



Current Report No. 9/2025

Date of preparation: 16 April 2025

Subject: Adoption of the LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)

Legal basis: Article 17(1) MAR - confidential information

Content:

The Management Board of LW Bogdanka S.A. ("the Company"), with its registered office in Bogdanka, announces that on 16 April 2025, the Supervisory Board of the Company approved the LW Bogdanka S.A. Updated Development Strategy until 2030 (outlook to 2035) replacing the existing Strategy of the Company in its entirety (except for the dividend policy, which remains in force).

The key premises for updating the Strategy included:

- Developments in the coal market shaped by the green transition trend;
- The need to adapt production and sales plans, and consequently transition ambitions, to the reduced demand for coal from major customers;
- The need to compete with subsidised Silesian coal;
- Declining coal supply from domestic suppliers and the emerging opportunities to search for new coal customers in the country and abroad;
- Opportunities arising from the close proximity of Ukraine in terms of an additional market and potential opportunities for cross-border cooperation.

LW Bogdanka's **overarching objective** driven by the aforementioned premises is to maintain a high market position through efficiency in the scope of steam coal production, allowing it to achieve its transition ambitions.

Vision

Bogdanka as a diversified enterprise using the potential of mining to build a sustainable industrial and energy business, based on innovation, diversity of activity and care for the natural environment and the local community.

Mission

Efficient production of steam coal to secure the needs of existing customers, ensure sales growth on the domestic and foreign markets and build the potential to diversify the business.

The LW Bogdanka S.A. Updated Development Strategy until 2030 (outlook to 2035) is based on the core business, i.e. steam coal production and two transition directions based on sustainability, innovation and responsibility towards the environment and local communities.

Strategic objectives:

- a. Continuing the Company's efficient and profitable operations based on the production and sales of hard coal will provide the resources necessary for the transformation in the desired directions in line with sustainable development goals.
- b. Diversification of activity towards the Sustainable Industry and Energy Transition.
- c. Optimising mining operations to provide for its maximum consistence with the ESG objectives in a sustainable manner to provide the means and resources to achieve the transition objectives set for the Group.

Key operational and economic parameters:

The average level of coal production in 2025-2030 will reach approximately 8.2 million tonnes, in 2031-2035 - approximately 6.6 million tonnes.

Net yield per employee in the years 2025-2030 is projected at a level of 1,714 tonnes per person and in 2031-2035, at a level of 1,763 tonnes per person.

EBITDA per tonne of output in 2025-2030 will reach approximately PLN 97/ tonne, in 2031-2035 - approximately PLN 104/ tonne.

The Company will strive to achieve an average EBITDA margin ratio of 26% in 2025-2030 and 28.7% in 2031-2035.

The average value of capital expenditure in the years 2025-2030 will amount to approximately PLN 679 million and in 2031-2035, to approximately PLN 316 million.

Development projects scheduled for implementation:

- a. in the scope of core business:
 - Seeking new customers to replace contractors declaring a gradual withdrawal from coal;
 - Building the Company's flexibility through mining work scheduling changes and expansion of the coal storage facility;
 - Cost optimisation in production planning and scheduling;
 - Introducing further automation to increase efficiency and employee safety.
- b. in the scope of business diversification:
 - Development of industrial and service activities based on the commercialisation of specific activities e.g. rail transport and new industrial projects;
 - Implementation of industrial projects, including "dual use" and CE in collaboration with external partners;
 - Exploring the possibilities to use mining competence besides coal mining and the possibility of extracting raw materials other than coal from the current infrastructure;
 - Development of mining, infrastructural, construction and tunnelling competence;
 - Development of in-house energy projects for zero and low emission generation;
 - Transformation of district heating assets;
 - Ambitions and R&D projects, among others in the scope of energy storage, hydrogen, synthetic fuels, biogas and biomethane;
 - Support for the construction of an the economic zone in the immediate vicinity of LWB and the development of projects engaging mining municipalities;

Through the implementation of the Strategy, LW Bogdanka will increase its positive social impact and mitigate the environmental impact of its operations, which will be reflected in both the reduced carbon footprint and the increased percentage of operational and investment expenditure in line with the environmental objectives of the so-called EU Taxonomy. As a leader of responsible transformation in mining, the Company will ensure that the aspects most important for its stakeholders - in particular, security in terms of employment guarantees, the natural environment or regional development - are managed.

The information contained in this current report regarding the Strategy of LW Bogdanka S.A. does not constitute a forecast of results. No information contained in this current report constitutes a recommendation to buy or sell financial instruments within the meaning of the Regulation of the Minister of Finance of 19 October 2005 on information which constitutes recommendations concerning financial instruments, their issuers or drawers, Journal of Laws of 2005, No. 206, item 1715.