



Lubelski Węgiel Bogdanka Group

# CONSOLIDATED QUARTERLY REPORT

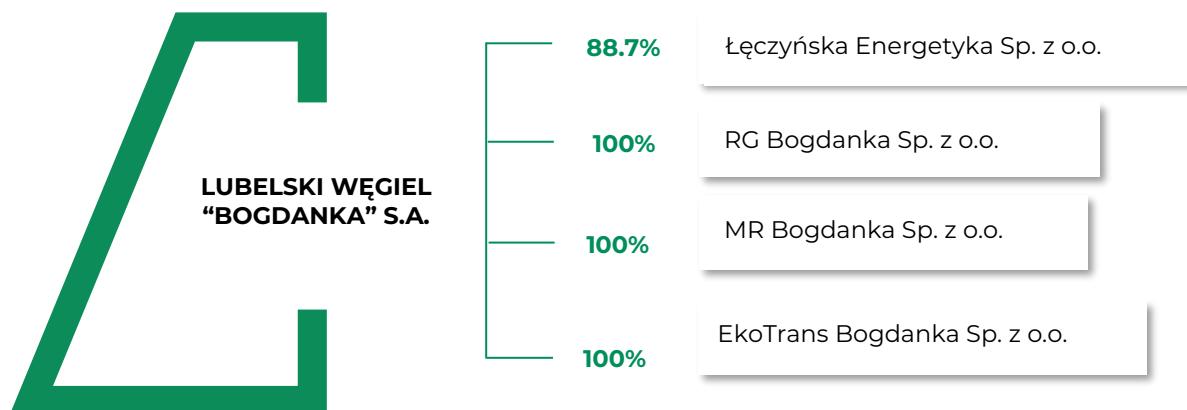
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2023

Bogdanka, November 2023



## General information

Lubelski Węgiel Bogdanka Group:



% of votes at the shareholder meeting 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 under the laws 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 30 September 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 30 September 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 30 September 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 30 September 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 30 September 2023 is presented in the table below:

NAME OF THE SUBSIDIARY	BALANCE SHEET TOTAL [PLN 000s]	EQUITY [PLN 000s]	% SHARES HELD	NON-CONTROLLING INTEREST	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.	103,512	90,297	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.	32,394	5,100	100.0	none	none	full
EkoTRANS BOGDANKA Sp. z o.o.	4,413	645	100.0	none	none	full
MR BOGDANKA Sp. z o.o.	13,123	8,297	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](http://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 30 September 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 provisions, 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.

On 10 October 2023, in Warsaw, the State Treasury and Enea S.A. signed a preliminary agreement confirming the State Treasury's intention to purchase all Enea's shares in the Parent Company. The signed agreement between the Ministry of State Assets and Enea S.A. confirms the intentions of the State Treasury expressed in the Resolution of the Council of Ministers of 14 April 2022, as well as the Letter of Intent of 18 June 2022 on the acquisition by the State Treasury from Enea S.A. of a majority stake in Lubelski Węgiel Bogdanka S.A. At the same time, the agreement sets out the detailed rules of cooperation between the Ministry of State Assets and the Parent Company in the ongoing ownership change process.

### **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 the first 3 quarters of 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 as 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 estimations and judgments are subject to regular evaluation.

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 3 quarters 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. The Parent Company has taken a number of steps to thoroughly investigate the causes and determine the risks surrounding the incident. In particular, advanced hydrogeological and geomechanical analyses and expert studies have been commissioned to develop the best course of action and identify the risks associated with further mining and technical work in the area.

The exact magnitude of the aforementioned event and its impact on consolidated operating and financial results are still unknown, however it should be expected that some of the machinery and equipment located in longwall 3/VII/385 may have been lost, and therefore their value may have been impaired. Therefore, with a prudent approach in mind and the desire to adequately reflect this event in the consolidated financial result of the period, the Parent Company recognized an impairment loss in the total amount of PLN 48.5 million with respect to machinery and equipment, as well as parts of the longwall roadways located in the area of the event (this impairment loss was reflected in the consolidated financial result at the end of H1 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 Q3 2023*.

- On 17 July 2023, the Parent Company received from Enea Trading Sp. z o.o., acting as a proxy of Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A., information on the reduction of demand for coal from the power plants belonging to the Enea Group by approx. 1.05 million tons (+/- 15%) in relation to the volumes specified in contracts in effects for the current year. The lower demand for coal is due to production limitations introduced by the Transmission System Operator (PSE S.A.) in connection with the reduction in demand in the National Energy System.
- On 25 July 2023, the Management Board of the Parent Company reported that, in connection with the receipt of the information about a reduction in the demand for coal from Enea Group power plants by approx. 1.05 million tons, while taking into account the production of hard coal in the first half of the year at 2023 million tons, being under pressure from geological events, a decision has been made to update the production target for 2023 to approximately 7 million tons of commercial coal.

### 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 three quarters of 2023**

#### **Q3 2023**

Interim consolidated statement of profit or loss

In Q3 2023 consolidated revenue from sales was PLN 863,685 thousand, compared to PLN 567,525 thousand in the corresponding period of 2022. This means an increase in net revenue by 52.2%.

In Q3 2023, the Group reported a consolidated operating profit of PLN 34,042 thousand. In turn, the net profit attributable to shareholders of the Parent Company amounted to PLN 30,828 thousand, while in the same period of 2022 the Group generated a net loss attributable to shareholders of the Parent Company of PLN 25,821 thousand.

### **3 quarters of 2023**

#### Interim consolidated statement of profit or loss

Consolidated sales revenues for the first three quarters of 2023 amounted to PLN 2,688,765 thousand, up 32.4% relative of the corresponding period of the previous year.

The consolidated operating profit for the first three quarters of 2023 was PLN 308,974 thousand. In turn, the net profit attributable to shareholders of the Parent Company for the first three quarters of 2023 amounted to PLN 256,756 thousand, while in the same period of 2022 the net profit attributable to shareholders of the Parent Company stood at PLN 309,977 thousand. This corresponds to a decrease of 17.3% compared to the corresponding period of the previous year.

#### Interim consolidated statement of financial position

As at 30 September 2023, provisions for other liabilities and charges and provisions for employee benefits amounted to PLN 538,027 thousand, increasing by PLN 140,016 thousand compared to 31 December 2022.

As at 30 September 2023, deferred tax liabilities amounted to PLN 244,964 thousand, down PLN 18,417 thousand from 31 December 2022.



## **6. Details of the interim condensed financial statements of the Parent Company for the first three quarters of 2023**

### **Q3 2023**

#### Interim statement of profit or loss

In Q3 2023 revenue from sales was PLN 863,478 thousand, compared to PLN 567,616 thousand in the corresponding period of 2022. This means an increase in net revenue by 52.1%.

In Q3 2023, the Parent Company reported an operating profit of PLN 31,688 thousand. In turn, the net profit amounted to PLN 28,928 thousand, while in the same period of 2022 the Parent Company generated a loss of PLN 26,542 thousand.

### **3 quarters of 2023**

#### Interim statement of profit or loss

Sales revenues for the first three quarters of 2023 amounted to PLN 2,688,549 thousand, up 32.6% relative of the corresponding period of the previous year.

Operating profit for the first three quarters of 2023 was PLN 303,538 thousand. In turn, the net profit for the first 3 quarters of 2023 amounted to PLN 256,323 thousand, while in the same period of 2022 the net profit stood at PLN 309,554 thousand. This corresponds to a decrease of 17.2% compared to the corresponding period of the previous year.

#### Interim statement of financial position

As at 30 September 2023, provisions for other liabilities and charges and provisions for employee benefits amounted to PLN 525,219 thousand, increasing by PLN 134,908 thousand compared to 31 December 2022.

As at 30 September 2023, deferred tax liabilities amounted to PLN 244,961 thousand, down PLN 18,410 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 the first 3 quarters of 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**

On 29 June 2023, the Ordinary Shareholder Meeting of the Parent Company was held, at which the Shareholders adopted a resolution on the distribution of the 2022 net profit, according to which the net profit of the Parent Company in the amount of PLN 175,757 thousand was allocated as follows:

- the amount of PLN 87,755 thousand was allocated for dividends,
- the remaining amount, i.e. PLN 88,002 thousand, was allocated to the Parent Company's reserve capital.

The dividend per share ratio is calculated as the quotient of the dividend payable to shareholders of the Parent Company and the number of ordinary shares outstanding as at the dividend record date.



## **9. Subsequent events not captured in the Consolidated Quarterly Report**

On 10 October 2023, in Warsaw, the State Treasury and Enea S.A. signed a preliminary agreement confirming the State Treasury's intention to purchase all Enea's shares in Lubelski Węgiel "Bogdanka" S.A. At the same time, the trade unions operating in the Parent Company signed two agreements - with the Ministry of State Assets and the Bogdanka Management Board - securing the social interests of the mine's employees. The arrangement between the management board of the Parent Company and the trade unions is related to the Jubilee of the 40th anniversary of coal mining at the Bogdanka mine. The Parent Company's employees will be paid the first installment of the ad-hoc award for the workers' contribution to the 40-year development and maintenance of the company's current good organizational and financial condition. In addition, the agreement included a package of employee arrangements related to the planned acquisition of a majority stake by the State Treasury.

Save from the above, 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 30 September 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 the first 3 quarters of 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., Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Chełm, and local government units (cities, townships).

In the reporting periods ended 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Sales in the period	213,325	266,319	217,890
Balance of receivables as at the end of the period including VAT	20,408	30,139	9,170

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 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Purchases in the period	249,194	270,970	193,239
Balance of payables as at the end of the period, including VAT	23,422	23,054	36,916



### **Transaction with ENEA Group companies**

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

In the reporting periods ended 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Purchases in the period	274,557	114,105	87,807
Balance of payables as at the end of the period, including VAT	77,513	18,458	20,269

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 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Sales in the period	2,369,714	1,710,337	1,447,021
Balance of receivables as at the end of the period including VAT	363,955	105,481	93,871

In the reporting periods ended 30 September 2023 and 30 September 2022, the dividends paid to Enea Group companies were as follows:

	FOR THE PERIOD OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Dividends paid to ENEA Group companies	56,662	54,905	54,905

### **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 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Purchases in the period, of which:	154,839	182,113	133,949
- <i>Purchases of services activated as Property, plant and equipment</i>	42,886	53,115	38,111
Balance of payables as at the end of the period, including VAT	19,828	18,532	17,725

In the reporting periods ended 30 September 2023 and 30 September 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 OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Sales in the period	20,830	21,170	12,845
Balance of receivables as at the end of the period including VAT	1,756	6,184	1,442

In the reporting periods ended 30 September 2023 and 30 September 2022, the 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. were as follows:

	FOR THE PERIOD OF		
	1 JANUARY 2023 - 30 SEPTEMBER 2023	1 JANUARY 2022 - 31 DECEMBER 2022	1 JANUARY 2022 - 30 SEPTEMBER 2022
Dividend received from LW Bogdanka Group companies	3,443	3,452	3,452

## 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 30 SEPTEMBER 2023	AS AT 31 DECEMBER 2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,772,394	3,637,525
Intangible assets	59,227	59,554
Right-of-use asset	21,934	21,851
Investment property	2,578	2,702
Deferred tax assets	2,535	2,256
Trade and other receivables	1,010	8,716
Cash and cash equivalents	157,429	147,924
<b>Total non-current assets</b>	<b>4,017,107</b>	<b>3,880,528</b>
<b>Current assets</b>		
Inventories	202,072	195,860
Trade and other receivables	472,298	203,658
Income tax overpaid	-	63,604
Cash and cash equivalents	604,007	475,059
<b>Total current assets</b>	<b>1,278,377</b>	<b>938,181</b>
<b>TOTAL ASSETS</b>	<b>5,295,484</b>	<b>4,818,709</b>
<b>Equity</b>		
Common equity	301,158	301,158
Supplementary capital	702,549	702,549
Other reserve capital	2,282,626	2,194,624
Retained earnings	577,281	498,774
Equity attributable to shareholders of the Parent Company	3,863,614	3,697,105
Non-controlling interest	10,206	10,559
<b>Total equity</b>	<b>3,873,820</b>	<b>3,707,664</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	-	1,786
Deferred tax liabilities	244,964	263,381
Provisions for employee benefits	203,753	179,958
Provisions for other liabilities and charges	153,170	155,452
Subsidies	10,387	10,732
Lease liabilities	18,779	18,314
Trade and other liabilities	22,862	32,265
<b>Total non-current liabilities</b>	<b>653,915</b>	<b>661,888</b>
<b>Current liabilities</b>		
Loans and borrowings	2,580	3,099
Provisions for employee benefits	158,525	49,855
Provisions for other liabilities and charges	22,579	12,746
Subsidies	444	488
Lease liabilities	5,711	5,179
Current income tax liabilities	8,841	-
Trade and other liabilities	568,475	377,398
Liabilities from contracts with customers	594	392
<b>Total current liabilities</b>	<b>767,749</b>	<b>449,157</b>
<b>Total liabilities</b>	<b>1,421,664</b>	<b>1,111,045</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,295,484</b>	<b>4,818,709</b>

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q3 2023 PERIOD 1 JULY 2023 - 30 SEP 2023	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q3 2022 PERIOD 1 JULY 2022 - 30 SEP 2022	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
<i>Continuing operations</i>				
Sales revenues	863,685	2,688,765	567,525	2,030,114
Cost of sales	(757,315)	(2,129,077)	(549,790)	(1,507,380)
Profit before tax	106,370	559,688	17,735	522,734
Selling and distribution expenses	(17,887)	(43,195)	(16,656)	(38,150)
Administrative expenses	(47,995)	(142,195)	(39,257)	(108,003)
Other revenues	1,281	2,658	393	1,433
Other costs	(802)	(6,571)	(415)	(1,319)
Other net gains/(losses)	(6,925)	(61,411)	258	(2,679)
Operating profit / (loss)	34,042	308,974	(37,942)	374,016
Financial income	9,875	26,896	11,979	21,364
Financial costs	(6,127)	(18,692)	(4,287)	(11,049)
Pre-tax profit/(loss)	37,790	317,178	(30,250)	384,331
Income tax	(6,940)	(60,481)	4,473	(74,064)
Profit/(Loss) on continuing operations	30,850	256,697	(25,777)	310,267
<b>Net profit / (loss) for the period</b>	<b>30,850</b>	<b>256,697</b>	<b>(25,777)</b>	<b>310,267</b>
of which profit/(loss) attributable to:				
- shareholders of the Parent Company	30,828	256,756	(25,821)	309,977
- non-controlling interests	22	(59)	44	290

EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY IN THE PERIOD (IN PLN PER SHARE)	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
- basic earnings per share from continuing operations	7.55	9.11
- basic earnings per share from discontinued operations	-	-
<b>Basic earnings per share</b>	<b>7.55</b>	<b>9.11</b>
- diluted earnings per share from continuing operations	7.55	9.11
- diluted earnings per share from discontinued operations	-	-
<b>Diluted earnings per share</b>	<b>7.55</b>	<b>9.11</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2023 PERIOD 1 JULY 2023 - 30 SEP 2023	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q3 2022 PERIOD 1 JULY 2022 - 30 SEP 2022	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
<b>Net profit for the period</b>	<b>30,850</b>	<b>256,697</b>	<b>(25,777)</b>	<b>310,267</b>
Other comprehensive income/(loss) for the period				
Items never to be reclassified to current period profit or loss:				
Actuarial gains/(losses) from defined benefit plans	-	(3,077)	-	10,404
Other comprehensive income/(loss) that will not be reclassified to profit or loss, before tax	-	-	-	10,404
Other comprehensive income/(loss) to be reclassified to profit or loss, before tax	-	-	-	-
Other comprehensive income/(loss), before tax	-	(3,077)	-	10,404
Income tax on the items not to be transferred	-	585	-	(1,977)
Income tax on the items to be transferred	-	-	-	-
Other net comprehensive income/(loss) for the period	-	(2,492)	-	8,427
<b>Net comprehensive income/(loss) for the period - total</b>	<b>30,850</b>	<b>254,205</b>	<b>(25,777)</b>	<b>318,694</b>
of which comprehensive income/(loss) attributable to:				
- <i>shareholders of the Parent Company</i>	30,828	254,264	(25,821)	318,404
- <i>non-controlling interests</i>	22	(59)	44	290

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>As at 1 January 2023</b>	<b>301,158</b>	<b>702,549</b>	<b>2,194,624</b>	<b>498,774</b>	<b>3,697,105</b>	<b>10,559</b>	<b>3,707,664</b>
Total net comprehensive income for the period:	-	-	-	254,264	254,264	(59)	254,205
- <i>net profit</i>	-	-	-	256,756	256,756	(59)	256,697
- <i>net other comprehensive loss</i>	-	-	-	(2,492)	(2,492)	-	(2,492)
Dividend	-	-	-	(87,755)	(87,755)	(294)	(88,049)
Transfer of the previous year's result	-	-	88,002	(88,002)	-	-	-
Change in equity in the period	-	-	88,002	78,507	166,509	(353)	166,156
<b>As at 30 September 2023</b>	<b>301,158</b>	<b>702,549</b>	<b>2,282,626</b>	<b>577,281</b>	<b>3,863,614</b>	<b>10,206</b>	<b>3,873,820</b>

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>As at 1 January 2022</b>	<b>301,158</b>	<b>702,549</b>	<b>1,988,063</b>	<b>591,671</b>	<b>3,583,441</b>	<b>10,268</b>	<b>3,593,709</b>
Adjustment due to changes in accounting policy	-	-	-	23,892	23,892	-	23,892
<b>As at 1 January 2022 after adjustments</b>	<b>301,158</b>	<b>702,549</b>	<b>1,988,063</b>	<b>615,563</b>	<b>3,607,333</b>	<b>10,268</b>	<b>3,617,601</b>
Total net comprehensive income for the period:	-	-	-	318,404	<b>318,404</b>	290	<b>318,694</b>
- <i>net profit</i>	-	-	-	309,977	<b>309,977</b>	290	<b>310,267</b>
- <i>net other comprehensive income</i>	-	-	-	8,427	<b>8,427</b>	-	<b>8,427</b>
Dividend	-	-	-	(85,034)	<b>(85,034)</b>	-	<b>(85,034)</b>
Transfer of the previous year's result	-	-	206,561	(206,561)	-	-	-
Change in equity in the period	-	-	206,561	26,809	<b>233,370</b>	290	<b>233,660</b>
<b>As at 30 September 2022</b>	<b>301,158</b>	<b>702,549</b>	<b>2,194,624</b>	<b>642,372</b>	<b>3,840,703</b>	<b>10,558</b>	<b>3,851,261</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	3 QUARTERS PERIOD 1 JAN 2023 - 30 SEP 2023	3 QUARTERS PERIOD 1 JAN 2022 - 30 SEP 2022
<b>Cash flows from operating activities</b>		
Net profit	256,697	310,267
<u>Adjustments:</u>		
Income tax recognized in profit or loss	60,481	74,064
Depreciation and amortization	318,301	297,884
Loss on the sale and liquidation of property, plant and equipment	50,892	28,891
Use and recognition of impairment losses for property, plant and equipment	46,145	4,491
Interest income	(27,033)	(21,042)
Interest expense	461	611
Other cash flows	6,065	(3,440)
<u>Changes in working capital:</u>		
Change in provisions for employee benefits	129,388	(6,891)
Change in provisions	18,101	(10,005)
Change in inventories	(6,212)	(87,479)
Change in trade and other receivables	(260,934)	166,509
Change in trade and other liabilities	206,032	68,251
Total adjustments	541,687	511,844
Cash from operating activities	798,384	822,111
Income tax paid and received	(50,340)	(73,380)
<b>Net cash flows from operating activities</b>	<b>748,044</b>	<b>748,731</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(531,984)	(490,040)
Acquisition of intangible assets	(8,336)	(18,035)
Proceeds on the sale of property, plant and equipment	615	371
Interest received	27,236	18,950
Expenditures for other short-term investments	-	(250,000)
Proceeds from other current investments	-	252,268
Outflows from cash collected in the Mine Closure Fund's bank account	(9,505)	(225)
<b>Net cash flows from investing activities</b>	<b>(521,974)</b>	<b>(486,711)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(6,635)	(7,730)
Repayments of loans and borrowings	(2,277)	(2,277)
Payments of interest and commissions related to financing activities	(161)	(227)
Dividends paid	(88,049)	(85,034)
<b>Net cash flows from financing activities</b>	<b>(97,122)</b>	<b>(95,268)</b>
Net increase in cash and cash equivalents before effects of FX rate changes	128,948	166,752
Net increase in cash and cash equivalents	128,948	166,752
Cash and cash equivalents at the beginning of the period	475,059	600,175
<b>Cash and cash equivalents at the end of the period</b>	<b>604,007</b>	<b>766,927</b>

## ADDITIONAL INFORMATION FOR RECONCILIATION OF CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES

	3 QUARTERS PERIOD 1 JAN 2023 - 30 SEP 2023	3 QUARTERS PERIOD 1 JAN 2022 - 30 SEP 2022
Balance sheet change in liabilities, liabilities from contracts with customers and subsidies	181,487	(15,365)
Offsetting income tax overpayments against payables for other taxes	44,193	899
Change in capital commitments	(19,648)	82,717
<b>Change in liabilities for the purposes of the interim consolidated statement of cash flows</b>	<b>206,032</b>	<b>68,251</b>
Increases in fixed assets	551,632	407,427
Other non-cash adjustments	-	(104)
Change in capital commitments	(19,648)	82,717
<b>Acquisition of property, plant and equipment</b>	<b>531,984</b>	<b>490,040</b>
Increases in intangible assets	8,335	18,036
Other non-cash adjustments	1	(1)
<b>Acquisition of intangible assets</b>	<b>8,336</b>	<b>18,035</b>



## INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2023	AS AT 31 DECEMBER 2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,702,108	3,564,767
Intangible assets	52,311	54,347
Non-current investments	75,601	75,601
Right-of-use asset	14,274	16,797
Trade and other receivables	29	7,766
Cash and cash equivalents	157,429	147,924
<b>Total non-current assets</b>	<b>4,001,752</b>	<b>3,867,202</b>
<b>Current assets</b>		
Inventories	198,906	191,094
Trade and other receivables	471,057	202,478
Income tax overpaid	-	62,475
Cash and cash equivalents	575,210	454,487
<b>Total current assets</b>	<b>1,245,173</b>	<b>910,534</b>
<b>TOTAL ASSETS</b>	<b>5,246,925</b>	<b>4,777,736</b>
<b>Equity</b>		
Common equity	301,158	301,158
Supplementary capital	702,549	702,549
Other reserve capital	2,282,626	2,194,624
Retained earnings	566,450	488,376
<b>Total equity</b>	<b>3,852,783</b>	<b>3,686,707</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	244,961	263,371
Provisions for employee benefits	200,286	176,412
Provisions for other liabilities and charges	153,170	155,452
Subsidies	10,387	10,732
Lease liabilities	15,674	15,753
Trade and other liabilities	21,985	31,650
<b>Total non-current liabilities</b>	<b>646,463</b>	<b>653,370</b>
<b>Current liabilities</b>		
Provisions for employee benefits	150,083	45,923
Provisions for other liabilities and charges	21,680	12,524
Subsidies	444	488
Lease liabilities	595	2,615
Current income tax liabilities	8,616	-
Trade and other liabilities	565,667	375,717
Liabilities from contracts with customers	594	392
<b>Total current liabilities</b>	<b>747,679</b>	<b>437,659</b>
<b>Total liabilities</b>	<b>1,394,142</b>	<b>1,091,029</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,246,925</b>	<b>4,777,736</b>

## INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS

	Q3 2023 PERIOD 1 JULY 2023 - 30 SEP 2023	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q3 2022 PERIOD 1 JULY 2022 - 30 SEP 2022	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
<i>Continuing operations</i>				
Sales revenues	863,478	2,688,549	567,616	2,027,149
Cost of sales	(760,684)	(2,135,021)	(550,872)	(1,509,411)
Profit before tax	102,794	553,528	16,744	517,738
Selling and distribution expenses	(18,318)	(43,934)	(17,073)	(38,781)
Administrative expenses	(46,338)	(140,508)	(38,782)	(107,695)
Other revenues	1,269	2,406	358	1,211
Other costs	(794)	(6,557)	(388)	(1,279)
Other net gains/(losses)	(6,925)	(61,397)	223	(2,715)
Operating profit / (loss)	31,688	303,538	(38,918)	368,479
Financial income	9,683	29,870	11,835	24,626
Financial costs	(5,980)	(18,077)	(4,213)	(10,759)
Pre-tax profit/(loss)	35,391	315,331	(31,296)	382,346
Income tax	(6,463)	(59,008)	4,754	(72,792)
Profit/(Loss) on continuing operations	28,928	256,323	(26,542)	309,554
<b>Net profit/(loss) for the period</b>	<b>28,928</b>	<b>256,323</b>	<b>(26,542)</b>	<b>309,554</b>

EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY SHAREHOLDERS DURING THE YEAR (IN PLN PER SHARE)	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
- basic earnings per share from continuing operations	7.54	9.10
- basic earnings per share from discontinued operations	-	-
<b>Basic earnings per share</b>	<b>7.54</b>	<b>9.10</b>
- diluted earnings per share from continuing operations	7.54	9.10
- diluted earnings per share from discontinued operations	-	-
<b>Diluted earnings per share</b>	<b>7.54</b>	<b>9.10</b>

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Q3 2023 PERIOD 1 JULY 2023 - 30 SEP 2023	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q3 2022 PERIOD 1 JULY 2022 - 30 SEP 2022	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
<b>Net profit / (loss) for the period</b>	<b>28,928</b>	<b>256,323</b>	<b>(26,542)</b>	<b>309,554</b>
Other comprehensive income/(loss) for the period				
Items never to be reclassified to current period profit or loss:				
Actuarial gains/(losses) from defined benefit plans	-	(3,077)	-	10,404
Other comprehensive income/(loss) that will not be reclassified to profit or loss, before tax	-	(3,077)	-	10,404
Other comprehensive income/(loss) to be reclassified to profit or loss, before tax	-	-	-	-
Other comprehensive income/(loss), before tax	-	(3,077)	-	10,404
Income tax on the items not to be transferred	-	585	-	(1,977)
Income tax on the items to be transferred	-	-	-	-
Other net comprehensive income/(loss) for the period	-	(2,492)	-	8,427
<b>Net comprehensive income/(loss) for the period - total</b>	<b>28,928</b>	<b>253,831</b>	<b>(26,542)</b>	<b>317,981</b>

## INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
<b>As at 1 January 2023</b>	<b>301,158</b>	<b>702,549</b>	<b>2,194,624</b>	<b>488,376</b>	<b>3,686,707</b>
Total net comprehensive income for the period:	-	-	-	253,831	253,831
- <i>net profit</i>	-	-	-	256,323	256,323
- <i>net other comprehensive loss</i>	-	-	-	(2,492)	(2,492)
Dividend	-	-	-	(87,755)	(87,755)
Transfer of the previous year's result	-	-	88,002	(88,002)	-
Change in equity in the period	-	-	88,002	78,074	166,076
<b>As at 30 September 2023</b>	<b>301,158</b>	<b>702,549</b>	<b>2,282,626</b>	<b>566,450</b>	<b>3,852,783</b>

	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
<b>As at 1 January 2022</b>	<b>301,158</b>	<b>702,549</b>	<b>1,988,063</b>	<b>580,844</b>	<b>3,572,614</b>
Adjustment due to changes in accounting policy	-	-	-	23,892	23,892
<b>As at 1 January 2022 after adjustments</b>	<b>301,158</b>	<b>702,549</b>	<b>1,988,063</b>	<b>604,736</b>	<b>3,596,506</b>
Total net comprehensive income for the period:	-	-	-	317,981	317,981
- <i>net profit</i>	-	-	-	309,554	309,554
- <i>net other comprehensive income</i>	-	-	-	8,427	8,427
Dividend	-	-	-	(85,034)	(85,034)
Transfer of the previous year's result	-	-	206,561	(206,561)	-
Change in equity in the period	-	-	206,561	26,386	232,947
<b>As at 30 September 2022</b>	<b>301,158</b>	<b>702,549</b>	<b>2,194,624</b>	<b>631,122</b>	<b>3,829,453</b>

## INTERIM STANDALONE CASH FLOW STATEMENT

	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
<b>Cash flows from operating activities</b>		
Net profit	256,323	309,554
<i>Adjustments:</i>		
Income tax recognized in profit or loss	59,008	72,792
Depreciation and amortization	306,399	284,271
Loss on the sale and liquidation of property, plant and equipment	50,878	28,928
Use and recognition of impairment losses for property, plant and equipment	46,145	4,491
Interest income	(26,892)	(21,042)
Interest expense	461	504
Dividends received	(3,443)	(3,452)
Other cash flows	(143)	(9,154)
<i>Changes in working capital:</i>		
Change in provisions for employee benefits	124,957	(11,365)
Change in provisions	17,424	(10,241)
Change in inventories	(7,812)	(86,601)
Change in trade and other receivables	(260,842)	166,374
Change in trade and other liabilities	205,186	66,509
Total adjustments	511,326	482,014
Cash from operating activities	767,649	791,568
Income tax paid and received	(49,935)	(72,784)
<b>Net cash flows from operating activities</b>	<b>717,714</b>	<b>718,784</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(527,605)	(484,999)
Acquisition of intangible assets	(517)	(1,864)
Proceeds on the sale of property, plant and equipment	615	318
Interest received	26,892	18,773
Dividends received	3,443	3,452
Expenditures for other short-term investments	-	(250,000)
Proceeds from other current investments	-	252,268
Inflows/(Outflows) from cash collected in the Mine Closure Fund's bank account	(9,505)	(225)
<b>Net cash flows from investing activities</b>	<b>(506,677)</b>	<b>(462,277)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(2,559)	(2,806)
Dividends paid	(87,755)	(85,034)
<b>Net cash flows from financing activities</b>	<b>(90,314)</b>	<b>(87,840)</b>
Net increase in cash and cash equivalents before effects of FX rate changes	120,723	168,667
Net increase in cash and cash equivalents	120,723	168,667
Cash and cash equivalents at the beginning of the period	454,487	580,560
<b>Cash and cash equivalents at the end of the period</b>	<b>575,210</b>	<b>749,227</b>

## ADDITIONAL INFORMATION FOR RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Q1-3 2023 PERIOD 1 JAN 2023 - 30 SEP 2023	Q1-3 2022 PERIOD 1 JAN 2022 - 30 SEP 2022
Balance sheet change in liabilities, liabilities from contracts with customers and subsidies	180,098	(16,548)
Offsetting income tax overpayments against payables for other taxes	44,193	899
Change in capital commitments	(19,105)	82,158
<b>Change in liabilities for the purposes of the interim standalone statement of cash flows</b>	<b>205,186</b>	<b>66,509</b>
Increases in fixed assets	546,709	402,945
Other non-cash adjustments	1	(104)
Change in capital commitments	(19,105)	82,158
<b>Acquisition of property, plant and equipment</b>	<b>527,605</b>	<b>484,999</b>

### 13. APPROVAL OF THE CONSOLIDATED QUARTERLY REPORT

The Management Board of Lubelski Węgiel Bogdanka S.A. hereby represents that on 21 November 2023 it approved this Consolidated Quarterly Report for the first three quarters of the financial year 2023 covering the period from 1 January to 30 September 2023.

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

President of the Management Board of the Parent Company

.....

**ARTUR WASILEWSKI**

Vice-President of the Management Board of the Parent Company, Economic and Financial Affairs

.....

**DARIUSZ DUMKIEWICZ**

Vice-President of the Management Board of the Parent Company, Trade and Investments

.....

**ADAM PARTYKA**

Vice-President of the Management Board of the Parent Company, Labor and Social Affairs

.....

**URSZULA PIĄTEK**

Chief Accountant of the Parent Company

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