



Presentation of results the LW Bogdanka Group Q3 2024, Q1-Q3 2024

Decrease of coal prices on the global market

CIF ARA coal prices

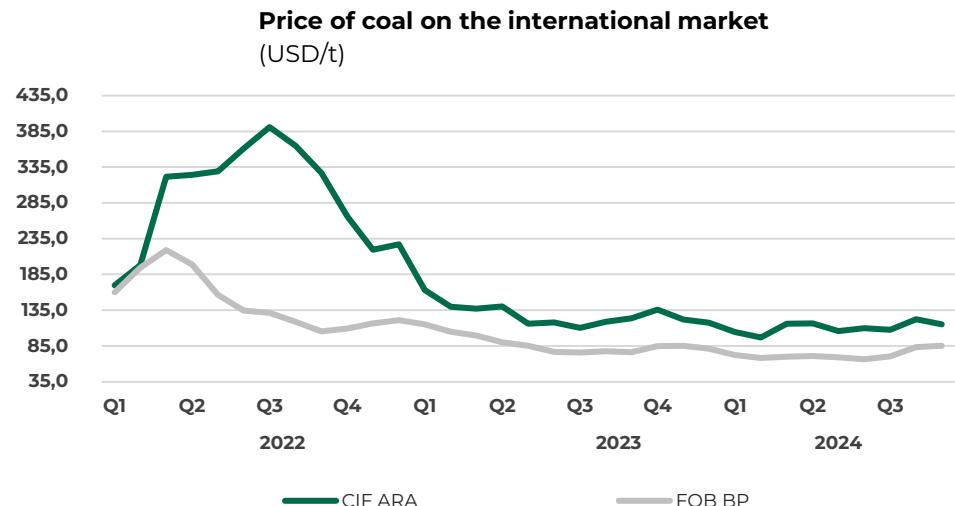
- 115.0 USD/t - average CIF ARA coal price in Q3 2024 -2.2% vs. Q3 2023 (117.6 USD/t)
- Compared to the average CIF ARA coal price in Q2 2024 (110.8 USD/t), this means an increase of 3.8%
- the average price in the three quarters of 2024 was 110.54 USD/t, down by 14.8% (129.7 USD/t in the three quarters of 2023).

Inventories in ARA ports

- approx. 3.9 million tonnes of coal inventories at the end of September 2024 at ARA ports - at the end of June 2024 the inventories stood at 4.5 million tonnes

Prices at major ports worldwide

- 79.8 USD/t - average Baltic Ports FOB coal price in Q3 2024 vs. Q3 2023 (76.6 USD/t) - up by 4.2%
- compared to the average price in Q2 2024 (68.6 USD/t), this means an increase of 16.3%
- the average price in the three quarters of 2024 was 72.8 USD/t, down by 18.2% (89.0 USD/t in the three quarters of 2023).

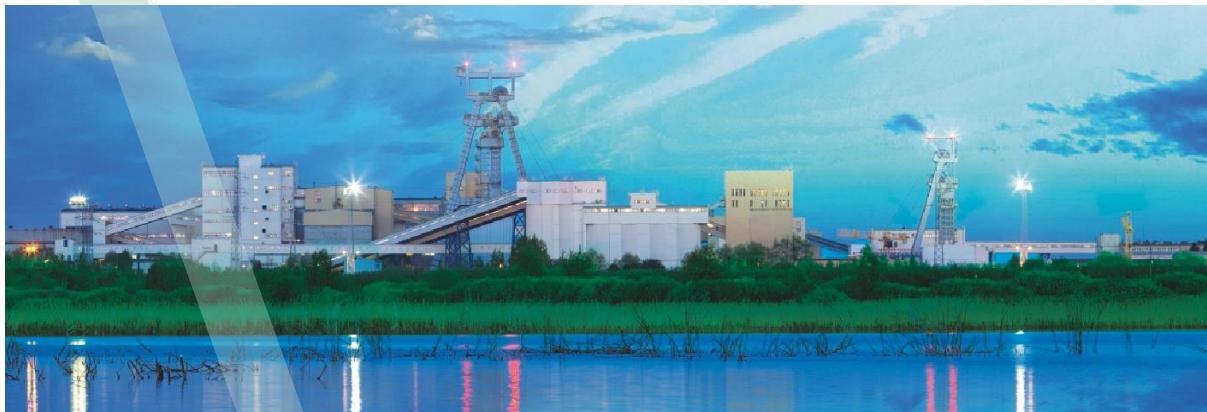


Source: www.sxcoal.com, www.polskirynekwegla.pl

Decrease of thermal coal prices on the domestic market

Price of fine steam coal

- the average price of fine steam coal for the commercial power sector in Q3 2024 was 21.5 PLN/GJ, the price decline rate was approx. 33.0% compared to Q3 2023 (32.1 PLN /GJ)
- the average price of fine steam coal for the commercial power sector in the period of three quarters of 2024 was 22.2 PLN/GJ, the price decline rate was approx. 30.2% compared to three quarters of 2023 (31.8 PLN /GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.5 GJ



Source: ARP

Prices from the PSCMI index

- the average price from the PSCMI Index in Q3 2024 was approx. 22.0 PLN/GJ, compared to the average price in Q3 2023 (33.6 PLN/GJ), down by approx. 34.5%
- the average price from the PSCMI Index in the period of the three quarters of 2024 was approx. 22.5 PLN/GJ, compared to the average price in three quarters of 2023 (33.2 PLN/GJ), down by approx. 32.2%

Prices for fine steam coal on the domestic market (PLN/GJ)



The high level, calculated statistically, of average steam coal sales prices in August and September 2022 is the result of coal companies renegotiating coal sales prices and including in the revenues of those months adjustments to invoices from previous months.

Source: ARP, TGE, www.polskirkynekwegla.pl.

Decrease in extraction and sales of thermal coal market in Poland in Q1-Q3 2024 compared to Q1-Q3 2023

SYTUACJA POLSKICH SPÓŁEK*:	Q3 2023	Q3 2024	Change	Q1-Q3 2023	Q1-Q3 2024	Change
Extraction of thermal coal in domestic coal market (million tonnes)	8.1	7.4	-8.6%	25.0	22.9	-8.4%
Sales of thermal coal in domestic coal market (million tonnes)	7.6	7.0	-7.9%	22.8	20.5	-10.1%
Average cost of coal sold (PLN)	698.7	727.8	4.2%	671.6	777.3	15.7%
COAL PRICES						
Average price of power coal (PLN)	734.2	518.7	-29.4%	749.4	522.5	-30.3%
Average price of coal sold to commercial power industry (PLN)	681.5	456.0	-33.1%	670.2	474.0	-29.3%
DEMAND/SUPPLY						
Production of electric power in commercial power plants with the use of hard coal (GWh)*	38,140	39,778	4.3%	118,911	122,983	3.4%
Inventories of coal in mines (million tonnes)**	2.7	4.6	70.4%	2.7	4.6	70.4%

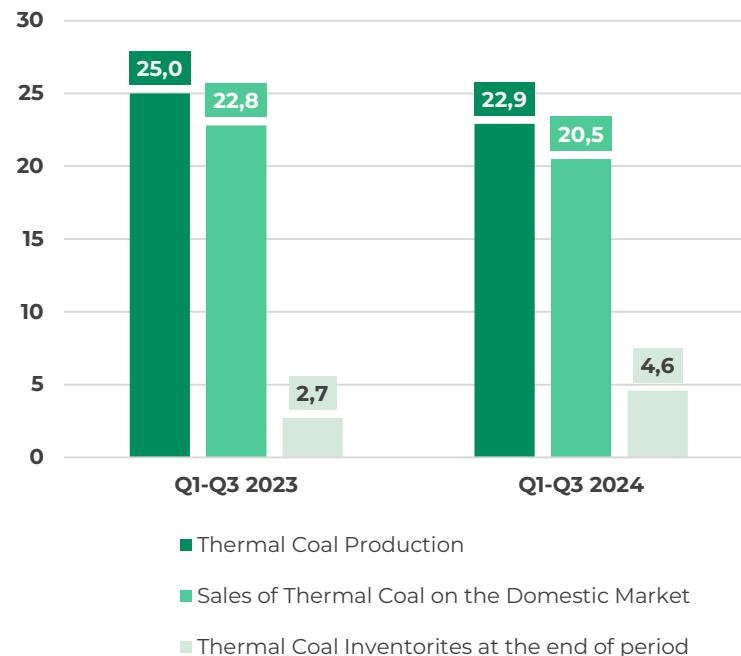
Source ARP

*PSE S.A.

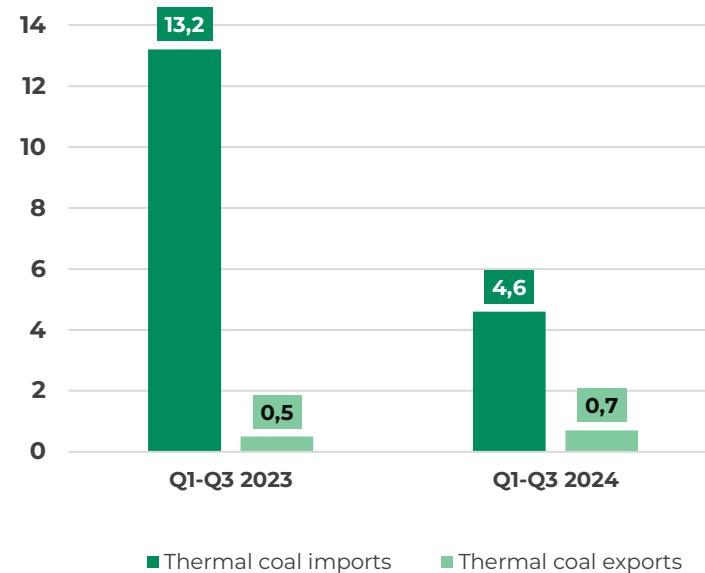
**data do not include Silesia, Siltech, Ekoplus

Decrease in extraction and sales of thermal coal in Polish mines with increase of inventories, imports at 4.6 million tons

Thermal coal production, domestic sales and inventories in Polish mines [million tonnes]*



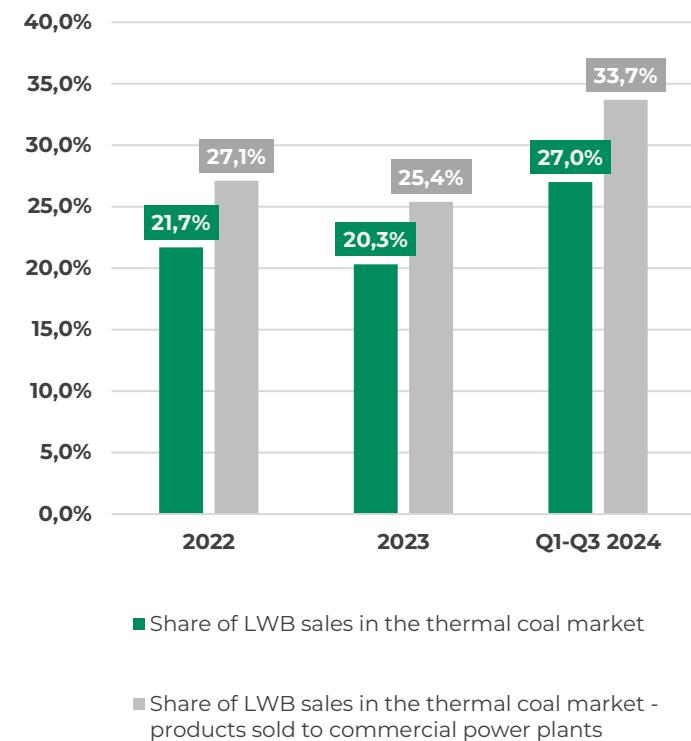
Thermal coal imports and exports [million tonnes]*



Source: ARP

*data do not include Silesia, Siltech, Ekoplus

We maintains a strong position on the coal market –
33,7% of share in sales to commercial power plants



Source: ARP

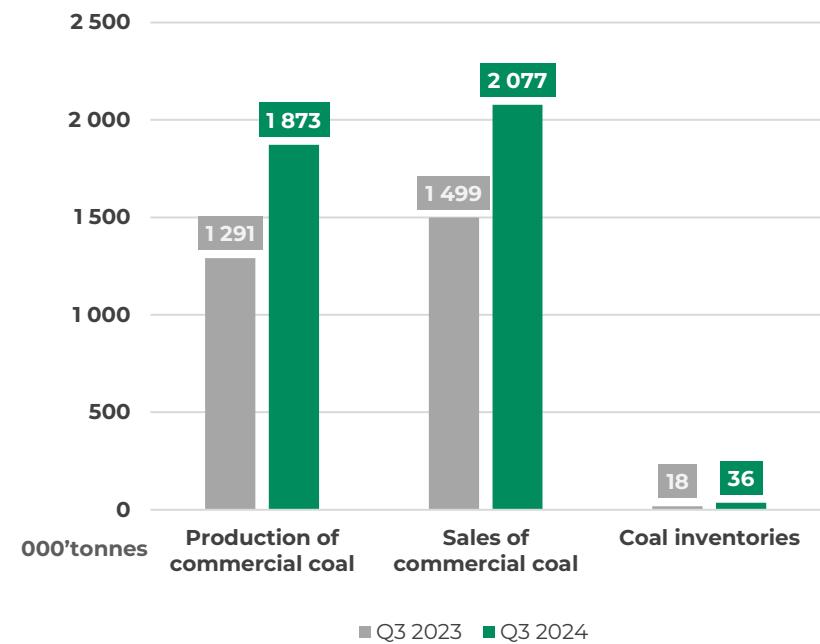
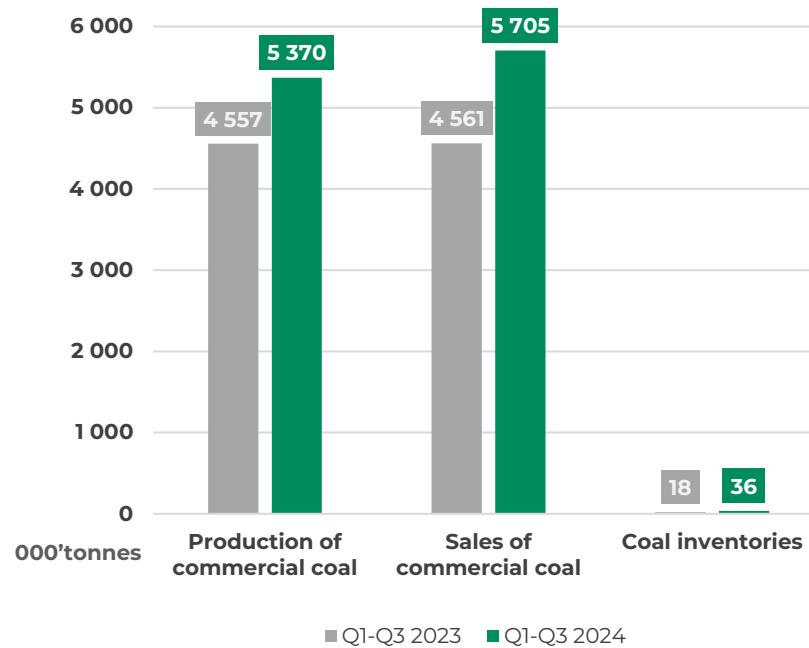
GK LW Bogdanka - increase of all operational parameters in Q1-Q3 2024 compared to Q1-Q3 2023

Technical and operating data									
[000 tons]	Q3 2023	Q3 2024	Change	Change %	Q1-Q3 2023	Q1-Q3 2024	Change	Change %	
Gross coal production	2,277	2,923	646	28.4%	7,930	8,452	522	6.6%	
Production of commercial coal	1,291	1,873	582	45.1%	4,557	5,370	813	17.8%	
Mining yield (%)	56.7%	64.1%	7.4 p.p	13.1%	57.5%	63.5%	6.0 p.p	10.4%	
Sales of commercial coal	1,499	2,077	578	38.6%	4,561	5,705	1,144	25.1%	
New roadways (km)	6.1	4.7	-1.4	-23.0%	22.8	16.4	-6.4	-28.1%	

*Length of excavations made includes reconstruction works

Source: In-house data

GK LW Bogdanka - increase of all operational parameters in Q1-Q3 2024 compared to Q1-Q3 2023



Source: In-house data

Coal yield at a level of 63.5% in Q1-Q3 2024

Coal Yield

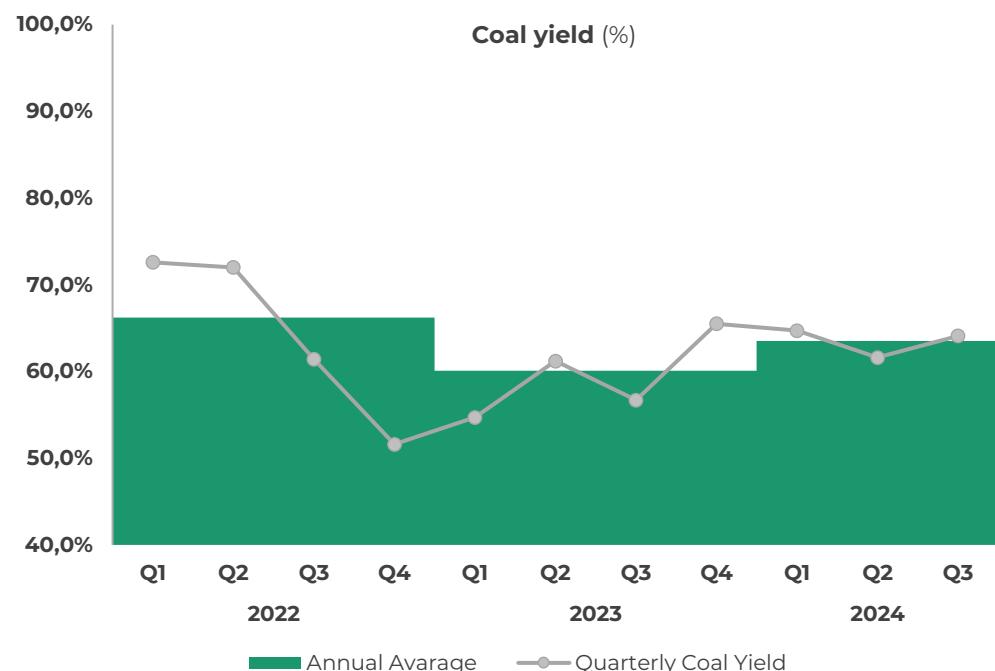
- coal yield in Q3 2024 was about 64.1% and was higher than in Q3 2023 (56.7%) and lower than in Q2 2024 (61.6%)
- average yield in Q1-Q3 2024 was 63.5% compared to 57.5% in Q1-Q3 2023

The share of extraction from the walls (%)

- in Q3 2024 50.8% of raw coal was obtained from low walls and 49.2% high walls. In the same period of 2023 this ratio was 83.4% compared to 16.6%.
- in Q1-Q3 2024 50.1% of raw coal was obtained from low walls and 49.9% from high walls. In the same period of 2023 this ratio was 45.4% to 54.6%

Number of production days

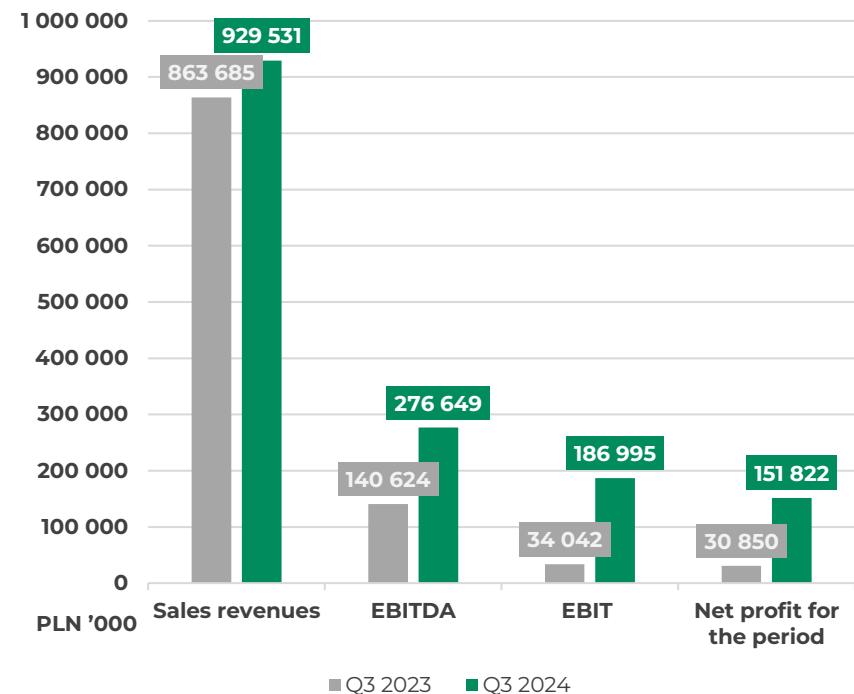
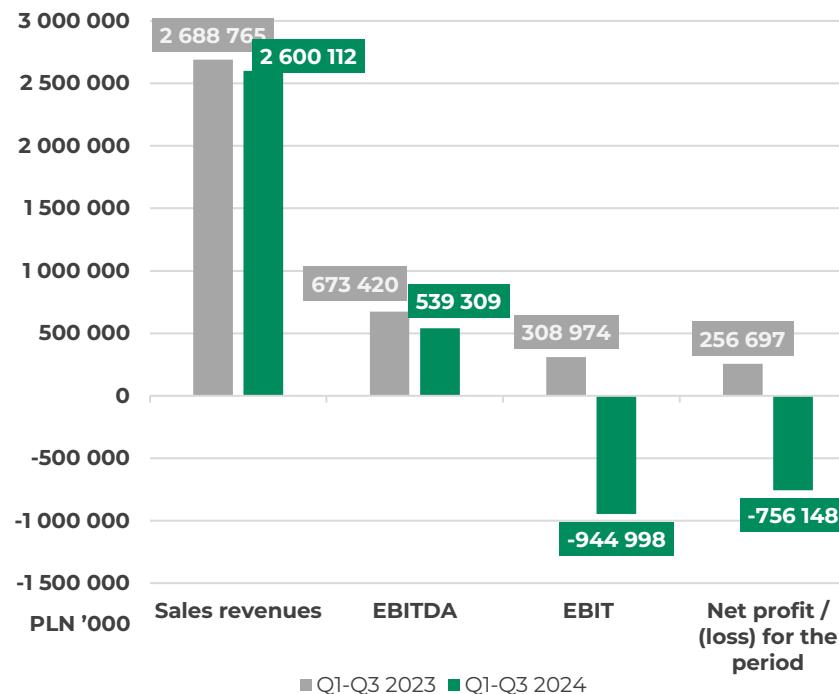
- production in Q1-Q3 2024 was conducted on 209 days, compared to 230 days in the same period Q1-Q3 2023



Key financial results of the LW Bogdanka Group in Q3 2024 and Q1-Q3 2024

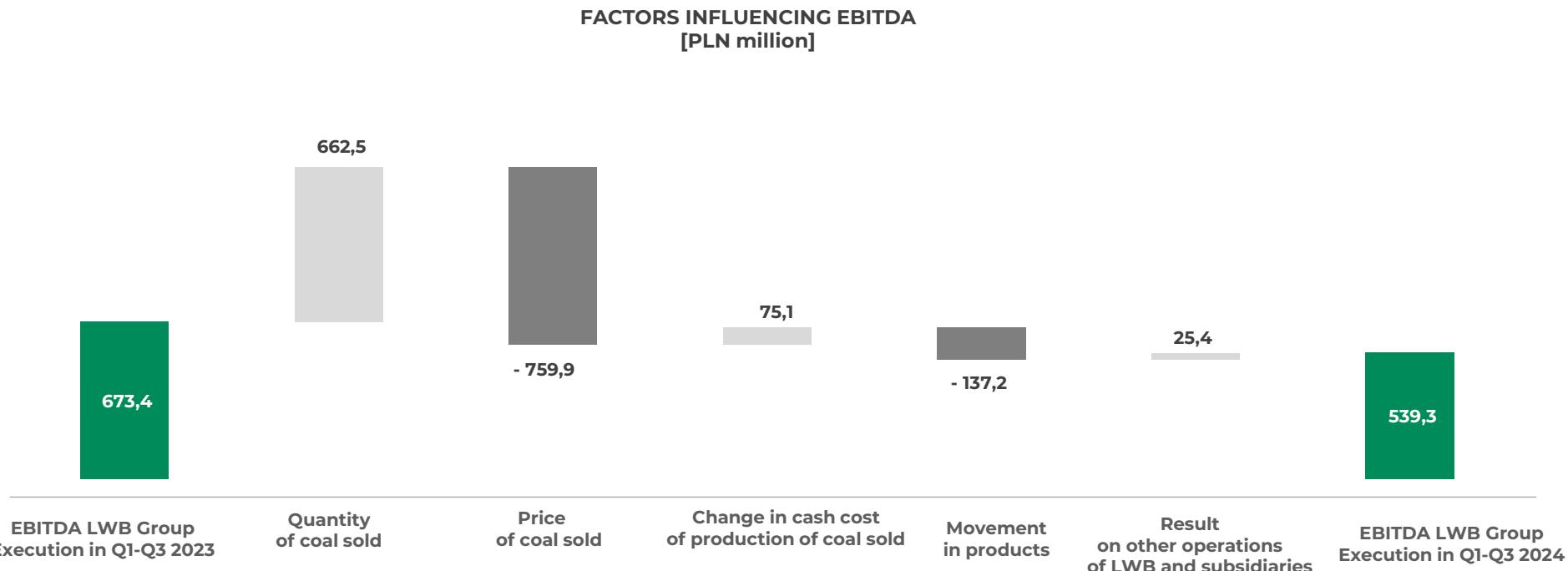
[PLN thousand]	Q3 2023	Q3 2024	Change	Q1-Q3 2023	Q1-Q3 2024	Change
Sales revenues	863,685	929,531	7.6%	2,688,765	2,600,112	-3.3%
Cost of products, goods and materials sold, selling and distribution expenses, and administrative expenses	823,197	746,461	-9.3%	2,314,467	2,372,861	2.5%
Profit/(Loss) on sales	40,488	183,070	352.2%	374,298	227,251	-39.3%
Gross return on sales	4.7%	19.7%	15.0 p.p	13.9%	8.7%	-5.2 p.p
Other revenues	1,281	665	-48.1%	2,658	4,706	77.1%
Other costs	802	358	-55.4%	6,571	1,216	-81.5%
Operating profit/(loss)	40,967	183,377	347.6%	370,385	230,741	-37.7%
Other net losses	-11,150	3,618	-132.4%	-15,266	-1,471	-90.4%
Write-off due to impairment of fixed assets	4,225	0	-100.0%	-46,145	-1,174,268	2444.7%
Operating profit/(loss)(EBIT)	34,042	186,995	449.3%	308,974	-944,998	-405.9%
EBIT margin	3.9%	20.1%	16.2 p.p	11.5%	-36.3%	-47.8 p.p
EBITDA	140,624	276,649	96.7%	673,420	539,309	-19.9%
EBITDA margin	16.3%	29.8%	13.5 p.p	25.0%	20.7%	-4.3 p.p
Financial income	9,875	10,905	10.4%	26,896	34,028	26.5%
Financial costs	6,127	6,709	9.5%	18,692	19,026	1.8%
Pre-tax profit/(loss)	37,790	191,191	405.9%	317,178	-929,996	-393.2%
Profit margin before tax	4.4%	20.6%	16.2 p.p	11.8%	-35.8%	-47.6 p.p
Income tax	-6,940	-39,369	467.3%	-60,481	173,848	-387.4%
Net profit / (loss) for the period	30,850	151,822	392.1%	256,697	-756,148	-394.6%
Net profitability	3.6%	16.3%	12.7 p.p	9.5%	-29.1%	-38.6 p.p

Key financial results of the LW Bogdanka Group in Q3 2024 and Q1-Q3 2024



Source: In-house data

EBITDA in Q1-Q3 2024



- (+) Higher volume of coal sales
- (-) Lower price of coal sold
- (+) Decrease in production costs: lower cost of materials, electricity and external services

Source: In-house data

Cost by type of LW Bogdanka S.A. in Q3 2024 and Q1-Q3 2024

[PLN thousand]	Q3 2023	Q3 2024	Change	Q1-Q3 2023	Q1-Q3 2024	Change
Net production [thousand tons]	1,291	1,873	45.1%	4,557	5,370	17.8%
Sales [thousand tons]	1,499	2,077	38.6%	4,561	5,705	25.1%
Depreciation and amortization	106,832	86,343	-19.2%	306,399	299,549	-2.2%
Consumption of materials and energy	287,111	233,467	-18.7%	902,862	762,993	-15.5%
External services	158,855	116,019	-27.0%	484,212	451,959	-6.7%
Employee benefits	223,457	277,320	24.1%	680,090	768,852	13.1%
Representation and advertising costs	5,580	4,382	-21.5%	15,563	13,645	-12.3%
Taxes and charges	12,642	15,772	24.8%	37,705	43,958	16.6%
Other costs	793	982	23.8%	4,672	58,854	1,159.7%
Total costs by nature	795,270	734,285	-7.7%	2,431,503	2,399,810	-1.3%
Cost of producing services for the entity's proprietary needs	-128,246	-115,358	-10.0%	-356,458	-340,441	-4.5%
Accruals	43,157	51,676	19.7%	76,676	82,570	7.7%
Provisions and other presentation adjustments between expense by nature and by function	30,290	-2,272	-107.5%	161,873	89,677	-44.6%
Total production costs	740,471	668,331	-9.7%	2,313,594	2,231,616	-3.5%
Change in products	82,826	78,219	-5.6%	-2,797	134,400	-4,905.1%
Cost of goods and materials sold	2,043	4,089	100.1%	8,666	12,294	41.9%
Cost of goods sold, including:	825,340	750,639	-9.1%	2,319,463	2,378,310	2.5%
Cost of goods and materials sold	760,684	689,374	-9.4%	2,135,021	2,192,511	2.7%
Selling and distribution expenses	18,318	16,022	-12.5%	43,934	44,830	2.0%
Administrative expenses	46,338	45,243	-2.4%	140,508	140,969	0.3%

Source: In-house data

Cost by type of LW Bogdanka S.A. in Q1-Q3 2024



Source: In-house data

Costs by type

During three quarters of 2024, LW Bogdanka S.A. incurred costs by type of PLN 2,399,810 thousand, i.e. by 1.3% (PLN -31,693 thousand) lower than in the corresponding period of 2023. The decrease in costs in the analysed period was mainly influenced by the decline in the costs of consumption of materials and energy and third-party services, as well as depreciation and amortisation.

Amortization and depreciation

Depreciation and amortisation decreased by 2.2% (to PLN 299,549 thousand). Depreciation of fixed assets mainly decreased in connection with the write-down.

Costs of consumed materials and energy

The total value of the cost of materials and energy consumed decreased by 15.5% compared to three quarters of 2023 and amounted to PLN 762,993 thousand. Due to the smaller scope of auxiliary work, the cost of material consumption fell and, at the same time there was a decrease in the price of electricity.

External services

The value of external services for three quarters of 2024 decreased from PLN 484,212 thousand to PLN 451,959 thousand (-6.7%) compared to the corresponding period in 2023. During the period under review, the scope of work outsourced to third-party companies changed (particularly for works outside LW Bogdanka's work schedule).

Employee benefits

In three quarters of 2024, compared to the corresponding period of 2023, the value of employee benefits increased by PLN 88,762 thousand.

During the period under review, there was an increase in average headcount and wages and their derivatives, as well as changes resulting from the increase in the minimum wage, including wage components dependent on its level. In addition, an *ad hoc* award for employees was paid in Q3 2024.

Representation and advertising costs

The decrease in the value of representation and advertising costs by PLN 1.9 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and charges

The increase in taxes and charges of approximately PLN 6.3 million is mainly due to an increase in the mining fee, payments to the State Fund for the Rehabilitation of Disabled (PFRON) and property tax.

Other costs

The increase in other costs by PLN 54.2 million is due to the conclusion of a new insurance policy for a further 18 months and the implementation of a decision of the Court of Appeals in Warsaw in connection with legal claims relating to patents.

The costs of the policy are accrued in proportion to its duration and will therefore be charged to subsequent periods' results.

Production plan update for 2024

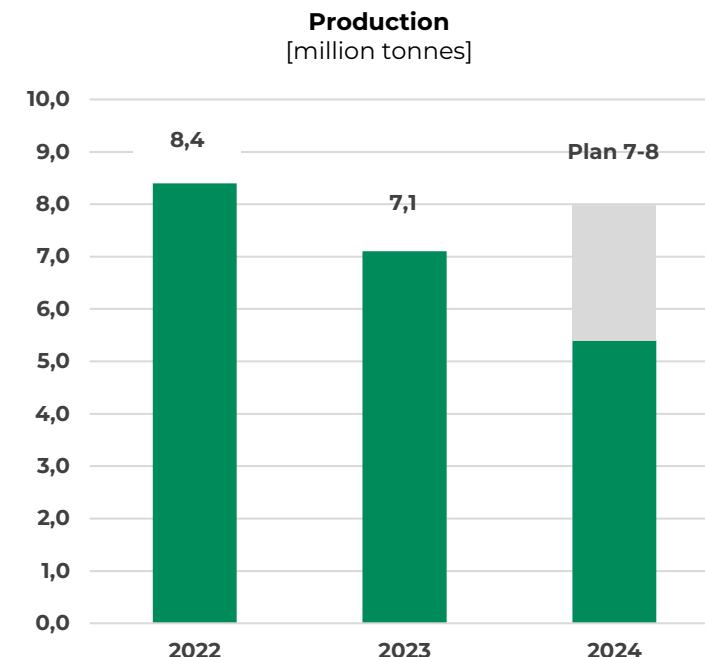
– 7-8 million tonnes

Production and sales in Q1-Q3 2024

- in Q1-Q3 2024, production reached 5.4 million tons, sales amounted to 5.7 million tons, in Q1-Q3 2023 production and sales amounted to 4.6 million tons

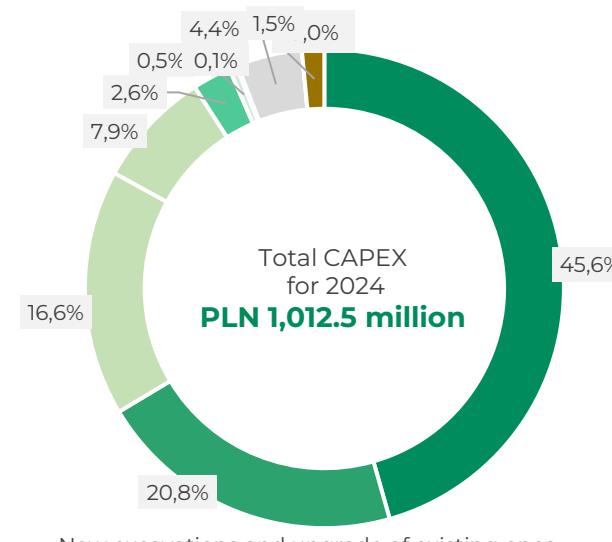
Production plan for 2024

- production plan for 2024 – 7-8 million tonnes



Source: In-house data

The use of CAPEX in Q1-Q3 2024 – over PLN 645 million



- New excavations and upgrade of existing ones
- Maintenance of machinery
- Longwall shearers
- Other development investments
- ICT
- Administration
- Transport
- Other
- Strategic initiatives
- Subsidiaries

Source: In-house data

Selected items of capital expenditures in the LW Bogdanka Group

[PLN thousand]	TEP 2024*	TEP actuals Q1-Q3 2024	Actuals - TEP Q1-Q3 2024 [%]
New excavations and upgrade of existing ones	462,019	347,410	75.2%
Maintenance of machinery	210,339	52,940	25.2%
Longwall shearers	167,931	168,699	100.5%
Other development investments	79,875	35,064	43.9%
ICT	25,967	6,784	26.1%
Administration	5,231	3,037	58.1%
Transport	1,125	869	77.2%
Other	44,861	25,809	57.5%
Strategic initiatives	100	0	0.0%
TOTAL CAPEX in LW Bogdanka S.A.	997,448	640,612	64.2%
Łęczyńska Energetyka Sp. z o.o.	9,500	2,015	21.2%
MR Bogdanka	1,590	1,339	84.2%
RG Bogdanka	3,987	1,285	32.2%
RG Bogdanka	0	0	0.0%
TOTAL CAPEX in the LW Bogdanka SA Group	1,012,525	645,251	63.7%

* TEP update for 2024 due to the update of the 2024 production target.

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