



Unaudited interim consolidated report
for the six months FY2026 ended
31st December 2025

COAL ENERGY S.A., 1H FY2026 REPORT

Dear Ladies and Gentlemen,

In the first half of FY26, we concentrated on reinforcing the stability of our operations and laying the groundwork for the next phase of the Company's development. Our actions during this period reflect a long-term perspective and a clear focus on sustainable value creation.

Our operating and financial performance in the second quarter slightly improved on a quarterly basis. Revenue from service activities reached USD 773 thousand, representing a 88.5% quarter-on-quarter increase.

At the same time, the Company reported negative EBITDA of USD 126 thousand for 2Q FY2026 as opposed to negative EBITDA of USD 354 thousand for 1Q FY2026 thus decreasing negative result. For the 1H FY2026 negative EBITDA composed USD480 thousand as opposed to negative USD 223 thousand for 1H FY2025.

Throughout 1H FY2026, the Management Board remained focused on advancing new projects aligned with the Development Strategy for 2025–2027.

In line with the revised strategy the Company is working on obtaining a mining license for the Bobrek-Miechowice coal deposit in Poland. Coal Energy has obtained a legal and technical analysis confirming the feasibility of mining operations at the Bobrek-Miechowice. The estimated coal reserves within the seams where the company plans to commence production in the first phase amount to over 9 million tonnes. The total volume of resources within the 400 seam series is approximately 25 million tonnes, which may create prospects for further development of the mining operation after the completion of the first stage of extraction works.

Receiving the legal and technical analysis confirming the feasibility of implementing the project is an important step toward launching production at the Bobrek-Miechowice deposit. There is still a long road ahead of us, but we are consistently and in line with our plan moving toward our goal.

Coal Energy has signed in October a memorandum about potential partnership focused on developing selected mineral assets in Albania. Under the agreement, the Company intend to jointly review and assess the potential of two deposits located in Albania: the Kurbnesh anthropogenic deposit, which contains copper, gold and cobalt and the Gjegjan copper deposit.

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 on development of Company's projects.

After the reporting date, the Company entered into an agreement with MINERALS PLUS LLC, the holder of rights to develop the PEDRY POLYMETALLIC DEPOSIT in California (USA). Under this agreement, the Company will provide services related to the sale of rights to develop this precious metals deposit, including gold, silver, copper, zinc, and lead.

Viktor Vyshnevetsky

Chairman of the Board of Directors and Chief Executive Officer

COAL ENERGY S.A., 1H FY2026 REPORT

General market and economic overview (on available statistical information)

In the second half of calendar 2025, Poland's coal mining sector remained a structurally important part of the national energy and industrial system, even as EU and domestic policy continued to push toward decarbonization and diversification. Within this shrinking European context, Poland remains one of the key hard coal producers, with annual coal production of about 85.2 million tonnes in 2024, down from 88.7 million tonnes in 2023, underscoring a gradual structural decline rather than an abrupt shift.

At the same time, coal continues to play a stabilizing role in Poland's power system. November 2025 data show that coal-fired units accounted for almost 59% of electricity generation, reflecting coal's ongoing role as a flexible backbone during periods of weaker wind and solar output. This pattern is consistent with the broader reality that, despite rapid growth in renewables capacity, coal remains critical for security of supply in high demand and low renewables months.

Within Poland's coal portfolio, coking coal remains the most resilient and strategically important segment. The EU's CRMA and accompanying materials explicitly list coking coal as a Critical Raw Material, reflecting its essential role in blast-furnace steelmaking and the limited availability of substitutes at scale in the near to medium term. Poland is the only EU member state with significant coking coal production, and Polish producers such as Jastrzębska Spółka Węglowa are central to EU supply. While precise 2025 coking coal tonnages are reported in company and sectoral statistics rather than in a single consolidated EU source, the combination of Poland's domestic production and the EU's continued dependence on imported coking coal indicates that demand for reliable Polish supply remained robust through H2 2025. This is particularly relevant for steelmakers facing both decarbonization pressures and heightened supply chain risk.

The operational pressures within Poland's coal sector continue to create a demanding environment for mine operators, while also opening up a wide range of opportunities for specialized service providers. In H2 2025, with production and sales levels stable but margins constrained and regulatory expectations rising, demand remained strong for services in the following areas:

- **Underground infrastructure and modernization:** reinforcement and upgrading of workings, shafts, and transport systems to extend asset life under stricter safety standards.
- **Ventilation, safety, and hazard mitigation:** advanced monitoring, methane management, and emergency systems to comply with evolving safety and environmental norms.
- **Operational efficiency and maintenance:** optimization of equipment availability and energy use to offset cost pressures in a flat-to-declining volume environment.
- **Environmental monitoring and reporting:** support in meeting EU and national requirements on emissions, land use, and post-mining remediation.

Outlook

For mining service providers, the outlook beyond 1H FY26 is cautiously positive. Aggregate coal tonnages are unlikely to grow, but the service intensity per tonne in safety, modernization, environmental compliance, and transition planning is rising.

COAL ENERGY S.A., 1H FY2026 REPORT

Review of the financial and operational results of Coal Energy S.A. including parent company and its subsidiaries (hereinafter “Company”) for the six months (1H) FY2026 and 2Q FY2026.

The following table summarizes the Company’s key indicators for the 2Q FY2026, the 1Q FY2026, 1H FY2026 and 1H FY2025 (numbers are rounded):

<i>in thousands of US\$</i>	2Q FY2026	1Q FY2026	Relative change q-o-q	1H FY2026	1H FY2025	Relative change y-o-y
Revenue	773	410	88.5%	1,183	2,166	(45.4%)
Gross profit/(loss)	163	(83)	n/a	80	456	(82.5%)
EBITDA	(126)	(354)	n/a	(480)	(223)	n/a
Net profit	(931)	(424)	na	(1,355)	(369)	n/a

Revenue

During the reporting period of six months total revenue comprised US\$1,183 thousand decreasing from US\$2,166 thousand in the 1H FY2025 y-o-y. The year-on-year decline reflects a lower volume of contracted work from JSW S.A., the key client of subsidiary Advanced Industrial Technologies Sp. z o.o. On a quarterly basis however, total revenue demonstrated a strong rebound, increasing by 88.5% q-o-q.

Gross profit

The Company recorded gross profit of US\$80 thousand for the reporting six months of FY2026 as opposed to gross profit of US\$456 thousand for the 1H FY2025. Quarter-on-quarter performance improved significantly: the Company generated gross profit of US\$163 thousand in 2Q FY2026 as opposed to gross loss of US\$83 for 1Q FY2025, reflecting improved operating efficiency and higher revenue volumes.

Financial costs

Financial costs for the six-month period rose sharply both year-on-year and quarter-on-quarter, totaling US\$742 thousand versus US\$29 thousand in 1H FY2025. The increase is primarily attributable to fees and expenses associated with the issuance of convertible bonds.

Net profit/ loss

The Company recorded a net loss of US\$1,355 thousand for 1H FY2026, compared with a net loss of US\$369 thousand in 1H FY2025. For 2Q FY2026, the net loss amounted to US\$931 thousand, versus US\$424 thousand in 1Q FY2026, reflecting the impact of higher financing costs and lower year-on-year revenue.

Operational results

The Company's main operating production asset in the 1H FY2026 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.

COAL ENERGY S.A., 1H FY2026 REPORT

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 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.



COAL ENERGY S.A.

INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS
ENDED DECEMBER 31, 2025

1HY2026FY

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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 December 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 six months ended 31 December 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, 27 February 2026

INTERIM MANAGEMENT REPORT

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

1. Results and developments during the six months ended on 31 December 2025.

For the six months ended 31 December 2025, the Group recorded an EBITDA loss amounted USD 480 thousand (EBITDA loss for the six months ended 31 December 2024: USD 223 thousand). After depreciation, amortization, finance costs and finance income, the net loss after taxation for the six months ended 31 December 2025 amounted USD 1,355 thousand (net loss for the six months ended 31 December 2024: USD 369 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.

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.

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, 27 February 2026

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

	Note	6 months ended 31 December 2025 (unaudited)	3 months ended 31 December 2025 (unaudited)	12 months ended 30 June 2025	6 months ended 31 December 2024 (unaudited)	3 months ended 31 December 2024 (unaudited)
CONTINUING OPERATIONS						
Revenue	6	1,183	773	3,759	2,166	1,037
Cost of sales	7	(1,103)	(610)	(3,290)	(1,710)	(845)
GROSS PROFIT/(LOSS)		80	163	469	456	192
General and administrative expenses	8	(587)	(322)	(1,055)	(633)	(327)
Other operating income/(expenses), net		11	22	20	47	42
Recovery/(impairment) of financial assets		-	-	(348)	(93)	(93)
OPERATING PROFIT/(LOSS)		(496)	(137)	(914)	(223)	(186)
Other non-operating income/(expenses), net	9	(122)	(61)	(254)	(9)	(2)
Finance income		5	2	60	11	9
Finance expenses	10	(742)	(735)	(137)	(29)	(16)
PROFIT/(LOSS) BEFORE TAX		(1,355)	(931)	(1,245)	(250)	(195)
Income tax benefit/(expenses), net	11	-	-	10	10	32
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(1,355)	(931)	(1,235)	(240)	(163)
DISCONTINUED OPERATIONS						
Profit/(loss) from discontinued operation, net of tax		-	-	(129)	(129)	(110)
Disposal of subsidiaries	22	-	-	5,488	-	-
NET PROFIT/(LOSS)		(1,355)	(931)	4,124	(369)	(273)
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		(1,355)	(931)	4,128	(365)	(271)
Non-controlling interests		-	-	(4)	(4)	(2)
OTHER COMPREHENSIVE INCOME/(LOSS)						
Effect of foreign currency translation		1	(1)	(77)	(137)	(109)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FROM CONTINUING OPERATIONS		1	(1)	(77)	(137)	(109)
DISCONTINUED OPERATIONS						
Effect of currency translation from discontinued operation		-	-	105	342	197
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		1	(1)	28	205	88
TOTAL COMPREHENSIVE INCOME/(LOSS)		(1,354)	(932)	4,152	(164)	(185)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		(1,354)	(932)	4,154	(163)	(185)
Non-controlling interests		-	-	(2)	(1)	-
EARNINGS PER SHARE						
Weighted average number of ordinary shares		45,263,382	45,515,644	45,011,120	45,011,120	45,011,120
BASIC PROFIT/(LOSS) PER ORDINARY SHARE (USD cents)*		(2.99)	(2.05)	9.16	(0.82)	(0.61)
BASIC PROFIT/(LOSS) PER ORDINARY SHARE FROM CONTINUING OPERATIONS (USD cents)		(2.99)	(2.05)	(2.74)	(0.53)	(0.36)

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 December 2025 (unaudited)	30 June 2025	31 December 2024 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		27	25	17
Right-of-use assets	16	71	83	-
Financial assets		1	20	17
Investment in joint venture		14	14	-
		113	142	34
Current assets				
Inventories		-	-	-
Trade and other receivables	12	429	549	893
Prepayments and prepaid expenses		2	8	-
Other taxes receivables		29	45	34
Cash and cash equivalents	13	39	4	2
		499	606	929
TOTAL ASSETS		612	748	963
EQUITY				
Share capital	14	461	450	450
Share premium		78,256	77,578	77,578
Currency translation reserve		78	77	(800)
Currency translation reserve related to operations held for sale		-	-	(5,265)
Retained earnings		(82,013)	(80,658)	(85,151)
Equity attributable to equity holders of the parent		(3,218)	(2,553)	(13,188)
Non-controlling interest		-	-	(202)
TOTAL EQUITY		(3,218)	(2,553)	(13,390)
LIABILITIES				
Non-current liabilities				
Lease liabilities	16	52	60	-
		52	60	-
Current liabilities				
Loans and borrowings	15	1,327	1,144	504
Lease liabilities	16	20	23	-
Current bonds	17	546	-	-
Trade and other payables	18	1,656	1,804	635
Income tax payables	11	-	-	5,172
Other tax payables	19	229	270	366
Liabilities directly associated with the assets held for sale		-	-	7,676
		3,778	3,241	14,353
TOTAL LIABILITIES		3,830	3,301	14,353
TOTAL EQUITY AND LIABILITIES		612	748	963

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent					Total	Non-controlling interest	Total equity
	Share capital	Share premium	Currency translation reserve	Currency translation reserve related to operations held for sale	Retained earnings			
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)
Profit/(loss) for the year	-	-	-	-	(1,355)	(1,355)	-	(1,355)
Other comprehensive income/(loss)	-	-	1	-	-	1	-	1
Increase of share capital	11	678	-	-	-	689	-	689
Position at 31 December 2025	461	78,256	78	-	(82,013)	(3,218)	-	(3,218)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6 months ended 31 December 2025 (unaudited)	12 months ended 30 June 2025	6 months ended 31 December 2024 (unaudited)
OPERATING ACTIVITIES				
Profit/(loss) before tax from continuing operations		(1,355)	(1,245)	(250)
Profit/(loss) before tax from discontinued operations		-	5,359	(129)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization expenses	7,8	16	3	-
Finance income		(5)	(60)	(11)
Finance costs	10	742	137	29
Impairment/(recovery) of financial assets		-	348	93
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	-	201
Loss/(gain) from operational exchange differences		(11)	(19)	(47)
Development costs	9	122	245	-
Payables to disposed subsidiaries		-	1,136	-
Disposal of subsidiaries	22	-	(5,488)	-
		(491)	416	(114)
Working capital adjustments:				
Change in trade and other receivables		120	13	(331)
Change in prepayments		6	24	32
Change in inventories		-	2	2
Change in trade and other payables		(1,006)	(1,164)	(81)
Change in tax balances		(25)	(106)	1
Changes in working capital due to currency translation		-	(251)	-
		(1,396)	(1,066)	(491)
Income tax paid		-	(28)	(28)
Net cash flow from operating activity		(1,396)	(1,094)	(519)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		(6)	(7)	-
Issuing of loans		-	(5)	(4)
Repayment of issued loans		19	-	-
Net cash flow from investing activity		13	(12)	(4)
FINANCING ACTIVITIES				
Obtaining loans and borrowings		248	572	-
Issuing of bonds		1,235	-	-
Repayment of loans and borrowings		(55)	(2)	-
Repayment of lease liabilities and interests		(14)	-	-
Net cash flow from financial activity		1,414	570	-
NET CASH FLOWS				
		31	(536)	(523)
Cash and cash equivalents at the beginning of the period		4	525	525
Foreign exchange differences on cash		4	-	-
Effect of currency translation		-	15	-
Cash and cash equivalents at the end of the period		39	4	2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

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 December 2025	31 December 2024
Coal Energy S.A.	Luxembourg	Parent company	Parent company
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 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 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 20.

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.

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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.3 Going concern**

These interim condensed 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 six months ended 31 December 2025, the Group recorded USD 1,355 thousand of net loss (during the six months ended 31 December 2024: net loss amounted USD 369 thousand). The Group has a net liability position of USD 3,218 thousand as of 31 December 2025 (net liability position as of 31 December 2024: USD 13,390 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 customer, as well as started occurring costs on development of Siltech project, which is focusing on plans of starting of mining activity at the Bobrek-Miechowice coal deposit 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 21.

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 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 2025. 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".

2 BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.5 Changes in accounting policy and disclosures (continued)**

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). 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

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

Date/period	PLN/USD
As of:	
- 31 December 2025	3.6016
- 30 June 2025	3.6164
- 31 December 2024	4.1012
Average for the:	
- three months ended 31 December 2025	3.6432
- three months ended 30 September 2025	3.6449
- three months ended 31 December 2024	4.0349
- three months ended 30 September 2024	3.9010

(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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.2 Revenue from contracts with customers (continued)

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.

(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

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.

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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

3.9 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

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 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.

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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

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 13.

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.

3.15 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**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 OPERATIONAL 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.

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.

Information about the segments of business for the six months ended 31 December 2025:

	Service activity	Other activity	Total
Revenue: sales to external customers	1,183	-	1,183
(Loss)/profit before tax of the segment	(293)	(1,062)	(1,355)
Operational assets	549	63	612
Operational liabilities	853	2,977	3,830
Capital expenditure	(6)	-	(6)
Depreciation charge	(16)	-	(16)

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

	Service activity	Other activity	Total
Revenue: sales to external customers	773	-	773
(Loss)/profit before tax of the segment	(52)	(879)	(931)
Operational assets	549	63	612
Operational liabilities	853	2,977	3,830
Capital expenditure	-	-	-
Depreciation charge	(11)	-	(11)

5 INFORMATION ON OPERATIONAL SEGMENTS (continued)

Information about the segments of business for the six months ended 31 December 2024:

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	2,166	-	2,166
Profit/(loss) before tax of the segment	-	(2)	(248)	(250)
Operational assets	-	955	8	963
Operational liabilities	7,676	596	6,081	14,353

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

	Mineral resource and processing industry (Ukraine)	Service activity (Poland)	Other activity	Total
Revenue				
Sales to external customers	-	1,037	-	1,037
Profit/(loss) before tax of the segment	-	(52)	(143)	(195)
Operational assets	-	955	8	963
Operational liabilities	7,676	596	6,081	14,353

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.

6 REVENUE FROM SALES

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Revenue from service activity	1,183	773	2,166	1,037
	1,183	773	2,166	1,037

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 30-45 days from the date of the issuing of the invoice.

During the reviewed periods sales were performed on the territory of Poland exclusively.

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

	31 December 2025	30 June 2025	31 December 2024
Trade receivables, gross	371	605	834
Allowance for trade receivables	-	-	-

7 COST OF SALES

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Raw materials	(3)	(1)	(25)	(14)
Wages and salaries of operating personnel	(858)	(442)	(1,440)	(700)
Depreciation and amortization expenses	(2)	(1)	-	-
Subcontractors services	(235)	(164)	(221)	(119)
Other expenses	(5)	(2)	(24)	(12)
	(1,103)	(610)	(1,710)	(845)

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8 GENERAL AND ADMINISTRATIVE EXPENSES

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Subcontractors services	(371)	(215)	(242)	(135)
Wages and salaries of administrative personnel	(151)	(78)	(326)	(168)
Depreciation and amortization expenses	(14)	(4)	-	-
Other expenses	(51)	(25)	(65)	(24)
	(587)	(322)	(633)	(327)

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

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Development costs of Siltech project	(122)	(62)	-	-
Other non-operating expenses	-	1	(9)	(2)
	(122)	(61)	(9)	(2)

10 FINANCE EXPENSES

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Commissions related to issuance of bonds	(711)	(711)	-	-
Other finance expenses	(31)	(24)	(29)	(16)
	(742)	(735)	(29)	(16)

11 INCOME TAX EXPENSES

	6 months ended 31 December 2025	3 months ended 31 December 2025	6 months ended 31 December 2024	3 months ended 31 December 2024
Current income tax	-	-	10	32
Deferred tax	-	-	-	-
Income tax expenses	-	-	10	32
At the beginning of the period	-	-	5,178	5,172
Current income tax charge	-	-	22	-
Repayment	-	-	(28)	-
At the end of the period	-	-	5,172	5,172

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

12 TRADE AND OTHER RECEIVABLES

	31 December 2025	30 June 2025	31 December 2024
Trade receivables	371	605	834
ECL allowance for trade receivables	(21)	(260)	-
Loans issued to employees	51	124	-
ECL allowance for loans issued to employees	-	(5)	-
Other receivables	28	85	60
ECL allowance for other receivables	-	-	(1)
	429	549	893

13 CASH AND CASH EQUIVALENTS

	31 December 2025	30 June 2025	31 December 2024
Cash in bank	39	4	2
	39	4	2

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14 SHARE CAPITAL

	31 December 2025		30 June 2025		31 December 2024	
	%	Amount	%	Amount	%	Amount
Lycaste Holding Limited*	58.74	271	60.15	271	60.15	271
Minority shareholders	14.50	67	14.85	67	14.85	67
Global Tech Opportunities	2.34	11	-	-	-	-
Free float on the WSE	24.42	112	25.00	112	25.00	112
	100.00	461	100.00	450	100.00	450

Shares owned by the Lycaste Holding Limited, minority shareholders and Global Tech Opportunities are not listed.

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. (during six months 31 December 2024 the number of shares has remained unchanged).

15 LOANS AND BORROWINGS

	31 December 2025	30 June 2025	31 December 2024
Current loan	827	644	-
Current borrowing	500	500	504
	1,327	1,144	504

As of 31 December 2025, current loan is received from Lynx Overseas Consulting CY LTD in amount of EUR 703 thousand (USD 827 thousand) at 1% per annum basis and repayable at 30 June 2026.

As of 31 December 2025 and 31 December 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.

16 LEASES

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

	31 December 2025		30 June 2025		31 December 2024	
	Carrying amount	Minimum lease payments	Carrying amount	Minimum lease payments	Carrying amount	Minimum lease payments
One year	20	24	23	27	-	-
From two to five years	52	56	60	66	-	-
	72	80	83	93	-	-

Right-of-use assets

	31 December 2025	30 June 2025	31 December 2024
Office area	52	57	-
Vehicles (2)	19	26	-
	71	83	-

17 BONDS

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.

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.

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17 BONDS (continued)

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.

18 TRADE AND OTHER PAYABLES

	31 December 2025	30 June 2025	31 December 2024
Trade payables	458	303	290
Other payables	930	1,198	209
Payables for wages and salaries	95	131	136
Unused vacations provision	173	172	-
	1,656	1,804	635

19 TAXES PAYABLE

	31 December 2025	30 June 2025	31 December 2024
VAT payable	64	68	301
Payable for wages and salaries related taxes	133	191	55
Payables for other taxes	32	11	10
	229	270	366

20 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 December 2025	30 June 2025	31 December 2024
Loans issued	1	20	17
Loans issued to employees	51	46	-
Other receivables	26	-	-
Other payables	-	46	82
Trade payables	42	97	203
Net position	36	(77)	(268)

21 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.

22 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

22 DISPOSAL OF SUBSIDIARIES (continued)

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

23 SUBSEQUENT EVENTS

According to the management's opinion, there have been no events after the closing date that would substantially influence the financial standing of the Group.