



LUBELSKI WĘGIEL BOGDANKA GROUP

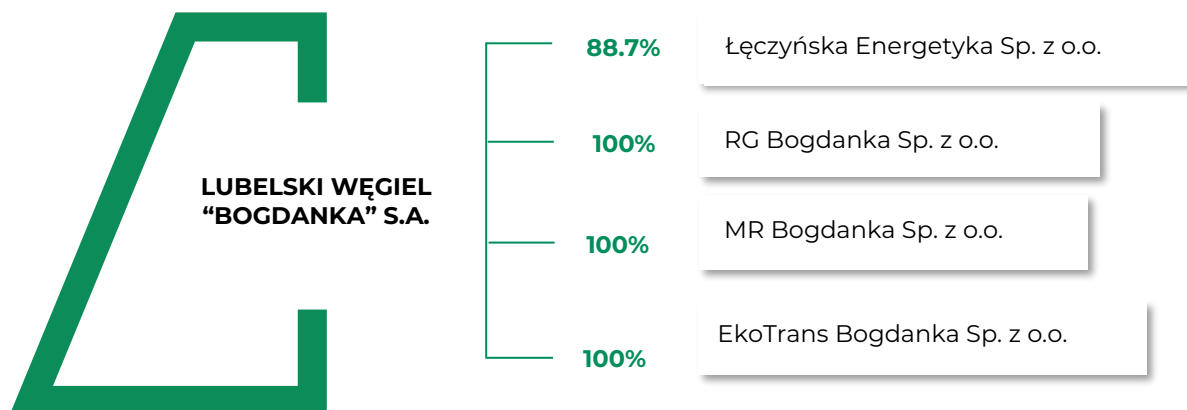
CONSOLIDATED QUARTERLY REPORT

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023

BOGDANKA, MAY 2023

General information

Lubelski Węgiel Bogdanka Group:



% of votes at general meetings in subsidiaries

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

Parent Company

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

Lubelski Węgiel „Bogdanka” S.A. is a joint stock company operating on the basis of the law of Poland. The Company was created through transformation of a state-owned enterprise Kopalnia Węgla Kamiennego "Bogdanka" with its registered office in Bogdanka, on the basis of the State Enterprise Privatization Act of 13 July 1990.

On 26 March 2001, Lubelski Węgiel "Bogdanka" Spółka Akcyjna was registered in the Register of Commercial Undertakings KRS under file number 0000004549. At present, this register is maintained by the District Court Lublin-East in Lublin, Branch in Świdnik, 6th Commercial Division of the National Court Register.

The shares of Lubelski Węgiel "Bogdanka" S.A. are listed on the Warsaw Stock Exchange (WSE).

The Company's primary line of business, according to the Polish Classification of Business Activity, is hard coal mining (PKD 0510Z).

Subsidiaries

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

As at 31 March 2023, the Parent Company held 88.7% shares in the capital of the "Łęczyńska Energetyka" Sp. z o.o. subsidiary.

"Łęczyńska Energetyka" Sp. z o.o. supplies heat to the mine and provides water and sewage management services. The company also supplies heat to external entities, such as housing estates and other facilities in Łęczna. The Company also builds and repairs heating, water and sewage systems.

The Company's balance sheet date is December 31st.

EkoTRANS Bogdanka Sp. z o.o. with its registered office in Bogdanka, 21-013 Puchaczów.

As at 31 March 2023, the Parent Company held 100.0% shares in the capital of EkoTRANS Bogdanka Sp. z o.o.

EkoTRANS Bogdanka Sp. z o.o. provides the mine with services entailing transportation, disposal and management of waste created during the washing and purification of coal winnings, as well as land reclamation services.

The Company's balance sheet date is December 31st.

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

As at 31 March 2023, the Parent Company held 100.0% shares in the capital of RG "Bogdanka" Sp. z o.o.

RG "Bogdanka" Sp. z o.o. provides services to the mine, including primarily mining works, auxiliary work and the handling of coal haulage

The Company's balance sheet date is December 31st.

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

As at 31 March 2023, the Parent Company held 100.0% shares in the capital of MR Bogdanka Sp. z o.o.

MR Bogdanka Sp. z o.o. provides the mine with services including renovation, construction services, work performed in underground machinery divisions, refurbishment and production of steel structures.

The Company's balance sheet date is December 31st.

The summary list of subsidiaries comprising the Group as at 31 March 2023 is presented in the table below:

NAME OF THE SUBSIDIARY	BALANCE SHEET TOTAL [PLN 000s]	EQUITY [PLN 000s]	% SHARES HELD	NON-CONTROLLING INTERESTS	LIMITATIONS OF CONTROL; RESTRICTIONS ON CONSOLIDATED ASSETS AND LIABILITIES	CONSOLIDATION METHOD
ENTITIES CONSOLIDATED IN THE CURRENT PERIOD AND IN PREVIOUS PERIODS:						
"ŁĘCZYŃSKA ENERGETYKA" Sp. z o.o.	106,698	91,107	88.7	Non-controlling interests are 11.30% and belong to: - Łęczna Township 11.29% - Puchaczów Township 0.01%	none	full
RG "BOGDANKA" Sp. z o.o.	28,426	2,472	100.0	none	none	full
EkoTRANS BOGDANKA Sp. z o.o.	5,992	1,449	100.0	none	none	full
MR BOGDANKA Sp. z o.o.	11,728	6,296	100.0	none	none	full

Lubelski Węgiel "Bogdanka" S.A. is the Parent Company in the Lubelski Węgiel Bogdanka Group. The Group draws up consolidated financial statements in accordance with IFRS in the form approved by the European Union.

In order to fully appreciate the financial standing and performance of the Group, this Consolidated Quarterly Report should be read in conjunction with the audited consolidated financial statements of the Lubelski Węgiel Bogdanka Group as well as the audited standalone financial statements of the Parent Company for the financial year ended 31 December 2022. The reports and statements mentioned above are available on the Parent Company's website at www.ri.lw.com.pl.

Group in the ENEA Group's structure

On 14 September 2015, ENEA S.A. announced a takeover bid for shares of Lubelski Węgiel "Bogdanka" S.A., the Parent Company, stating that it intended to acquire up to 64.57% of all votes at the Shareholder Meeting of Lubelski Węgiel "Bogdanka" S.A. The transaction was settled on 29 October 2015. As a result of the transaction, ENEA S.A. and its subsidiary acquired in total 66% of shares in Lubelski Węgiel "Bogdanka" S.A. and consequently Lubelski Węgiel "Bogdanka" S.A. and its subsidiaries became part of the ENEA Group with ENEA

S.A. in Poznań as its parent company. As a result of a disposal by a subsidiary of Enea S.A. of the Parent Company's shares in Q2 2022, as at 31 March 2023, Enea S.A. held in total 64.57% of shares in the Parent Company.

In addition, on 18 June 2022, a letter of intent was signed in the Parent Company's headquarters regarding the sale of shares in Lubelski Węgiel "Bogdanka" S.A. by ENEA S.A. to the State Treasury. According to its contents, Enea and the Ministry of State Assets will cooperate in the preparation and execution of the share purchase transaction. The letter of intent assumes that the State Treasury will purchase from Enea S.A. a total of 21,962,189 shares in the Parent Company. The acquisition of the Parent Company's shares by the State Treasury is planned for mid-2023.

The State Treasury is the ultimate controlling entity.

2. Rules for preparation of the interim condensed consolidated financial statements of the Group and the interim condensed financial statements of the Parent Company

These interim condensed consolidated financial statements of the Group and the interim condensed financial statements of the Parent Company for Q1 2023 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as approved by the European Union.

The Consolidated Quarterly Report has been drawn up in accordance with the historical cost principle, except for derivative financial instruments, which are measured at fair value.

Historical cost is generally determined based on the fair value of the payment made for goods or services.

Fair value is understood to be the price that may be obtained upon the sale of an asset or the price paid to transfer a liability in a common transaction on the main (or the most favorable) market on the measurement date and in the current market conditions, irrespective of whether the price is directly observable or estimated using a different measurement technique. In its fair value measurement of an asset or a liability, the Group considers the characteristics of the asset or liability if market players consider these features when measuring assets or liabilities as at the valuation date. Fair value for measurement and/or disclosure purposes in the Consolidated Quarterly Report is determined as described above, except for share-based payments, which are subject to IFRS 2, leases, which are subject to IFRS 16, as well the measurements that are similar to fair value but are not fair value, such as net selling price under IAS 2 or value in use under IAS 36.

Estimates

Preparation of the interim condensed (consolidated and standalone) financial statements on the basis of the International Financial Reporting Standards and in accordance with the accounting policy requires that, in addition to accounting estimates, professional judgment is also used with respect to current and future events in the individual areas.

Important accounting estimates and judgments are based on past experience and other factors, including anticipated future events that seem reasonable in the current situation. Accounting estimates and judgments are subject to regular review.

Material estimates and judgments have not changed since the publication date of the annual consolidated and standalone financial statements for 2022.

Accounting policy

The interim condensed (consolidated and standalone) financial statements for the current and comparative period have been prepared using the same accounting policies and the same accounting policy and calculation methods were used as in the most recent annual consolidated and standalone financial statements for 2022.

3. Material achievements and failures of the Group in the period covered by the report and list of key related events

As for the operations conducted in the period under analysis, in the first quarter of 2023 and until the publication date of this Consolidated Quarterly Report, the following material events occurred in the Group that affected its operations in 2023:

- In February 2023, in the Parent Company, after a new longwall crosscut was made in longwall 3/VII/385 and the longwall shearer system was reinstalled, the trial start-up began. However, during the trial start-up there was an incident consisting of a sudden and unexpected outpouring of groundwater into the underground workings, as a result of which mining on this longwall had to be halted. At the moment, advanced hydrogeological analyses are being carried out and independent expert opinions are being prepared to develop the best option for action and to determine the risks associated with further mining and technical work in the area.

The exact magnitude of the aforementioned event and its impact on the consolidated operating and financial results are still unknown, but the Parent Company's Management Board believes that the production plan set for 2023 is unthreatened. The Parent Company continues to conduct fully efficient mining of longwalls in the Bogdanka, Nadrybie and Stefanów fields.

At the same time, due to the potential risk of losing some of the machinery and equipment located in longwall 3/VII/385, an impairment loss of PLN 26.8 million was recognized in the Parent Company to appropriately reflect this event in the financial result for Q1 2023.

- On 17 May 2023 the Parent Company's Supervisory Board approved the "Development Strategy of the LW Bogdanka Group for 2023-2030 with an Outlook until 2040" ("Strategy"), including the dividend policy, adopted by the Parent Company's Management Board.

A more detailed description of the new Strategy was provided in the *Management Board Report on the Activity of the LW Bogdanka Group for Q1 2023*.

4. Description of factors and events, in particular non-recurring ones, exerting material influence on the financial results.

The only unusual event affecting the Group's operations and results is the outpour of groundwater at longwall 3/VII/385, described in more detail in Note 3.

5. Details of the interim condensed consolidated financial statements of the Lubelski Węgiel Bogdanka Group for the first quarter of 2023

Interim consolidated statement of profit or loss

Consolidated revenue from sales for Q1 2023 was PLN 940,678 thousand, compared to PLN 731,768 thousand in the corresponding period of 2022. This means an increase in net revenue by 28.5%.

The consolidated operating profit in Q1 2023 was PLN 155,752 thousand, down 13.3% compared to the corresponding period last year.

In Q1 2023, the Group generated net profit of PLN 126,165 thousand, compared to PLN 143,194 thousand in the corresponding period of 2022. This is a decrease of 11.9%.

Interim consolidated statement of financial position

As at 31 March 2023, provisions for other liabilities and charges and provisions for employee benefits amounted to PLN 429,220 thousand, increasing by PLN 31,209 thousand compared to 31 December 2022.

As at 31 March 2023, deferred tax liabilities amounted to PLN 257,905 thousand, down PLN 5,476 thousand from 31 December 2022.

6. **Details of the interim condensed financial statements of the Parent Company for the first quarter of 2023**

Interim standalone statement of profit or loss

Revenue from sales for Q1 2023 was PLN 940,997 thousand, compared to PLN 729,429 thousand in the corresponding period of 2022. This corresponds to an increase of 29.0%.

Operating profit in Q1 2023 was PLN 158,483 thousand, down 10.9% compared to the corresponding period last year.

In Q1 2023, the Parent Company generated net profit of PLN 129,089 thousand, compared to PLN 142,017 thousand in the corresponding period of 2022. This is a decrease of 9.1%.

Interim standalone statement of financial position

As at 31 March 2023, provisions for other liabilities and charges and provisions for employee benefits amounted to PLN 418,833 thousand, increasing by PLN 28,522 thousand compared to 31 December 2022.

As at 31 March 2023, deferred tax liabilities amounted to PLN 257,899 thousand, down PLN 5,472 thousand from 31 December 2022.

7. **Explanation of seasonal or cyclical nature of the Group's operations in the period**

There is no seasonality in production, while seasonality of retail sales can be observed at the coal sales outlet. Sales to individual clients represented less than 0.1% of total consolidated revenue from sales in Q1 2023. Accordingly, this has no significant impact on the Group's operating and financing activities.

8. **Information on dividend paid [or declared], in total and per share, for common and preference shares**

In Q1 2023 and Q1 2022, the Parent Company did not pay out dividends to its shareholders.

The Parent Company's Management Board continues its analysis whether the dividend for 2022 can be paid out and, as at the date of this Consolidated Quarterly Report, the decision on the distribution of the 2022 profit has not been made. A recommendation from the Parent Company's Management Board regarding the distribution of the 2022 profit is expected before convening the Parent Company's Ordinary Shareholder Meeting.

9. Subsequent events not captured in the Consolidated Quarterly Report

There were no material events after the balance sheet date, which have not been captured in the Consolidated Quarterly Report but could affect the financial results as at 31 March 2023.

10. Information on changes in contingent liabilities or contingent assets which occurred since the end of the previous financial year

A detailed description of contingent liabilities and contingent assets is presented in Note 29 to the annual consolidated financial statements for 2022. During Q1 2023, the balance of contingent liabilities and contingent assets did not change significantly as compared to the end of the previous financial year.

11. Transactions between the Lubelski Węgiel Bogdanka Group and related parties

All transactions concluded with related parties are concluded in the ordinary course of business and on an arm's length basis.

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

The Group enters into commercial transactions with state and local administration authorities and with subsidiaries of the State Treasury of the Republic of Poland.

Major sales transactions pertain to the revenue from sales of steam coal to: Zakłady Azotowe w Puławach S.A. (Azoty Group), Grupa Azoty Kolarz Sp. z o.o., Energa Elektrownie Ostrołęka S.A., PGNiG Termika S.A., PGNiG Termika Energetyka Przemysł Sp. z o.o., Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Chełm, and local government units (cities, townships).

In the reporting periods ended 31 March 2023 and 31 March 2022, the revenue from sales to the above entities and the balance of the Group's receivables from these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Sales in the period	100,850	266,319	76,113
Balance of receivables as at the end of the period including VAT	33,217	30,139	25,976

Major purchase transactions include: the purchase of materials (roof supports) from Huta Łabędy S.A., purchase of transportation services from PKP Cargo S.A., purchase of electricity distribution services from PGE Dystrybucja S.A., purchase of fuel from Orlen Paliwa Sp. z o.o. and fees arising from mining and exploration concessions.

In the reporting periods ended 31 March 2023 and 31 March 2022, the turnover resulting from purchases from the above entities and the amounts payable by the Group to these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Purchases in the period	77,731	270,970	48,228
Balance of payables as at the end of the period, including VAT	29,126	23,054	16,634

Transaction with ENEA Group companies

Purchase transactions include primarily the purchase of electricity from ENEA S.A., purchase of materials from Enea Logistyka Sp. z o.o. and purchase of services from Enea Centrum Sp. z o.o.

In the reporting periods ended 31 March 2023 and 31 March 2022, the turnover resulting from purchases from ENEA Group companies and the amounts payable by the Group to these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Purchases in the period	91,627	114,105	30,521
Balance of payables as at the end of the period, including VAT	78,244	18,458	21,172

Sales transactions concerned primarily sales of steam coal to ENEA Wytwarzanie Sp. z o.o., ENEA Elektrownia Połaniec S.A. and ENEA Ciepło Sp. z o.o.

In the reporting periods ended 31 March 2023 and 31 March 2022, the revenue from sales to ENEA Group companies and the balance of the Group's receivables from these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Sales in the period	818,539	1,710,337	533,351
Balance of receivables as at the end of the period including VAT	422,118	105,481	227,824

Transactions between the Parent Company and the subsidiaries from the Lubelski Węgiel Bogdanka Group

The revenue earned by the Parent Company from its cooperation with the "Łęczyńska Energetyka" Sp. z o.o. subsidiary included primarily sales of coal, payments for the lease of space, telecommunications services, investor supervision services and re-invoicing of electricity.

Purchase transactions included mainly the purchase of heat, potable water and upkeep of the sewerage and central heating systems, underground water installations and water supply systems.

The revenue earned by the Parent Company from its cooperation with the EkoTRANS Bogdanka Sp. z o.o. subsidiary included mainly payments for the lease of space and telecommunications services.

Purchase transactions included mainly the purchase of services related to transportation, disposal and management of waste created during the washing and purification of coal winnings, as well as land reclamation services.

The revenue earned by the Parent Company from its cooperation with the RG “Bogdanka” Sp. z o.o. subsidiary included mainly payments for the lease of space, fees for the use of equipment and tools and telecommunications services.

Purchase transactions included mainly the purchase of services related to the performance of mining works, auxiliary work in the mine and handling of coal haulage.

The revenue earned by the Parent Company from its cooperation with the MR Bogdanka Sp. z o.o. subsidiary included mainly payments for the lease of space and telecommunications services.

Purchase transactions included mainly the purchase of services related to the renovation of mining machinery and equipment, transportation units, refurbishing services, maintenance services and the supply of equipment and components.

In the reporting periods ended 31 March 2023 and 31 March 2022, the turnover resulting from purchases from Lubelski Węgiel Bogdanka Group companies and the amounts payable by the Parent Company to these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Purchases in the period, of which:	52,160	182,113	46,720
- <i>Purchases of services activated as Property, plant and equipment</i>	9,408	53,115	12,830
Balance of payables as at the end of the period, including VAT	23,270	18,532	20,188

In the reporting periods ended 31 March 2023 and 31 March 2022, the turnover resulting from purchases from sales to subsidiaries comprising the Lubelski Węgiel Bogdanka Group and the amounts receivable by the Parent Company from these entities were as follows:

	FOR THE PERIOD		
	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022	01.01.2022- 31.03.2022
Sales in the period	10,757	21,170	5,016
Balance of receivables as at the end of the period including VAT	4,077	6,184	2,109

Sector and geographic segment reporting

The Management Board has not used segmentation managing the Group, as the Group focuses its activity mainly on the production and sales of coal.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

 AS AT 31 DECEMBER
2022

	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Assets		
Non-current assets		
Property, plant and equipment	3,635,174	3,637,525
Intangible assets	55,105	59,554
Right-of-use asset	25,103	21,851
Investment property	2,657	2,702
Deferred tax assets	2,262	2,256
Trade and other receivables	4,142	8,716
Cash and cash equivalents	152,980	147,924
Total non-current assets	3,877,423	3,880,528
Current assets		
Inventories	230,631	195,860
Trade and other receivables	541,203	203,658
Overpaid income tax	-	63,604
Cash and cash equivalents	472,022	475,059
Total current assets	1,243,856	938,181
TOTAL ASSETS	5,121,279	4,818,709
Equity		
Common equity	301,158	301,158
Supplementary capital	702,549	702,549
Other reserve capital	2,194,624	2,194,624
Retained earnings	625,200	498,774
Equity attributable to shareholders of the Parent Company	3,823,531	3,697,105
Non-controlling interests	10,298	10,559
Total equity	3,833,829	3,707,664
Liabilities		
Non-current liabilities		
Loans and borrowings	1,027	1,786
Deferred tax liabilities	257,905	263,381
Provisions for employee benefits	187,209	179,958
Provisions for other liabilities and charges	152,332	155,452
Grants	10,590	10,732
Lease liabilities	18,779	18,314
Trade and other liabilities	22,284	32,265
Total non-current liabilities	650,126	661,888
Current liabilities		
Loans and borrowings	3,089	3,099
Provisions for employee benefits	76,180	49,855
Provisions for other liabilities and charges	13,499	12,746
Grants	486	488
Lease liabilities	8,213	5,179
Current income tax liabilities	16,356	-
Trade and other liabilities	519,381	377,398
Liabilities from contracts with customers	120	392
Total current liabilities	637,324	449,157
Total liabilities	1,287,450	1,111,045
TOTAL EQUITY AND LIABILITIES	5,121,279	4,818,709

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
<i>Continuing operations</i>		
Sales revenues	940,678	731,768
Cost of sales	(695,900)	(505,241)
Profit before tax	244,778	226,527
Selling costs	(10,511)	(10,109)
Administrative costs	(45,847)	(35,598)
Other revenues	1,019	827
Other costs	(900)	(621)
Other losses - net	(32,787)	(1,375)
Operating profit	155,752	179,651
Financial income	7,632	2,256
Financial expenses	(6,842)	(3,810)
Profit before tax	156,542	178,097
Income tax	(30,377)	(34,903)
Profit on continuing operations	126,165	143,194
Net profit for the financial period	126,165	143,194
of which profit/(loss) attributable to:		
- <i>shareholders of the Parent Company</i>	126,426	143,180
- <i>non-controlling interests</i>	(261)	14

EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY IN THE PERIOD (IN PLN PER SHARE)	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
- basic earnings per share from continuing operations	3.72	4.21
- basic earnings per share from discontinued operations	-	-
Basic earnings per share	3.72	4.21
- diluted earnings per share from continuing operations	3.72	4.21
- diluted earnings per share from discontinued operations	-	-
Diluted earnings per share	3.72	4.21

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Net profit for the financial period	126,165	143,194
Other comprehensive income/(loss) for the period		
Other comprehensive income/(loss) that will not be reclassified to profit or loss, before tax	-	-
Other comprehensive income/(loss) to be reclassified to profit or loss, before tax	-	-
Other comprehensive income/(loss), before tax	-	-
Income tax on the items not to be transferred	-	-
Income tax on the items to be transferred	-	-
Other net comprehensive income/(loss) for the period	-	-
Net comprehensive income for the period – total	126,165	143,194
of which comprehensive income/(loss) attributable to:		
- <i>shareholders of the Parent Company</i>	126,426	143,180
- <i>non-controlling interests</i>	(261)	14

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As at 1 January 2023	301,158	702,549	2,194,624	498,774	3,697,105	10,559	3,707,664
Total net comprehensive income for the period:	-	-	-	126,426	126,426	(261)	126,165
- <i>net profit</i>	-	-	-	126,426	126,426	(261)	126,165
Change in equity in the period	-	-	-	126,426	126,426	(261)	126,165
As at 31 March 2023	301,158	702,549	2,194,624	625,200	3,823,531	10,298	3,833,829

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As at 1 January 2022	301,158	702,549	1,988,063	591,671	3,583,441	10,268	3,593,709
Adjustment due to changes in accounting policy	-	-	-	23,892	23,892	-	23,892
As at 1 January 2022 after adjustments	301,158	702,549	1,988,063	615,563	3,607,333	10,268	3,617,601
Total net comprehensive income for the period:	-	-	-	143,180	143,180	14	143,194
- <i>net profit</i>	-	-	-	143,180	143,180	14	143,194
Change in equity in the period	-	-	-	143,180	143,180	14	143,194
As at 31 March 2022	301,158	702,549	1,988,063	758,743	3,750,513	10,282	3,760,795

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Cash flow on operating activity		
Net profit	126,165	143,194
<u>Adjustments:</u>		
Income tax recognized in profit or loss	30,377	34,903
Depreciation and amortization	107,207	96,806
Loss on the sale and liquidation of property, plant and equipment	23,624	17,518
Use and recognition of impairment allowances for property, plant and equipment	28,669	50
Interest income	(8,577)	(1,533)
Interest expense	459	582
Other cash flows	6,288	1,399
<u>Changes in working capital:</u>		
Change in provisions for employee benefits	33,576	20,056
Change in provisions	3,537	2,457
Change in inventories	(34,771)	(27,240)
Movement in trade and other receivables	(332,971)	16,962
Movement in trade and other liabilities	170,079	43,595
Total adjustments	27,497	205,555
Cash from operating activities	153,662	348,749
Income tax paid and received	(93)	(25,395)
Net cash flows from operating activities	153,569	323,354
Cash flows from investing activities		
Acquisition of property, plant and equipment	(155,053)	(208,687)
Acquisition of intangible assets	(2,452)	(8,542)
Proceeds from sales of property, plant and equipment	609	330
Interest received	8,683	1,519
Expenditures for other short-term investments	-	(250,000)
Inflows/(Outflows) from cash collected in the Mine Closure Fund's bank account	(5,056)	1,920
Net cash flows from investing activities	(153,269)	(463,460)
Cash flows from financing activities		
Payment of lease liabilities	(2,515)	(2,673)
Repayments of loans and borrowings	(759)	(759)
Payments of interest and commissions related to financing activities	(63)	(84)
Net cash flows from financing activities	(3,337)	(3,516)
Net decrease in cash and cash equivalents before effects of FX rate changes	(3,037)	(143,622)
Net decrease in cash and cash equivalents	(3,037)	(143,622)
Cash and cash equivalents at the beginning of the period	475,059	600,175
Cash and cash equivalents at the end of the period	472,022	456,553

ADDITIONAL INFORMATION FOR RECONCILIATION OF CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Balance sheet change in liabilities, liabilities from contracts with customers and subsidies	131,586	(42,926)
Offsetting income tax overpayments against payables for other taxes	44,193	-
Change in capital commitments	(5,700)	86,521
Change in liabilities for the purposes of the interim consolidated statement of cash flows	170,079	43,595
Increases in fixed assets	160,752	122,271
Other non-cash adjustments	1	(105)
Change in capital commitments	(5,700)	86,521
Acquisition of property, plant and equipment	155,053	208,687
Increases in intangible assets	2,454	8,541
Other non-cash adjustments	(2)	1
Acquisition of intangible assets	2,452	8,542

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Assets		
Non-current assets		
Property, plant and equipment	3,564,263	3,564,767
Intangible assets	53,823	54,347
Non-current investments	75,601	75,601
Right-of-use asset	15,956	16,797
Trade and other receivables	3,161	7,766
Cash and cash equivalents	152,980	147,924
Total non-current assets	3,865,784	3,867,202
Current assets		
Inventories	226,292	191,094
Trade and other receivables	539,189	202,478
Overpaid income tax	-	62,475
Cash and cash equivalents	448,918	454,487
Total current assets	1,214,399	910,534
TOTAL ASSETS	5,080,183	4,777,736
Equity		
Common equity	301,158	301,158
Supplementary capital	702,549	702,549
Other reserve capital	2,194,624	2,194,624
Retained earnings	617,465	488,376
Total equity	3,815,796	3,686,707
Liabilities		
Non-current liabilities		
Deferred tax liabilities	257,899	263,371
Provisions for employee benefits	183,680	176,412
Provisions for other liabilities and charges	152,332	155,452
Grants	10,590	10,732
Lease liabilities	15,674	15,753
Trade and other liabilities	21,622	31,650
Total non-current liabilities	641,797	653,370
Current liabilities		
Provisions for employee benefits	70,402	45,923
Provisions for other liabilities and charges	12,419	12,524
Grants	486	488
Lease liabilities	2,124	2,615
Current income tax liabilities	17,454	-
Trade and other liabilities	519,585	375,717
Liabilities from contracts with customers	120	392
Total current liabilities	622,590	437,659
Total liabilities	1,264,387	1,091,029
TOTAL EQUITY AND LIABILITIES	5,080,183	4,777,736

INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
<i>Continuing operations</i>		
Sales revenues	940,997	729,429
Cost of sales	(693,091)	(504,061)
Profit before tax	247,906	225,368
Selling costs	(10,538)	(10,158)
Administrative costs	(46,038)	(35,895)
Other revenues	826	649
Other costs	(898)	(613)
Other losses - net	(32,775)	(1,387)
Operating profit	158,483	177,964
Financial income	7,517	2,241
Financial expenses	(6,645)	(3,665)
Profit before tax	159,355	176,540
Income tax	(30,266)	(34,523)
Profit on continuing operations	129,089	142,017
Net profit for the financial period	129,089	142,017

EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY SHAREHOLDERS DURING THE YEAR (IN PLN PER SHARE)	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
- basic earnings per share from continuing operations	3.80	4.18
- basic earnings per share from discontinued operations	-	-
Basic earnings per share	3.80	4.18
- diluted earnings per share from continuing operations	3.80	4.18
- diluted earnings per share from discontinued operations	-	-
Diluted earnings per share	3.80	4.18

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Net profit for the financial period	129,089	142,017
Other comprehensive income/(loss) for the period		
Other comprehensive income/(loss) that will not be reclassified to profit or loss, before tax	-	-
Other comprehensive income/(loss) to be reclassified to profit or loss, before tax	-	-
Other comprehensive income/(loss), before tax	-	-
Income tax on the items not to be transferred	-	-
Income tax on the items to be transferred	-	-
Other net comprehensive income/(loss) for the period	-	-
Net comprehensive income for the period – total	129,089	142,017

INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
As at 1 January 2023	301,158	702,549	2,194,624	488,376	3,686,707
Total net comprehensive income for the period:	-	-	-	129,089	129,089
- <i>net profit</i>	-	-	-	129,089	129,089
Change in equity in the period	-	-	-	129,089	129,089
As at 31 March 2023	301,158	702,549	2,194,624	617,465	3,815,796

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
As at 1 January 2022	301,158	702,549	1,988,063	580,844	3,572,614
Adjustment due to changes in accounting policy	-	-	-	23,892	23,892
As at 1 January 2022 after adjustments	301,158	702,549	1,988,063	604,736	3,596,506
Total net comprehensive income for the period:	-	-	-	142,017	142,017
- <i>net profit</i>	-	-	-	142,017	142,017
Change in equity in the period	-	-	-	142,017	142,017
As at 31 March 2022	301,158	702,549	1,988,063	746,753	3,738,523

INTERIM STANDALONE CASH FLOW STATEMENT

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Cash flow on operating activity		
Net profit	129,089	142,017
<i>Adjustments:</i>		
Income tax recognized in profit or loss	30,266	34,523
Depreciation and amortization	103,352	92,720
Loss on the sale and liquidation of property, plant and equipment	23,611	17,531
Use and recognition of impairment allowances for property, plant and equipment	28,669	50
Interest income	(8,577)	(1,533)
Interest expense	442	447
Other cash flows	70	(4,824)
<i>Changes in working capital:</i>		
Change in provisions for employee benefits	31,747	18,468
Change in provisions	2,679	1,658
Change in inventories	(35,198)	(25,752)
Movement in trade and other receivables	(332,106)	16,926
Movement in trade and other liabilities	171,523	45,019
Total adjustments	16,478	195,233
Cash from operating activities	145,567	337,250
Income tax paid and received	(3)	(24,535)
Net cash flows from operating activities	145,564	312,715
Cash flows from investing activities		
Acquisition of property, plant and equipment	(153,889)	(207,899)
Acquisition of intangible assets	(362)	(1,700)
Proceeds from sales of property, plant and equipment	609	313
Interest received	8,577	1,508
Expenditures for other short-term investments	-	(250,000)
Inflows/(Outflows) from cash collected in the Mine Closure Fund's bank account	(5,056)	1,920
Net cash flows from investing activities	(150,121)	(455,858)
Cash flows from financing activities		
Payment of lease liabilities	(1,012)	(1,258)
Net cash flows from financing activities	(1,012)	(1,258)
Net decrease in cash and cash equivalents before effects of FX rate changes	(5,569)	(144,401)
Net decrease in cash and cash equivalents	(5,569)	(144,401)
Cash and cash equivalents at the beginning of the period	454,457	580,560
Cash and cash equivalents at the end of the period	448,918	436,159

ADDITIONAL INFORMATION FOR RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023	FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022
Balance sheet change in liabilities, liabilities from contracts with customers and subsidies	133,424	(40,875)
Offsetting income tax overpayments against payables for other taxes	44,193	-
Change in capital commitments	(6,094)	85,894
Change in liabilities for the purposes of the interim standalone statement of cash flows	171,523	45,019
Increases in fixed assets	159,983	122,109
Other non-cash adjustments	-	(104)
Change in capital commitments	(6,094)	85,894
Acquisition of property, plant and equipment	153,889	207,899

APPROVAL OF THE CONSOLIDATED QUARTERLY REPORT

The Management Board of Lubelski Węgiel Bogdanka S.A. hereby represents that on 23 May 2023 it approved this Consolidated Quarterly Report for the first quarter of the financial year 2023 covering the period from 1 January to 31 March 2023.

**SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS AND THE CHIEF ACCOUNTANT
OF THE PARENT COMPANY****KASJAN WYLIGAŁA**

President of the Management Board

.....

ARTUR WASILEWSKIVice-President of the Management Board
Economic and Financial Affairs

.....

DARIUSZ DUMKIEWICZVice-President of the Management Board
Sales and Investments

.....

ADAM PARTYKAVice-President of the Management Board
Labor and Social Affairs

.....

URSZULA PIĄTEK

Chief Accountant

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