



## Development Strategy of Coal Energy S.A. for the years 2023-2026

**Current report no. 3/2023**  
**Dated 10 November, 2023**

The Board of Directors of Coal Energy S.A. (the "Company") hereby reports that on 9<sup>th</sup> November 2023 the Board of Directors approved the **Development Strategy of Coal Energy S.A. for the years 2023-2026**.

The key premises for the development and adoption of the new Coal Energy Strategy were:

- loss of most of the coal assets (7 out of 10 mines and two enrichment plants) since 2014 as a result of the military conflict and occupation of most of the Donetsk Region by Russia.
- military operations taking place since February 24, 2022 in the vicinity of the mines still owned by Coal Energy and the related restrictions and risks for the Company's further operations.
- destabilization of the internal coal market and the entire energy infrastructure of Ukraine as a result of attacks by Russia.
- change in the global and local structure of demand and supply of coking coal, increase in raw material prices and forecasted continuation of this trend in the medium term.
- Ukraine is gradually adapting the regulations on the extraction, processing and combustion of thermal coal to European standards, and thus moving away from coal as a fuel in the long term.
- the shortage of critical minerals in the EU, which is slowly determining the direction of development of mining activities in Europe and abroad.
- the long-term goal of the Coal Energy Strategy for 2023-2026 is to move away from mining of thermal coal in Ukraine while using the intellectual potential and resources of the Company to conduct mining activities and extract critical raw minerals in Ukraine and in Europe.
- active participation in the post-war reconstruction program for Ukraine. Inclusion of Company in the list of European companies ready to use all their experience, human resources and potential for the restoration of industrial facilities in Ukraine.

### **Vision:**

Coal Energy – a public listed entity under Luxembourg law facilitating the development of critical raw minerals mining in Europe.

### **Mission:**

Sustainable development of the company based on existing expertise.

**Coal Energy's long-term development strategy for 2023-2026 is based on three pillars** - coking coal mining in Ukraine, provision of mining services in Europe, development of critical raw minerals mining in Europe and Ukraine.

### **Pillar I – Coking coal mining in Ukraine:**

1. Restarting (only after cease of military operations) of coking coal mining in the Mine of St.Matrona in Toretsk.

2. Providing the extraction of coking coal as the basic material for the rebuilding metallurgical industry in Ukraine.

3. Improving the efficiency of coking coal mining - which will contribute to reducing the unit cost of mining.

**Pillar II – Provision of mining services in Europe:**

Establishment/purchase of a company in one of the EU, which will provide mining services for enterprises, operating in Europe.

**Pillar III - Development of critical raw minerals mining in Europe and Ukraine:**

1. Based on the knowledge and expertise of the management and staff obtaining licenses and conducting critical raw mineral mining in Europe and Ukraine.

2. Consulting services for third-party companies on identification of deposits, obtaining licenses for extraction of minerals, drawing up a mining project, organizational support in Europe and Ukraine.

Signatures of individuals authorized to represent the Company:  
Elena Belousova

**Legal grounds:** Art. 56 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organized trading system and on public companies and the Luxembourg Act of 11 January 2008 on transparency obligations of securities issuers, as amended, article 17(1) of MAR