



Current Report No. 2/2023

Date of preparation: 19 January 2023

Subject: Information on preliminary financial results for 2022

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

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. ("Company") hereby reports that on 19 January 2023 it became aware of the preliminary financial results of the LW Bogdanka Group for 2022 and decided to make them public.

Consolidated financial results of the LW Bogdanka Group for 2022:

Net sales revenue: PLN 2,451.7 million

EBITDA: PLN 610.0 million

EBIT: PLN 200.3 million

Net profit: PLN 175.6 million

Commercial coal output in 2022 was 8,401 thousand tons, while sales totaled 8,400 thousand tons.

The results generated in 2022 were significantly affected by sudden and unpredictable difficulties in mining operations that occurred in Q3 2022. In longwall 3/VII/385, which was launched on 31 August 2022, an increase in operating pressure occurred, which resulted in a squeeze. This situation necessitated changes in the production plan for 2022 and 2023 to a level of approx. 8.3 million tons of commercial coal, which the Company informed about in its Current Report Nos. 19/2022 and 21/2022 of 14 September 2022 and 27 September 2022, respectively.

A consequence of the decrease in commercial coal output was a decrease in the sales volume, yet the higher selling price enabled the Company to maintain revenue at a level similar to that generated the year before. The decrease in output resulted in a decline in the Company's nominal operating expenses, with a simultaneous increase in the unit mining cost, because fixed costs account for the majority of coal production costs, especially in the short term.

Apart from the foregoing, during the period in question there were no other non-recurring events that exerted a significant impact on the results presented herein.

The achieved output level is in line with the updated output target for 2022.

The final financial performance will be presented in detail in the financial statements of LW Bogdanka S.A. and the consolidated financial statements of the LW Bogdanka Group for 2022.