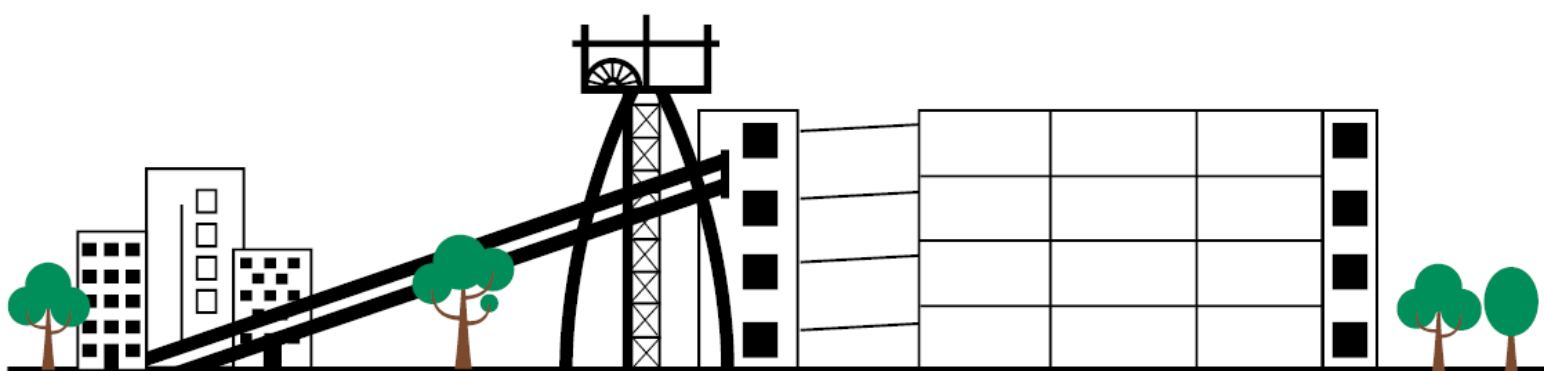


CONSOLIDATED **QUARTERLY REPORT**

FOR THE PERIOD FROM 1 JANUARY
TO 30 SEPTEMBER 2021

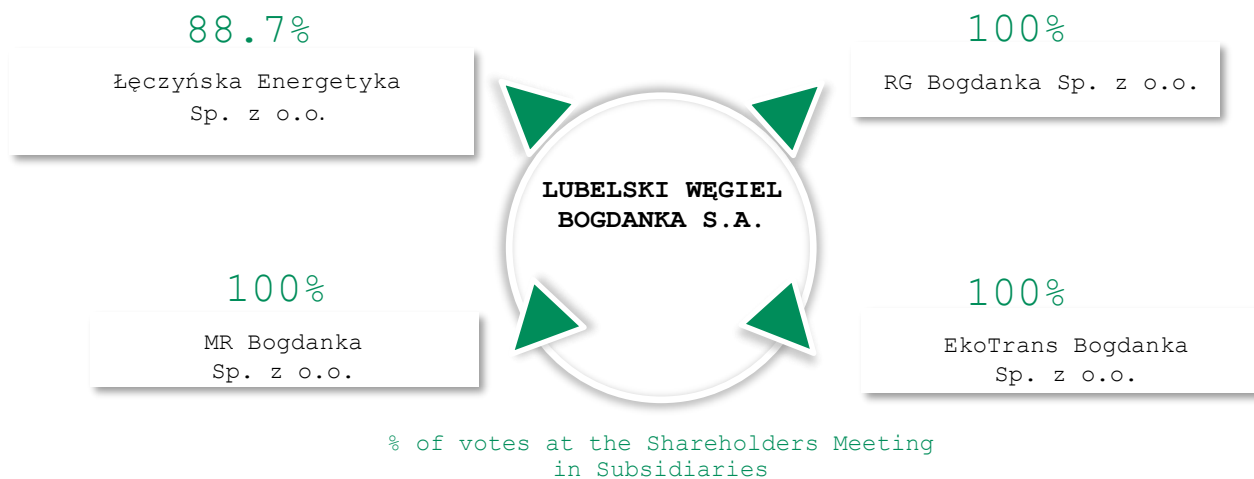


THE LUBELSKI WĘGIEL BOGDANKA
GROUP

BOGDANKA, NOVEMBER 2021

1. General information

The Lubelski Węgiel Bogdanka Group:



The Lubelski Węgiel Bogdanka Group (hereinafter referred to as the "Group") is composed of the following companies:

THE PARENT



Lubelski Węgiel Bogdanka S.A., with registered office in Bogdanka, 21-013 Puchaczów.


Lubelski Węgiel Bogdanka S.A. is a joint stock company, operating under the laws of Poland. The Company was created as a result of the restructuring of the state enterprise Kopalnia Węgla Kamiennego Bogdanka with registered office in Bogdanka, under the Act on the Privatisation of State Enterprises of 13 July 1990.

On 26 March 2001, Lubelski Węgiel Bogdanka Spółka Akcyjna was registered in the Register of Entrepreneurs of the National Court Register, under KRS No. 0000004549. At present the register is maintained by the District Court Lublin-Wschód in Lublin, with the seat in Świdnik, VI Commercial Division of the National Court Register.

The shares of LW Bogdanka S.A. are listed on the Warsaw Stock Exchange in Warsaw.

The Company's core business activity, pursuant to the Polish Classification of Activity (PKD 0510Z), is hard coal mining.


SUBSIDIARIES:

 **Łęczyńska Energetyka Sp. z o.o.**, with registered office in Bogdanka, 21-013 Puchaczów.

As at 30 September 2021, the Parent held 88.7% of share in capital of its subsidiary, Łęczyńska Energetyka Sp. z o.o.

Łęczyńska Energetyka Sp. z o.o. provides services to the mine involving supplying heat energy and conducts water/wastewater management. In addition, the company supplies heat energy to third parties like housing estates and other facilities in Łęczna. The company also conducts activities involving the construction and refurbishment of heat-generating, water supply and sewage disposal installations.


The company prepares its balance sheet as at 31 December.

 **Ekotrans Bogdanka Sp. z o.o.**, with registered office in Bogdanka, 21-013 Puchaczów.

As at 30 September 2021, the Parent held 100.0% of shares in the capital of the subsidiary, Ekotrans Bogdanka Sp. z o.o.

Ekotrans Bogdanka Sp. z o.o. provides services to the mine with respect to transport, recovery and reuse of spoil arising during coal output cleaning and washing as well as reclamation services.


The company prepares its balance sheet as at 31 December.

 **RG Bogdanka Sp. z o.o.**, with registered office in Bogdanka, 21-013 Puchaczów.

As at 30 September 2021, the Parent held 100.0% of shares in the capital of the subsidiary, RG Bogdanka Sp. z o.o.

RG Bogdanka Sp. z o.o. provides services to the mine mainly with respect to the mining works, auxiliary works and run-of-mine services.

The company prepares its balance sheet as at 31 December.

 **MR Bogdanka Sp. z o.o.**, with registered office in Bogdanka, 21-013 Puchaczów.

As at 30 September 2021, the Parent held 100.0% of shares in the capital of the subsidiary, MR Bogdanka Sp. z o.o.

MR Bogdanka Sp. z o.o. provides services to the mine with respect to renovation, repair and construction services, works in underground machinery departments, regeneration and production of steel constructions.

The Company prepares its balance sheet as at 31 December.

A breakdown as at 30 September 2021 characterising the Group's subsidiaries is presented below:

NAME OF THE SUBSIDIARY	BALANCE-SHEET TOTAL [PLN '000]	EQUITY [PLN '000]	% OF SHARES HELD	NON-CONTROLLING INTERESTS	RESTRICTIONS IN CONTROL; RESTRICTIONS IN CONSOLIDATED ASSETS AND EQUITY & LIABILITIES	CONSOLIDATION METHOD
COMPANIES SUBJECT TO CONSOLIDATION IN THE CURRENT AND PREVIOUS PERIODS:						
ŁĘCZYŃSKA ENERGETYKA Sp. z o.o.	105,32 5	87,926	88.7	Non-controlling interests amount to 11.30% and are held by: - Łęczna Municipality 11.29% - Puchaczów Commune 0.01%	none	full
RG Bogdanka Sp. z o.o.	19,574	4,506	100.0	none	none	full
EkoTRANS Bogdanka Sp. z o.o.	4,262	593	100.0	none	none	full
MR Bogdanka Sp. z o.o.	8,209	4,742	100.0	none	none	full

Lubelski Węgiel Bogdanka S.A. is the Parent in the Lubelski Węgiel Bogdanka Group. The Group prepares consolidated financial statements compliant with the IFRS as approved by the European Union.

In order to understand fully the Group's financial standing and the results of its operation, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Lubelski Węgiel Bogdanka Group, as well as with the audited financial statements of the Parent for the financial period ended on 31 December 2020. Those financial statements are available on the Parent's website at www.ri.lw.com.pl.

The Group in the structure of the ENEA Group

On 14 September 2015, ENEA S.A. announced a tender offer for the shares of the Parent, Lubelski Węgiel Bogdanka S.A., and it declared its intention to acquire up to 64.57% of the total vote at the General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. The transaction settlement took place on 29 October 2015. As a result of the transaction, ENEA S.A. along with its subsidiary acquired the total of 66% of shares in Lubelski Węgiel Bogdanka S.A., as a result of which Lubelski Węgiel Bogdanka S.A. with its subsidiaries became a part of the ENEA Group of which ENEA S.A. with registered office in Poznań is the parent.

The ultimate controlling entity is the State Treasury.

2. Principles applied in preparing the condensed interim consolidated financial statements of the Group and the condensed interim financial statements of the Parent.

These condensed interim consolidated financial statements of the LW Bogdanka Group and condensed interim financial statements of the Parent for the three quarters of 2021 were prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting", as approved by the European Union.

The Consolidated Quarterly Report was prepared according to the historical cost principle except for derivative instruments measured at fair value.

Historical cost is calculated on the basis of fair value of the payment made for goods or services.

Fair value is the price that would be received in a sale of an asset or paid to transfer a liability in a customary transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless whether such price is directly observable or estimated using other valuation technique. In the fair value measurement of an asset or liability, the Group takes into account the characteristics of the given asset or liability if the market participants take them into account when pricing assets or liabilities at the measurement date. Fair value for the purpose of measurement and / or disclosure in the Group's Consolidated Quarterly Report is determined in accordance with the above principle, except for share-based payments which are covered by the scope of IFRS 2, lease transactions which are covered by the scope of IFRS 16, and measurements which are in a certain way similar to fair value but are not defined as fair value, such as net realisable value according to IAS 2 or value in use according to IAS 36.

Estimated figures

Accounting estimates as well as the professional judgement regarding current and future events in individual fields are required for the preparation of the condensed interim (consolidated and separate) financial statements on the basis of the International Financial Reporting Standards and in accordance with the accounting policies.

The main accounting estimates and judgments are based on past experience as well as other factors, including assessments of future events which seem justified in a given situation. Accounting estimates and judgments are reviewed on a regular basis.

Other key estimates and judgements have not changed since the publication of the annual consolidated and annual separate financial statements for 2020.

Accounting Policies

The condensed interim (consolidated and separate) financial statements were prepared using the same accounting principles for the current and comparative periods; the financial statements follow the same accounting principles (policies) and calculating methods as the latest annual consolidated and separate financial statements for 2020.

3. Brief description of achievements and failures of the Group during the reporting period along with key events related thereto

As regards the business activities pursued by the Group, the following material events having influence on the Group's operations in 2021 occurred in the period of the first three quarters of 2021 and until the publication date of this Consolidated Quarterly Report:

- On 13 January 2021, the Management Board of the Parent concluded with Enea Wytwarzanie Sp. z o.o. an Annex to the Long-Term Agreement on sale of thermal coal. The Annex concerns the transfer of undelivered supplies from 2020 to 2021, increasing the volume of coal supplies to Elektrownia Kozienice for 2021.

- On 22 January 2021, the Management Board of the Parent concluded with ENEA Elektrownia Połaniec S.A. an Annex to the Agreement on sale of thermal coal. The Annex concerns the extension of the term of the Agreement until 31 December 2024, thus transferring the undelivered supplies from 2020 to 2021. In total, the Agreement currently covers thermal coal supplies in 2013-2024.
- On 19 February 2021, the Management Board of the Parent concluded with Enea Wytwarzanie Sp. z o.o. an Additional Agreement on sale of coal as well as Annexes to the Long-Term Agreement on sale of thermal coal. The Additional Agreement specifies the price and volume of coal supplies to Elektrownia Kozienice during its term from the date of its conclusion to 30 April 2021. As a result of concluding the Additional Agreement and Annexes, the volume of coal delivered during the term of the Additional Agreement will lower the volume of supplies provided for in the Long-Term Agreement for 2021 - their delivery will be transferred from 2021 to 2026.
- On 28 April 2021 a plenary meeting was held by the parties (social side, ministerial side, employers) participating in works aimed at reaching an agreement about the Social Agreement concerning hard coal mining in Poland. During the meeting, the parties initialed the final wording of the concerted Social Agreement. Representatives of the Parent participated in the meeting by way of videoconference and did not formally initialed the Social Agreement along other parties. However, it shall be noted that the Social Agreement includes provisions which could potentially affect the Parent should a decision to close it and enter the so-called Support System be made in the future. At present, particularly due to financial results and operating efficiency, the Parent remains directly unaffected by the Social Agreement and the planned restructuring of the hard coal mining sector.
- On 30 April 2021, the Management Board of the Parent concluded with Enea Wytwarzanie Sp. z o.o. a second Additional Agreement on sale of coal as well as an Annex to the Long-Term Agreement on sale of thermal coal. The second concluded Additional Agreement specifies the price and volume of coal supplies to Elektrownia Kozienice during its term from the date of its conclusion to 31 July 2021. As a result of concluding the second Additional Agreement and the Annex, the volume of coal delivered during the term of the second Additional Agreement will lower the volume of supplies provided for in the Long-Term Agreement for 2021 - their delivery will be transferred from 2021 to 2027.
- On 11 May 2021, the Parent's Management Board concluded with Bank Gospodarstwa Krajowego S.A. an Annex to a Revolving Overdraft Facility Agreement of 12 May 2020. The Annex prolongs the facility expiry date for another 12 months and is scheduled for repayment by 12 May 2022. Other terms (the limit of PLN 150 million, in particular) remain unchanged.
- On 9 April 2021, the Management Board of the Parent concluded with Enea Wytwarzanie Sp. z o.o. another Additional Agreement on sale of coal - already the third in 2021 - as well as an Annex to the Long-Term Agreement on sale of thermal coal. As a result of concluding Additional Agreement No. 3 and the Annex, the volume of coal delivered during the term of Additional Agreement No. 3 will lower the volume of supplies provided for in the Long-Term Agreement for 2021 - their delivery will be transferred from 2021 to 2028 and 2029.
- On 9 July 2021, the Management Board of the Parent concluded with Enea Elektrownia Połaniec S.A. an Additional Agreement on sale of coal as well as an Annex to the Long-Term Agreement on sale of thermal

coal. The Long-Term Agreement covers thermal coal supplies in 2013-2024. The Additional Agreement, implemented in addition to the Long-Term Agreement, specifies the price and volume of coal supplies to Elektrownia Połaniec during its term from the date of its conclusion to 31 October 2021. The value of supplies provided for therein is estimated at PLN 124.6 million. As a result of concluding the Additional Agreement and Annex, the volume of coal delivered during the term of the Additional Agreement will lower the volume of supplies provided for in the Long-Term Agreement for 2021.

- On 13 August 2021, the Management Board of the Parent concluded with D.Trading International SA an Agreement for the export of thermal coal to the territory of Ukraine. The Export Agreement specifies the price and volume of coal supplies to customers in Ukraine from 15 August 2021 to 28 February 2022. The value of supplies provided for in the Export Agreement is estimated at USD 27 million. The amount includes additional volume options to be used during the term thereof.
- On 4 October 2021, the Management Board of the Parent concluded with Enea Wytwarzanie Sp. z o.o. the fourth in 2021 Additional Agreement on sale of coal as well as an Annex to the Long-Term Agreement. Additional Agreement No. 4, implemented in addition to the Long-Term Agreement, specifies the price and volume of coal supplies to Elektrownia Kozienice during its term from the date of its conclusion to 31 December 2021. The value of supplies provided for in Additional Agreement No. 4 is estimated at PLN 301.8 million in addition to the value of supplies set out in the Long-Term Agreement.
- On 4 October 2021, the Management Board of the Parent concluded with Enea Elektrownia Połaniec S.A. an Additional Agreement on sale of coal as well as an Annex to the Long-Term Agreement on sale of thermal coal. The concluded Annex to the Additional Agreement extends the term thereof until 31 January 2022. Furthermore, under the Annex to the Long-Term Agreement, new volumes of supplies were defined for 2021-2024.

4. Description of factors and events, especially of untypical nature, which have a material impact on the results achieved

The coronavirus (SARS-Cov-2) epidemic continuing from 2020 and causing COVID-19 still has a significant impact on the economy, both in Poland and internationally. It is still necessary for the government to take measures counteracting the epidemic and introduce other restrictions which affect the condition of the economy. The said measures and influences may be observed on the example of the third wave of the coronavirus, which took place in Q1 and at the beginning of Q2 2021. At the end of Q3 2021 and beginning of Q4 2021, as the fourth wave unfolds, we may once more observe a rising number of cases and patients admitted to hospitals. This, in turn, may result in intensified measures taken by the state to counteract the epidemic, for instance by re-introducing restrictions.

However, as at the date of drawing up this Consolidated Quarterly Report, the circumstances described above did not affect the Group's operations to such an extent as in 2020. Moreover very good production results which translated into the financial result in three quarters of 2021 were achieved thanks to efforts aimed at best possible use of production capacity, such as the intense work of employees and optimized wall run system and timetable in the period of higher coal demand.

However, bearing in mind the risks posed by COVID-19, the Group continues to apply proper security and other measures to counteract the negative impact of COVID-19 on Group's operations and financial results. These measures include, in particular, personal protection equipment, keeping distance, proper work organisation, use of shift work or home office where possible, and suitable technical resources facilitating prophylaxis.

5. Data with regard to the condensed interim consolidated financial statements for the Lubelski Węgiel Bogdanka Group in three quarters of 2021

The third quarter of 2021

Interim Consolidated Income Statement

In the third quarter of 2021 the consolidated revenue on sales achieved the level of PLN 601,888,000 while in the comparable period of 2020 the figure was PLN 504,522,000. This represents an increase in net revenue for Q3 2021 by 23.3%

Consolidated operating profit in the third quarter of 2021 amounted to PLN 96,603,000.

In the third quarter of 2021, net loss attributable to owners of the Parent was recorded in the amount of PLN 73,677,000, while in the comparable period of 2020 the Group recorded net loss attributable to owners of the Parent of PLN (1,766,000).

Three quarters of 2021

Interim Consolidated Income Statement

In cumulative terms, the revenue on sales for three quarters of 2021 amounted to PLN 1,668,479,000, which represents an increase by 23.3% as compared to the same period of the previous year.

The consolidated operating profit for three quarters of 2021 amounted to PLN 212,797,000.

In cumulative terms, the net profit attributable to owners of the Parent for three quarters of 2021 was recorded in the amount of PLN 165,168,000, while in the comparable period of 2020 the Group generated net profit attributable to owners of the Parent of PLN 34,793,000. It represents an increase by 374.7% compared to the same period of the previous year.

Interim Consolidated Statement of Financial Position

Total provisions for other liabilities and charges, as well as provisions for employee benefits as at 30 September 2021 amounted to PLN 447,683,000, which shows an increase by PLN 12,586,000 as compared to the amount achieved as at 31 December 2020.

As at 30 September 2021, deferred income tax liability occurred in the amount of PLN 213,347,000, which represents a decrease by PLN 34,840,000 in comparison to the balance of this item as at 31 December 2020.

6. Data with regard to the condensed interim financial statements for the Parent in three quarters of 2021.

The third quarter of 2021

Interim Income Statement

In the third quarter of 2021 the revenue achieved the level of PLN 621,408,000 while in the comparable period of 2020 the figure was PLN 503,986,000. This represents an increase in net revenue for Q3 2021 by 23.3%

Operating profit in the third quarter of 2021 amounted to PLN 96,191,000.

In the third quarter of 2021, net profit attributable to owners of the Parent was recorded in the amount of PLN 74,020,000, while in the comparable period of 2020 the Group recorded net loss attributable to owners of the Parent of PLN (2,026,000).

Three quarters of 2021

Interim Income Statement

In cumulative terms, the revenue for three quarters of 2021 amounted to PLN 1,665,301,000, which represents an increase by 23.3% as compared to the same period of the previous year.

The consolidated operating profit for three quarters of 2021 amounted to PLN 212,606,000.

In cumulative terms, the net profit for three quarters of 2021 amounted to PLN 170,425,000, while in the same period of 2020 the net profit was PLN 32,015,000. It represents an increase by 432.3% compared to the same period of the previous year.

Interim Statement of Financial Position

Provisions for other liabilities and charges, as well as provisions for employee benefits as at 30 September 2021 amounted to PLN 438,380,000, which shows an increase by PLN 9,278,000 as compared to the amount achieved as at 31 December 2020.

As at 30 September 2021, deferred income tax liability occurred in the amount of PLN 213,321,000, which represents a decrease by PLN 34,831,000 in comparison to the balance of this item as at 31 December 2020.

7. Explanations regarding seasonal and cyclical nature of the Group's activity in the presented period

The production is not seasonal, whereas seasonal nature of sales can be noticed in the case of retail sales at a point of coal sale. Sales to retail customers account for less than 0.2% of total consolidated sales revenue. This has no significant effect on operating and financing activities of the Group.

8. Information concerning the dividend paid (or declared), in aggregate and calculated per share, divided into ordinary and preferred shares

In the three quarters of 2021 and in the same period of 2020, the Parent did not pay any dividend to the shareholders.

At the Annual General Shareholders Meeting on 24 June 2021, the Shareholders of the Parent adopted a resolution on distribution of net profit for 2020, under which the entire net profit of the Parent amounting to PLN 70,050,000 was allocated for reserve capital.

9. Events after the balance-sheet date not disclosed in the Consolidated Quarterly Report

No significant events that would affect the financial results as at 30 September 2021 and were not disclosed in the Consolidated Quarterly Report occurred after the balance-sheet date.

10. Information on changes in contingent liabilities or contingent assets, occurring after the end of the previous financial year

Contingent liabilities and assets have been described in detail in Note 29 of the annual consolidated financial statements for 2020. Contingent liabilities and assets have not changed significantly during the three quarters of 2021 comparing to the ended last financial year.

11. Transactions of the Lubelski Węgiel Bogdanka Group with related entities

All transactions with related entities are concluded as part of regular operations of the Group and are performed on an arms' length basis.

Transactions with subsidiaries of the State Treasury of the Republic of Poland

The Group concludes commercial transactions with state administration and local self-government bodies as well as subsidiary entities of the State Treasury of the Republic of Poland.

Key sale transactions include revenue on sales of thermal coal to the following companies: Zakłady Azotowe w Puławach S.A. (Azoty Group), PGE Energia Ciepła S.A., Energa Elektrownie Ostrołęka S.A., PGNiG Termika S.A. and Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Chełm.

In the reporting periods ended on 30 September 2021 and 30 September 2020, the value of sales to the above entities and the total receivables of the Group from those entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 – 30 Sep. 2021	1 Jan. 2020 – 31 Dec. 2020	1 Jan. 2020 – 30 Sep. 2020
Sales in period	180,832	207,354	142,348
Total receivables at end of period including VAT	28,160	30,871	6,944

Key purchase transactions include: purchase of materials (mine lining) from Huta Łabędy S.A., purchase of transport services from PKP Cargo S.A., purchases of electrical energy distribution services from PGE Dystrybucja S.A., purchase of fuel from Orlen Paliwa Sp. z o.o. as well as payments for mining and prospecting licenses.

In the reporting periods ending on 30 September 2021 and 30 September 2020, the value of purchases from the above entities and the total liabilities of the Group to those entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 – 30 Sep. 2021	1 Jan. 2020 – 31 Dec. 2020	1 Jan. 2020 – 30 Sep. 2020
Purchases in period	89,897	110,577	86,166
Total liabilities at end of period including VAT	9,236	12,295	14,816

Transactions with ENEA Group companies

Purchase transactions cover primarily the purchases of electrical energy from ENEA S.A. and materials from ENEA Logistyka Sp. z o.o. as well as services from Enea Centrum Sp. z o.o.

In the reporting periods ending on 30 September 2021 and 30 September 2020, the value of purchases from the ENEA Group companies and the Group's total liabilities towards those entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 – 30 Sep. 2021	1 Jan. 2020 – 31 Dec. 2020	1 Jan. 2020 – 30 Sep. 2020
Purchases in period	63,539	97,754	71,876
Total liabilities at end of period including VAT	18,287	21,908	20,816

Sale transactions cover primarily the sales of thermal coal to ENEA Wytwarzanie Sp. z o.o. and ENEA Elektrownia Połaniec S.A. and Enea Ciepło Sp. z o.o.

In the reporting periods ending on 30 September 2021 and 30 September 2020, the value of sales with the ENEA Group companies and the total receivables of the Group from those entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 - 30 Sep. 2021	1 Jan. 2020 - 31 Dec. 2020	1 Jan. 2020 - 30 Sep. 2020
Sales in period	1,375,910	1,545,731	1,162,479
Total receivables at end of period including VAT	250,778	183,710	169,409

Transactions of the Parent with the subsidiary companies of the Lubelski Węgiel Bogdanka Group

The Parent's revenue resulting from the co-operation with Łęczyńska Energetyka Sp. z o.o., the subsidiary, is in the most part generated through sale of coal, lease of premises, telecommunications services, investor supervision, and re-invoicing electricity costs.

Purchases primarily include the purchase of heat power, potable water and the maintenance services for sewage installations, central heating, tailwater and water grid.

The Parent's revenue resulting from the co-operation with its subsidiary, EkoTRANS Bogdanka Sp. z o.o., relates predominantly to payments for lease of premises and telecommunication services.

Purchases include primarily services of transportation, utilisation and recovery of spoil arising during coal-associated shale cleaning and washing as well as the purchase of reclamation services.

Further, the Parent's revenue resulting from the cooperation with the subsidiary, RG Bogdanka Sp. z o.o., is in the most part generated through the lease of premises, fees for using the machinery, and telecommunications services.

Purchases include primarily services with respect to the mining works and auxiliary works at the mine as well as run-of-mine services.

The Parent's revenue resulting from the co-operation with its subsidiary, MR Bogdanka Sp. z o.o., relates predominantly to payments for lease of premises and telecommunication services.

Purchases primarily include the purchase of services connected with renovation of mining equipment and devices as well as transport units, performing regeneration services, traffic maintenance services and supply of machineries and components.

In the reporting periods ending on 30 September 2021 and 30 September 2020, the value of purchases from subsidiaries making the Lubelski Węgiel Bogdanka Group and the Parent's total liabilities towards those entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 - 30 Sep. 2021	1 Jan. 2020 - 31 Dec. 2020	1 Jan. 2020 - 30 Sep. 2020
Purchases in period, including:	108,331	121,792	87,992
- Purchases of services activated on the value of "property, plant and equipment"	20,492	11,470	6,554
Total liabilities at end of period including VAT	15,178	13,398	11,817

In the reporting periods ending on 30 September 2021 and 30 September 2020, the value of sales to subsidiaries making the Lubelski Węgiel Bogdanka Group and the Parent's total receivables from those associated entities were as follows:

	FOR THE PERIOD		
	1 Jan. 2021 - 30 Sep. 2021	1 Jan. 2020 - 31 Dec. 2020	1 Jan. 2020 - 30 Sep. 2020
Sales in period	9,466	12,431	8,267
Total receivables at end of period including VAT	1,035	2,154	941

In the reporting periods ending on 30 September 2021 and 30 September 2020 the value of dividends received from subsidiaries: Łęczyńska Energetyka Sp. z o.o., MR Bogdanka Sp. z o.o., EkoTRANS Sp. z o.o. and RG Bogdanka Sp. z o.o. was as follows:

	FOR THE PERIOD		
	1 Jan. 2021 - 30 Sep. 2021	1 Jan. 2020 - 31 Dec. 2020	1 Jan. 2020 - 30 Sep. 2020
Dividend received from the LW BOGDANKA Group companies	4,509	945	945

12. Reporting by segments: industry and location

The Management Board does not apply division into segments for managing the Group since the Group mainly focuses its activities on the production and sale of coal.

INTERIM STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

	AS AT 30 SEPTEMBER 2021	AS AT 31 DECEMBER 2020
Assets		
Non-current assets		
Property, plant and equipment	3,370,695	3,531,565
Intangible assets	58,208	59,175
Right-of-use asset	22,678	25,288
Investment properties	2,907	3,044
Deferred tax assets	2,564	2,089
Trade and other receivables	3,491	1,193
Cash and cash equivalents	141,226	141,591
Total non-current assets	3,601,769	3,763,945
Current assets		
Inventories	171,160	91,124
Trade and other receivables	321,728	268,260
Overpaid income tax	-	10,324
Other current investments	31,607	-
Cash and cash equivalents	447,450	241,610
Total current assets	971,945	611,318
TOTAL ASSETS	4,573,714	4,375,263
Equity		
Ordinary shares	301,158	301,158
Supplementary capital	702,549	702,549
Other capital reserves	1,988,063	1,918,013
Retained profits	462,069	367,665
Equity attributable to owners of the Parent	3,453,839	3,289,385
Non-controlling interests	9,939	10,442
Total equity	3,463,778	3,299,827
Liabilities		
Non-current liabilities		
Loans and borrowings	5,581	7,858
Deferred income tax liability	213,347	248,187
Provisions for employee benefits	187,812	178,671
Provisions for other liabilities and charges	198,767	212,456
Grants	11,335	11,871
Lease liabilities	20,601	22,914
Trade and other liabilities	28,698	33,093
Total non-current liabilities	666,141	715,050
Current liabilities		
Loans and borrowings	3,128	3,150
Provisions for employee benefits	44,184	36,656
Provisions for other liabilities and charges	16,920	7,314
Grants	527	469
Lease liabilities	3,051	3,005
Trade and other liabilities	344,081	308,463
Current income tax liabilities	11,517	-
Financial liabilities	2,612	-
Liabilities under contracts with customers	17,775	1,329
Total current liabilities	443,795	360,386
Total liabilities	1,109,936	1,075,436
TOTAL EQUITY AND LIABILITIES	4,573,714	4,375,263

INTERIM CONSOLIDATED INCOME STATEMENT

	Q3 2021, PERIOD FROM 1 Jul. 2021 TO 30 SEP. 2021	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	Q3 2020, PERIOD FROM 1 Jul. 2020 TO 30 SEP. 2020	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
<i>Continuing operations</i>				
Sales revenue	621,888	1,668,479	504,522	1,353,533
Cost of products, goods and materials sold	(477,907)	(1,323,670)	(465,906)	(1,189,685)
Gross profit	143,981	344,809	38,616	163,848
Selling costs	(10,503)	(29,026)	(9,420)	(24,260)
Administrative expenses	(34,157)	(99,150)	(29,273)	(90,661)
Other income	158	1,135	1,004	3,113
Other expenses	(343)	(654)	(246)	(1,362)
Other profit / (loss) - net	(2,533)	(4,317)	161	64
Profit on operating activities	96,603	212,797	842	50,742
Finance income	106	248	104	2,564
Finance costs	(2,179)	(6,466)	(2,369)	(7,719)
Profit/(loss) before taxation	9,4530	206,579	(1,423)	45,587
Income tax	(21,137)	(41,828)	(407)	(10,748)
Profit/(loss) on continuing operations	73,393	16,4751	(1,830)	34,839
Net profit/(loss) for the reporting period	73,393	164,751	(1,830)	34,839
including profit/(loss) attributable to:				
- shareholders of the Parent	73,677	165,168	(1,766)	34,793
- non-controlling interests	(284)	(417)	(64)	46

EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT DURING THE PERIOD (IN PLN PER SHARE)	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
- basic earnings per share on continuing operations	4.86	1.02
- basic earnings per share on discontinued operations	-	-
Basic earnings per share	4.86	1.02
- diluted earnings per share on continuing operations	4.86	1.02
- diluted earnings per share on discontinued operations	-	-
Diluted earnings per share	4.86	1.02

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2021, PERIOD FROM 1 Jul. 2021 TO 30 SEP. 2021	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	Q3 2020, PERIOD FROM 1 Jul. 2020 TO 30 SEP. 2020	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
Net profit/(loss) for the reporting period	73,393	164,751	(1,830)	34,839
Total other comprehensive loss for the reporting period				
Items which will never be subject to reclassification to profit or loss for the current period:				
Actuarial losses of defined benefit schemes	-	(882)	-	(2,656)
Total other loss not to be reclassified to profit or loss, before taxation	-	(882)	-	(2,656)
Total other gain/(loss) to be reclassified to profit or loss, before taxation	-	-	-	-
Total other loss, before taxation	-	(882)	-	(2,656)
Income tax relating to non-transferrable items	-	168	-	505
Income tax relating to transferrable items	-	-	-	-
Other net comprehensive loss for the reporting period	-	(714)	-	(2,151)
Other net comprehensive income/(loss) for the reporting period - total	73,393	164,037	(1,830)	32,688
<i>including comprehensive income/(loss) attributable to:</i>				
- shareholders of the Parent	73,677	164,454	(1,766)	32,642
- non-controlling interests	(284)	(417)	(64)	46

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ORDINARY SHARES	SUPPLEMENTARY CAPITAL	OTHER CAPITAL RESERVES	RETAINED PROFITS	TOTAL EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As at 1 January 2021	301,158	702,549	1,918,013	367,665	3,289,385	10,442	3,299,827
Total net comprehensive income for the reporting period:	-	-	-	164,454	164,454	(417)	164,037
- Net profit	-	-	-	165,168	165,168	(417)	164,751
- Other comprehensive loss	-	-	-	(714)	(714)	-	(714)
Dividend	-	-	-	-	-	(86)	(86)
Transfer of the result from previous year	-	-	70,050	(70,050)	-	-	-
Change in equity in the period	-	-	70,050	94,404	164,454	(503)	163,951
As at 30 September 2021	301,158	702,549	1,988,063	462,069	3,453,839	9,939	3,463,778

	ORDINARY SHARES	SUPPLEMENTARY CAPITAL	OTHER CAPITAL RESERVES	RETAINED PROFITS	TOTAL EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As at 1 January 2020	301,158	702,549	1,611,829	602,607	3,218,143	10,359	3,228,502
Total net comprehensive income for the reporting period:	-	-	-	32,642	32,642	46	32,688
- Net profit	-	-	-	34,793	34,793	46	34,839
- Other comprehensive loss	-	-	-	(2,151)	(2,151)	-	(2,151)
Transfer of the result from previous year	-	-	306,184	(306,184)	-	-	-
Change in equity in the period	-	-	306,184	(273,542)	32,642	46	32,688
As at 30 September 2020	301,158	702,549	1,918,013	329,065	3,250,785	10,405	3,261,190

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2021	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
Cash flow from (used in) operating activities		
Net profit	164,751	34,839
<u>Adjustments:</u>		
Income tax in the interim consolidated income statement	41,828	10,748
Depreciation/amortisation	325,425	267,744
Loss on sale and liquidation of property, plant and equipment	33,042	26,322
Creating and using impairment losses of property, plant and equipment	87	(838)
Interest income	(105)	(2,417)
Interest expense	1,012	814
Loss on measurement of financial instruments	2,612	-
Other flows	7,826	2,387
<u>Changes in working capital:</u>		
Change in provisions for employee benefits liabilities	15,787	12,686
Changes in provisions	14,351	4,766
Change in inventories	(80,036)	22,756
Change in trade and other receivables	(55,766)	23,449
Change in trade and other liabilities	74,534	8,132
Total adjustments	380,597	376,549
Operating cash inflow	545,348	411,388
Income tax paid and received	(65,203)	(12,233)
Net cash flow from (used in) operating activities	480,145	399,155
Cash flow from (used in) investing activities		
Acquisition of property, plant and equipment	(228,342)	(438,064)
Acquisition of intangible assets	(9,258)	(2,311)
Inflow from the sale of property, plant and equipment	96	75
Interest received	24	2,491
Expenditure on other current investments	(31,607)	-
Inflow / (Outflow) on account of funds being deposited in the bank account of the Mine Closure Fund	365	(984)
Net cash flow from (used in) investing activities	(268,722)	(438,793)
Cash flow from (used in) financing activities		
Lease payments	(2,903)	(2,759)
Repayments of loans and borrowings	(2,277)	(2,277)
Interest and commissions paid regarding financing activities	(317)	(410)
Dividend paid	(86)	-
Net cash flow from (used in) financing activities	(5,583)	(5,446)
Net increase / (decrease) in cash and cash equivalents before the consequences of the exchange rate changes	205,840	(45,084)
Net increase / (decrease) in cash and cash equivalents	205,840	(45,084)
Cash and cash equivalents at beginning of period	241,610	382,740
Cash and cash equivalents at end of period	447,450	337,656

ADDITIONAL NOTES TO CONSOLIDATED OPERATING CASH FLOWS

	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2021	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
Balance-sheet change in liabilities, liabilities under contracts with customers and grants	47,191	57,375
Set-off of income tax overpaid with other taxes payable	10,067	9,058
Change in investment liabilities	17,276	(58,301)
Change in liabilities for the purposes of the interim consolidated statement of cash flows	74,534	8,132
Increase in non-current assets	211,131	513,319
Increase resulting from revaluation of capitalised costs of liquidating non-current assets	-	(16,925)
Other non-cash adjustments	(65)	(29)
Change in investment liabilities	17,276	(58,301)

Acquisition of property, plant and equipment	228,342	438,064
Increase in intangible assets	9,258	2,396
Other non-cash adjustments	-	(85)
Acquisition of intangible assets	9,258	2,311

INTERIM STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

	AS AT 31 SEPTEMBER 2021	AS AT 31 DECEMBER 2020
Assets		
Non-current assets		
Property, plant and equipment	3,290,821	3,447,547
Intangible assets	56,352	58,358
Non-current investments	75,601	75,601
Right-of-use asset	20,455	23,025
Trade and other receivables	2,487	200
Cash and cash equivalents	141,226	141,591
Total non-current assets	3,586,942	3,746,322
Current assets		
Inventories	168,928	88,557
Trade and other receivables	320,878	266,922
Overpaid income tax	-	9,606
Other current investments	31,607	-
Cash and cash equivalents	424,263	216,782
Total current assets	945,676	581,867
TOTAL ASSETS	4,532,618	4,328,189
Equity		
Ordinary shares	301,158	301,158
Supplementary capital	702,549	702,549
Other capital reserves	1,988,063	1,918,013
Retained profits	453,306	353,647
Total equity	3,445,076	3,275,367
Liabilities		
Non-current liabilities		
Deferred income tax liability	213,321	248,152
Provisions for employee benefits	184,441	175,227
Provisions for other liabilities and charges	198,767	212,456
Grants	11,335	11,871
Lease liabilities	18,333	20,636
Trade and other liabilities	28,042	32,354
Total non-current liabilities	654,239	700,696
Current liabilities		
Provisions for employee benefits	38,686	34,353
Provisions for other liabilities and charges	16,486	7,066
Grants	527	469
Lease liabilities	3,036	2,974
Trade and other liabilities	341,952	305,935
Current income tax liabilities	12,229	-
Financial liabilities	2,612	-
Liabilities under contracts with customers	17,775	1,329
Total current liabilities	433,303	352,126
Total liabilities	1,087,542	1,052,822
TOTAL EQUITY AND LIABILITIES	4,532,618	4,328,189

INTERIM INCOME STATEMENT

	Q3 2021, PERIOD FROM 1 Jul. 2021 TO 30 SEP. 2021	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	Q3 2020, PERIOD FROM 1 Jul. 2020 TO 30 SEP. 2020	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
<i>Continuing operations</i>				
Sales revenue	621,408	1,665,301	503,986	1,350,956
Cost of products, goods and materials sold	(477,942)	(1,319,915)	(466,360)	(1,191,287)
Gross profit	143,466	345,386	37,626	159,669
Selling costs	(10,596)	(29,265)	(9,482)	(24,458)
Administrative expenses	(33,953)	(99,447)	(28,769)	(91,129)
Other income	121	857	960	2,875
Other expenses	(314)	(621)	(240)	(1,350)
Other profit / (loss) - net	(2,533)	(4,304)	162	64
Profit on operating activities	96,191	212,606	257	45,671
Finance income	103	4,751	85	3,418
Finance costs	(2,087)	(6,100)	(2,246)	(7,261)
Profit/(loss) before taxation	94,207	211,257	(1,904)	41,828
Income tax	(20,187)	(40,832)	(122)	(9,813)
Profit/(loss) on continuing operations	74,020	170,425	(2,026)	32,015
Net profit/(loss) for the reporting period	74,020	170,425	(2,026)	32,015

EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY DURING THE PERIOD (IN PLN PER SHARE)	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
- basic earnings per share on continuing operations	5.01	0.94
- basic earnings per share on discontinued operations	-	-
Basic earnings per share	5.01	0.94
- diluted earnings per share on continuing operations	5.01	0.94
- diluted earnings per share on discontinued operations	-	-
Diluted earnings per share	5.01	0.94

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Q3 2021, PERIOD FROM 1 Jul. 2021 TO 30 SEP. 2021	3 QUARTERS 2021 PERIOD FROM 1 JAN. 2021 TO 30 SEP. 2021	Q3 2020, PERIOD FROM 1 Jul. 2020 TO 30 SEP. 2020	3 QUARTERS 2020 PERIOD FROM 1 JAN. 2020 TO 30 SEP. 2020
Net profit/(loss) for the reporting period	74,020	170,425	(2,026)	32,015
Total other comprehensive loss for the reporting period				
Items which will never be subject to reclassification to profit or loss for the current period:				
Actuarial losses of defined benefit schemes	-	(882)	-	(2,656)
Total other loss not to be reclassified to profit or loss, before taxation	-	(882)	-	(2,656)
Total other gain/(loss) to be reclassified to profit or loss, before taxation	-	-	-	-
Total other loss, before taxation	-	(882)	-	(2,656)
Income tax relating to non-transferrable items	-	166	-	505
Income tax relating to transferrable items	-	-	-	-
Other net comprehensive loss for the reporting period	-	(716)	-	(2,151)
Other net comprehensive income/(loss) for the reporting period - total	74,020	169,709	(2,026)	29,864

INTERIM STATEMENT OF CHANGES IN EQUITY

	ORDINARY SHARES	SUPPLEMENTARY CAPITAL	OTHER CAPITAL RESERVES	RETAINED PROFITS	TOTAL EQUITY
As at 1 January 2021	301,158	702,549	1,918,013	353,647	3,275,367
Total net comprehensive income for the reporting period:	-	-	-	169,709	169,709
- <i>Net profit</i>	-	-	-	170,425	170,425
- <i>Other comprehensive loss</i>	-	-	-	(716)	(716)
Transfer of the result from previous year	-	-	70,050	(70,050)	-
Change in equity in the period	-	-	70,050	99,659	169,709
As at 30 September 2021	301,158	702,549	1,988,063	453,306	3,445,076

	ORDINARY SHARES	SUPPLEMENTARY CAPITAL	OTHER CAPITAL RESERVES	RETAINED PROFITS	TOTAL EQUITY
As at 1 January 2020	301,158	702,549	1,611,829	591,334	3,206,870
Total net comprehensive income for the reporting period:	-	-	-	29,864	29,864
- <i>Net profit</i>	-	-	-	32,015	32,015
- <i>Other comprehensive loss</i>	-	-	-	(2,151)	(2,151)
Transfer of the result from previous year	-	-	306,184	(306,184)	-
Change in equity in the period	-	-	306,184	(276,320)	29,864
As at 30 September 2020	301,158	702,549	1,918,013	315,014	3,236,734

INTERIM STATEMENT OF CASH FLOWS

	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2021	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
Cash flow from (used in) operating activities		
Net profit	170,425	32,015
<i>Adjustments:</i>		
Income tax in the interim income statement	40,832	9,813
Depreciation/amortisation	317,166	259,581
Loss on sale and liquidation of property, plant and equipment	33,030	26,322
Creating and using impairment losses of property, plant and equipment	87	(838)
Interest income	(105)	(2,417)
Interest expense	648	431
Dividend received	(4,509)	(945)
Losses on measurement of derivative instruments	2,612	-
Other flows	80	61
<i>Changes in working capital:</i>		
Change in provisions for employee benefits liabilities	12,665	9,970
Changes in provisions	14,165	4,512
Change in inventories	(80,371)	22,739
Change in trade and other receivables	(56,243)	23,226
Change in trade and other liabilities	75,163	6,993
Total adjustments	355,220	359,448
Operating cash inflow	525,645	391,463
Income tax paid and received	(63,729)	(11,099)
Net cash flow from (used in) operating activities	461,916	380,364
Cash flow from (used in) investing activities		
Acquisition of property, plant and equipment	(224,779)	(434,316)
Acquisition of intangible assets	(236)	(836)
Inflow from the sale of property, plant and equipment	96	75
Interest received	23	2,417
Dividend received	4,509	945
Expenditure on other current investments	(31,607)	-
Inflow / (Outflow) on account of funds being deposited in the bank account of the Mine Closure Fund	365	(984)
Net cash flow from (used in) investing activities	(251,629)	(432,699)
Cash flow from (used in) financing activities		
Lease payments	(2,806)	(2,667)
Net cash flow from (used in) financing activities	(2,806)	(2,667)
Net increase / (decrease) in cash and cash equivalents before the consequences of the exchange rate changes	207,481	(55,002)
Net increase / (decrease) in cash and cash equivalents	207,481	(55,002)
Cash and cash equivalents at beginning of period	216,782	366,899
Cash and cash equivalents at end of period	424,263	311,897

ADDITIONAL NOTES TO OPERATING CASH FLOWS

	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2021	FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
Balance-sheet change in liabilities, liabilities under contracts with customers and grants	47,673	56,197
Set-off of income tax overpaid with other taxes payable	10,067	9,058
Change in investment liabilities	17,423	(58,262)
Change in liabilities for the purposes of the interim statement of cash flows	75,163	6,993
Increase in non-current assets	207,422	509,516
Increase resulting from revaluation of capitalised costs of liquidating non-current assets	-	(16,925)
Other non-cash adjustments	(46)	(13)
Change in investment liabilities	17,423	(58,262)
Acquisition of property, plant and equipment	224,799	434,316

APPROVAL OF THE CONSOLIDATED QUARTERLY REPORT

The Management Board of Lubelski Węgiel Bogdanka S.A. hereby declares that as at 24 November 2021 it approves this Consolidated Quarterly Report covering the period from 1 January 2021 to 30 September 2021.

SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD AND THE CHIEF ACCOUNTANT

ARTUR WASIL
President of the Management Board

.....

ARTUR WASILEWSKI
Vice-President of the Management Board, Economic and Legal Affairs

.....

DARIUSZ DUMKIEWICZ
Vice-President of the Management Board, Development

.....

ADAM PARTYKA
Vice-President of the Management Board, Employee and Social Affairs

.....

URSZULA PIĄTEK
Chief Accountant

.....