



Conditional agreement regarding the issuance of convertible bonds into shares and subscription warrants for shares

Current report no. 20/2025
Dated September 13, 2025

The Board of Directors of Coal Energy S.A. (the "Issuer") hereby informs that on 12 September 2025 the Issuer entered into a Conditional Agreement with Global Tech Opportunities 31, with its registered office in George Town (Cayman Islands) (the "Investor"), concerning the issuance and subscription of convertible bonds into new shares of the Issuer and subscription warrants for shares of the Issuer (the "Agreement"). The Agreement is conditional and depends on the fulfilment of conditions including the undertaking of corporate actions enabling the issuance of convertible bonds into new shares of the Issuer as well as the issuance of subscription warrants.

Pursuant to the Agreement, the Investor has undertaken to provide financing to the Issuer in a total amount of PLN 14,500,000 through the subscription of convertible bonds into new shares of the Issuer (the "Bonds"). The Bonds will be non-interest bearing and will mature 24 months from the date of issuance of the relevant series.

The commitment will be executed in tranches:

- the first tranche with a total nominal value of PLN 2,500,000, and subsequently
- up to twelve further tranches, each with a nominal value of PLN 1,000,000, in accordance with the terms set out in the Agreement.

The price at which the Bonds will be converted into new shares will be the highest of the following three values:

a) 94% of the lowest volume-weighted average price (VWAP) of the Issuer's shares listed on the Warsaw Stock Exchange during 10 consecutive trading days immediately preceding the submission of a conversion notice (with exceptions provided for in the Agreement);

b) 50% of the arithmetic average of the daily VWAPs of the Issuer's shares during the three months preceding the conversion notice date;

c) the nominal value of the Issuer's shares.

In consideration of the Investor's financing commitment under the Agreement, the Issuer shall pay the Investor a fee of PLN 480,000. This payment will be made no later than on the second business day following the subscription of the first tranche. In addition, in consideration of the engagement and the transactions contemplated by the Agreement, the Issuer shall pay the Investor a structuring fee of PLN 2,000,000. This payment will also be made no later than on the second business day following the subscription of the first tranche.

If a breach of the Agreement by the Issuer occurs, the Investor shall have the right to demand immediate redemption of all Bonds held. In such case, each Bond shall be redeemed at a price equal to 120% of its nominal value. The Bonds are subject to redemption three years after their issuance date.

Together with the Bonds, the Investor will also receive subscription warrants entitling it to subscribe for the Issuer's shares at a fixed exercise price. The number of subscription warrants issued with each tranche of Bonds will equal 30% of the tranche value divided by the exercise price of the subscription warrant. This price is set at 130% of the lowest VWAP of the Issuer's shares during the 10 trading days preceding the subscription of the given tranche. The Agreement provides for adjustment mechanisms to the exercise price of the subscription warrants in the event of actions by the Issuer that could negatively affect their value, such as the issuance of shares at a price lower than the exercise price of the subscription warrants. The subscription warrants will be valid for 36 months from their issuance date.

The Agreement also includes representations, warranties and covenants of the parties, as well as provisions regarding events of default and termination, typical for this type of financial transaction.

In the event of a breach of the Agreement by the Issuer, the Issuer shall pay 5% of the nominal value of all outstanding Bonds.

Legal grounds: Art. 17(1) MAR – inside information