

Current Report No. 17/2022

Date of preparation: 18 July 2022

Subject: Information on preliminary H1 2022 financial results

Legal basis: Article 17.1 of the MAR Regulation - Inside Information

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. (the “Company”) announces that on 18 July 2022 it was informed of the preliminary financial results of the LW Bogdanka Group for the first half of 2022 (H1 2022) and decided to make it public:

Consolidated financial results of the LW Bogdanka Group for H1 2022:

Net revenue from sales: PLN 1,462.6 million

EBITDA: PLN 615.4 million

EBIT: PLN 412.0 million

Net profit: PLN 336.0 million

The production of commercial coal in the period under discussion amounted to 5.57 million tonnes, and sales – 5.24 million tonnes.

In the first half of 2022, we implemented the production plan at a level higher by approx. 7% compared to the original assumptions, which was related to the exploitation of longwalls allowing to achieve a high level of yield.

The works related to the preparation of this year production started already in 2020, therefore we maintain the production plan at the level of 9.5 million tonnes per annum. The change in the longwall mix in the second half of the year, resulting from the schedule, provides for a lower level of yield, and thus lower production of commercial coal, than in H1 2022. The concession requirements oblige the Company to exploit all resources classified as industrial, and in the case of LW Bogdanka S.A. These are seams with a thickness of 1.2 m. The exploitation of low walls in terms of seam clearance is less effective than the shearer technology used in high walls, hence it reduces the level of commercial coal yield.

Observing the increased demand for coal to individual recipients, we took steps to produce more coal for these purposes (peas and walnuts), which does not affect the overall production level planned for this year.

In the period under analysis, there were no instances of one-off events that would have a material impact on the presented results.

The final results will be presented in detail in the Consolidated Interim Report of the LW Bogdanka Group for the first half of 2022, which is to be published on 14 September 2022.