



Unaudited interim consolidated report
for the nine months FY2025 ended
31st March 2025

COAL ENERGY S.A., 9M FY2025 REPORT

Dear Ladies and Gentlemen,

Herewith we are presenting our unaudited interim consolidated financial report for nine months of FY2025 (9M FY2025) and 3Q FY2025, ended 31st March 2025.

For the third quarter of FY2025 operating and financial results of the Company represented by new business segment – providing mining services to coal mining companies in Poland. In the 3Q FY2025 the Company sold Ukrainian subsidiaries - UKRMINERAL TRADING LTD and CwAL LE "Mine St. Matrona".

Summarized highlights of the 3Q FY2025 and 9M FY2025 are presented below:

- ❖ **Revenue from service activities** amounted to US\$857 thousand in the 3Q FY2025 as compared to US\$1,037 thousand in the 2Q FY2025 representing declining by 17.4% q-o-q. Reason for decrease in this period is lower volume of ordered works of JSW S.A., where the subsidiary Advanced Industrial Technologies Sp. z o.o operates. For 9M FY2025 revenue from service activities composed US\$3,023 thousand as compared to US\$1,231 thousand for 9M FY2024 and increased considerably (2.4 times).
- ❖ **EBITDA.** In the 3Q FY2025 the Company recorded negative EBITDA of US\$77 thousand as compared to negative US\$186 thousand EBITDA for the 2Q FY2025. Thus for 9M FY2025 total negative EBITDA amounted to US\$300 thousand as opposed to positive EBITDA of US\$326 thousand for 9M FY2024.

The Management estimates positively development of new business segment and strives to attract opportunities for growth and business expansion in a number of projects.

In the period following the report, a number of significant events occurred in the company:

The company has received a legal and technical analysis confirming the feasibility of exploiting the Bobrek-Miechowice coal deposit, located on the border between Zabrze and Bytom. The document, prepared by the law firm Juris as part of an agreement concluded in September of this year, is one element of the process for obtaining a mining license. Obtaining a mining license for the Bobrek-Miechowice coal deposit will allow the company to establish a solid foundation for operations in Poland and return to mining operations. The company has already received initial geological data for study and is currently selecting resources for future exploitation.

In addition to working to obtain a coal mining license in the Silesian Voivodeship, the company is preparing to enter the Romanian market and is exploring the launch of operational projects in Albania. On October 15, 2025, a memorandum of cooperation was signed with two Albanian companies owned by a Romanian partner. The memorandum provides for the development of mining projects in Albania under licenses for copper, gold, and cobalt. Coal Energy also announced its intention to begin exploration for rare earth metal deposits.

In November 2025, Coal Energy received the first tranches of financing under an agreement with the Global Tech Opportunities 31 fund, part of the ABO Securities group, through the issuance of interest-free convertible bonds. Bonds worth 2.5 million zlotys have already been converted into newly issued shares. To date, Coal Energy S.A. has received 4.5 million zlotys. The activated agreement with the fund is an important element of financing the individual stages of implementing the company's strategy, updated in September 2025.

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Furthermore, as part of development strategy and optimization of the corporate structure by the end of FY2025 (as of the date of publication this report) the Company disposed several subsidiaries including its Cypriot holding company Nertera Investments Limited and Ukrainian subsidiary Perspective Resources LLC.

Viktor Vyshnevetsky

Chairman of the Board of Directors and Chief Executive Officer

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General market and economic overview (on available statistical information)

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.

Review of the financial and operational results of Coal Energy S.A. including parent company and its subsidiaries (hereinafter “Company”) for nine months (9M) FY2025 and 3Q FY2025.

The following table summarizes the Company's key indicators for the 3Q FY2025, the 2Q FY2025, 9M FY2025 and 9M FY2024 (numbers are rounded):

<i>in thousands of US\$</i>	3Q FY25	2Q FY25	Relative change q-o-q	9M FY25	9M FY24	Relative change y-o-y
Revenue	857	1,037	(17.4%)	3,023	1,231	145.6%
Gross profit/(loss)	142	192	(26.0%)	598	426	40.4%
EBIT	(78)	(186)	n/a	(301)	326	n/a
EBITDA	(77)	(186)	n/a	(300)	326	n/a
Net profit	1,969	(273)	n/a	1,600	(365)	n/a

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Revenue

For the reporting nine months total revenue comprised US\$3,023 thousand as opposed to US\$1,231 thousand for 9M FY2024 demonstrating a substantial increase by 145.6% y-o-y representing launch of new business segment – mining services to coal mining companies in Europe. On a quarterly basis total revenue comprised US\$857 thousand in 3Q FY2025 as compared to US\$1,037 thousand in 2Q FY2025 and declined by 17.4% q-o-q under the influence of a decrease in the volume of ordered works of JSW S.A., where the subsidiary Advanced Industrial Technologies Sp. z o.o operates.

Gross profit/loss

For the reporting 9M the Company recorded gross profit of US\$598 thousand as opposed to US\$426 thousand for the 9M of FY2024. While in the 3Q FY2025 gross loss comprised US\$142 thousand as opposed to US\$192 thousand of gross profit in the 2Q FY2025.

Operating profit

For the 9M FY2025 the Company recorded US\$301 thousand of operating loss, as opposed to US\$326 thousand of operating profit for the 9M FY2024 due under influence of foreign exchange losses, increased administrative expenses, impairment of receivables. Meanwhile the Company decreased losses q-o-q substantially down to US\$78 thousand for the 3Q FY2025 as compared to operating loss of US\$186 thousand for the 2Q FY2025.

Financial costs

For the reporting nine months financial costs decreased y-o-y and amounted to US\$63 thousand as compared to US\$642 thousand for 9M FY2024 representing loss from non-operational exchange differences and other financial costs. On the quarterly basis financial costs increased up to US\$34 thousand in the 3Q FY2025 as opposed to US\$16 thousand in the 2Q FY2025.

Net profit/ loss

The Company recorded net profit for 9M FY2025 amounting to US\$1,600 thousand as compared to US\$365 thousand of net loss for 9M FY2024. The Company's recorded net profit of US\$1,969 thousand for the 3Q FY2025 as compared to US\$273 thousand of net loss for the 2Q FY2025 under influence of disposal of asset due to disposal of an asset with negative equity.

Operational results

The Company's main operating production asset in the 9M FY2025 was the Polish company AIT. The company provides mining services to the mines of the Polish state-owned company JSW S.A., which produces coking coal. This mainly includes mine workings repair and installation work.

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

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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 costs and technologies applied by the Company may increase

The Company's main expenses are 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.

In November 2025, Coal Energy received the first tranches of financing under an agreement with the Global Tech Opportunities 31 fund, part of the ABO Securities group, through the issuance of interest-free convertible bonds. Bonds worth 2.5 million zlotys have already been converted into newly issued shares. To date, Coal Energy S.A. has received 4.5 million zlotys.



9m2025FY

INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE NINE
MONTHS ENDED MARCH 31, 2025

COAL ENERGY S.A.**Interim Condensed Consolidated Financial Statements for the nine months ended 31 March 2025****(all amounts in USD thousand, unless otherwise stated)**

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STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

To the best of our knowledge, the interim condensed consolidated financial statements as of 31 March 2025 of Coal Energy S.A.(the "Group") which have been prepared in accordance with the International financial reporting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the both Coal Energy S.A. and its subsidiaries included into the Group, and the interim management report includes a fair review of the development and performance of the business and the position of the both Coal Energy S.A. and its subsidiaries included into the Group together with a description of the principal risks and uncertainties that they face for the nine months ended 31 March 2025 as required under article 4(2)c) of the Transparency Law.

While preparing the interim condensed 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 concepts or 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 interim condensed 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 Vyshnevetsky

_____signed_____
Business Development Director
Oleksandr Reznik

_____signed_____
Independent Non-executive Director
Arthur David Johnson

Directors B:

_____signed_____
Independent Non-executive Director
Diyar Yakubov

Luxembourg, 4 December 2025

INTERIM MANAGEMENT REPORT

Management of the Company hereby presents its interim condensed consolidated financial statements for the nine months on 31 March 2025.

1. Results and developments during the nine months ended on 31 March 2025.

For the nine months ended on 31 March 2025, the Group recorded an EBITDA loss amounted USD 300 thousand (EBITDA for the nine months ended 31 March 2024 – USD 326 thousand). After depreciation, amortization, taxation, finance costs and finance income the net profit after taxation for the nine months ended 31 March 2025 amounted USD 1,726 thousand (net loss for the nine months ended 31 March 2024 – USD 365 thousand).

2. Future developments of the Group.

The Group is optimizing internal reserves and is considering remaining options for funding its operations to cover liquidity needs in the environment of continuing military conflict in the Eastern Ukraine.

3. Activity in the field of research and development.

The Group is not involved in any activity in the field of research and development.

4. Own shares.

During the period ended 31 March 2025, the Company 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 CFO and the Group Management Board.

The Group does not use hedging derivatives.

On behalf of management

Directors A:

_____ signed _____
Chairman of the Board of Directors
Viktor Vyshnevetsky

_____ signed _____
Business Development Director
Oleksandr Reznik

_____ signed _____
Independent Non-executive Director
Arthur David Johnson

Directors B:

_____ signed _____
Independent Non-executive Director
Diyar Yakubov

Luxembourg, 4 December 2025

COAL ENERGY S.A.
Interim Condensed Consolidated Financial Statements for the nine months ended 31 March 2025
(all amounts in USD thousand, unless otherwise stated)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	9 months ended 31 March 2025 (unaudited)	3 months ended 31 March 2025 (unaudited)	12 months ended 30 June 2024	9 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2024 (unaudited)
CONTINUING OPERATIONS						
Revenue	6	3,023	857	2,466	1,231	1,149
Cost of sales	7	(2,425)	(715)	(1,678)	(805)	(752)
GROSS PROFIT/(LOSS)		598	142	788	426	397
General and administrative expenses	8	(832)	(199)	(520)	(289)	(234)
Other operating income/(expenses), net	9	26	(21)	(562)	191	93
Recovery/(impairment) of financial assets		(93)	-	(265)	(2)	-
OPERATING PROFIT/(LOSS)		(301)	(78)	(559)	326	256
Other non-operating income/(expenses), net		(135)	(126)	(1)	3	-
Finance income		53	42	173	40	40
Finance expenses		(63)	(34)	(665)	(642)	(640)
Disposal of subsidiaries	20	2,165	2,165	-	-	-
Acquisition of subsidiaries	19	-	-	53	53	-
PROFIT/(LOSS) BEFORE TAX		1,719	1,969	(999)	(220)	(344)
Income tax benefit/(expenses), net	10	10	-	(988)	(61)	(61)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		1,729	1,969	(1,987)	(281)	(405)
DISCONTINUED OPERATIONS						
Profit/(loss) from discontinued operation, net of tax		(129)	-	(143)	(84)	(71)
NET PROFIT/(LOSS)		1,600	1,969	(2,130)	(365)	(476)
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		1,604	1,969	(2,136)	(364)	(475)
Non-controlling interests		(4)	-	6	(1)	(1)
OTHER COMPREHENSIVE INCOME/(LOSS)						
Reclassification of currency translation reserve due to disposal	20	5,501	5,501	-	-	-
Effect of foreign currency translation		(89)	48	236	(416)	(186)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FROM CONTINUING OPERATIONS		5,412	5,549	236	(416)	(186)
DISCONTINUED OPERATIONS						
Effect of currency translation from discontinued operation		105	(237)	1,240	919	419
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		5,517	5,312	1,476	503	233
TOTAL COMPREHENSIVE INCOME/(LOSS)		7,117	7,281	(654)	138	(243)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		7,119	7,282	(682)	130	(246)
Non-controlling interests		(2)	(1)	28	8	3
EARNINGS PER SHARE						
Weighted average number of ordinary shares		45,011,120	45,011,120	45,011,120	45,011,120	45,011,120
BASIC PROFIT/(LOSS) PER ORDINARY SHARE (USD cents)*		3.84	4.37	(4.73)	(0.81)	(1.06)
BASIC PROFIT/(LOSS) PER ORDINARY SHARE FROM CONTINUING OPERATIONS (USD cents)		3.55	4.37	(4.41)	(0.62)	(0.90)

Basic earnings per ordinary share are equal to diluted earnings per ordinary share.

Notes on pages 9 to 22 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2025 (unaudited)	30 June 2024	31 March 2024 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		17	18	-
Financial assets		18	13	13
		35	31	13
Current assets				
Inventories		-	2	2
Trade and other receivables	11	1,044	562	1,952
Prepayments made and prepaid expenses		12	32	-
Other taxes receivables		17	10	12
Cash and cash equivalents	12	135	525	361
		1,208	1,131	2,327
TOTAL ASSETS		1,243	1,162	2,340
EQUITY				
Share capital	13	450	450	450
Share premium		77,578	77,578	77,578
Retained earnings		(83,182)	(84,786)	(83,014)
Currency translation reserve		(752)	(663)	(1,315)
Currency translation reserve related to operations held for sale		-	(5,604)	(5,912)
Equity attributable to equity holders of the parent		(5,906)	(13,025)	(12,213)
Non-controlling interest		-	(201)	(221)
TOTAL EQUITY		(5,906)	(13,226)	(12,434)
LIABILITIES				
Non-current liabilities				
Loans and borrowings	14	539	-	-
		539	-	-
Current liabilities				
Loans and borrowings	14	500	529	536
Trade and other payables	15	623	640	1,751
Income tax payables	10	5,172	5,178	4,340
Other tax payables	16	315	341	310
Liabilities directly associated with the assets held for sale		-	7,700	7,837
		6,610	14,388	14,774
TOTAL LIABILITIES		7,149	14,388	14,774
TOTAL EQUITY AND LIABILITIES		1,243	1,162	2,340

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent							
	Share capital	Share premium	Retained earnings	Currency translation reserve	Currency translation reserve related to operations held for sale	Total	Non-controlling interest	Total equity
Position at 30 June 2023	450	77,578	(82,650)	(899)	(6,822)	(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	(84,786)	(663)	(5,604)	(13,025)	(201)	(13,226)
Profit/(loss) for the year	-	-	1,604	-	-	1,604	(4)	1,600
Other comprehensive income/(loss)	-	-	-	(89)	-	(89)	-	(89)
Effect of currency translation from discontinued operation	-	-	-	-	103	103	2	105
Disposal of subsidiaries	-	-	-	-	5,501	5,501	203	5,704
Position at 31 March 2025	450	77,578	(83,182)	(752)	-	(5,906)	-	(5,906)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	9 months ended 31 March 2025 (unaudited)	Year ended 30 June 2024	9 months ended 31 March 2024 (unaudited)
OPERATING ACTIVITIES				
Profit/(loss) before tax from continuing operations		1,719	(999)	(220)
Profit/(loss) before tax from discontinued operations		(129)	(143)	(84)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization expenses		1	-	-
Finance income		(53)	(173)	(40)
Finance costs		63	665	642
Disposal of subsidiaries	20	(2,165)	-	-
Acquisition of subsidiaries	19	-	(53)	(53)
Impairment/(recovery) of financial assets		93	265	2
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	98	-
Development costs		126	-	-
Loss/(gain) from operational exchange differences	9	(25)	562	(191)
		(370)	222	56
Working capital adjustments:				
Change in trade and other receivables		(482)	231	(652)
Change in prepayments made and prepaid expenses		(20)	(44)	-
Change in inventories		2	-	(2)
Change in trade and other payables		17	(189)	189
Change in tax balances		(26)	(49)	298
		(879)	171	(111)
Income tax paid	10	(28)	(99)	(14)
Net cash flow from operating activity		(907)	72	(125)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		-	(18)	-
Issuing of loans		(4)	(13)	(13)
Net cash acquired with subsidiaries	19	-	494	494
Net cash flow from investing activity		(4)	463	481
FINANCING ACTIVITIES				
Receiving loans and borrowings		514	-	-
Net cash flow from financial activity		514	-	-
NET CASH FLOWS		(397)	535	356
Cash and cash equivalents at the beginning of the period	12	525	5	5
Foreign exchange differences on cash		7	(6)	-
Effect of translation to presentation currency		-	(9)	-
Cash and cash equivalents at the end of the period	12	135	525	361

Notes on pages 9 to 22 are an integral part of these consolidated financial statements.

NOTES TO THE INTERIM CONDENSED 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 at	
		31 March 2025	31 March 2024
Coal Energy S.A.	Luxembourg	Parent company	Parent company
Nertera Investments Limited	Cyprus	100,00	100,00
CwAL LE "Mine St.Matrona" *	Ukraine	-	99,00
Perspective resources LLC	Ukraine	100,00	100,00
Ukrmineral Trading LLC *	Ukraine	-	100,00
Advanced Industrial Technologies LLC **	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 the Donetsk region of Ukraine.

* On 18 March 2025, the Group disposed of its entire interest in Ukrmineral Trading LLC (100%) and CwAL LE "Mine St. Matrona" (99%).

** 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 have 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.

1.2. Operating environment

As of 24 February 2022, the Russian Federation launched a large-scale military invasion of Ukraine. Russian missiles began to hit locations across Ukraine as well as Russian ground forces entered the country.

During the nine months ended 31 March 2025, Ukrainian hryvna Ukrainian hryvna officially stabled against USD. The National Bank of Ukraine increased key policy rate from 13% to 15,5% and continued cancelling previously issued currency and monetary restrictions due to moderate stabilization of foreign exchange market and inflation rates.

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 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 nine months ended 31 March 2025, the Group recorded USD 1,855 thousand of net profit from continuing operations (during the nine months ended 31 March 2024, the Group recorded a net loss of USD 281 thousand).

Nertera Investments Limited has a potential risk of tax liability that has been estimated and recorded as of 30 June 2024.

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

The Group continued its activity in Poland and achieved sufficient financial results on its Polish subsidiary, providing services to the polish coal companies, which is becoming the main source of the Group's financing – further income and respective cash inflows will cover operation needs of the Group.

The Group will continue to expand its activity through other developments.

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.

2.5 Changes in accounting policy and disclosures

The Group's accounting policy is 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 January 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 has analyzed the above-mentioned standards and amendments and concluded that their adoption will not have a significant impact on the financial statements during their first adoption, since the Group's activities are not within the scope of the standards and amendments, except as described below.

At the same time, IFRS 18 "Presentation and Disclosures in Financial Statements", issued in April 2024, will become effective on 1 January 2027, and its implementation will have a significant impact on the Group's financial statements. The standard sets out a single approach to presentation and disclosure aimed at ensuring coherence and understandability of the financial statements. The Group will continue to monitor further clarifications and recommendations regarding the adoption of IFRS 18 to ensure its timely implementation.

3 SUMMARY OF SIGNIFICANT 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 national currency of Ukraine, Ukrainian Hryvnia ("UAH") is the functional currency for the Group's entities that operate in Ukraine. For the entities that operate in Cyprus, Luxembourg and British Virgin Islands (BVI) the functional currency is US dollar ("USD"). These consolidated financial statements are presented in thousands of US dollars, unless otherwise stated.

(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:	
- 31 March 2025	41.4787
- 30 June 2024	40.5374
- 31 March 2024	39.2214
Average for the:	
- 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 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:	
- 31 March 2025	3.8643
- 30 June 2024	4.0320
- 31 March 2024	3.9886
Average for the:	
- 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 31 March 2024	3.9922
- three months ended 31 December 2023	3.9214

3 SUMMARY OF SIGNIFICANT 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.

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.

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.

(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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

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

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

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in 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 made 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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, either 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.

3.9 Financial assets

Initial recognition and measurement

The Group classifies its financial assets as financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at every reporting date. The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. Purchases or sales of financial assets that require delivery within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through profit or loss. This category includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.
- Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables include trade and other receivables. Loans are financial assets arising as a result of provision of funds to borrowers.
- Held-to-maturity investments. Investments with fixed or determinable payments and fixed maturity that management has the positive intent and ability to hold to maturity, other than loans and receivables originated by the Group, are classified as held-to-maturity investments. Such investments are included in non-current assets, except for maturities within twelve months from the reporting date, which are classified as current assets.
- Available-for-sale financial assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Available-for-sale financial assets are accounted at fair value through equity.

Subsequent to initial recognition, all financial assets at fair value through profit or loss and all available-for-sale instruments are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Receivables are accounted for net realizable value, less the allowance for doubtful debts. The amount of allowance for doubtful debts is accounted for by using the method of total amount of doubtful debts.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables and loans issued where the carrying amount is reduced using an allowance for impairment. When a trade receivables or other loans issued is considered uncollectible, it is written off against the allowance. Based on the facts confirming that receivables or loans issued, previously recognized as doubtful, at the reporting date are not doubtful, the amount of previously charged reserve is reflected in income of the reporting period. Except for available-for-sale assets, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss reverses directly through profit and loss account. The reversal shall not result in a carrying amount of financial assets that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

When a decline in fair value of an available-for-sale investment has been recognized directly in other comprehensive income and there is objective evidence that the investment is impaired, the cumulative loss that had been recognized directly in other comprehensive income is removed from other comprehensive income and recognized in profit or loss in the consolidated statements of comprehensive income even though the investment has not been derecognized. Impairment losses previously recognized through profit or loss in the consolidated statements of comprehensive income are not reversed. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of financial assets

The Group derecognizes financial assets when:

- the assets are redeemed or the rights to cash flows from the assets have otherwise expired;
- or the Group has transferred substantially all the risks and rewards of ownership of the assets;
- or the Group has neither transferred nor retained substantially all risks and rewards of ownership but has not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

3.10 Financial liabilities

Initial recognition and measurement

The Group classifies its contractual obligations as financial liabilities at fair value through profit or loss, loans and borrowings. The Group classifies its financial liabilities at initial recognition. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- (a) Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated at initial recognition as liabilities at fair value through profit or loss;
- (b) Loans and borrowings. Loans and borrowings are financial liabilities that have been granted to the Group. Loans and borrowings are classified as current liabilities except when the Group has unconditional right to delay settlement of the obligation for at least for 12 months.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized through profit or loss.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 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.

3.12 Value added tax

Value added tax (VAT) output equals the total amount of VAT collected within a reporting period and arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer. VAT input is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT input arise on the earlier of the date of payment to the supplier or the date goods are received. 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 authority; 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.

3.13 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.

3.14 Share capital

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

3.15 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.

3.16 Defined benefits plan obligations

The Group contributes to the Ukrainian state pension scheme, social insurance and employment funds in respect of its employees. The Group's pension scheme contributions are expensed as incurred. The contributions are included in expenses for wages and salaries. Companies comprising the Group provide additional post-employment benefits to those employees who are engaged in the industry with particularly detrimental and oppressive conditions of work. Under the Ukrainian legislation employees engaged in hazardous industry may retire earlier than usual terms stipulated by Employee Retirement Income Security Law. The Group reimburses to the State Pension Fund all pension payments to be paid to the employees until usual statutory date of retirement. In addition, according to the legislation, the Group makes payments related to providing the employees with domestic fuel (coal). The Group recognizes the liabilities in amount of this payment.

The liability recognized in the statement of financial position in respect of post-employment benefits is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method. Actuarial gains and losses are recognized in the other comprehensive income statement in the period in which they occur.

3.17 Provisions

Provisions are recognized when the Group has legal or constructive obligations as the result of past event for which it is probable that an outflow of economic benefits can be required to settle the obligations, and the amount of the obligations can be reliably estimated. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Use of discounting results in recognition of financial expenses and increase in provision.

Management created provision for the payment of potential tax liabilities related to settlement of financial assets and liabilities. Though if the controlling authorities classify such transactions as a subject of taxation and apply such classification to the companies of the Group, actual taxes and penalties may differ from the Management assessment.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.18 Environmental obligations

Environmental obligations include decommissioning and land restoration costs. The Group evaluates the provisions associated with ecological problems separately on every occasion taking into account the requirements of the relevant legislative acts.

Future decommissioning costs, discounted to net present value, are capitalized and the corresponding decommissioning obligations are raised as soon as the constructive obligation to incur such costs arises and the future decommissioning cost can be reliably estimated. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the comprehensive income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

Provision for land restoration, representing the cost of restoring land damage after the commencement of commercial production, is estimated at the net present value of the expenditures expected to settle the obligation. Changes in provision and the unwinding of discount on land restoration are recognized in the consolidated statement of comprehensive income. Ongoing rehabilitation costs are expensed when incurred.

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:

Remaining useful life of property, plant and equipment

Management assesses the remaining useful life of property, plant and equipment in accordance with the current technical conditions of assets and estimated period when these assets bring economic benefit to the Group.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing of and the level of future taxable profits together with future tax planning strategies. If actual results differ from these estimates or if these estimates must be adjusted in future periods, the financial position and results of operations may be negatively affected.

Expected credit losses measurement

Measurement of expected credit losses (ECL) is a significant estimate that involves determination methodology, models and data inputs. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

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.

5 INFORMATION ON OPERATIONAL SEGMENTS

The group defines the following business segments that include goods and services distinguished by the level of risk and terms of income:

- mineral resource and processing industry — includes income from sale of own coal products and income from coal beneficiation;
- service activity - includes income from services rendered for coal mines;
- other activity - includes income from rendering of other works and services.

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

Information about the segments of business for the nine months ended 31 March 2025:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	3,023	-	3,023
Profit/(loss) before tax of the segment	-	17	1,702	1,719
Operational assets	-	1,337	37	1,374
Operational liabilities	-	650	6,500	7,150
Depreciation charges	-	(1)	-	(1)
Capital expenditures	-	130	-	130

Information about the segments of business for the three months ended 31 March 2025:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	857	-	857
Profit/(loss) before tax of the segment	-	19	1,950	1,969
Depreciation charges	-	(1)	-	(1)
Capital expenditures	-	130	-	130

Information about the segments of business for the nine months ended 31 March 2024:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	1,231	-	1,231
Profit/(loss) before tax of the segment	-	320	(100)	(220)
Operational assets	-	1,107	1,233	2,340
Operational liabilities	7,837	626	6,311	14,774
Depreciation charges	-	-	-	-

Information about the segments of business for the three months ended 31 March 2024:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	1,149	-	1,149
Profit/(loss) before tax of the segment	-	251	(595)	(344)
Depreciation charges	-	-	-	-

All non-current assets of the Group are located in Poland.

During the nine months ended 31 March 2025, revenue from two significant counterparties of the Group amounted USD 3,023 thousand (nine months ended 31 March 2024: 1,231) arising from the services rendered and are presented in the Service activity segment.

6 REVENUE FROM SALES

	9 months ended 31 March 2025	3 months ended 31 March 2025	9 months ended 31 March 2024	3 months ended 31 March 2024
Revenue from service activity	3,023	857	1,231	1,149
	3,023	857	1,231	1,149

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 the 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.

All revenue from sales was generated in Poland.

7 COST OF SALES

	9 months ended 31 March 2025	3 months ended 31 March 2025	9 months ended 31 March 2024	3 months ended 31 March 2024
Raw materials	(40)	(15)	-	-
Wages and salaries of operating personnel	(2,062)	(622)	(702)	(650)
Depreciation and amortization expenses	(1)	(1)	-	-
Subcontractors services	(289)	(68)	(102)	(102)
Other expenses	(33)	(9)	(1)	-
	(2,425)	(715)	(805)	(752)

8 GENERAL AND ADMINISTRATIVE EXPENSES

	9 months ended 31 March 2025	3 months ended 31 March 2025	9 months ended 31 March 2024	3 months ended 31 March 2024
Subcontractors services	(343)	(101)	(169)	(117)
Wages and salaries of administrative personnel	(408)	(82)	(99)	(99)
Taxes	(9)	-	(12)	(12)
Other expenses	(72)	(16)	(9)	(6)
	(832)	(199)	(289)	(234)

9 OTHER OPERATING INCOME/(EXPENSES), NET

	9 months ended 31 March 2025	3 months ended 31 March 2025	9 months ended 31 March 2024	3 months ended 31 March 2024
Gain/(loss) from operational exchange differences	25	(22)	191	93
Other operating income	1	1	-	-
Other operating expenses	-	-	-	-
	26	(21)	191	93

10 INCOME TAX

	9 months ended 31 March 2025	3 months ended 31 March 2025	9 months ended 31 March 2024	3 months ended 31 March 2024
Current income tax	10	-	(61)	(61)
Deferred tax	-	-	-	-
Income tax benefit/(expenses)	10	-	(61)	(61)
At the beginning of the period	5,178	5,172	4,294	4,299
Current income tax charge	22	-	61	61
Income tax paid	(28)	-	(14)	(14)
Effect of translation to presentation currency	-	-	(1)	(6)
At the end of the period	5,172	5,172	4,340	4,340

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.

11 TRADE AND OTHER RECEIVABLES

	31 March 2025	30 June 2024	31 March 2024
Trade receivables	979	536	715
Allowance for trade receivables	-	-	(7)
Other receivables	65	26	1,244
Allowance for other receivables	-	-	-
	1,044	562	1,952

As of 31 March 2025 and 30 June 2024, trade and other receivables were not pledged under loans and borrowings.

12 CASH AND CASH EQUIVALENTS

	31 March 2025	30 June 2024	31 March 2024
Cash in bank	100	455	361
Cash in hand	35	41	-
Other cash	-	29	-
	135	525	361

13 SHARE CAPITAL

	31 March 2025		30 June 2024		31 March 2024	
	%	Amount	%	Amount	%	Amount
Lycaste Holding Limited*	60.15	271	60.15	271	60.15	271
Management of subsidiaries	14.85	67	14.85	67	14.85	67
Free float	25.00	112	25.00	112	25.00	112
	100.00	450	100.00	450	100.00	450

Shares owned by the Lycaste Holding Limited and management of subsidiaries are not listed. During the nine months ended 31 March 2025 and 31 March 2024, the number of shares has remained unchanged.

14 LOANS AND BORROWINGS

	31 March 2025	30 June 2024	31 March 2024
Non-current borrowing	539	-	-
Current borrowing	500	529	536
	1,039	529	536

As of 31 March 2025 and 31 March 2024, current borrowings consist 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.

As of 13 January 2025, the Company signed a facility agreement for obtaining EUR 300 thousand of borrowing from non-related party. As of 21 February 2025, the amount of borrowing has been increased up to EUR 500 thousand.

15 TRADE AND OTHER PAYABLES

	31 March 2025	30 June 2024	31 March 2024
Trade payables	175	154	121
Payables for wages and salaries	144	148	160
Other payables	304	338	1,470
	623	640	1,751

16 TAXES PAYABLE

	31 March 2025	30 June 2024	31 March 2024
Payable for wages and salaries related taxes	207	275	173
VAT payable	61	62	63
Payables for other taxes	47	4	74
	315	341	310

17 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. Vyshnevetsky V.

There were no transactions with related parties in reporting periods. Details of balances between entities - related parties under common control with the Companies of the Group are disclosed below:

	31 March 2025	30 June 2024	31 March 2024
Loans issued	18	13	13
Other payables	139	225	329
Trade payables	73	104	3

18 CONTINGENT ASSETS AND LIABILITIES

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

19 ACQUISITIONS OF SUBSIDIARIES

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

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.

Details of the above-mentioned acquisitions 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

20 DISPOSAL 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

20 DISPOSAL OF SUBSIDIARIES (continued)

As of 4 July 2023, Coal Energy Trading Limited has been 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%	100%
Non-controlling interests	-	-
Payables to disposed subsidiaries	(14,138)	(14,138)
Fair value of consideration received	-	-
Reclassification of currency translation reserve of disposed subsidiaries	-	-
Profit/(loss) from disposal	-	-

21 SUBSEQUENT EVENTS

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

On 5 September 2025, 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 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 Company and subscription warrants for shares of the 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 Company as well as the issuance of subscription warrants. Pursuant to the Agreement, the Investor has undertaken to provide financing to the Company in a total amount of PLN 14,500,000 through the subscription of convertible bonds into new shares of the 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 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 Company announces that the Company has received a statement from the Investor regarding the conversion of 500 Series A1 bonds of the Issuer into shares of the 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 Company, on 19 November 2025, adopted a resolution to increase the 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 Company arising from the converted bonds, in the total amount of PLN 2,500,000, owed by the Company to the subscriber, against the subscriber's obligation to pay the issue price.

The Board of Directors of the 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 were 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 Company.