SPECIAL REPORT OF THE BOARD OF DIRECTORS

for the Annual General Meeting of Shareholders of the Company

Pursuant to Article 480-2 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended

Coal Energy S.A. | AGM of 14 December 2026

Registered office: 33 rue du Puits Romain, L-8070 Bertrange, Luxembourg · R.C.S. Luxembourg B 154.144

1. Purpose of the Report and Legal Basis

The Board of Directors of Coal Energy S.A. (the "Company") presents this Special Report in connection with the Annual General Meeting of Shareholders to be held on 14 December 2026. The Report has been prepared pursuant to Article 480-2 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended (the "Law"), as the Company's net assets, as determined on the basis of its statutory stand-alone annual accounts, have fallen below one-quarter of its subscribed share capital.

The purpose of this Report is to explain the causes of the capital deficiency, describe the Company's current financial position, set out the measures implemented or planned to improve that position, and substantiate the Board of Directors' recommendation concerning the continuation of the Company's activities. The "Group" refers to Coal Energy S.A. and its subsidiaries; the Group's financial figures differ from those presented in the Company's stand-alone accounts.

2. Financial Position and Equity Deficiency

2.1. Historical Development of the Company's Net Assets

The deterioration in the Company's financial position occurred primarily in FY2024, when the Luxembourg parent company recognised a substantial impairment of its investment in Nertera Investments Limited, a holding company through which it held interests in Ukrainian mining companies, including CwAL LE "Mine St. Matrona". The relevant coal mine was located in the Donetsk region of Ukraine, which has been affected by hostilities. Following the escalation of the fighting, production was suspended and the Group lost access to the mine's physical assets and related information. In FY2024, the carrying amount of the Company's financial investments in affiliated undertakings was reduced by USD 72,006,905.28. The Company recognised a net loss of USD 66,746,831.08 for that year, causing its previously positive net assets to become negative.

The Group's consolidated financial statements reflect separate reassessments of the recoverable amounts of tangible mining assets in Ukraine, including a retrospective adjustment relating to 30 June 2023. In the Company's stand-alone annual accounts, the impairment of investments in affiliated undertakings was recognised in FY2024.

Stand-alone accounts (USD)	30.06.2023	30.06.2024	30.06.2025	30.06.2026
Share capital	450,111.20	450,111.20	450,111.20	460,905.67
Net profit / (loss) for the year	210,067.49	(66,746,831.08)	(262,547.93)	(606,626.59)
Net assets / (deficit)	64,868,563.20	(1,878,267.88)	(2,140,815.81)	(2,058,635.28)

As at 30 June 2026, the Company's subscribed share capital amounted to USD 460,905.67, its net assets were negative USD 2,058,635.28, and its stand-alone net loss for FY2026 was USD 606,626.59. Accordingly, the Company's net assets were below both one-half (USD 230,452.84) and one-quarter (USD 115,226.42) of its subscribed share capital. These figures relate to the reporting date of 30 June 2026 and were covered by the auditor's report dated 30 October 2026. The capital increase completed in July 2026 is discussed separately below.

2.2. Operating and Financial Performance in FY2026

The Company is a Luxembourg holding company. The Group's operating revenue is generated primarily from specialised underground mining works performed in Poland by Advanced Industrial Technologies Sp. z o.o. ("AIT"). In FY2026, the Group recorded revenue of USD 2.768 million (FY2025: USD 3.759 million), an EBITDA loss of USD 0.474 million (FY2025: loss of USD 0.911 million), and a consolidated net loss of USD 0.968 million (FY2025: profit of USD

4.124 million, including significant non-recurring gains from the disposal of subsidiaries). The net asset thresholds under Article 480-2 are determined by reference to the Company's stand-alone financial position, rather than the Group's consolidated figures.

3. Causes of the Losses and Continued Negative Net Assets

The principal historical cause was the war-related loss of recoverable value of the Ukrainian mining assets, culminating in the recognition in FY2024 of an impairment of the parent company's investment in Nertera Investments Limited. The Group subsequently disposed of its interests in Ukrainian mining companies in March 2025 and of Nertera Investments Limited in June 2025, enabling management to focus its resources on continuing operations outside Ukraine.

Since FY2024, the Company's stand-alone financial position has also been affected by holding-company expenses, financing costs and the time required to develop new sources of recurring operating activity. The losses recognised in FY2025 and FY2026 did not eliminate the accumulated deficiency. The Company's ability to receive cash flows from subsidiaries depends on those entities' operating requirements, contractual arrangements and applicable legal requirements.

4. Measures Implemented and Planned to Improve the Financial Position

4.1. Development of the Polish Operating Business and Generation of Cash Flows

The Group continues to operate through AIT, which provides specialised services to customers in the Polish mining industry. The Board of Directors intends to prioritise performance under existing contracts, improvements in contract profitability, diversification of the customer base, collection of trade receivables and working capital management. The FY2026 disclosures refer to approximately USD 2.0 million of mining services contracted or performed during the period from 1 July 2026 to the approval of the annual financial statements.

4.2. Raising Equity Capital and Conversion of Existing Financing

During FY2026, the Company raised PLN 4.5 million through convertible bonds subscribed for by Global Tech Opportunities 31. Bonds with an aggregate nominal value of PLN 2.5 million were converted into 1,079,447 shares during FY2026. Following termination of the original financing programme, the remaining bonds, with a nominal value of PLN 2.0 million, were converted into 1,053,740 shares in July 2026. The programme has been terminated and is no longer available as a source of additional tranches. The conversion of the bonds reduced outstanding liabilities.

In June 2026, the Company entered into a framework investment agreement with LYNX OVERSEAS CONSULTING CY LTD, providing for a proposed private placement of shares. In July 2026, the investor subscribed for 1,217,000 shares for an aggregate subscription price of PLN 2,567,870 (approximately EUR 600,000), paid in cash. Together with the conversion of the remaining GTO31 bonds, the Company issued 2,270,740 new shares in July 2026, increasing its subscribed share capital from USD 460,905.67 to USD 483,613.07. This capital increase took place after the FY2026 reporting date.

On 30 September 2026, the Company announced an amendment to the agreement increasing the maximum contemplated amount of the LYNX investment programme from EUR 1.5 million to EUR 3.0 million. Further investments require separate written arrangements and are envisaged to be completed by 30 June 2027. The increased programme limit represents potential future financing. The Board of Directors continues to evaluate possible equity-raising transactions in light of the Company's financing needs.

4.3. Shareholder Support and Prudent Liquidity Management

The FY2026 annual financial statements disclose that the Company's ultimate beneficial owner confirmed the intention and ability to continue providing financial support. The Company monitors its liquidity forecasts and potential sources of external financing. Such support is considered when assessing the Company's ability to continue as a going concern; it is not recognised as an additional equity contribution unless the applicable conditions for such recognition have been satisfied.

4.4. Status of the Bobrek–Miechowice Project in Poland

Coal Energy retains its strategic interest in the Bobrek–Miechowice coal mining project in Poland. Preliminary legal and technical feasibility assessments have been carried out in connection with the potential development of the western part of the deposit.

However, given the Company's current financial position and its focus on improving liquidity, further activities aimed at launching the project are being suspended. The Company will prioritise the development of its engineering and consulting services and its forestry and biomass business in Spain.

The resumption of the Bobrek–Miechowice project will be considered only after the Group has accumulated sufficient cash reserves generated by these new business activities, subject to the necessary regulatory approvals and investment decisions. As at the date of this Report, commercial coal production under the project has not commenced.

4.5. Diversification in Spain and Specialised Engineering and Consulting Services

On 26 October 2026, the Company announced preparatory steps to expand its operations into Spain, including the formation of a project team and the commencement of the registration process for its Spanish subsidiary, Ecoforge Energy S.L. The proposed business model involves acquiring timber harvesting rights and producing commercial timber, wood chips and other forms of energy biomass. The Company stated that it expected initial revenue from this business during the first half of calendar year 2027, subject to completion of organisational, regulatory and commercial preparations.

In parallel with the development of the Spanish project, the Group is establishing a new, distinct business line providing specialised engineering and consulting services to mining and industrial enterprises. This business line is at an early stage of commercialisation and is gradually gaining momentum. The Company is drawing on the extensive experience of its own team of mining engineers, geologists, mine surveyors, technical specialists and financial professionals, expanding its pool of potential clients and working to build a portfolio of contracts. The proposed asset-light service model is focused on providing professional expertise without requiring substantial capital expenditure on the Group’s own mining infrastructure.

The envisaged services include technical audits and mineral resource assessments, including the preparation of information in accordance with international reporting standards such as JORC, KAZRC and NI 43-101; digitisation of geological data and three-dimensional deposit modelling; preparation of feasibility studies and design documentation at various stages of the construction, reconstruction and modernisation of mines and mining operations; optimisation of production technologies and operating efficiency; and investment, transaction and environmental consulting. A separate service offering is operational and process consulting, comprising a comprehensive diagnostic assessment of an enterprise (due diligence), the development of cost-reduction and productivity-improvement measures, and the subsequent direct involvement of Group specialists in implementing the proposed solutions or overseeing their implementation.

In February 2026, the Group entered into an agreement with Minerals Plus LLC to provide consulting services in connection with the proposed transfer of rights to a polymetallic mining project in the United States. The fee is contingent upon the successful completion of the relevant transaction. The Group also continues to assess individual opportunities relating to anthracite, mining waste and other raw materials projects, taking account of their feasibility, rights to the relevant assets, regulatory requirements and financing.

4.6. Overview of the Market for Engineering and Consulting Services in the Mining Industry

The development of the engineering and consulting business is viewed as an opportunity to expand the Group’s revenue without substantial capital investment in its own mining assets. According to an estimate by the research firm DataIntelo cited in analytical materials used in preparing the Company’s development plans, the global market for mining consultancy solutions was approximately USD 12.8 billion in 2025. The projected market size by 2034 is approximately USD 22.6 billion, representing a compound annual growth rate of around 6.5%.

According to the same estimate, the Asia-Pacific region accounted for approximately 36.2% of the global market in 2025 (around USD 4.6 billion), with a projected regional compound annual growth rate of approximately 7.1%. The Group regards Kazakhstan, Uzbekistan and Mongolia as potential markets for engineering and consulting services,

where the need to modernise mining operations may support demand for the digitisation of geological data, improvements in operating efficiency, investment project preparation and independent engineering expertise.

The Group's envisaged range of services includes mineral resource audits and assessments applying international reporting standards (including JORC, KAZRC and NI 43-101), three-dimensional geological and mine engineering modelling, feasibility studies, mine design at various project stages, support for investment and transaction projects, and operational and process consulting. The latter involves not only assessing a client's operations and developing recommendations but also participating in the practical implementation of measures to reduce costs, increase productivity and optimise business processes. The development of this business line will depend on securing commercial contracts, the availability of qualified specialists and applicable professional and regulatory requirements.

4.7. Overview of the Timber Harvesting and Wood Biomass Market in Spain

The Spanish timber harvesting market is characterised by a substantial share of privately owned forest land and fragmented ownership, which may create opportunities for specialised forestry operators. According to preliminary industry estimates used by the Company in its market assessment, more than 72% of Spain's forest areas are privately owned, representing over 20 million hectares. For some landowners, engaging contractors makes it possible to carry out forestry operations without acquiring their own equipment or establishing permanent harvesting operations.

Asturias, Galicia and the province of León are regarded as priority areas for assessing commercial opportunities. According to preliminary estimates included in the Company's planning materials, the combined average annual volume of timber harvesting rights sold in these regions in 2024–2025 was approximately 12.2–12.9 million m^3. This figure represents an estimate of the relevant regional market size and does not mean that the Company has acquired harvesting rights, secured supply arrangements or guaranteed access to that volume of timber.

Additional drivers of market demand include the need for sustainable forest management, wildfire risk reduction, sanitary and preventive forestry operations, and the use of wood residues for energy purposes. The Company's preliminary analytical materials cite an estimate of up to EUR 2.5 billion in annual economic losses caused by forest fires across the European Union; this EU-wide figure is not an estimate of losses in Spain alone. The scope and manner of forestry operations are governed by applicable regional regulations, permits and environmental requirements.

The initial business model envisaged for Ecoforge Energy involves acquiring standing timber harvesting rights, organising harvesting operations and selling roundwood and wood chips, including the use of residual woody material as energy biomass. A possible subsequent expansion into wood processing, including the production of sawn timber and pellets, is being considered as an additional opportunity and would require a separate assessment of economic viability and financing sources. Implementation of the project depends on obtaining the necessary rights and permits, ensuring the traceability of timber origin, complying with applicable standards and establishing sustainable relationships with customers.

The market figures and long-term forecasts presented above are estimates based on analytical materials used in preparing development plans. They do not constitute revenue forecasts or evidence of future cash flows for the Company. Commercial results in both new business lines will depend on actual demand, the conclusion of contracts, regulatory requirements and the availability of financing.

5. Assessment and Recommendation of the Board of Directors

In the Board of Directors' assessment, continuation of the Company's activities provides a reasonable basis for preserving the existing Polish operating business and pursuing identified opportunities to stabilise financing, diversify revenue sources and strengthen capital. Liquidation at this stage would disrupt current operations and the implementation of the development strategy.

For these reasons, and taking into account the circumstances and risks described above, the Board of Directors proposes that the General Meeting resolve NOT to dissolve the Company and approve the continuation of its activities pursuant to Article 480-2 of the Law. The Board of Directors will continue to monitor the Company's financial position and may propose additional measures, including equity capital raising or balance sheet restructuring, if necessary.

6. Availability of the Report, Approval and Signatures

This Special Report shall be made available to shareholders for inspection at the Company's registered office and on its website in accordance with Article 480-2 of the Law and the applicable rules governing general meetings of shareholders of companies whose securities are admitted to trading on a stock exchange.

Luxembourg, 05 November 2026

For and on behalf of the Board of Directors:

Chairman of the Board of Directors Viktor Vyshnevetskyy

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