



## Sale of share of the asset

**Current report no. 4 /2023**  
**Dated 15<sup>th</sup> November 2023**

Board of Directors of Coal Energy S.A. ("Company"), acting pursuant to Article 17 section 1 in connection with Article 17 section 4 and 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("MAR") hereby **makes public the content of confidential information delayed on 22 December, 2022 regarding the sale of 79.92% of shares in the "Svyato-Pokrovska" mine (Tekhinovatsiya LLC).**

**CONTENT OF THE DELAYED CONFIDENTIAL INFORMATION:** "The Board of Directors of Coal Energy S.A. informs that in connection with the decision taken by the Board of Directors of Coal Energy on December 19, 2022, on December 22, 2022, it sold 79.92% of shares in the "Svyato-Pokrovska" mine to the LLC "Shidna Vugledobuvna Grupa". The transaction value is USD 1.3 million. The proceeds from the sale of shares in the mine are divided into tranches. The last tranche will be transferred to the Company by the end of June 2024. At the same time, after the end of hostilities in Ukraine and the implementation of the mine modernization project, for each tonne of coal mined by the buyer, Coal Energy will be entitled to a so-called "royalty" in the amount of US\$2 per tonne. The Company intends to use the main proceeds from the sale of assets to develop its operations in Europe in accordance with the new strategy of Coal Energy S.A. for the years 2023-2026.

**JUSTIFICATION FOR MEETING THE CONDITIONS FOR DELAY IN CONFIDENTIAL INFORMATION:** Information about the sale of 79.92% of shares in the "Svyato-Pokrovska" mine (Tekhinovatsiya LLC) was considered by the Company's Board of Directors to be confidential information within the meaning of Art. 7 MAR on December 22, 2022. On the same day, the Company's Board of Directors, acting pursuant to Art. 17 section 4 MAR decided to delay the provision of the above-mentioned confidential information to the public ("Confidential Information"). In the opinion of the Company's Board of Directors, immediate disclosure of Confidential Information created a risk of violating the legally justified interests of the Company through the risk of destruction of the mine as a result of an attack by the aggressor (Russian Federation). The Board of Directors considered there was a risk that information about the transaction would draw the aggressor's attention to the mine, which is one of the potential sources of coal supply to Ukrainian thermal power plants in eastern Ukraine and will lead to an attempt to destroy it. Therefore, in the Company's opinion, immediate disclosure of Confidential Information could have violated the legally justified interests of the Company and its current shareholders.

Currently, due to the significant improvement in Ukrainian air defense system the Company has concluded that the risk of attacking the mine is much lower.

In the opinion of the Board of Directors, the delay of the Confidential Information did not mislead the public opinion, therefore, the delayed Confidential Information did not contrast with market expectations and was not inconsistent with the information known to market participants at that time, and therefore there were no grounds to conclude that the delay in disclosing Confidential Information to the public could have misled public opinion. The Company also ensured appropriate protection of Confidential Information, in particular protection resulting from applicable legal provisions and internal procedures by ensuring appropriate information barriers introduced internally and in relation to third parties.

At the same time, access to Confidential Information from the Company was granted only to persons whose access to this information was necessary to perform their professional duties. All of the above persons were entered on the list of persons having access to confidential information, instructed on the principles of maintaining confidential information and on administrative and criminal sanctions related to the unlawful use or disclosure of this information

On 15<sup>th</sup> November, 2023, the Company decided to immediately publish the Confidential Information of December 22, 2022 due to the cessation of reasons for further delay in making it public. After the publication of this current report, the Company will provide the Regulator with explanations regarding the fulfillment of the conditions for delay in disclosing Confidential Information to the public in accordance with applicable law. Legal basis: Article 17 para. 1 in connection with Article 17 section 4 and 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC