

As of the date of the presentation of the financial statements, the Group is not involved in any legal processes that could have a material impact on its financial position.

26 ACQUISITIONS OF SUBSIDIARIES

As of 15 December 2023, the Group acquired a new subsidiary – Ukrmineral Trading LLC with the primary purpose of obtaining licenses for the mining of mineral resources in Ukraine.

As of 21 December 2023, the Group acquired a new subsidiary – Advanced Industrial Technologies Sp. z.o.o. with the primary purpose of providing underground mining services to coal mines in Poland.

Details of the above-mentioned acquisitions that took place in 2023 are presented as follows.

	Ukrmineral Trading LLC	Advanced Industrial Technologies LLC	Total
Inventories	-	2	**2**
Trade and other receivables	-	358	**358**
Other tax receivables	-	8	**8**
Cash and cash equivalents	1	494	**495**
Loans and borrowings	-	(37)	**(37)**
Trade and other payables	-	(64)	**(64)**
Other tax payables	-	(389)	**(389)**
Net assets at the date of acquisition	**1**	**372**	**373**
Effective ownership ratio, %	100.00	100.00	**100.00**
Non-controlling interests	-	-	**-**
Fair value of consideration	1	319	**(320)**
Profit/(loss) from acquisition	**-**	**53**	**53**
Cash paid as consideration	(1)	-	**(1)**
Total cash flow from acquisition	**-**	**494**	**494**

(all amounts in USD thousand, unless otherwise stated)

27 DISPOSALS OF SUBSIDIARIES

On 18 March 2025, the Group disposed of its entire interest in Ukrmineral Trading LLC (100%) and CwAL LE "Mine St. Matrona" (99%) for a total consideration of USD 1 thousand. As part of the transaction, the acquirer assumed all liabilities associated with these two entities. Detailed description of the following disposal is presented as follows:

	Ukrmineral Trading LLC	CwAL LE "Mine St. Matrona"	Total
Trade and other receivables	6	17	**23**
Trade and other payables	(5)	(4,787)	**(4,792)**
Provisions	-	(1,202)	**(1,202)**
Loans and borrowings	-	(9,402)	**(9,402)**
Lease obligations	-	(2,230)	**(2,230)**
Defined benefit obligations	-	(1,259)	**(1,259)**
Other tax payables	-	(1,396)	**(1,396)**
Net assets at the date of disposal	**1**	**(20,259)**	**(20,258)**
Effective ownership ratio, %	100%	99%	**n/a**
Non-controlling interests	-	203	**203**
Receivables to disposed subsidiaries	-	12,390	**12,390**
Fair value of consideration received	1	-	**1**
Reclassification of currency translation reserve of disposed subsidiaries	-	5,501	**5,501**
Profit/(loss) from disposal	**-**	**2,165**	**2,165**

On 9 June 2025, the Group disposed of its entire interest in Nertera Investments Limited (100%) and Perspective resources LLC (100%) for a total consideration of USD 114. As part of the transaction, the acquirer assumed all liabilities associated with these two entities. Detailed description of the following disposal is presented as follows:

	Nertera Investments Limited	Perspective resources LLC	Total
Trade and other receivables	1,140	-	**1,140**
Trade and other payables	(79)	(29)	**(108)**
Income tax payable	(5,172)	-	**(5,172)**
Net assets at the date of disposal	**(4,111)**	**(29)**	**(4,140)**
Effective ownership ratio, %	100%	100%	**n/a**
Non-controlling interests	-	-	**-**
Fair value of consideration received	-	-	**-**
Reclassification of currency translation reserve of disposed subsidiaries	831	(14)	**817**
Profit/(loss) from disposal	**3,280**	**43**	**3,323**

As of 30 June 2024, CwAL LE "Mine St. Matrona" was classified as held for sale with respective classification of its net liabilities as directly associated with the assets held for sale. Disposal of CwAL LE "Mine St. Matrona" was completed to the 30 June 2025 and respective gain on disposal was recognised in profit or loss. Ukrmineral Trading LLC, Nertera Investments Limited and Perspective resources LLC were not classified as held for sale as of 30 June 2024 due to absence of plans to sell the disposal groups.

As of 4 July 2023, Coal Energy Trading Limited was dissolved. Net assets and results from disposals are presented as follows:

	Coal Energy Trading Limited	Total
Non-current financial assets	7,959	**7,959**
Trade and other receivables	6,179	**6,179**
Net assets at the date of disposal	**14,138**	**14,138**
Effective ownership ratio, %	100.00	**100.00**
Non-controlling interests	-	**-**
Payables to disposed subsidiaries	14,138	**14,138**
Fair value of consideration received	-	**-**
Profit/(loss) from disposal	**-**	**-**

In accordance with IAS 21, the cumulative amount of currency translation reserve related to disposals of foreign operations previously recognised in other comprehensive income shall be reclassified to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised. The Group reduces its gain on disposal of subsidiaries by the amount of currency translation reserve of each subsidiary individually accumulated on the date of disposal.

28 SUBSEQUENT EVENTS

On 5 September 2025, the Extraordinary General meeting of shareholders decided to renew of an authorized share capital up to 90 000 000 shares (with the nominal value up to USD 900 000, USD 0,01 by share), limited for a five-year period.

On 12 September 2025, the Parent Company entered into a Conditional Agreement with Global Tech Opportunities 31 (the «Investor»), concerning the issuance and subscription of convertible bonds into new shares of the Parent Company and subscription warrants for shares of the Parent Company (the «Agreement»). The Agreement is conditional and depends on the fulfilment of conditions including the undertaking of corporate actions enabling the issuance of convertible bonds into new shares of the Parent Company as well as the issuance of subscription warrants. Pursuant to the Agreement, the Investor has undertaken to provide financing to the Parent Company in a total amount of PLN 14,500,000 through the subscription of convertible bonds into new shares of the Parent Company (the «Bonds»). The Bonds will be non-interest-bearing and will mature 24 months from the date of issuance of the relevant series.

The Board of Directors of the Parent Company announces that on 17 November 2025, 500 registered bonds of series A1 with a nominal value of PLN 5,000 each (hereinafter: the A1 Series Bonds, the Bonds) were allotted. All A1 Series Bonds were allotted to the Investor. The Investor fully paid the issue price for the acquisition of the A1 Series Bonds. The A1 Series Bonds are non-interest-bearing. Claims arising from the Bonds are unsecured.

The Board of Directors of the Parent Company announces that the Parent Company has received a statement from the Investor regarding the conversion of 500 Series A1 bonds of the Issuer into shares of the Parent Company. Pursuant to the said statement, the Bondholder subscribes for 1,079,447 new ordinary bearer shares with a nominal value of USD 0.01 each, at a conversion price of PLN 2.316 per share, corresponding to a total amount of PLN 2,500,000.

Based on the resolution of the Extraordinary General Meeting dated 5 September 2025 on the conditional increase of the share capital by way of issuance of shares and the full exclusion of pre-emptive rights of the existing shareholders with respect to such shares, the Board of Directors of the Parent Company, on 19 November 2025, adopted a resolution to increase the Parent Company's share capital by USD 10,794.47, in accordance with Articles 5.3 and 5.4 of the Articles of Association, in order to raise it from USD 450,111.20 to USD 460,905.67 through the issuance of 1,079,447 new ordinary bearer shares with a nominal value of USD 0.01 each.

The shares have been fully subscribed and paid by way of set-off (compensation) of certain due and undisputed liabilities of the Parent Company arising from the converted bonds, in the total amount of PLN 2,500,000, owed by the Parent Company to the subscriber, against the subscriber's obligation to pay the issue price.

The Board of Directors of the Parent Company announces that on 21 November 2025, 200 Series A2 registered bonds with a nominal value of PLN 5,000 each and 200 Series A3 registered bonds with a nominal value of PLN 5,000 each were allocated. All Series A2 and Series A3 bonds were allocated to the Investor The Investor fully paid the issue price for the acquisition of the Series A2 and A3 Bonds. The Series A2 and Series A3 Bonds are non-interest-bearing.

According to the management's opinion, there have been no events after the closing date, except for those disclosed above and known to the management that would substantially influence the financial standing of the Group.

PKF Audit & Conseil

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Coal Energy S.A.
33 Rue du Puits Romain
L-8070 Bertrange

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Coal Energy S.A. (the "Group") and its subsidiaries which comprise the consolidated statement of financial position as at 30 June 2025 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

On 18 March 2025, the Group disposed of its entire interest in Ukrmineral Trading LLC (100%) and CwAL LE "Mine St. Matrona" (99%) for a total consideration of USD 1 thousand as disclosed in note 27. As part of this transaction, the acquirer assumed all liabilities associated with these two entities. The disposal resulted in a gain of USD 2,165 thousand, which has been recognised in the consolidated statement of profit or loss. The gain primarily relates to the derecognition of debts and other liabilities recognized in the consolidated financial statements as at 30 June 2024 for which a disclaimer of opinion was previously issued, and an adjustment for the realisation of currency translation reserves. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy of this gain presented in the consolidated financial statements.

The consolidated financial statements disclose a loan payable on demand in Note 19 amounting to USD 500 thousand, which relates to an agreement with a credit institution in Ukraine. We obtained a copy of the loan agreement; however, we were unable to obtain direct confirmation from the credit institution regarding the existence, terms, and outstanding balance of this liability. Consequently, we were unable to determine whether the loan payable is appropriately stated in the consolidated financial statements

as at 30 June 2025, or whether any adjustments to the carrying amount, related interest expense, disclosures, or assessment of potential breach of contract terms are required.
As at 30 June 2024, because the consolidated financial statements for the year ended 30 June 2023 were not audited, we were unable to obtain sufficient appropriate audit evidence regarding the opening balances as of 1 July 2023 and the corresponding figures presented in the consolidated financial statements. Consequently, we have issued a Disclaimer of Opinion on the consolidated financial statements for the year ended 30 June 2024. Our opinion on the current year's consolidated financial statements is also modified due to the possible effects of these matters on the comparability of the current period's figures and the corresponding figures.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2.3 to the consolidated financial statements, which indicate that the Group incurred a net loss of USD 1,235 thousand from continuing operations during the year ended 30 June 2025. Furthermore, the Group has negative equity of USD 2,553 thousand attributable to shareholders of the parent as of 30 June 2025. As stated in Note 2.3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole.

As mentioned in the Basis for Disclaimer of Opinion section of our report, through our procedures we did not obtain sufficient appropriate evidence to provide a basis for an audit opinion on these consolidated financial statements.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charges with governance are responsible for overseeing the Group’s financial reporting process.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (”ESEF Regulation”).

Responsibilities of the “*Réviseur d’Entreprises Agréé*” for the audit of the consolidated financial statements

Our responsibility is to conduct an audit of the Group`s consolidated financial statements in accordance with the EU regulation N°537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISA) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF) and to issue an auditor’s report. However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements.

Our responsibility is also to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

Report on Other Legal and Regulatory Requirements

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of Shareholders on 29 August 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is two years.

Because of the matter described in the Basis for disclaimer of opinion section of our report, we do not report on whether the consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, included in the consolidated management report, is the responsibility of the Board. Because of the significance of the matters described in the Basis of disclaimer of opinion section of our report, we do not report on whether the information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that our disclaimer of opinion is consistent with the additional report to those charged with governance.

We have checked the compliance of the consolidated financial statements of the Group as at 30 June 2025 with relevant requirements set out in the ESEF Regulation that are applicable to the consolidated financial statements.

For the Group, it relates to:

- The consolidated financial statements are prepared in a valid XHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 30 June 2025, identified as 259400VF6AY177MI0R48-2025-06-30-1-en, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 19 December 2025

PKF Audit & Conseil Sàrl
Cabinet de révision agréé

Jean Medernach