Current Report 18/2022

Date Prepared: 02 September 2022

Subject: Updated production target for 2022

Legal basis: Article 17(1) of MAR – confidential information

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. ("Company") hereby reports that on 02 September 2022 it became aware of updated production assumptions for 2022 and decided to make them public.

Due to the increased demand for hard coal from the Polish economy as well as retail buyers, we have made changes to the original longwall mining schedule and accelerated the mining. Thanks to the above measures, in the first half of 2022 the execution of the production plan was approx. 7% higher than the assumptions made at the beginning of the year. Commercial coal output in the period under review was 5.57 million tons, while sales were 5.24 million tons.

The longwall mix resulting from the change of the schedule in the second half of the year assumed lower yields, and thus lower production of commercial coal, than in H1 2022, as the Company reported in Current Report No. 17/2022 dated 18 July 2022. Notwithstanding the above, after the publication of the current report, we encountered sudden and unforeseen impediments to mining, which objectively could not be prevented or counteracted. The above situation may have a negative impact on the execution of the previously assumed production plan of 9.5 million tons of commercial coal.

Responding to the above situation, the Company's Management Board has taken additional measures to maintain the production targets through intensified mining of longwall 3/VII/385, which may allow the Company to make up for production shortfalls that emerged in the period after the publication of the aforementioned current report.

With this in mind, the Company's Management Board is updating the production target, setting it at **9.2** (+/- 2%) **million tons of commercial coal.**