

MANAGEMENT BOARD REPORT

on the Activity of the LW Bogdanka Group
for Q1 2025



LW Bogdanka Group



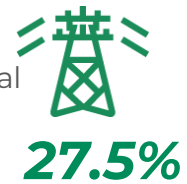
Lubelski Węgiel Bogdanka S.A.

a leader on the hard coal market in Poland, standing out in comparison with its peers in terms of financial results, mining efficiency and investment plans assuming access to new deposits.

Share in the hard coal market in Poland



Share in the steam coal market in Poland



Share in coal supplies to the commercial power sector in Poland

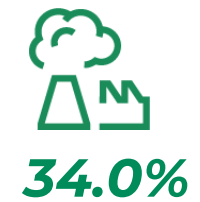


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1. Organisation and activity of the LW Bogdanka Group



LW Bogdanka S.A

is a leader on the hard coal market in Poland, standing out in comparison with its peers in terms of financial performance, mining efficiency and investment plans, including access to new deposits. The bituminous coal sold by the Company is used predominantly for the production of electricity, heat and cement. The Company's customers are mainly industrial companies, primarily those operating in the power sector, located in eastern and north-eastern Poland. LW Bogdanka S.A. is part of the Enea Group, one of the leaders of the Polish energy market. The company has been listed on the Warsaw Stock Exchange since 2009.

LW Bogdanka S.A. has three mining fields:

- Bogdanka
- Nadrybie
- Stefanów

The structure of coal production in Q1 2025 was as follows:

- fine coal - 98.6%
- pea coal - 1.4%
- chestnut coal - 0.0%

Use of LW Bogdanka S.A.'s coal:

- electricity production
- heat generation
- cement production

The Company's key customers include (percentage share of revenue):

- Enea Group - Enea Wytwarzanie (66%)
- Enea Group - Enea Połaniec (15%)

The Company holds four concessions for mining of hard coal from the following deposits (areas):

- Bogdanka (Puchaczów V)
- K-3 (Stręczyn)
- Ostrów (Ludwin)
- K-6, K-7 (Cyców)

Modern technology

LW Bogdanka S.A. cares about the safety of its employees and the natural environment. In the mining process, it applies state-of-the-art technologies and world-class machinery, consequently, it is a mine with the highest efficiency and best performance rates in Poland. The underground productivity of the Company is more than twice the average value in the hard coal mining industry in Poland.

Cost control

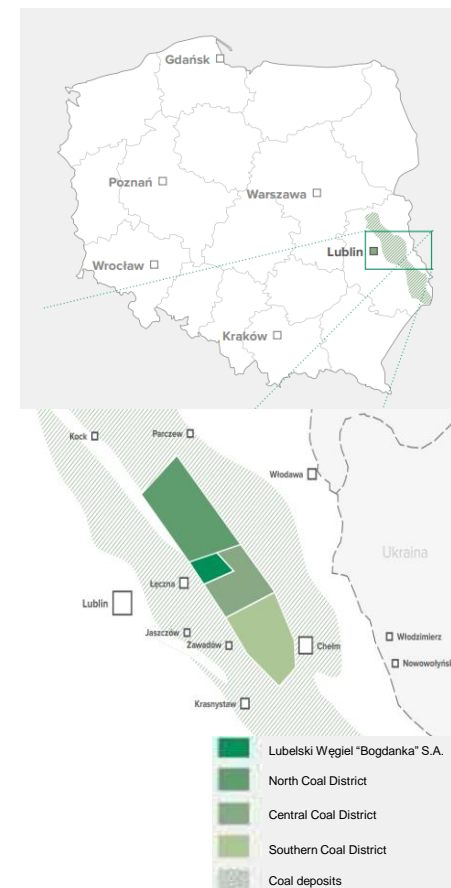
The Company remains the efficiency leader in the Polish mining industry owing to its consistently implemented Cost Optimisation Programme. The Company's strategy assumes a further decrease in the Unit Mining Cash Cost.

The Company has a deposit management system in place, consisting of:

- digital deposit model (the only one to date in the Polish hard coal mining sector)
- digital map of mining excavations
- digital schedule of opening, preparatory and operational works.

We have built our success based on:

- highly qualified staff, top technical culture focused on cooperation and achievement of common objectives
- highly efficient, reliable, energy-saving machinery and equipment, properly adjusted to existing geological and mining conditions, mechanizing both primary mining works and a broad range of auxiliary works
- mechanisation and automation of the broadest possible range of underground works
- deployment of modern IT systems for various areas of mining activity, aimed at streamlining technological processes, monitoring the operation of machinery and equipment, useful in production planning and hazard identification.





Taking into account the Group's structure and the fact that the basis for the Group's operations and activities is the business conducted by LW Bogdanka S.A. (activities of subsidiary companies are primarily ancillary to the activities conducted by the Parent Company), the descriptions presented in the Report refer also directly to the activities and events taking place within LW Bogdanka S.A. Wherever there are any discrepancies, this is clearly indicated by posting an appropriate description and data.

Lubelski Węgiel Bogdanka Spółka Akcyjna

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Legal form and regulations underlying the Company's activity

LW Bogdanka S.A. is a joint stock company operating under the laws of Poland. The Company operates on the basis of, among others, the following legislation:

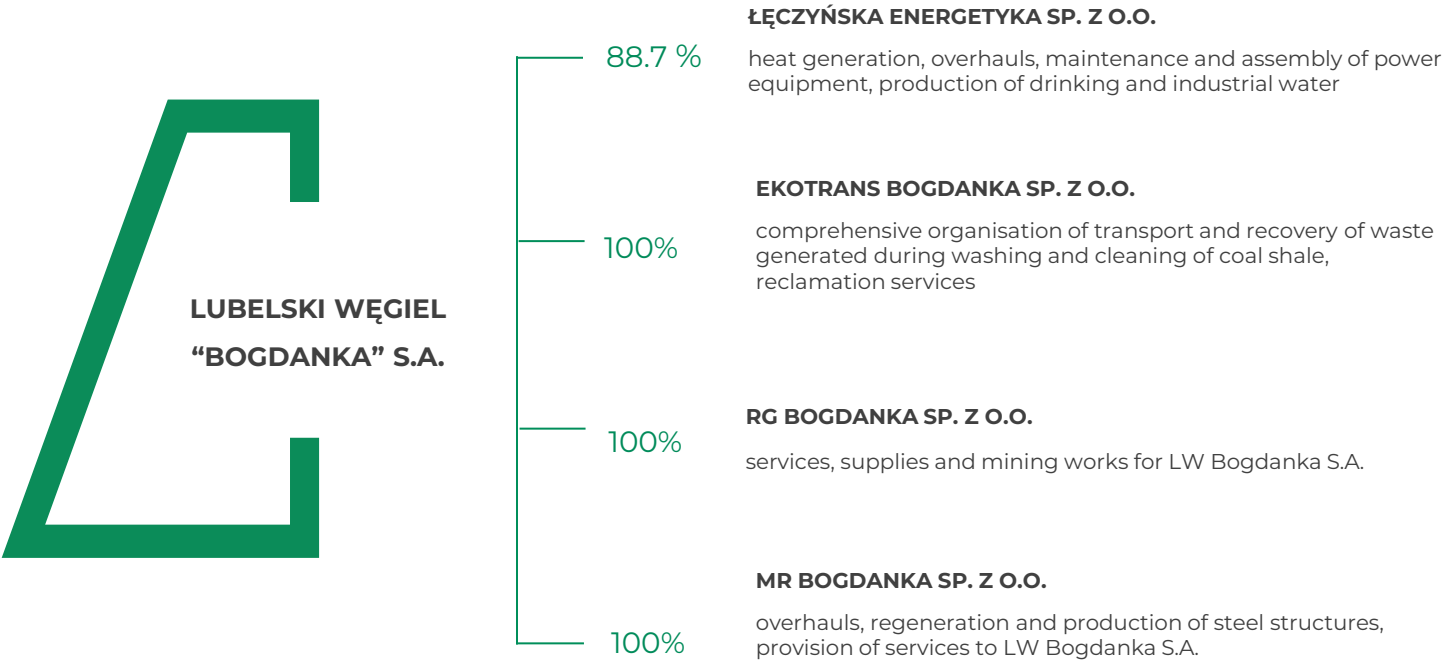
- Act of 15 September 2000 - Commercial Companies Code
- Act of 9 June 2011 - Geological and Mining Law

The founder of the Company is the State Treasury represented by the Minister of the State Assets. The Company may operate in the territory of the Republic of Poland and abroad. The Company is established for an unlimited duration.

Historical background

17 January 1975	1 March 1993	29 December 1994	25 June 2009	29 October 2015	17 November	20 December 2019	17 May 2023	16 April 2025
decision made to build a pilot and extraction mine in Bogdanka. Bogdanka was one of 7 mines that were to be built in the Lublin Coal Basin, but due to suspension of the project, it turned out to be the only one.	transformation of the state-owned enterprise into a wholly-owned State Treasury company with the business name: Kopalnia Węgla Kamiennego "Bogdanka" S.A.	as part of the implementation of the provisions of a bank settlement, as a result of debt conversion, KWK "Bogdanka" S.A. ceased to be a wholly-owned State Treasury company as new shareholders (creditors) acquired 4.0% of the Company's shares	IPO on the Warsaw Stock Exchange	LW Bogdanka S.A. became part of the Enea Group	obtaining a concession for mining of hard coal from the Ostrów deposit in the Ludwin mining area	obtaining a concession for mining of hard coal from the "Lublin Coal Basin – Area K-6 and K-7" deposit in the "Cyców" mining area	adoption of the new LW Bogdanka Group Strategy for 2023- 2030 with an outlook to 2040 in response to rapid developments in the domestic and international market in 2023	adoption of the updated LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)

Structure of the LW Bogdanka Group



Changes in the structure of the LW Bogdanka Group

During Q1 2025, there were no changes in the structure of the LW Bogdanka Group or in the Group's organisational and capital relations with other entities. During this period there were no changes in the structure of the LW Bogdanka Group as a result of merger of business entities, takeover or sale of the Group's entities, long-term investments, demerger, restructuring and discontinuation of activity.

As at the date of submission of this Report, LW Bogdanka S.A. also holds 22.41% of shares in Kolejowe Zakłady Maszyn KOLZAM S.A., with the share capital of PLN 750 thousand (bankruptcy proceedings have been discontinued, the company is not conducting any business activity). The title to the shares has been transferred to the Parent Company as security for the financial settlements for performance of transportation services. This company has not been consolidated.

Summary of Q1 2025

Operating data

3.8 million tonnes

Gross coal extracted

69.0%

Mining yield

2.7 million tons

Commercial coal production

4.5 km

New excavations

2.2 million tonnes

Sales of commercial coal

Headcount

6,115 employees

Headcount as at the end of Q1 2025

-0.8%

Decrease in headcount compared to 2024



Financial data of LW Bogdanka Group

PLN 868.9 million

Sales revenues

PLN 199.1 million

Profit on sales

PLN 343.7 million

EBIT

PLN 395.0 million

EBITDA

PLN 283.9 million

Net profit

Highlights

- conclusion of annexes to long-term agreements for the supply of coal with ENEA Wytwarzanie sp. z o.o. and ENEA Elektrownia Połaniec S.A.
- information on the award and payment of compensation for the damage to wall 3/VII/385 of February 2023. The amount of compensation awarded was PLN 144.85 million
- write-down on the carrying amount of value of non-current assets in the amount of PLN 1.249 million, in connection with the results of impairment tests on assets as at 31 December 2024 - the write-down affected the financial results for 2024.

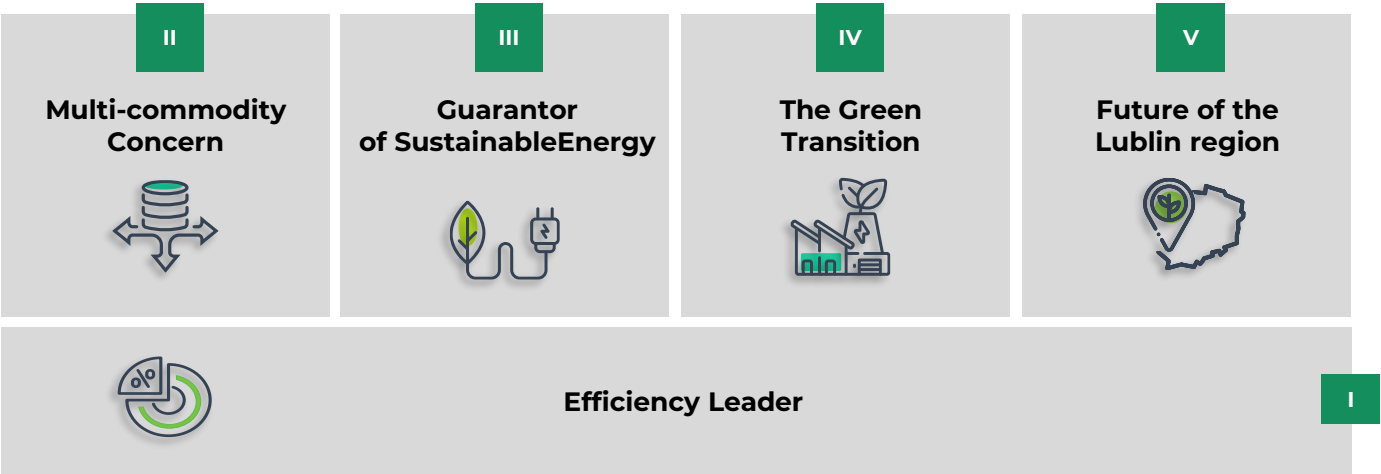
Events after the balance sheet date until the day of publication of the Report

- Adoption of the LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)
- Recommendation of the Management Board on the coverage of the net loss for 2024

Development Strategy of LW Bogdanka Group in force until 15 April 2025

On 17 May 2023 the Supervisory Board of the Company approved the "Development Strategy of the LW Bogdanka Group for 2023-2030 with an Outlook to 2040" (the "Strategy"), adopted by the Management Board on 9 May 2023 comprising also the dividend policy.

The Development Strategy of the LW Bogdanka Group for 2023-2030 with an outlook to 2040 (the "Strategy") is based on 5 pillars - a strong coal foundation and 2 pillars of diversification based on it as well as pillars of sustainable and responsible development. Under the 5 pillars, 21 strategic initiatives have been developed.



Development Strategy of LW Bogdanka Group in force until 15 April 2025

Pillar I - Efficiency Leader:

- Developing the Group - the starting point for entering the diversification areas will be the professionalising and building a strong group.
- Ensuring output until 2049 by commencement of mining from the K-6 and K-7 resource base in 2024 and preparing for the opening of the vertical Ostrów field after 2038, guarantees the flexibility and energy security for the State in energy transition.
- Efficient Transition by improving efficiency in 8 areas of operation. The result of these measures will be a reduction in the unit cost of mining.
- Innovative mine - the use of the latest solutions in the area of monitoring of the rock mass, production process and environment, implementation of innovations to improve safety and ergonomics of work, and management of the plant based on sensors that generate real data to support decision-making.
- Supporting Ukraine's energy reconstruction by leveraging Bogdanka's expertise and resources to actively support the post-war reconstruction of critical infrastructure in Ukraine.
- commercialisation of mining expertise by professionalizing the expertise and technology across the chain.
- developing the potential for raw material transport by assessing the potential for greater use of the rolling stock.

Pillar II - Multi-commodity Concern:

- Multi-commodity mining based on the exploration and commercial mining of a range of minerals critical to sustainable transition and attractive to the market.
- The Bogdanka Fund, which is an accelerator that enables investment in new technologies for the future of the Concern and the region.

Pillar III - Sustainable Energy Guarantor:

- Production of RES components, i.e. foundation baskets for wind farms and structures for mounting photovoltaic panels.
- A new scale of RES installations involving diversification of LW Bogdanka's revenues through RES installations in the range of approx. 500MW by 2030 and the sale of electricity generated by RES installations.
- Recycling of electric batteries.
- Recycling of photovoltaic waste.

Pillar IV - Green Transition:

- Circular economy focused on reducing resource consumption by implementing circular economy solutions, use of mining waste (shale) for commercial applications (production of fertilizer ingredients, building materials), development of heat recovery technology from mine water, analysis of the possibility of increasing retention (drainage of the Stefanów field).
- Increasing energy efficiency and reducing greenhouse gas emissions in the mine's operations, using energy from the test RES facilities being built under Pillar III to increase LW Bogdanka's energy efficiency, developing the Łęczyński Energy Cluster and reducing the carbon footprint.
- Revitalisation of post-mining areas and removal of mining damage, development of a strategy for the operation of the Nadrybie field after completion of mining, sustainable use and reclamation of spoil tips in cooperation with local governments, and effective management of mining damage.

Pillar V - The future of the Lublin Region:

- Attracting and retaining the best employees through a campaign improving the employer's brand image for potential employees, integrating digital technologies into training processes, increasing Bogdanka's competitiveness in attracting experts to support the transition process, developing cooperation with external partners, including partner schools in the Region and the Scientific Council at LW Bogdanka.
- Increasing the level of occupational safety by building a safety culture in the organization, promoting health care and effective prevention in all positions.

- Technical improvement of occupational safety by monitoring working conditions with mobile control equipment and seeking solutions to eliminate unsafe activities.
- Re-branding programmes focusing on the development of a plan for replenishing staff knowledge and re-branding, a priority programme for existing employees in new business areas (RES).
- Responsible business practices through the implementation of ESG criteria in purchasing and sales processes and care for limited and sustainable use of raw materials and energy in all processes operating within the Company, proactive approach in undertaking sustainable ESG initiatives and communicating good practices to the value chain, transparency in communications with stakeholders, and effective activities of the corporate foundation.

Key operational and economic parameters:

- The average level of coal production in 2023-2025 will be approx. 9.1 million tonnes, in 2026-2030 approx. 10.1 million tonnes and in 2031-2040 approx. 9.1 million tonnes.
- Average sales revenue in 2023-2025 is projected at PLN 5,902 million, in 2026-2030 at a level of PLN 5,565 million, and in 2031-2040 at a level of PLN 4,967 million.
- The average value of expenditure in 2023-2025 will be approx. PLN 1,017 million, in 2026-2030 approx. PLN 1,116 million and in 2031-2040 approx. PLN 426 million.
- In the Strategy, Bogdanka aims to strengthen its market position by achieving a 58% market share of coal supplied to the commercial power sector in 2030.
- The company targets a dynamic increase in the average share of revenue from non-core business initiatives from 1% in 2023-2025 to 12% in 2026-2030, and to 29% in 2031-2040.
- Adopting the aforementioned assumptions, the Company will aim to achieve, on average, a return on equity (ROE) of 26% in 2023-2025 (11% in 2026-2030, 3% in 2031-2040), a return on assets (ROA) of 22% (10% in 2026-2030, 3% in 2031-2040) and an EBITDA margin of 46% (41% in 2026-2030, 30% in 2031-2040).

Dividend policy:

- LW Bogdanka S.A. intends to remain a dividend-paying company, taking into account planned capital expenditures related to diversification of operations.
- The intention of the Management Board of LW Bogdanka S.A. is to apply to the Shareholder Meeting in the future for a dividend payout of up to 50% of net profit.
- The amount of dividend recommended on a case by case basis will depend on the current market situation, cash flows generated from operating activities, ongoing and planned investments, and the possibility and conditions of raising debt financing.
- The Company's dividend policy in the future will be affected by the implementation of strategic initiatives aimed at increasing production efficiency and diversification of revenues, which, in turn, may translate into the level of capital expenditure.

Updated Development Strategy of LW Bogdanka Group in force from 16 April 2025

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

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:

- 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.
- Diversification of activity towards the Sustainable Industry and Energy Transition.
- 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.

Basic 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 output per employee in 2025-2030 is expected 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:

- 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.
- 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 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.

Dividend policy:

- LW Bogdanka S.A. intends to remain a dividend-paying company, taking into account planned capital expenditures related to diversification of operations.
- The intention of the Management Board of LW Bogdanka S.A. is to apply to the Shareholder Meeting in the future for a dividend payout of up to 50% of net profit.
- The amount of dividend recommended on a case by case basis will depend on the current market situation, cash flows generated from operating activities, ongoing and planned investments, and the possibility and conditions of raising debt financing.
- The Company's dividend policy in the future will be affected by the implementation of strategic initiatives aimed at increasing production efficiency and diversification of revenues, which, in turn, may translate into the level of capital expenditure.

Development strategies of subsidiaries

Development strategy of Łęczyńska Energetyka sp. z o.o.

The Management Board of Łęczyńska Energetyka sp. z o.o. has identified the following strategic objectives for the company to be pursued in the coming years:

- change in the heat generation method resulting from, among others, the need to ensure an uninterrupted supply of heat to consumers (guaranteeing additional reserve generating capacity to reduce the risk of heat generation interruptions) and gradual abandonment of coal fuel. The company intends to take steps to find and select the optimal non-coal source for heat generation in the coming years in order to satisfy increasingly stringent environmental protection standards.
- modernisation of the heating main between Bogdanka and Łęczna – the implementation of this task aims at gradual reduction of considerable transmission losses and will additionally allow for protecting the network against corrosion, thus supporting its operation in the following years.

The above investment projects are planned to be executed using the Company's own funds, however in the case of the Bogdanka-Łęczna main, the source of funding may be changed in subsequent years (if aid funds are obtained).

Łęczna Energy Cluster

Due to its competence, Łęczyńska Energetyka is a dedicated entity to act as a coordinator in the Łęczna Energy Cluster. This role will involve exercising energy management within the cluster, representing the cluster externally, commercial balancing and energy billing in the

cluster. Łęczyńska Energetyka sp. z o.o. may also act as a provider of services associated with the operation of heat sources, sharing electricity and heat-related know-how.

Development Strategy of MR Bogdanka sp. z o.o.

The company's strategic objectives are:

- Development of mining machinery production and overhaul capabilities
- Manufacture of general purpose steel structures
- Manufacture and regeneration of bulk products used at LW Bogdanka S.A.

The company's primary objectives include:

- Conducting and developing capabilities in the overhaul of mining machinery and equipment
- Manufacture of general purpose steel structures, subject to compliance with all formal and legal requirements
- Performance of work related to regeneration of bulk products used in the Parent Company
- Provision of repair and adaptation services for the office and administrative infrastructure on the surface.

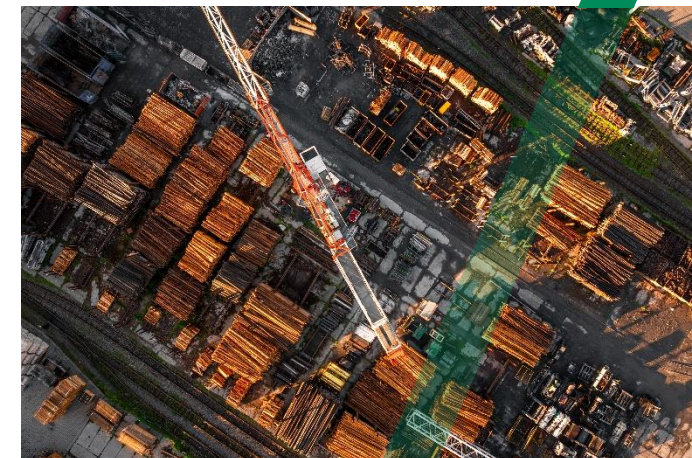
Development strategy of EkoTrans Bogdanka sp. z o.o.

The Company plans to conduct post-mining waste management activities in 2024 and beyond.

As part of recovery and processing of waste generated in the process of dry and wet processing of hard coal, the company plans to utilize approx. 2.5 million tonnes of waste annually.

Development Strategy of RG Bogdanka sp. z o.o.

The Company's main development direction indicated for the coming years is to continue the strategy adopted, i.e. to increase the share of specialist mining work such as excavation of roadways, rebuilding and execution of works with the use of specialised machinery. These activities are aimed at establishing the company's position in the local market. Extension of the scope of activities will ensure continuity of operations as well as allow for professional development of employees through successive improvement of their qualifications. The Company plans to expand its machinery fleet over the long term to ensure independence and the capacity to perform the full range of mining operations.



Investment activities completed in Q1 2025

In Q1 2025, LW Bogdanka S.A. carried out its scheduled investment tasks. As part of implementation of the investments, expenditure on fixed assets in the total amount of PLN 123,635 thousand were incurred.

The 2025 plan includes the following groups of tasks:

- development and replacement investment - including purchases of machinery and equipment, their modernisation and repair, expansion of the mining waste disposal facility, longwall complexes,
- operating investment - including the execution and modernisation of workings in the Bogdanka, Nadrybie and Stefanów fields, etc., will also be carried out.

Development and replacement investments LW Bogdanka S.A.

Maintenance of machinery

- Purchase of new machinery and equipment to be installed - expenditure of PLN 6,314 thousand was incurred on the purchase of, among others, a GM-50 road header, froth loaders and a large-diameter drilling machine for performing holes in the bottom of the excavations, as well as the purchase of a filter press.
- Purchases of finished goods, machinery and equipment - finished goods were purchased for the total amount of PLN 1,223 thousand. The most important of these include: hydraulic pumps and units (including air compressors), electrical equipment (e.g. electric engines), other off-the-shelf equipment (e.g. forklift trucks, universal milling machine, analytical balances, compressed air dryer), as well as the purchase of a charging unit for the precipice.
- Modernisation and overhaul of machinery and equipment - PLN 5,444 thousand was allocated to, among others, the modernisation

of the DH R75t shearer, flameproof mine switchgear (ORK) and the modernisation of ZMI pumps.

Other development investments

- Central air conditioning of the Bogdanka field - expenditure of PLN 1,376 thousand was incurred for the modernisation of coils in spray and evaporative condensers - stage 3.
- Electric car charging stations - allocated expenditure in the amount of PLN 176 thousand.
- Replacement investments of ZPMW - PLN 2,004 was allocated, among others, on the modernisation of ZPMW facilities, the modernisation of steel structures and the façade of ZPMW as well as the modernisation of access roads and manoeuvring yards.
- Construction and modernisation of buildings and installations - expenditure of PLN 2,153 thousand incurred, among others, for the modernisation of the locomotive depot building in Zawadów, modernisation of the HETMAN-T telecommunications system, as well as the construction of the MPLS-TP backbone of the OT industrial network.
- Windmill switchgear facilities and other power systems - the expenditure of PLN 3,324 thousand was incurred, among others, for the modernisation of the S1.4 Main Fan Station.
- Switchgear and 110/6kV substation facilities - expenditure of PLN 1,371 thousand was incurred for the modernisation of the capacitor banks of GSTR Bogdanka and STR Nadrybie
- Power, telecommunications and mechanical systems - power and mechanical installations - expenditure of PLN 1,326 thousand was incurred on, among others, the extension of power grids, the installation of a DN 150 pipeline in shaft S1.3 and the installation of a DN 250 main drainage pipeline in shaft 1.2.
- Expansion of the mining waste facility - the area is prepared for the development of a waste haulage facility for the commissioned sector and at the same time the area is drained for the construction of the next sector.

ICT - expenditure in the total amount of PLN 827 thousand was incurred, mainly for the monitoring systems for the company's facilities.

Others - PLN 2,642 mainly for the construction of an underground water pumping station on the RE "Żelazny" ditch (as part of environmental protection) and also PLN 307 thousand for the construction of the facilities for the surface of the Bogdanka field.

Administration - expenditure in the total amount of PLN 198 thousand was incurred for the modernisation of existing building facilities.

Transport - expenditure in the total amount of PLN 207 thousand were incurred for the purchase of a van.

Operational investments of LW Bogdanka S.A.

New excavations were implemented in accordance with the applicable Mining Work Schedule. The total length of the completed roadway excavations carried out as part of the investments in Q1 2025 amounted to approximately 4.1 km (in total, 4.5 km), with a value of PLN 75,066 thousand. The modernisation of excavations in the form of reconstruction of vertical excavations was carried out in accordance with the adopted schedule for the total value of PLN 19,677 thousand.

Łęczyńska Energetyka and other subsidiaries of LW Bogdanka S.A.

The subsidiaries belonging to the LW Bogdanka Group incurred expenditure on fixed assets in the amount of PLN 562 thousand.

Łęczyńska Energetyka - investment tasks completed in Q1 2025 included investment projects related to the generation, transmission and distribution of heat for the total amount of PLN 80 thousand.

RG Bogdanka, MR Bogdanka - incurred the total investment expenditure in the amount of PLN 482 thousand in Q1 2025 on core operations as well as replacement and development investment.

Investment activities completed in Q1 2025

Selected items of capital expenditure in LW Bogdanka Group

[PLN thousand]	TEP 2025	TEP actuals IQ 2025	TEP actuals Q1 2025 [%]
New excavations and upgrade of existing pits	430,769	94,743	22.0%
Maintenance of machinery	136,220	12,981	9.5%
Other development investments	78,832	11,730	14.9%
ICT	16,279	827	5.1%
Administration	335	198	59.1%
Transport	207	207	100.0%
Other	19,398	2,949	15.2%
Strategic initiatives and RES	250	0	0.0%
TOTAL CAPEX in LW Bogdanka S.A.	682,290	123,635	18.1%
Łęczyńska Energetyka sp. z o.o.	9,000	80	0.9%
MR Bogdanka	2,906	272	9.4%
RG Bogdanka	3,277	210	6.4%
EkoTrans	0	0	0
TOTAL CAPEX in the LW Bogdanka SA Group	697,473	124,197	17.8%

Value of capital expenditure incurred for excavations in Q1 2025

Total excavations and works	Depreciation method	Length [running metres]	Value of capital expenditure [PLN thousand].
Gate roads	natural	2,103	
Basic excavations	straight-line	1,256	94,743
Reconstructions	linear/natural	465	

In Q1 2025, the total length of the completed roadway excavations amounted to 4,052 m. Work related to the drilling of new pits and the reconstruction of existing pits was carried out in accordance with the approved schedules. Total expenditure incurred in the period under analysis:

- PLN 19,677 thousand for the reconstruction and modernisation of roadway excavations,
- PLN 75,066 thousand for the development of new pits.

Fractions are not included in the values shown in the table as they are charged directly to expenses. However, they are included in the total length. In this case, it is 693 linear metres.

Price of coal on the international market

CIF ARA coal prices

- 102.3 USD/t - average CIF ARA coal price in Q1 2025 -3.4% vs. Q1 2024 (105.9 USD/t)
- compared to the average CIF ARA coal price in Q4 2024 (118.3 USD/t), down by 13.5%

Inventories in ARA ports

- approx. 4.7 million tonnes of coal inventories at the end of 2025 in ARA ports - at the end of December 2024 the inventories stood at 4.0 million tonnes

Prices at major ports worldwide

- 70.2 USD/t - average Baltic Ports FOB coal price in Q1 2025 vs. Q1 2024 (70.1 USD/t) - up by 0.1%
- compared to the average price in Q4 2024 (87.0 USD/t), this means a decrease of 19.3%

China

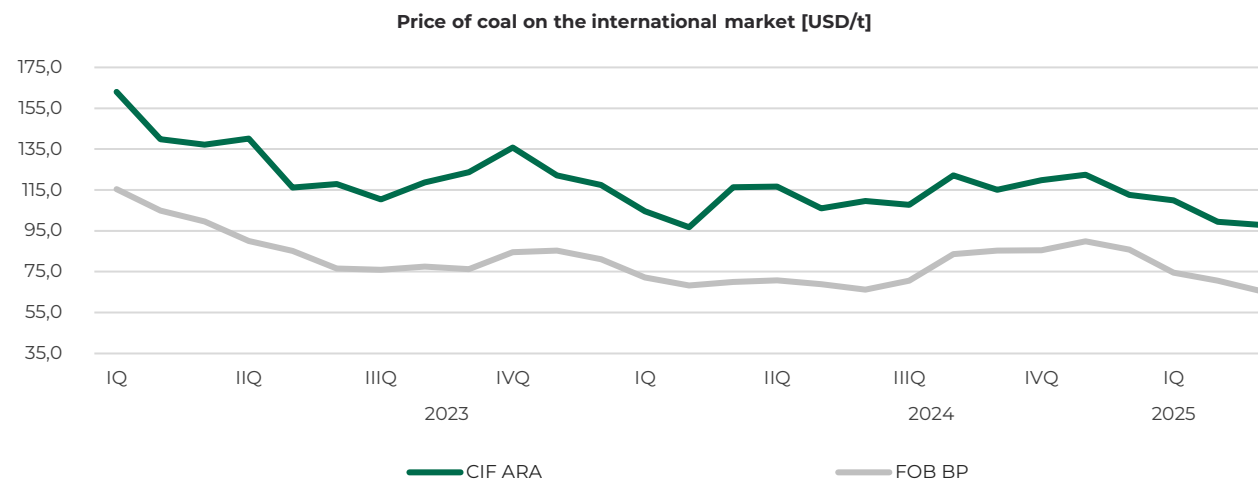
- approx. 1.2 billion tonnes of coal produced in Q1 2025, i.e. +9.1% vs. Q1 2024 (1.1 billion tonnes)
- imports in Q1 2025 amounted to 116.0 million tonnes, similar to Q1 2025.

USA

- in Q1 2025, production reached 117.6 million tonnes, +2.5% vs. Q1 2024 (114.7 billion tonnes)
- consumption in Q1 2025 was 105.9 million tonnes, i.e. 15.7% more than in Q1 2024 (91.5 million tonnes)
- exports in Q1 2025 amounted to 21.1 million tonnes of hard coal, -11.7% y/y (23.9 million tonnes in 2024)

Russia

- in Q1 2025, production amounted to 111.0 million tonnes, up by 2.8% y/y
- in Q1 2025, exports amounted to 43.6 million tonnes, up by 32.1% y/y



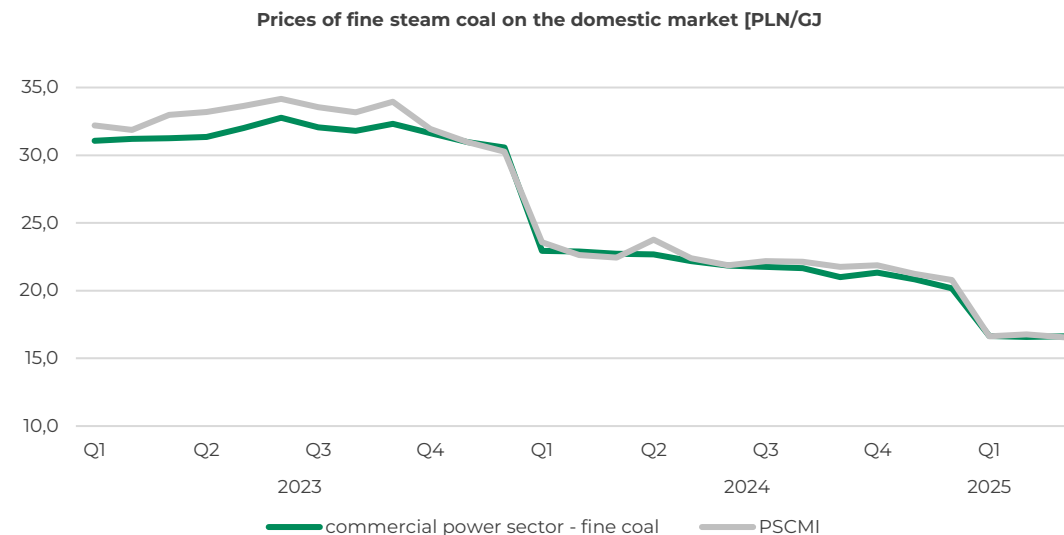
Prices of fine steam coal on the domestic market

Price of fine steam coal

- the average price of fine steam coal for the commercial power sector in Q1 2025 was 16.6 PLN/GJ, the price decline rate was approx. 27.5% compared to Q1 2024 (22.9 PLN /GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.4 GJ

Prices from the PSCMI index

- the average price from the PSCMI Index in Q1 2025 was approx. 16.7 PLN/GJ, compared to the average price in Q1 2024 (22.9 PLN/GJ), down by approx. 27.1%



Production, sales and inventories of steam coal on the domestic market

Steam coal production in Poland

- in Q1 2025, approx. 8.6 million tonnes of steam coal was be produced, down by 1.1% y/y.

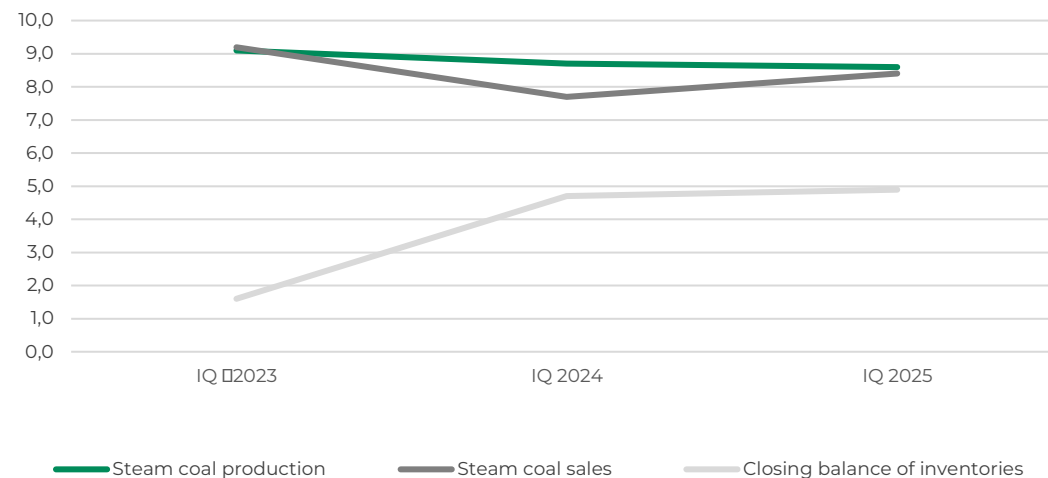
Steam coal sales in Poland

- sales in Q1 2025 amounted to approx. 8.4 million tonnes, of which sales to the commercial power sector amounted to approx. 6.0 million tonnes of fine steam coal
- compared to Q1 2024, steam coal sales increased by approx. 9.1%

Coal inventories in Poland

- at the end of Q1 2025, steam coal inventories reached 4.9 million tonnes (similar to the end of 2024)
- compared to H1 2024 (4.7 million tonnes), inventories rose by 0.2 million tonnes (+4.3%)

Production, sales and inventories of steam coal on the domestic market [million tonnes]



Production, sales and inventories of steam coal on the domestic market

Key buyers of steam coal in Poland

The commercial power sector is the main buyer of steam coal in Poland, purchasing approx. 6.0 million tons of fine steam coal. The most important buyers in the commercial power sector are:

- Tauron
- PGE
- Enea
- PGNiG
- ENERGA.

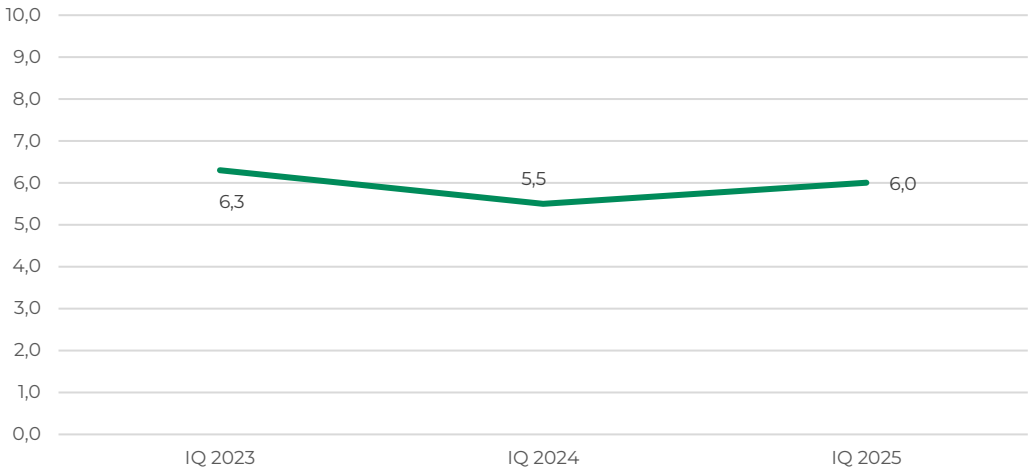
Steam coal sales in Poland

In Q1 2025, approximately 8.4 million tonnes of steam coal were sold in Poland. Approximately 8.1 million tonnes of steam coal were delivered to the domestic market, including almost 7.1 million tonnes of fine steam coal.

Coal exports

Approximately 1.2 million tonnes of coal were exported, including approximately 0.3 million tonnes of steam coal.

Sales of steam coal to the commercial power sector [million tonnes]



Production of electricity in Poland

Total electricity production

In Q1 2025, 45,797 GWh of electricity was generated, compared to Q1 2024 this is an increase of 1,891 GWh (+4,3%).

Electricity production from coal

The main fuel for electricity production was coal, which generated 30,385 GWh in 2025. Such a level means an increase of 2,384 GWh (+8.5%) compared to Q1 2024.
In Q1 2025, coal was the source of 66.3% of the total electricity production in Poland - its share in the fuel mix was 2,6% higher compared to Q1 2024.

Electricity production from hard coal

In Q1 2025, 20,471 GWh of electricity was produced from hard coal (an increase of 6.6% compared to Q1 2024).

Electricity production from lignite

In Q1 2025, 9,914 GWh of electricity was produced from lignite (up by 3.5% compared to Q1 2024).

Electricity production from wind power plants

In Q1 2025, wind farms produced 6,649 GWh, a decrease of 16.4% compared to Q1 2024. The share of wind power in electricity generation was approximately 14.5%.

Electricity production from gas-fired power plants

Electricity production by gas-fired power plants in Q1 2025 amounted to 5,038 GWh, up by 9.1% compared to Q1 2024.

Electricity generation from other renewable sources

Electricity production by other renewable energy sources in Q1 2025 amounted to 3,079 GWh, up by 42.9% compared to Q1 2024.

Domestic electricity consumption

In Q1 2025, 44,455 GWh of electricity was consumed, compared to Q1 2024 it means a decrease of 815 GWh (-1.8%).

Balance of cross-border exchange

Balance of cross-border exchange of electricity in Q1 2025 amounted to -1,342 GWh, compared to 1,364 GWh in Q1 2024. This means export of energy.

Electricity production in Poland [GW/h]



Description of factors which, in the opinion of the LW Bogdanka Group, will affect the results generated by the Parent Company and its subsidiaries in the perspective of at least the next quarter

A full description of the risks affecting the Group's business is included in the 2024 report. Below we present the factors that, in the opinion of the Group, are most significant in the perspective of the next (second) quarter of 2025.

Factors associated with the state's economic policy towards the hard coal mining sector

Important factors influencing LW Bogdanka Group's market position include the government's plans regarding hard coal mining companies and the power sector. Since 2021, the "Energy Policy of Poland until 2040" and the "National Energy and Climate Plan (NECP)" approved by the Council of Ministers have been in force, with the assumption that hard coal is still a significant source of energy for the Polish economy in the perspective of 2030 and beyond. However, an update to PEP 2040 is

currently being developed due to the changing geopolitical and economic situation and the energy crisis related to Russia's aggression against Ukraine. It should be noted, however that the projected still relatively high role of coal in the Polish Power System and in the process of ensuring the country's energy security (despite downward trends) has a positive impact on the long-term aspect of LW Bogdanka's operations.

Factors related to the developments in prices of energy commodities in Poland and globally

The prices of energy commodities are influenced primarily by the prices of steam coal and raw materials alternative to steam coal (crude oil, natural gas, renewable sources) on global markets and, consequently, on the domestic market. This is critical to the business conducted by the Parent Company. On the world coal market, in March 2025, prices at ARA ports reached a level of approx. 110 USD/t, a decrease compared to the average price in March 2024, which amounted to approx. 116 USD/t. CIF ARA cumulative average prices for the entire 2024 amounted to approx. 112 USD/t. However, it should be noted that despite the decline in CIF ARA prices in 2024, in particular compared to the record prices of 2022, the level of March 2024, i.e. approx. 100 USD/t is above the average prices for 2019-2021 (the average price for this period is approx. 77 USD/t).

In the domestic fine steam coal market, the PSCMI 1 index (commercial power segment) for the month of February 2025 was at a level of 16.78 PLN/GJ, and the PSCMI 2 index (commercial and non-professional district heating segment) at a level of approximately 19.67 PLN/GJ. The last price of December 2024 was, respectively: 20.79 PLN/GJ (PSCMI 1) and 23.18 PLN/GJ (PSCMI 2). Despite the decline in the quotations of both indices in 2025 compared to their levels at the end of 2024, domestic coal prices still remain at a relatively higher level, particularly when compared to the PSCMI 1 index quotations in previous years (on average, PLN 11.42/GJ in 2021). At the same time, it should be indicated that the average annual quotation of the PSCMI 1 index in 2024 was at 22.21 PLN/GJ, while the average annual quotation of the PSCMI 2 index in 2024 stood at 23.77 PLN/GJ.

Factors related to the start-up of mining in new deposits by the Parent Company

An important aspect of the Company's operations is the need to secure future mining opportunities through access to currently held coal reserves. The decrease in the resource base resulting from deposit depletion through its ongoing mining, lack of preparation of a deposit for mining and reduction of the level of mining will consequently affect the expected financial results in the future.

The opening of new deposits is connected with the necessity to incur additional capital expenditure, in particular for new capital excavations and the construction of new shafts (ventilation and material intake and output shafts).

The key issue is to ensure that production efficiency is maintained despite longer transport and haulage routes and reduced effective working hours.

Technical and technological factors

The underground mining of hard coal deposits is a complex process subject to strict technical and technological regimes.

In the course of such activities, various downtimes may occur due to scheduled and unscheduled (e.g. breakdowns) technical interruptions. In this group of risks, there is also the risk of unexpected, usually local deterioration of the quality of the deposit.

Countermeasure:

- availability of infrastructure - two mining shafts
- possibility of transporting the excavated material from the Stefanów field to the Bogdanka field through underground excavations
- underground coal storage reservoir system
- raw coal reservoirs on the surface
- use of modern mining equipment and machinery
- research and development work to increase productivity and improve occupational safety.

Factors related to the strong position of the trade unions in the Group

The changing energy policy of the European Union and in the country, as well as legal regulations aimed at a gradual reduction in coal mining, including the May 2021 social agreement regulating the principles and pace of phasing out of steam coal mines in Poland, may affect the sense of uncertainty among workers. The issue of decarbonisation is extremely important from the point of view of the Employer as well as the trade unions representing the employees.

In the hard coal mining sector, trade unions hold a significant position and play an important role in shaping the personnel and payroll policy, often forcing renegotiations of the payroll policy using protests. As at 31 March 2025, there were six trade union organisations active in the Group (of which, at LWB, there were four trade unions representing approximately 71.6% of the workforce). The strong position of the trade unions gives rise to a situation in which there exists a risk of increasing salaries under the negotiated salary agreements in the future, which consequently may adversely affect the financial performance of the LW Bogdanka Group.

Moreover, potential industrial action and/or strikes, against the background of the wage policy or the progressive decarbonisation process, organised by the trade unions operating in the Group, may have an impact on the LW Bogdanka Group's operating activities.

Countermeasure

- ongoing dialogue with trade union organisations,
- holding periodic negotiation and information meetings with the social party on important issues of the Company, in particular on remuneration and the decarbonisation process.

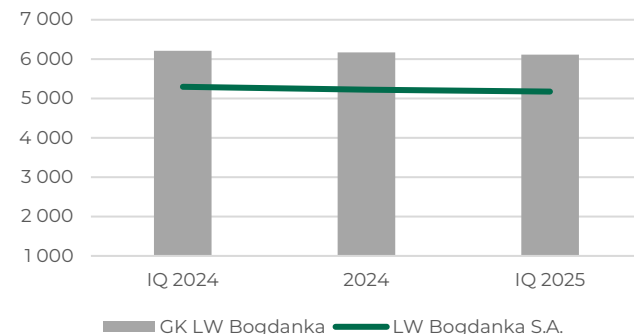
Changes in the headcount

The **LW Bogdanka Group** is one of the biggest employers in the Lublin region. We employ over six thousand people, a vast majority of whom come from Łęczna District and its surrounding areas, i.e. within 50 km from Bogdanka. Naturally, we are strongly attached to the region and its inhabitants. We offer attractive jobs, opportunities to develop in the organisation and a rich social package. Our desire is to build a well-cooperating team with our employees, where people are committed to work and aware of the challenges, opportunities and possibilities faced by our organisation. Employees are perceived as one of our crucial assets conditioning our sustainable development. We are happy about their professional ambitions and assure that they continuously improve their professional qualifications and interpersonal skills and are effectively motivated.

Key HR objectives:

- Attracting and retaining the best employees
- Increased level of occupational safety
- Technical improvement of occupational safety
- Industry re-qualification programme for mining workers

Headcount in the Group

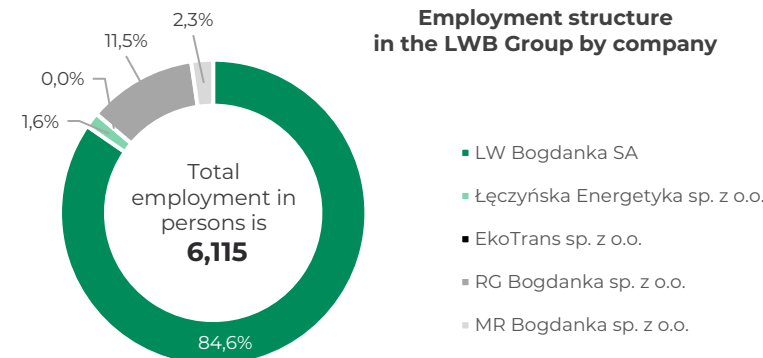


Headcount in the Group

In Q1 2025, there was an increase in headcount in the LW Bogdanka Group by 1.6% compared with Q1 2024.

Headcount in LW Bogdanka S.A.

In Q1 2025, the Parent Company employed 84.6% of the LW Bogdanka Group's total workforce. Blue-collar workers accounted for 80.3% of LW Bogdanka S.A.'s total workforce. Compared to Q1 2024, the number of underground workers decreased by 1.5%. In Q1 2025, 3 people were hired by LW Bogdanka S.A., while 54 people left the Company in the same period.



Headcount in persons	31.03.2024	31.12.2024	31.03.2025	Employment structure in the Group	Change Q1 2025/ Q1 2024	Change Q1 2025/ 2024
Total workers	4,262	4,198	4,154	-	-2.5%	-1.0%
Underground employees	3,216	3,172	3,157	-	-1.8%	-0.5%
Surface employees	1,046	1,026	997	-	-4.7%	-2.8%
Full-time underground employees	577	581	578	-	0.2%	-0.5%
Full-time surface employees	459	446	442	-	-3.7%	-0.9%
Total underground employees	3,793	3,753	3,735	-	-1.5%	-0.5%
LW Bogdanka S.A	5,298	5,225	5,174	84.6%	-2.3%	-1.0%
RG Bogdanka sp. z o.o.	697	704	701	11.5%	0.6%	-0.4%
MR Bogdanka sp. z o.o.	115	138	140	2.3%	21.7%	1.4%
EkoTrans Bogdanka sp. z o.o.	1	1	1	0.0%	0.0%	0.0%
Łęczyńska Energetyka sp. z o.o.	101	99	99	1.6%	-2.0%	0.0%
GK LW Bogdanka	6,212	6,167	6,115	100.0%	-1.6%	-0.8%

Environmental issues - [E]

Location of the LW Bogdanka Group

The Group's entire infrastructure as well as Puchaczów V and Stręczyn mining areas are surrounded by protected areas.

In the immediate vicinity, the following parks are located:

- the Polesie National Park
- the Łęczna Lake District Landscape Park.

The Ludwin mining area in the eastern part includes significant parts of the Łęczna Lake District Landscape Park. Within its boundaries, the Brzeziczo reservation is also situated which contains a Nature 2000 Protected Area.

The combined mining areas in the central and eastern parts include small parts of that landscape park's buffer zone, which in this location has been included in the Natura 2000 protected areas "Uściwierskie Lakes" (CODE PLH 060009) and "Polesie" (CODE PLB 060019). This region is also part of the "West Polesie Transboundary Biosphere Reserve". To the east is the Polesie Protected Landscape Area and to the south-east is the Chełm Protected Landscape Area.

The activity of the Group has material influence on the natural environment. This is why long-term environmental activities are conducted, resulting in the implementation of the Integrated Quality, Environmental and OHS Management System and in obtaining PN EN ISO 14001, 9001 i 45001 certificates, and implement ongoing operational measures to minimize the impact of the Group's operations on the environment.

Carbon footprint

In Q1 2025, the work on developing a new methodology for calculating the carbon footprint for the LW Bogdanka S.A. Group, which started in October last year, was continued. The main objective of the work was to adapt the Group-wide emissions reporting to the new regulatory requirements related to the implementation of the

CSRD (Corporate Sustainability Reporting Directive). With the support of KPMG Sp. z o.o, methodological assumptions were developed and the emission report for 2025 was prepared while consolidating it with the emissions of the entire Enea Group.

Work was also continued on the project entitled "LW Bogdanka's Carbon Footprint - computerisation of the data collection process" aimed at:

- Adapting internal IT systems of Lubelski Węgiel Bogdanka S.A. to the methodologies developed.
- Improving the quality and increasing the quantity of data used to calculate the carbon footprint in accordance with the accepted methodology, thereby reducing the emissions "uncertainty" indicator.
- Accelerating the data aggregation process.
- Standardizing the data collection method.
- Improving efficiency of work of the people responsible for collecting data and calculating the carbon footprint.

The computerisation project is scheduled for completion in June 2025.

Biodiversity

In March 2025, as in previous years, Lubelski Węgiel Bogdanka began activities to protect and stimulate biodiversity, carried out in cooperation with the Foundation for Nature as part of two projects:

1. Rare and vanishing animal species of the Lublin Region - whose main goal will be to monitor the breeding sites of the great gray owl and protect the species by creating additional breeding sites.
2. Wandering of Lublin Cranes - whose main goal will be the active protection of the population of cranes nesting in and around Polesie National Park by securing nests and monitoring nestlings. Detailed information on the project can be found at <https://lubelskie-zurawie.pl/>.

Q1 2025 will also see the establishment of biodiversity conservation activities in collaboration with the Birds Horizons Foundation under the

project entitled "Active protection of the osprey (*Limosa limosa*) and the curlew (*Numenius arquata*) in the Lubelskie Province". Activities will include searching for nests, securing hatchlings using incubators, temporarily placing dummy bird eggs, and aviary rearing of chicks.

In order to ensure that the monitoring and care of the above-mentioned species is as accurate as possible, the project includes the purchase of a thermal imaging drone, inventory work by qualified ornithologists, and aviary breeding. The project is scheduled for completion in August 2025.

Cooperation with the Polesie National Park

In January 2025, the first year of cooperation with Polesie National Park (PPN) for the sustainable development of Polesie was completed as part of which:

1. A grant (research and implementation) fund was implemented, addressed to scientists studying the Polesie Lubelskie area. In the framework of the funds, 6 scientists from the Lublin region (from various academic institutions) carried out scientific projects on, among other things, the protection of water and peat resources, biodiversity and active species protection.

The main objectives of the Fund's implementation included:

- minimising the level of impact of mining activities on PPN ecosystems, e.g., with particular regard to water relations, biodiversity, impact on climate change,
- support in the implementation of the conservation measures faced by the PPN,
- initiating new environmental protection activities in the Lubelskie Coal Basin, including in the area of the PPN.

2. Support was provided to the Polesie National Park in carrying out the tasks set out in the PPN Protection Plan, as well as environmental education and promotion of the area's unique natural and landscape values. The activities were mainly related to:

- active protection of the European pond turtle,
- active protection of non-forest terrestrial ecosystems,
- protection of low and raised bogs and transitional bogs,

- protection of aquatic ecosystems (for the renovation and modernisation of existing water facilities) in order to optimise water relations,
- environmental education in the broadest sense,
- purchase of the most naturally valuable land.



At the same time, both LW Bogdanka and PPN expressed their willingness to continue their cooperation, therefore, on 23 January 2025, another year of cooperation was initiated at the headquarters of the Polesie National Park concerning the implementation of selected tasks set out in the Protection Plan for the Polesie National Park, established by the Regulation of the Minister of the Environment on the establishment of the Protection Plan for the Polesie National Park of 16 September 2020, i.e.:

- active protection of the European pond turtle,
- active protection of non-forest terrestrial ecosystems,
- protection of low, raised and transitional bogs,
- protection of aquatic ecosystems (for the renovation and modernisation of existing water facilities) in order to optimise water relations,
- environmental education in the broadest sense,

The termination of the collaboration is scheduled in January 2026.

Social issues - [S]

Employee issues

“Solidary Miners” Foundation

Organisation which has become a permanent part of the support system for the employees of Bogdanka and its subsidiaries, as well as the local community living in Lubelskie Voivodeship, who turn to it when they find themselves in a difficult life situation.



Key pro-social initiatives implemented by the Solidarity Miners Foundation in Q1 2025:

- Assistance in individual cases. Invariably, the Foundation's statutory activity is to help individuals in treatment and rehabilitation. The support is based on subsidising medical equipment and financial aid in the form of allowance. The main beneficiaries of the Foundation's activity are current and retired employees and their families. Several dozen individuals receive individual aid from the Foundation every year. The pursuit of these initiatives has been continuing since the establishment of the Foundation. In Q1 2025, financial assistance was provided to 15 employees or their family members.
- Continuation of the cooperation with the District Family Support Centre in Łęczna in connection with the operation of the Consultation Point for Addicts. The purpose of the Point is to diagnose problems related to addictions and violence in the family, to plan assistance and provide support in overcoming life difficulties, to reduce the scale of violence

and aggression, and to counteract addictions. The assistance is targeted predominantly at residents of Łęczna District. The Point's primary activity consists of duty hours of specialists (physicians, psychologists), the preparation of articles, the distribution of leaflets and the maintenance of a dedicated tab on the County Family Support Center website. Assistance from the Foundation comes largely in the form of financial support, attempts to reach people in need of help and communication activities on the Company's premises.

- Assistance to the local orphanage (Children's Home in Kijany) and the Society of the Friends of Children
- Organisation of collections and charity events since the beginning of the year, the Foundation has been committed to the sick and needy children of the Company's employees.
- Organisation of a blood donation event in Bogdanka

Involvement in the development of the social environment

Development of the local community

Activities for the benefit of the region, as well as in the environmental, social and organisational culture fields are the pillars of the adopted “LW Bogdanka Group's ESG strategy for 2023-2025 with an outlook to 2040.” Bogdanka strives to be a good neighbour for local stakeholders by funding a number of social projects and initiatives aimed at developing the cultural, scientific, educational and health area, building the municipal infrastructure and addressing other needs of the local community. The Company focuses its priority activities on the Lubelskie Voivodeship in accordance with the LWB's Social Involvement Policy.

Charitable activity

Donations in the form of in-kind or cash contributions made in Q1 2024 by the Management Board of LW Bogdanka S.A. actively supported the achievement of socially useful goals by various entities from the social environment. 7 donation agreements have been concluded with community service providers.

Project "Active and fulfilled" - 3rd edition

The third edition of the social project addressed to women wishing to empower themselves in their personal lives and - above all - in the labour market has been launched. Due to the great interest in the previous editions, the territorial scope of the project was extended to include, in addition to the county of Łęczna, the counties of Włodawa and Chełm. The project involves 60 recruited women from outside the Group and - on a pilot basis - 15 female employees of LW Bogdanka S.A. The project is carried out in cooperation with partners, the Association for Supporting Activity and the Municipal Public Library in Puchaczów.



Analysis of the socio-economic impact of Bogdanka

In spring 2025, LW Bogdanka started a research collaboration with the WSEI Lublin Academy. The project aims to conduct a comprehensive analysis of the Company's economic and social impact on the region, also including an assessment of the risks and opportunities related to local stakeholders in the context of the challenges posed by sustainable transformation.

The work commissioned included:

- analysis of the economic and social impact and social impact of the company,
- diagnosis of the needs and potential of the local community,
- evaluation and update of the "External Relations Policy" of LW Bogdanka for 2025-2030.

The head of the interdisciplinary research team is Tomasz Wołowicz, PhD, DSc, professor of the WSEI Lublin Academy, Vice-Rector for Science and International Cooperation.

Governance issues - [G]

Issues of social responsibility and sustainable development have become a permanent part of Lubelski Węgiel Bogdanka's operations. Invariably, all operations undertaken by the Company are compliant with the laws and internal regulations. Compliance management at the Company covers three areas – compliance of operations with generally applicable laws, compliance with the Company's internal acts and compliance with ethical standards. The Compliance Policy Department monitors ongoing compliance with legal provisions and responds promptly in the event of irregularities. In addition, the Company has had a Compliance Policy in place since 2020.

The key compliance documents at LW Bogdanka S.A. are as follows:

- Company's Articles of Association
- Management Board Bylaws
- Supervisory Board Bylaws
- Shareholder Meeting Bylaws
- Organisational Regulations
- Work regulations
- Company Collective Bargaining Agreement
- LWB Group's Code of Ethics
- Procedure for whistleblowing and follow-up actions at LW Bogdanka S.A.
- Compliance policy
- Anti-corruption policy
- Policy on respect for human rights and diversity in the LW Bogdanka Group

Facing new challenges, the Company regularly evaluates its existing regulations and policies, especially in terms of climate requirements but also in terms of diversity and human rights.

In January 2025, the Company's Management Board adopted the climate risks and opportunities developed in cooperation with the Central Mining Institute based on climate scenarios for LW Bogdanka S.A., which shall serve as a basis for the Company's further activities in the area of responding to climate change.

LW Bogdanka Group's Sustainability Report for 2024

On 9 April 2025, the Sustainability Report of LW Bogdanka Group for 2024 was published, for the first time as part of the Report on the Activities of LW Bogdanka and the LW Bogdanka Group for 2024. The report was prepared on the basis of the new non-financial reporting standards (ESRS), in line with the Corporate Sustainability Reporting Directive (CSRD). The topics material from the Group's perspective, in the environmental social and corporate governance areas, were defined as part of the double materiality analysis performed. This process comprised a review of the impacts, risks and opportunities of LW Bogdanka's operations, taking into account the market environment as well as the opinions of stakeholders.

In the document, answers can be sourced on how the Group engages with climate, pollution, water, biodiversity and the circular economy, as well as social issues relating to its own employees and the local community. In addition, the report describes topics specific to the mining industry, among others, related to activities in the area of mining damage.

LW Bogdanka Group's Sustainability Report for 2024 was subject to external assessment.

Bogdanka's ESG strategy

In the current year, the LW Bogdanka Group is required to update the LW Bogdanka Group ESG Strategy for 2023-2025 with an outlook to 2030, adopted in December 2022.

The basis for the update will be the LW Bogdanka Group Development Strategy to 2030 with an outlook to 2040, including the dividend policy, as announced on 16 April 2025.

Following the model of the current ESG strategy, the overarching objective of the update activities will be to close the gaps and take action on areas and issues identified as weaknesses and to reinforce the strengths in the area of environment, communities, corporate governance - from an organisational and regional perspective - taking into account the perspectives of diverse stakeholder groups, legal considerations, market trends and the long-term plan for a so-called "just transition" and the challenges facing the industry. It is assumed that through efficient raw material extraction based on flexibility, innovation and safety, ESG-consistent measures can be taken.

Scientific Council for Environmental Protection at LW Bogdanka S.A.

Considering the vicinity of the extremely valuable natural environment in which LW Bogdanka operates, but also the expectations of stakeholders regarding the Company's environmental impact, the Scientific Council for Environmental Protection at LW Bogdanka S.A., established by the LW Bogdanka Management Board, has been functioning invariably since May 2022, as a form of standing, independent opinion and advisory body consisting of experts in various fields of environmental protection.

The tasks of the Scientific Council include in particular:

- assessment of the resources, creations and components of nature subject to the immediate impact by LW Bogdanka
- participation in the development and implementation of the LW Bogdanka's environmental policy
- preparation of opinions on projects and

concepts of projects for the Company's involvement in environmental protection initiatives

- assessment of the effectiveness of environmental protection measures taken by the Company
- preparation of opinions on selected applications for cooperation in the field of environmental protection received by LW Bogdanka
- preparation of opinions on research and scientific programmes in the field of environmental protection addressed to LW Bogdanka
- submission of motions and opinions on environmental protection issues
- proposing activities in the area of environmental protection for LW Bogdanka's potential involvement.

Meetings of the Scientific Council are held at least twice a year – Company employees may report their needs for obtaining opinions, while Scientists receive information and data of interest to them, in accordance with the principles of due diligence and transparency.

The first Council meeting of 2025 is planned in June. It is envisaged that its main topic will be the discussion of the effect of the publication of a scientific monograph summarising the scientific seminar organised in December 2024 on "Challenges and opportunities of sustainable development of LW Bogdanka in the context of environmental and socio-economic conditions".

2. Financial standing



Coal production, sales and inventory of the LW Bogdanka Group

Production and sales of the Group's commercial coal

[thousand tonnes]	IQ 2024	IQ 2025	Change	Change %
Gross coal extracted	2,896	3,845	949	32.8%
Commercial coal production	1,875	2,652	777	41.4%
Mining yield (%)	64.7%	69.0%	4.3 p.p	6.6%
Sales of commercial coal	1,757	2,237	480	27.3%
New excavations (km)	6.4	4.5	-1.9	-29.7%

The Group's commercial coal inventories

[thousand tonnes]	31.03.2024	31.12.2024	31.03.2025	Change [%] 31.03.2025 / 31.03.2024	Change [%] 31.03.2025 / 31.12.2024
Coal inventories	489	159	573	17.2%	260.4%

Commercial coal production structure

[%]	IQ 2024	IQ 2025
Fine coal	99.4%	98.6%
Chestnut coal	0.1%	0.0%
Pea coal	0.5%	1.4%
Total	100.0%	100.0%

The financial results generated by the Group in Q1 2025 were affected by a lower coal sales price, which was offset by higher sales. In addition, the results for the period were also significantly affected by the compensation received and lower depreciation resulting from the lower carrying value of non-current assets, due to the 2024 write-downs, the Company retains the ability to respond to the market situation on an on-going basis by adjusting production, in connection with the preparatory work performed in the previous and current year.

Coal production

(+) gross coal production in Q1 2025 increased by 32.8%, i.e. by 949 thousand tonnes and amounted to 3,845 thousand tonnes
 (+) commercial coal production in Q1 2025 reached 2,652 thousand tonnes, i.e. 41.4% (+777 thousand tonnes) more than in Q1 2024.
 (+) yield reached 69.0% in Q1 2025 compared with 64.7% in Q1 2024.

Coal sales

(+) in Q1 2025, coal sales increased by 27.3%, i.e. 480 thousand tonnes compared to Q1 2024 and amounted to 2,237 thousand tonnes.

Inventories

(+) at the end of Q1 2025, coal inventories stood at 573 thousand tonnes, i.e. 414 thousand tonnes more than at the end of 2024.
 (+) the level of coal inventories presented at the end of Q1 2025 corresponds approximately to 16-days' production of commercial coal (based on 3-month average daily production)
 (+) the level of coal inventories is the product of the commercial coal production achieved and the coal sales reached

Commercial coal production structure

(+) the dominant share of production of fine coal sold to industrial customers was maintained
 (+) in the period analysed, the higher share of pea coal in the production structure is related to sales to small customers and intermediate coal entities.

Sales revenues and main customers of the LW Bogdanka Group

Changes in sales revenue on various items

[PLN thousand]	Q1 2024	Q1 2025	Change	Change %
Sales of coal	792,961	845,868	52,907	6.7%
Other operations	18,785	19,136	351	1.9%
Sales of goods and materials	4157	3,887	-270	-6.5%
Total	815,903	868,891	52,988	6.5%

Structure of revenues

[%]	Q1 2024	Q1 2025
Sales of coal	97.2%	97.4%
Other operations	2.3%	2.2%
Sales of goods and materials	0.5%	0.4%
Total	100.0%	100.0%

Geographical structure of sales revenues

[PLN thousand]	Q1 2024	Structure	Q1 2025	Structure
Domestic sales	797,156	97.7%	843,211	97.0%
Foreign sales	18,747	2.3%	25,680	3.0%
Total	815,903	100.0%	868,891	100.0%

Revenue from coal sales

(+) In Q1 2025, the Group generated PLN 845,868 thousand in coal sales revenue, an increase of 6.7% compared to Q1 2024. The main source of the Group's sales revenue is the production and sales of steam coal carried out by the Parent Company. This activity generates approximately 97% of LW Bogdanka Group's sales revenue in each of the comparative reporting periods.

Revenue from other operations

In Q1 2025, revenue from other operations (which includes revenue from subsidiaries generated outside the Group) amounted to PLN 19,136 thousand (2.2% of total revenue), compared to PLN 18,785 thousand (2.3% of the revenue) in the corresponding period of 2024 (up by 1.9% y/y). Significant items in this group were as follows:

- revenues from coal transport services provided by the Parent Company to certain coal customers (transport fee)
- revenues of Łęczyńska Energetyka from the sale of heat to external entities
- revenues from industrial services provided to companies performing works commissioned by the Parent Company
- rental income from fixed assets.

The higher value of revenues from sales of goods and materials recorded at the end of Q1 2025 results from higher sales of scrap, i.e. supports recovered from the liquidation of roadways which are not suitable for refurbishment and reuse.

Geographical structure of sales revenues

The Group's operations are focused predominantly in Poland. In Q1 2025, coal sales abroad took place both through an intermediary coal entity (Ukraine) and directly (Slovakia).

Main customers

In 2025, over 81% of the coal (by revenue) was sold by LW Bogdanka S.A. to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A. In the corresponding period of 2024, the share of the aforementioned customers was approx. 3 p.p. lower.

Major customers by share in revenue:

- Enea Wytwarzanie Sp. z o.o. - Grupa Enea S.A. - approx. 66% share in revenues
- Enea Elektrownia Połaniec SA - Grupa Enea S.A. - approx. 15% share in revenues

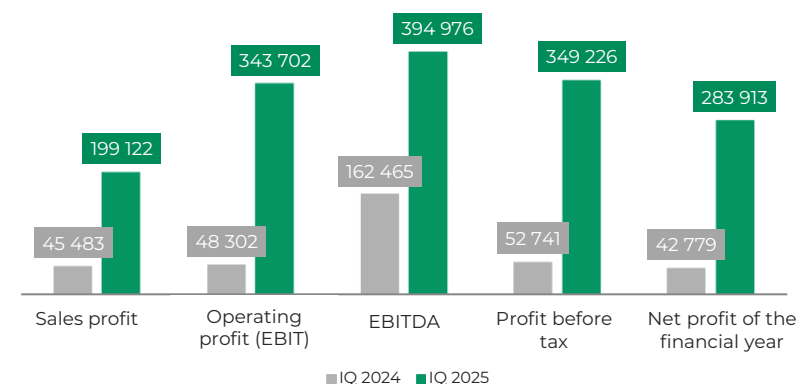
Key financial results of the LW Bogdanka Group

Analysis of the consolidated statement of profit or loss

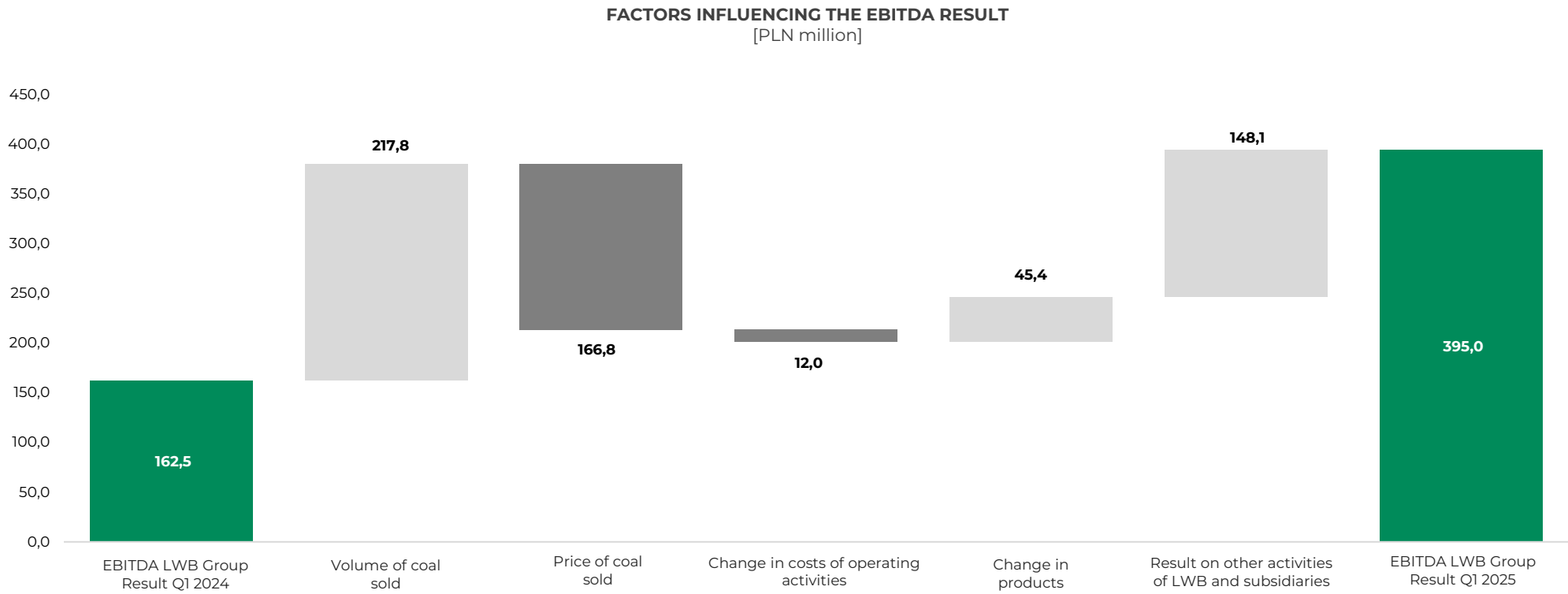
[PLN thousand]	Q1 2024	Q1 2025	Change
Sales revenue	815,903	868,891	6.5%
Costs of products, goods and materials sold, selling and administrative expenses	770,420	669,769	-13.1%
Profit on sales	45,483	199,122	337.8%
Gross return on sales	5.6%	22.9%	17.3 p.p.
Other revenues	3,702	145,679	3835.1%
Other costs	199	85	-57.3%
Net operating profit	48,986	344,716	603.7%
Other losses - net	-684	-1,014	48.2%
Operating profit (EBIT)	48,302	343,702	611.6%
EBIT margin	5.9%	39.6%	33.7 p.p.
EBITDA	162,465	394,976	143.1%
EBITDA margin	19.9%	45.5%	25.6 p.p.
Finance income	11,530	14,018	21.6%
Financial costs	7,091	8,494	19.8%
Profit before tax	52,741	349,226	562.2%
Profit margin before tax	6.5%	40.2%	33.7 p.p.
Income tax	-9,962	-65,313	555.6%
Net profit of the financial year	42,779	283,913	563.7%
Net profitability	5.2%	32.7%	27.5 p.p.



Key financial results of the LW Bogdanka Group (thousand PLN)



EBITDA GK LW Bogdanka in Q1 2025



(+) Increase in coal volume sales
(-) Lower price of coal sold
(-) Increase in employee costs, including provisions, higher cost of third-party services and taxes and charges, with lower costs of material and energy consumption and lower other costs
(+) In January 2025, the Parent Company received compensation of PLN 144.8 million for damages to underground assets

Basic financial results of GK LW Bogdanka

Sales revenues

The value of sales revenues (comprising revenue from coal sales of the Parent Company, revenue from other activities of the Parent Company and subsidiaries generated outside the Group and sales of goods and materials) in Q1 2025 increased by 6.5% compared to the corresponding period of the previous year and amounted to PLN 868,891 thousand.

Costs of products, goods and materials sold, selling and administrative expenses

In Q1 2025, the total cost of products, goods and materials sold including selling and administrative costs amounted to PLN 669,769 thousand and were lower by PLN 100,651 thousand compared to the corresponding period of the previous year, when they showed a value of PLN 770,420 thousand.

Profit on sales

In Q1 2025, profit on sales amounted to PLN 199,122 thousand, compared to PLN 45,483 thousand in the corresponding period of 2024.

Other revenues

This item comprises, among others:

- compensations received
- reversal of other provisions for liabilities
- reversal of impairment losses
- excise tax refund

In Q1 2025, other revenues amounted to PLN 145,679 thousand, compared to PLN 3,702 thousand in the corresponding period of 2024. The increase is due to the compensation received in the amount of PLN 144,849 thousand for

damages to underground assets caused by groundwater flooding.

Other costs

This item comprises, among others:

- donations
- enforcement fees and penalties
- compensations paid.

In Q1 2025, other costs amounted to PLN 85 thousand, compared to PLN 199 thousand in the corresponding period of 2024.

The decrease is mainly due to the lower value of donations made.

Other losses - net

This item comprises, among others:

- profit on sale of fixed assets
- foreign exchange differences
- result on the liquidation of fixed assets
- creation of other provisions.

In Q1 2025, other net losses amounted to PLN - 1,014 thousand, compared to the net loss of PLN - 684 thousand in Q1 2024.

EBIT

Operating profit in Q1 2025 amounted to PLN 343,702 thousand. At the same time, EBIT profitability reached 39.6%, 33.7 p.p. higher than in the Q1 of the previous year.

EBITDA

The EBITDA result in Q1 2025 increased significantly compared to the Q1 2024 and amounted to PLN 394,976 thousand. The EBITDA margin in Q1 2025 was lower than in the corresponding period of 2024 and amounted to

Financial income

In Q1 2025, financial income amounted to PLN 14,018 thousand, compared to PLN 11,530 thousand in Q1 2024. Financial income in the analysed period of 2025 consists almost entirely of interest income from bank deposits. The significant increase is due to the higher level of cash held by the Group.

Financial costs

Financial costs for Q1 2025 were 19.8% higher than the costs of the corresponding period of 2024, amounting to PLN 8,494 thousand. In both periods under review, the dominant items included interest expenses on the valuation of employee benefits and the reversal of the discount on long-term provisions. As at 31 March 2025, the Group had no interest-bearing debt, while as at 31 March 2024, total debt amounted to PLN 1,042 thousand.

Profit before tax

In Q1 2025, the Group recorded a profit before tax of PLN 349,226 thousand against PLN 52,741 thousand in Q1 2024.

Net profit for the financial period

In Q1 2025, the Group achieved a net profit in the amount of PLN 283,913 thousand compared to PLN 42,779 thousand in Q1 2024.

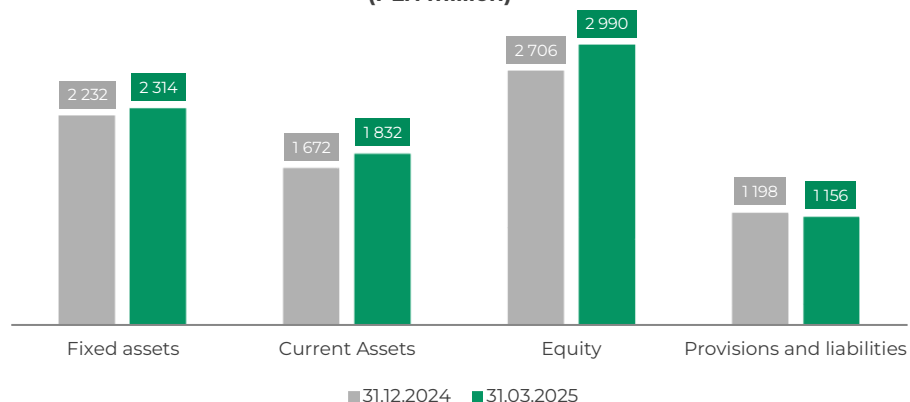
Balance sheet of LW Bogdanka Group

Balance sheet

[PLN thousand]	31.12.2024	31.03.2025	Change
Total assets	3,904,460	4,145,925	6.2%
Return on assets (ROA)*	-30.9%	-31.1%	-0.2 p.p.
Non-current assets	2,231,970	2,313,545	3.7%
Current Assets	1,672,490	1,832,380	9.6%
Equity	2,706,495	2,990,408	10.5%
Return on equity (ROE)*	-42.5%	-43.9%	-1.4 p.p.
Provisions and liabilities	1,197,965	1,155,517	-3.5%

*the calculation takes into account the net result for the last four quarters and the average level of assets and equity (as at 31 March 2025 + as at 31 December 2024)/2. The negative ROA and ROE ratios in each analysed period are a consequence of the recognition of impairment losses on fixed assets in net income as at 30.06.2024 and 31.12.2024.

Analysis of the consolidated statement of financial position (PLN million)



Assets

Total assets as at 31 March 2025 in relation to the value as at 31 December 2024 increased by PLN 241,465 thousand and amounted to PLN 4,145,925 thousand, while fixed assets increased by PLN 81,575 thousand and current assets increased by PLN 159,890 thousand. Among non-current assets, the most significant change is the increase in property, plant and equipment by PLN 72,928 thousand and deferred tax assets by PLN 7,530 thousand. Among current assets, inventories increased by PLN 82,013 thousand while cash and cash equivalents - by PLN 19,382 thousand. Other short-term investments of PLN 201,698 thousand were also reported. However, the value of trade and other receivables decreased by PLN 141,249 thousand. Other short-term investments consist of bank deposits set up by the Parent Company with a maturity of more than 3 months.

As at 31 March 2025, the return on assets (ROA) was -31.1%, compared to -30.9% at the end of 2024.

Equity and liabilities

Equity increased by 10.5%. It was the result of the total income generated for Q1 2025. Provisions and liabilities decreased by 3.5% compared to the value as at 31 December 2024, with current liabilities decreasing by 7.1% (mainly a decline in trade and other liabilities) and non-current liabilities increasing by 1.6% (mainly due to an increase in employee benefit liabilities and finance lease liabilities). As at 31 March 2025, return on equity decreased by 1.4 p.p. compared to the end of 2024. The value of ROE as at 31 March 2025 stood at -43.9% compared to -42.5% as at 31 December 2024.



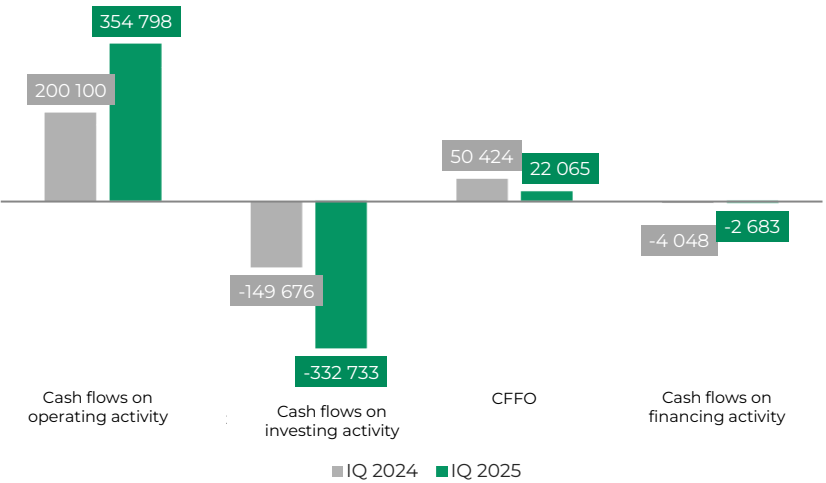
Cash flows of the LW Bogdanka Group

Cash position

[PLN thousand]	Q1 2024	Q1 2025	Change
Cash flows from operating activities	200,100	354,798	77.3%
Cash flows from investing activities	-149,676	-332,733	122.3%
CFFO**	50,424	22,065	-56.2%
Cash flow from financing activities	-4,048	-2,683	-33.7%

*total operating and investment flows

Cash flow analysis (PLN thousand)



Cash position

Cash flows from operating activities

In Q1 2025, the Group generated net cash flows from operating activities higher by PLN 154,698 thousand than in Q1 2024 - in Q1 2025, they amounted to PLN 354,798 thousand compared to PLN 200,100 thousand a year earlier. Increase in net cash flows from operating activities is derived from a higher net result achieved in Q1 2025 compared to Q1 2024.

Cash flows from investing activities

In Q1 2025, cash flows from investing activities increased (in absolute terms) by 122.3% (to PLN 332,733 thousand) compared to the corresponding period in 2024. This significant increase is mainly due to expenditure on short-term investments (setting up a deposit with a maturity of more than three months).

Cash flows from financing activities

In Q1 2025, the Group recorded negative cash flows from financing activities in the amount of PLN 2,683 thousand. The predominant item included payments of finance lease liabilities.

Debt and liquidity ratios of the LW Bogdanka Group

When discussing consolidated results, the Group presents selected APM indicators as it believes they provide valuable additional information (besides the data presented in the financial statements) about the financial and operational situation, as well as facilitate the analysis and evaluation of the Group's financial performance over individual reporting periods. The Group presents these specific alternative performance measurements because they represent standard measures and indicators commonly used in financial analysis. The selection of alternative performance measures was preceded by an analysis of their usefulness in terms of providing investors with useful information on financial position, cash flows and financial efficiency and, in the Group's opinion, allows for an optimal assessment of financial results recorded.

Cash position

[PLN thousand]	31.12.2024	31.03.2025	Change
Total debt ratio	30.7%	27.9%	-2.8 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.35	0.35	0.0%
Net debt/EBITDA ratio**	-0.87	-0.89	2.3%
Debt to equity ratio	44.3%	38.6%	-5.7 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	135.6%	143.4%	7.8 p.p.
Short-term debt ratio (current liabilities/liabilities)	18.0%	15.8%	-2.2 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	12.6%	12.1%	-0.5 p.p.

*Debt = non-current liabilities under bonds issued + non-current loans and borrowings + current loans and borrowings

** cash from other short-term investments is also included in the calculation of the net debt ratio

	31.12.2024	31.03.2025	Change
Current liquidity ratio	2.44	2.89	18.4%
Quick liquidity ratio	2.10	2.39	13.8%

In the period covered by the consolidated financial statements, the Group's liquidity ratios remained at a high, safe level - the Group has no difficulties in settlement of its liabilities.

Total debt ratio

The total debt ratio at 31 March 2025 decreased by 2.8 p.p. compared to 31 December 2024 and stood at 27.9%. In the period under review, there was a decrease in the value of liabilities while the total assets increased.

As at 31 March 2025, the Group's level of debt did not pose a threat to its operations and its ability to meet its obligations in a timely manner.

Based on medium- and long-term projections, the Group's financing needs are analysed to ensure liquidity and cash balances at an appropriate level.

Debt plus employee liabilities/EBITDA

The ratio describing the relation of debt to EBITDA at the end of March 2025 remained unchanged and reached 0.35. Comparing figures as at 31 March 2025 against 31 December 2024, a higher nominal increase in EBITDA was recorded (calculated on a rolling basis for the last four quarters), compared to the increase in debt levels.

Net debt/EBITDA ratio

The indicator describing the ratio of net debt (total interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA increased, in absolute terms, from -0.87 as at 31 December 2024 to -0.89 as at 31 March 2025. Net debt decreased and amounted to PLN -1,074,754 million with an increase in EBITDA by approx. PLN 233 million (EBITDA calculated on a rolling basis for the last four quarters).

Debt to equity ratio

The debt to equity ratio as at 31 March 2025 increased by 5.7 p.p. compared to the status as at 31 December 2024 and stood at 38.6% - liabilities decreased by approximately PLN 42 million, while equity increased approx. PLN 284 million.

Fixed capital to non-current assets ratio

The fixed assets to fixed capital ratio reached 143.4% (as at 31 March 2025) compared to 135.6% (as at 31 December 2024) - in the period under review, the value of fixed assets increased by approximately PLN 82 million and the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) by approximately PLN 292 million.

Turnover of receivables and liabilities in the LW Bogdanka Group

Turnover ratios

[PLN thousand]

			31.12.2024	31.03.2025	Change
1. Inventory turnover ratio	$\frac{\text{average balance of inventories}}{\text{cost of goods, products and materials sold}} \times$	number of days in the period	37	41	10.8%
2. Receivables turnover ratio*	$\frac{\text{average balance of receivables}}{\text{sales revenues}} \times$	number of days in the period	58	53	-8.6%
3. Liabilities turnover ratio**	$\frac{\text{average balance of liabilities}}{\text{cost of goods, products and materials sold}} \times$	number of days in the period	79	80	1.3%
4. Operating cycle	1+2		95	94	-1.1%
5. Cash conversion cycle	4 - 3		16	14	-12.5%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 31 March 2025 increased by 4 days compared to 31 December 2024 and amounts to 41 days. On average, it takes 4 days longer to liquidate inventory.

Receivables turnover ratio

The receivables turnover ratio (calculated on the basis of the balance sheet item "Trade and other receivables") was 53 days (as at 31 March 2025) compared to 58 days at the end of the previous year.

As at 31 March 2025, both a lower average level of receivables and a lower average level of revenue was recorded.

Liabilities turnover ratio

The liabilities turnover cycle (calculated on the basis of the balance sheet item "Trade and other liabilities") in the analysed period extended by 1 day compared to the value at the end of 2024 and amounted to 80 days.

Operating cycle

The operating cycle of current assets (the sum of inventory and trade receivables turnover ratios) slightly decreased to 94 days in the period under review. On average, the Group's current assets are liquidated after 94 days.

Cash conversion cycle

The result of the trends described above was to achieve a cash conversion cycle of 14 days as at 31 March 2025 (compared to 16 days recorded at the end of 2024). A positive value of the ratio means that the Group does not use trade credit to finance its current operations.

LW Bogdanka Group's provisions

Balance sheet provisions

[PLN thousand]

	As at 31.03.2024	As at 31.12.2024	As at 31.03.2025	Change 31.03.2025 / 31.12.2024	Change 31.03.2025 / 31.03.2024
Employee provisions	303,145	345,620	426,773	23.5%	40.8%
Provision for mine decommissioning costs and land reclamation	171,153	173,450	173,397	0.0%	1.3%
Mining damage	6,537	10,768	10,501	-2.5%	60.6%
Other	7,439	8,383	9,707	15.8%	30.5%
Total	488,274	538,221	620,378	15.3%	27.1%

Change in provisions

[PLN thousand]

	Change Q1 2024	Change Q1 2025	Change Q1 2025/ Q1 2024
Employee provisions	32,426	81,153	150.3%
Provision for mine decommissioning and land reclamation costs	2,051	-53	-
Mining damage	-815	-267	-67.2%
Other	-2,132	1,324	-
Total	31,530	82,157	160.6%

Location of the impact of the change in provisions in the financial statements

[PLN thousand]

	Change in provisions in Q1 2025	Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Including: Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	81,153	95,377	3,705	-	-	-17,929
Provision for mine decommissioning and land reclamation costs	-53	349	2,190	-2,592	-	-
Mining damage	-267	-	-	-	-	-267
Other	1,324	1,369	-	-	-	-45
Total	82,157	97,095	5,895	-2,592	-	-18,241



Costs of LW Bogdanka S.A.

Costs by type

[PLN thousand]	IQ 2024	IQ 2025	Change
Net production [thousand t].	1,875	2,652	41.4%
Sales [thousand t]	1,757	2,237	27.3%
Amortization and depreciation	110,379	48,072	-56.4%
Consumption of materials and energy	277,615	231,507	-16.6%
External services	176,551	184,877	4.7%
Employee benefits	247,397	253,447	2.4%
Representation and advertising costs	6,233	4,346	-30.3%
Taxes and charges	15,787	19,364	22.7%
Other costs	8,639	1,360	-84.3%
Total costs by type	842,601	742,973	-11.8%
Manufacturing cost of products for internal purposes	-111,779	-95,852	-14.2%
Accruals	35,574	32,554	-8.5%
Provisions and other presentation adjustments between expenses by nature and by function	33,193	69,627	109.8%
Total production costs	799,589	749,302	-6.3%
Change in products	-33,590	-79,023	135.3%
Value of goods and materials sold	4,142	3,804	-8.2%
Own cost of production sold, including:	770,141	674,083	-12.5%
Cost of products, goods and materials sold	706,217	608,976	-13.8%
Selling costs	15,198	12,670	-16.6%
Administrative costs	48,726	52,437	7.6%

Q1 2025

Costs by type

In Q1 2025, LW Bogdanka S.A. incurred costs by type in the amount of PLN 742,973 thousand (PLN -99,628 thousand y/y), i.e. 11.8% lower than in Q1 2024. The decrease in costs in Q1 2025 was mainly due to lower depreciation and amortisation, employee benefits and material and energy consumption.

Depreciation

Depreciation decreased by 56.4% (to PLN 48,072 thousand) - depreciation of both property, plant and equipment and natural depreciation decreased, as a result of the write-downs made in 2024 on property, plant and equipment.

Costs of consumed materials and energy

The value of the cost of materials and energy consumed during Q1 2025 in relation to Q1 2024 decreased by 16.6% and amounted to PLN 231,507 thousand. In the period under analysis, the price of electricity fell (with its simultaneous higher consumption), as did the value of materials consumed (primarily due to lower scope of development work).

Third party services

The value of third-party service costs has increased compared to Q1 2024 by 4.7% (i.e. by PLN 8,226 thousand) and amounted to PLN 184,877 thousand. In the period under analysis, the Company mainly incurred higher costs for waste management and coal transport by rail.

Employee benefits

The value of employee benefits in Q1 2025 in relation to Q1 2024 increased slightly by PLN 6,050 thousand.

In the period under review, there was an increase in the cost of salaries, contributions to the Social Benefits Fund (ZFŚS) and other employee benefits.

Representation and advertising costs

The decrease in the value of representation and advertising costs by PLN 1,887 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and fees

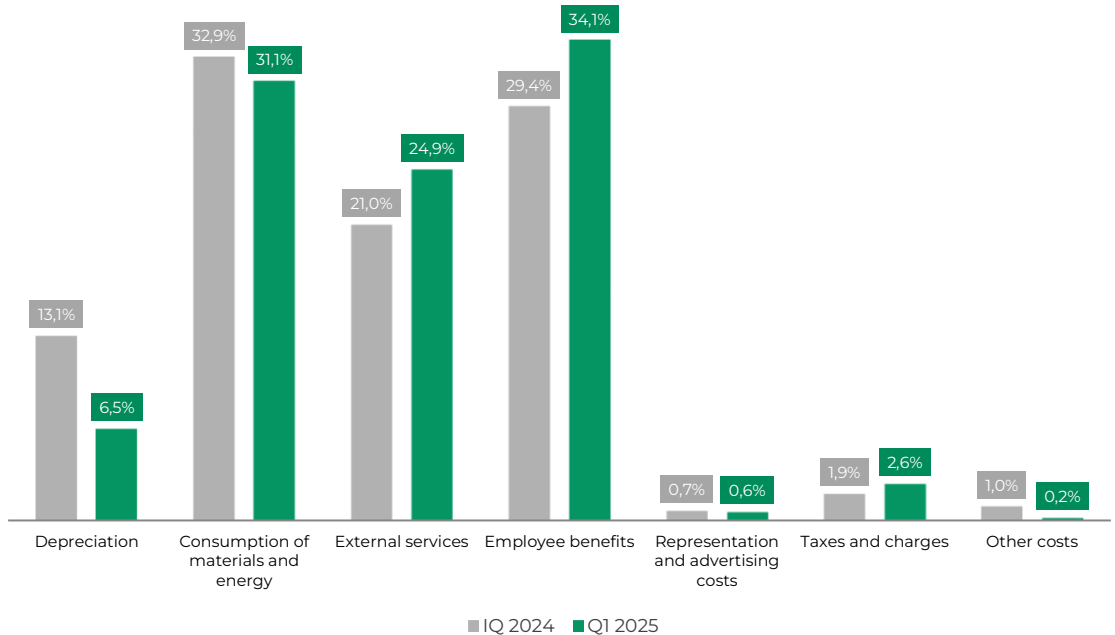
The increase in taxes and fees by PLN 3,577 thousand is mainly due to an increase in the maintenance fee (due to higher commercial coal production).

Other costs

The decrease in other costs by PLN 7,279 thousand is mainly due to the fact that in Q1 2024, the decision of the Court of Appeals in Warsaw was implemented in connection with legal claims relating to the patents of LW Bogdanka.

Costs of LW Bogdanka S.A.

Costs by type
(% share of total costs)

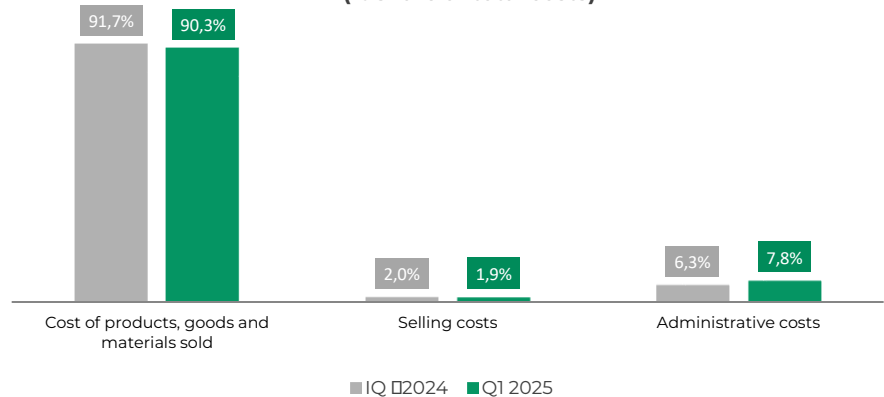


Costs by function

The cost of own production sold (by function) in Q1 2025 was PLN 674,083 thousand, compared to PLN 770,141 in the corresponding period of the previous year.

[PLN thousand]	Q1 2024	Q1 2025	Change
Cost of products, goods and materials sold	706,217	608,976	-13.8%
Selling costs	15,198	12,670	-16.6%
Administrative costs	48,726	52,437	7.6%
Costs of goods sold	770,141	674,083	-12.5%

Costs by function
(% share of total costs)



Other information affecting the financial position of the LW Bogdanka Group

Information on the current and projected economic and financial standing of the LW Bogdanka Group and assessment of financial resources management

The LW Bogdanka Group continuously monitors cost levels, ratios and the value of accumulated cash. The lack of interest-bearing debt, together with the level of cash held, guarantee current financing.

The Parent Company systematically performs works aimed to optimise the mining process (in terms of the applied technology and the planned deposit slicing and opening out works for new coal seams). The works as a whole (planning new excavations, extraction and sales of commercial coal) take the current and future quantifiable market risk into account. The opening out works (for new excavations) are performed in a manner enabling continuous extraction. Coal prices are also monitored on an ongoing basis in domestic and international markets. The LW Bogdanka Group settles its liabilities on an ongoing basis. The Group manages its financial resources efficiently, depositing free funds in banks (the tenor and value of deposits depends on internal short-term financial forecasts).

Suppliers

The awarding of contracts by hard coal mining companies for the purpose of carrying out these activities is subject to sectoral public procurement regulations. In the LW Bogdanka Group, all procurement orders above the thresholds defined in accordance with the Public Procurement Law are awarded based on the rules stipulated in the aforementioned Act. Other contracts are awarded on the basis of the Group's internal procedures. The main suppliers for the LW Bogdanka Group are companies offering services and products specific to the mining industry (excavation and reconstruction of roadways, haulage of winnings, as well as supply of roadway supports, specialist mining machinery and equipment), as well as companies supplying electricity. In the period from 1 January to 31 March 2025, the value of turnover with any supplier did not exceed 10% of the Group's revenue.

Investments and deposits of the LW Bogdanka Group

The value of cash held by the Group at the end of March 2025 amounted to PLN 1,252,148 thousand, of which:

- an amount of PLN 177,394 thousand was recognised in non-current assets
- an amount of PLN 1,074,754 thousand was recognised in current assets (of which the amount of PLN 873,056 thousand includes cash and cash equivalents and PLN 201,698 thousand includes bank deposits with a maturity of more than 3 months).

The amount of PLN 177,394 thousand includes cash accumulated by the Parent Company as part of the Mine Closure Fund, earmarked to cover the costs of decommissioning of the mine (these funds are held on a bank deposit).

The amount of PLN 873,056 thousand includes cash (available cash) held in short-term bank deposits - the level of deposits depends on internal revenue and expenditure forecasts, as well as the availability of such a solution in banks providing services to the Group companies. In

accordance with the adopted Strategy, the Group maintains the level of disposable cash in the amount of at least the value of average monthly sales revenues (1/12 of planned annual sales revenues). The funds accumulated in the Parent Company as at 31 March 2025 amounted to PLN 818,987 thousand, while those in subsidiaries amounted to PLN 54,069 thousand (mainly in Łęczyńska Energetyka). In addition, the Parent Company reports other short-term investments of PLN 201,698 thousand at the end of Q1 2025.

Description of material off-balance sheet items of the LW Bogdanka Group - by subject, object and value

A detailed description of contingent liabilities and contingent assets is presented in Note 28 to the annual consolidated financial statements for 2024.

There was no significant change in contingent liabilities and assets during Q1 2025 (compared to the last financial year ended).

Evaluation of factors and unusual events affecting the operating result

On 24 January 2025, the LW Bogdanka S.A. received an insurance decision issued by the insurer, Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych ("TUW PZUW"). The TUW PZUW decision of 22 January 2025 concerns the award and payment of compensation to the Parent Company for damage to underground assets resulting from the event in wall 3/VII/385 of February 2023 (groundwater flooding). In accordance with the insurer's decision, the Parent Company was awarded compensation of PLN 144,8 million.

Information on financial instruments, bonds

Information on financial derivatives

As at 31 March 2025, the Parent Company had no open derivative transactions.

Bonds

As at 31 March 2025, the Group:

- had no active bond issue agreement
- had no bonds issued and outstanding.

Assessment of the capacity to execute investments

As at the date of this Report, the Group does not identify any threat to its ability to raise additional debt financing, while the Group's accumulated cash resources allow it to meet its current and future investment plans.

Lease and rental agreements

The Group's total revenue from lease and rental agreements for, among others, land, premises, machinery and equipment in Q1 2025 amounted to PLN 2,813 thousand net.

Opinion of the Management Board of LW Bogdanka S.A. on the feasibility of the previously published result forecasts for the given year in view of the results presented in the standalone annual report compared to the forecast results

LW Bogdanka S.A. did not publish any financial result forecasts for 2025.

Principles for the preparation of consolidated and standalone interim condensed financial statements

The interim condensed consolidated financial statements of the Group and the interim condensed financial statements of the Parent Company for Q1 2025 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as approved by the European Union.

Material proceedings pending before courts, arbitration bodies or public administration bodies

On 20 February 2024, as a result of the Parent Company's appeal against the judgement of the court of first instance in case file I C 942/13 for payment under the rights to patent 206048, the Court of Appeals in Warsaw (case file no. VII Aga 422/23) amended the appealed judgement and dismissed the claim in large part. Pursuant to the Court's judgement, the Parent Company was obliged to pay to the plaintiffs the amount of PLN 4.1 million, including interest calculated from the dates indicated in the judgement. The verdict is legally binding. Both the Parent Company and the Plaintiff filed a cassation appeal against the judgement of the Court of Appeals in Warsaw of 20 February 2024. In the Supreme Court, the case was assigned the file reference number I CSK 2668/24. The date for examination of the complaint has not yet been set.

Apart from the aforementioned case, as at the date of preparation of this Report, neither LW Bogdanka S.A. nor its subsidiaries were parties to any material proceedings pending before any court, arbitration body or public administration body concerning the liabilities or receivables of the Company or its subsidiary.



Agreements relating to loans and borrowings

Information on loans and borrowings taken out and granted

In Q1 2025, the Parent Company did not take out or grant any loans or terminate any loan agreements.

Information on sureties and guarantees granted and received

In Q1 2025, the Parent Company did not issue (or receive) any sureties.

Transactions with related parties

In Q1 2025, the Parent Company and its subsidiaries did not enter into any individually or jointly significant transactions with related parties out of compliance with the arm's length principle.

The Issuer makes disclosures about all agreements important for its business in the form of current reports available on the website: <http://ri.lw.com.pl/raporty-biezące>.

For more information on agreements with the Enea Group and companies controlled by the State Treasury, see Note 11 of the Interim Condensed Consolidated Financial Statements for the period from 1 January to 31 March 2025.

Guarantees extended by LW Bogdanka S.A.

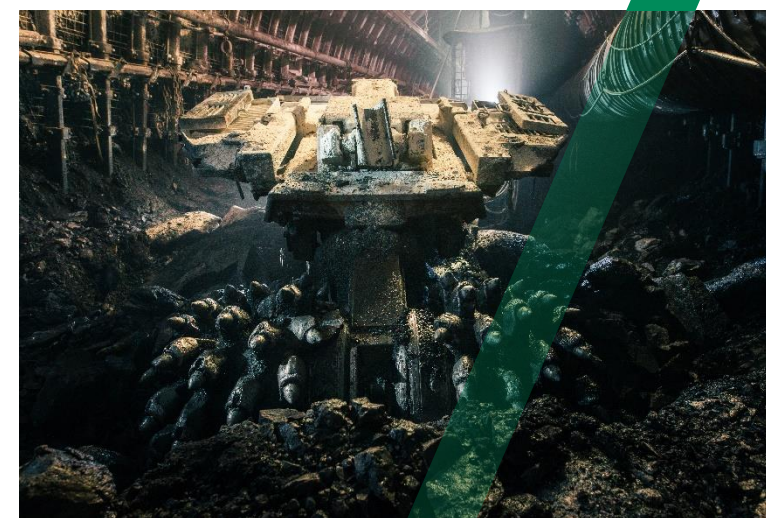
In Q1 2025, the Parent Company did not instruct banks to issue any guarantees.

Loans taken

In Q1 2025, LW Bogdanka S.A. had no active loan agreements.

Agreements relating to loans and borrowings of subsidiaries

In Q1 2025, the subsidiaries, Łęczyńska Energetyka sp. z o.o., EkoTrans Bogdanka Sp. z o.o., RG Bogdanka Sp. z o.o., MR Bogdanka Sp. z o.o. did not grant or incur any loans and borrowings or terminate any agreements pertaining to loans and borrowings and did not issue any guarantees.



3. Shares and shareholding structure



Share capital structure and shareholding of LW Bogdanka S.A

Share capital structure

The Company's share capital is PLN 170,067,950 and is divided into 34,013,590 shares with a nominal value of PLN 5 per share. On 4 January 2012, 3,208,111 employee shares were floated on the Warsaw Stock Exchange, and on 4 February 2013, another 34,754 shares were floated. The total number of the Company's shares traded is 34,013,455.

The remaining 135 shares, as of the date of this Report, are registered shares. The total number of votes resulting from all outstanding shares of the Issuer corresponds to the number of shares, translating into 34,013,590 votes. The dominant strategic shareholder in the Company is ENEA S.A., with a majority shareholding of 64.6% in LW Bogdanka S.A., which authorise it to 21,962,189 votes, translating into the nominal value of PLN 109,810,945.

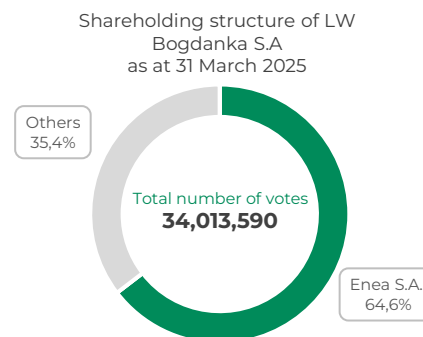
The Issuer's other shareholders are mainly institutional investors in the form of pension and investment funds.

Treasury shares

In Q1 2025, LW Bogdanka S.A. and its subsidiaries did not purchase any Treasury shares.

Changes in shareholder structure up to the date of the report

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the Annual Report for 2024, to the date of publication of the report for Q1 2025, there were no changes in the ownership structure of significant shareholdings.



Participation of LW Bogdanka S.A.'s shares in indices

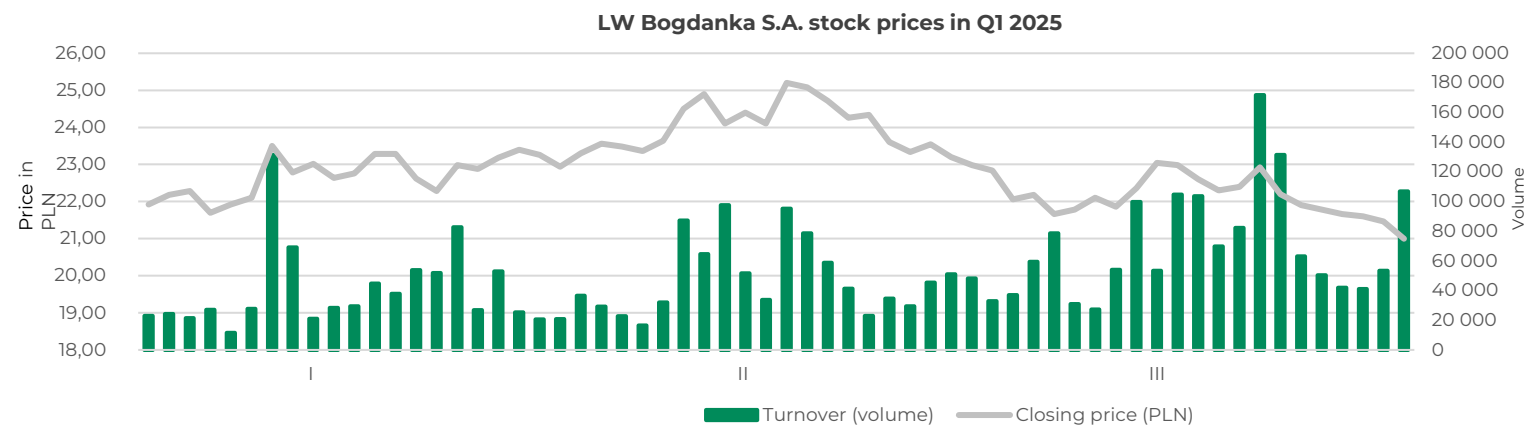
The Company was floated on the Warsaw Stock Exchange S.A. on 25 June 2009.

At the end of Q1 2025, LW Bogdanka S.A. was included in the following stock exchange indices:

- **sWIG80** - index of small companies listed on the WSE
- **sWIG80TR** - version of the sWIG80 index which takes into account dividend income
- **sWIG80dvp** - dividend index for sWIG80 companies
- **WIG** - broad index comprising all companies listed on the WSE main market
- **WIG-Poland** - index of only Polish companies on the main market
- **WIG-Poland** - index of only Polish companies on the main market
- **WIGdivplus** - index of companies with high dividend yields
- **WIG140** - index of the 140 largest companies on the WSE



LW Bogdanka S.A. stock prices on the Warsaw Stock Exchange



Key data on shares

	Q1 2024	Q1 2025
Maximum price [PLN]	36.38	25.20
Minimum price [PLN]	31.42	21.00
Last price [PLN]	33.60	21.00
Average price [PLN]	34.11	22.92
Capitalisation at the end of the period [PLN million]	1,142.9	714.3
Carrying amount [PLN million]	4,325.7	2,951.6
P/E [market capitalisation/net profit]	27.1	2.6
P/BV [market capitalisation/book value]	0.26	0.24
Rate of return at the end of the period [%]	-2.2	-4.2
Average trading value per session [PLN 000]	2,161.1	1,223.3
Average volume per session	63,349	53,288
Number of shares traded [pcs]	34,013,590	34,013,590

Analyst recommendations

Date of issue	Institution	Recommendation	Price target	Price before date of issue
20 February 2025	Santander Brokerage House	Sell	PLN 15.30	PLN 24.72

The above information constitutes a summary of security broker recommendations within the meaning of Commission Delegated Regulation (EU) 958 of 9 March 2016.

Number of shares of LW Bogdanka S.A. held by members of the Company's governing bodies

Shares in related parties of the Company

Members of the Management Board and Supervisory Board of LW Bogdanka S.A. do not hold any shares in the following subsidiary:

- Łęczyńska Energetyka sp. z o.o.
- EkoTRANS Bogdanka sp. z o.o.
- RG Bogdanka sp. z o.o.
- MR Bogdanka sp. z o.o.

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the report for 2024, to the date of publication of the annual report for Q1 2025, there were no changes in the number of shares in LW Bogdanka S.A. held by persons discharging management and supervisory functions.

The Issuer is not aware of any contracts concluded including contracts concluded after the balance sheet date, which may result in future changes in the proportions of shares held by existing shareholders.

Employee share scheme

There are no employee share schemes in operation in the Group's companies.

A breakdown of the shareholdings in LW Bogdanka S.A. and in the Company's related parties by persons discharging management and supervisory functions in LW Bogdanka S.A. is presented in the tables below*:

MANAGEMENT BOARD					
Full name	Number of Company shares as at 16 May 2025	Par value per share (PLN)	Number of Company shares as at 09 April 2025	Par value per share (PLN)	Number of shares in Subsidiaries
Zbigniew Stopa	0	0	0	0	0
Bartosz Rożnawski	43	215	43	215	0
Sławomir Krenczyk	0	0	0	0	0
Artur Wasilewski	0	0	0	0	0
SUPERVISORY BOARD					
Full name	Number of Company shares as at 16 May 2025	Par value per share (PLN)	Number of Company shares as at 09 April 2025	Par value per share (PLN)	Number of shares in Subsidiaries
Bartosz Krysta	0	0	0	0	0
Szymon Jankowski	0	0	0	0	0
Paweł Cygan	0	0	0	0	0
Daniel Frąc	0	0	0	0	0
Magdalena Makiela	0	0	0	0	0
Robert Wietrzyk	0	0	0	0	0
Paweł Wójcik	0	0	0	0	0
TOTAL	Number of the Company's shares as at 16 May 2025	Par value per share (PLN)	Number of the Company's shares as at 9 April 2025	Par value per share (PLN)	Number of shares in subsidiaries
	43	215	43	215	0

*According to the representations by members of the Issuer's Management Board and Supervisory Board

4. Governing bodies



Members and changes in the composition of the Management Board and the Supervisory Board of LW Bogdanka S.A

Composition of the Management Board as at 1 January and 31 March 2025:

- Zbigniew Stopa - President of the Management Board
- Bartosz Rożnawski - Vice-President of the Management Board, Production
- Mr. Sławomir Krenczyk - Vice-President of the Management Board, Development
- Artur Wasilewski - Vice-President of the Management Board, Economic and Financial Affairs

Changes in the composition of the Management Board after the balance sheet date until the date of publication of the Report:

There were no changes after the balance sheet date in the composition of the Management Board of LW Bogdanka S.A.

Composition of the Supervisory Board as at 1 January and 31 March 2025:

- Bartosz Krysta - Chairman of the Supervisory Board
- Szymon Jankowski - Secretary of the Supervisory Board
- Paweł Cygan - Member of the Supervisory Board
- Daniel Frąc - Member of the Supervisory Board
- Magdalena Makiela - Member of the Supervisory Board
- Robert Wietrzyk - Member of the Supervisory Board
- Paweł Wójcik - Member of the Supervisory Board

Changes in the composition of the Supervisory Board after the balance sheet date until the date of publication of the Report:

No changes in the composition of the Supervisory Board of LW Bogdanka S.A. took place.



Composition of the Management Board LW Bogdanka S.A. as at 16 May 2025



Zbigniew Stopa - President of the Management Board

He is a graduate of the Faculty of Mining at the AGH University of Science and Technology in Kraków, a recognized manager and an underground mining expert and specialist. In 1997 he completed postgraduate studies of occupational health and safety management at the Central Mining Institute in Katowice. He participated in many specialised training activities and courses (basic economics, human resources management, finance for managers) and completed a course for candidates for supervisory board members of State Treasury companies.

Experience

Almost the entire professional career of Mr. Zbigniew Stopa has been associated with the mining industry and Lubelski Węgiel Bogdanka S.A., where he worked at all levels of the company. From 1984 to 1985 he did an underground internship and between 1985 and 1987 he worked as an underground miner-supervisor. In February 1987 he took the position of underground shift foreman and, at the end of the same year, he became underground branch foreman.

From 1991 to 2006, he served as an Underground Mining Superintendent. From May to December 2006 he was the Manager of the Mining Work Department at the Nadrybie Field.

Mr. Zbigniew Stopa holds the following qualifications approved by the Mining Inspectorate: Mining Department Manager (1997), Senior Supervisor (1991). In 2007 he was appointed by the President of the State Mining Authority to the Mining Safety Commission at the State Mining Authority in Katowice.

From 2006 to 2012 he held the position of Vice-President - Production Director, and then from 2012 to 2016 - President of the Management Board of LW Bogdanka S.A.

As the President of the Management Board, he organises and supervises the Company's activities, in particular with regard to:

- Providing information and reports to investors, shareholders and stock exchange institutions,
- Implementation of the LW Bogdanka S.A. strategy, and long-term plans of the Company and the implementation of strategic management and project management in the Company,
- Market analysis,
- Communication policy and cooperation with the media,
- Corporate social responsibility, sustainability and ESG projects,
- Activities related to maintaining and improving the compliance system,
- Organisation of the enterprise,
- Service of the Company bodies,
- Human resources and personnel policy,
- Payroll and insurance policies,
- Legal services for the Company,

- Promotion and marketing activities,
- Risk management,
- Internal audit in the Company,
- occupational health and safety issues,
- The Company's security policy, protection and security of critical information
- Defence matters
- Company Archives and General Registry,
- Administrative and economic policy,
- Cooperation with trade union organisations,
- Protection of classified information
- Cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans.



Artur Wasilewski - Vice-President of the Management Board, Economic and Financial Affairs

Education

In 1998, Mr. Wasilewski graduated from the Lublin University of Technology, majoring in Management and Marketing; in 2000 he completed postgraduate studies in Corporate Finance and Capital Market, and in 2003 - the Master of Business Administration programme at University of Warsaw & University of Illinois. Participant of numerous training courses on finance and reporting under IAS/IFRS. Member of Supervisory Boards of capital companies.

Experience

From 1998 to 2000 he worked as a financial analyst at the consulting company "DEMOS" Sp. z o.o. gaining experience in the field of analysis and valuation of enterprises, consulting on the introduction of efficiency solutions and preparation of privatisation reports for the Ministry of State Treasury. Associated with Lubelski Węgiel Bogdanka S.A. since 2000, Mr. Wasilewski progressed in his professional career from a Financial Analyst, through Manager of the Planning and Analyses Department to the position of the Chief Economist. From 2013, he served as Director of Controlling, and in 2018 he assumed the position of Director of Controlling and Finance. Vice-President of the Management Board for Economic and Financial Affairs as from 8 October 2018.

Vice-President of the Management Board for Economic and Financial Affairs is responsible for the Company's activities in particular with respect to:

- the Company's financial management,
- Economic and financial analyses
- reporting and statistics,
- budgeting and controlling,
- oversight of the Company's value management,
- oversight of the financial and accounting functions,
- oversight of bookkeeping and settlements with business partners,
- cost-effectiveness of investment ventures,
- development of principles for the management of short-term securities,
- deployment of the ICT infrastructure in the Company,
- asset stock taking and management,
- cost estimation,
- personnel welfare matters,
- personal data protection.

Composition of the Management Board LW Bogdanka S.A. as at 16 May 2025



Bartosz Rożnawski - Vice-President of the Management Board, Production

Education

Mr. Rożnawski is a graduate of the Stanisław Staszic AGH University of Science and Technology in Kraków with a degree in Engineering, specializing in Environmental Geophysics and Mining and Geology. At the AGH University of Science and Technology he also completed post-graduate studies in Value Based Management in Mining Companies. He holds a Master of Business Administration (MBA) degree in Management from WSB University in partnership with EY Academy of Business.

Experience

He started his professional career in 2006 as an intern at Lubelski Węgiel Bogdanka S.A. and after a year continued as a shift foreman. From 2010 to 2012, he was employed as a branch foreman of the mining branch.

In 2017 he was entrusted with the position of Mining Department Manager, and in 2020, the position of Deputy Mining Operations Manager. From July 2020 to the end of April 2024 he was a Member of the Supervisory Board of LW Bogdanka S.A.

The Vice-President of the Management Board for Production organises and supervises the Company's activities, in particular with regard to:

- production capacity maintenance and development,
- deposit management planning,
- mining and production of commercial coal,
- innovation, research and implementation,
- operational planning,
- materials management,
- internal logistics,
- environmental protection,
- mining damages,
- organisation and planning of production and development of the mine,
- cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans,
- controlling of technical and production activities at the mine,
- analysis of technical progress and implementation of modern solutions in terms of their innovation.
- Control of the operation of the coal preparation plant
- coal storage management,



Sławomir Krenczyk - Vice-President of the Management Board, Development

Education

He graduated from the Faculty of Law at the Catholic University of Lublin, and completed postgraduate studies at the Warsaw School of Economics (SGH), the University of Commerce and Services (WSHIU) in Poznań (Executive MBA) and the University of Social Sciences (SAN) in Łódź (doctoral seminar). He has experience as a university lecturer. He is preparing his doctoral thesis in the field of quality and management science.

Experience

He gained managerial experience in public companies, as well as managing foundations and projects. At the level of representation bodies, he was responsible for legal and organisational, communications and marketing, and development areas, among others. He has held director's and management positions in public companies in the areas of communications, marketing and community relations. As part of his business activities, he has implemented consulting and training projects for local and international entities in the energy and raw materials industry.

He was responsible for the energy and climate programme of the Warsaw Security Forum, coordinating the work of high-level experts from Poland, the USA, the EU and Ukraine. He is the author and co-author of reports and publications on the energy transition, and has participated in public industry debates. In the debates, he points in particular to the importance of aspects of industrial competitiveness and security of energy supply.

In 2015, he was a member of the project team responsible for the acquisition of a controlling stake in LW Bogdanka by Enea S.A. On the parent shareholder side, he was responsible for the processes of integrating the mining company into the energy and resources group. In 2019-2020, he served as Bogdanka's Management Board representative and as the company's public relations director.

The Vice-President of the Management Board for Development organises and supervises the Company's activities, in particular with regard to:

- Tendering, purchasing, sourcing and analysis
- Public tendering and strategic purchasing
- Internal tendering and operational purchasing
- Purchasing and warehousing
- investment planning and implementation.
- Delivery of machinery
- Coal sales
- Relations with customers
- Sales logistics
- Market development
- Rail transport
- Traffic and railway operations
- Maintenance of rolling stock
- Maintenance of railway infrastructure
- Railway audit
- Business diversification projects

Composition of the Supervisory Board of LW Bogdanka S.A. as at 16 May 2025

Bartosz Krysta - Chairman of the Supervisory Board

PhD in economics, an expert with 27 years of experience in trade and sales development in energy companies. Specialist in the area of district heating, asset optimisation, portfolio management, wholesale of electricity and related instruments, as well as controlling and risk management.

He began his career in 1997 at the Upper Silesian Power Company. Throughout his professional life, he has set the direction of trade and sales development in key companies in the energy market, such as Vattenfall, Tauron, Enea and Veolia.

From 2001 to 2012, he worked at Vattenfall Sales Poland, holding managerial positions in controlling, sales portfolio and pricing. From 2012 to 2014, he was head of the Pricing and Risk Measurement Department at Tauron Polska Energia, where he was responsible for the implementation and development of an innovative commercial risk measurement and control system. From 2014 to 2016, he served as Management Board Member for Portfolio Management and then as President of the Management Board at Enea Trading, responsible for the company's strategic and operational management.

At Zarmen Energia, from 2017 to 2018, as President of the Management Board and Managing Director, he created from scratch an organisation for the wholesale trading of electricity and related instruments.

From 2019 to 2024, he has been associated with the Veolia Group.

At Veolia Energia Warsaw, he served as Management Board Member and Sales Director. There, he was responsible, among other things, for

creating the concept and implementing the integration of the commercial areas across the Veolia Group, the organisation and automation of the connection process, as well as the implementation of risk management tools and the development of commercial activities in the area of district heating projects and products. Since 1 March 2024, he has served as Management Board Member for Sales at ENEA S.A. Graduate of the Silesian University of Technology and postgraduate studies in the management of electricity trading and distribution companies. He received his doctoral degree in economics in 2010 from the Department of Finance and Insurance at the University of Economics in Katowice. He holds domestic and foreign certificates for training programmes in energy, finance and management practices.

Szymon Jankowski - Secretary of the Supervisory Board

Mr. Jankowski graduated from the Poznań University of Economics and Business, Management Faculty, majoring in Management and Marketing. He also completed Postgraduate Studies at the Poznań University of Economics and Business in the field of Business Law and Postgraduate Studies at the WSB University in Poznań in the field of Renewable Energy Sources. He developed his competences through training in corporate governance and financial analysis of enterprises. He took a course for candidates for supervisory board members in State Treasury companies, completed with an examination and a diploma. He has been professionally connected with the commercial power sector for over 30 years. Since 1999 till now, he has exercised corporate governance over ENEA Group companies in various positions. Mr. Jankowski has experience in supervising capital companies in the energy, services and IT sectors - he was a member of the supervisory board of, among others, Enea Operator sp. z o.o., Enea Centrum sp. z o.o., BHU S.A., Energetyka Poznańska Zakład Transportu sp. z o.o., ITSERWIS sp. z o.o., He currently serves as the Secretary of the Supervisory Board at LW Bogdanka S.A.

Paweł Cygan - Member of the Supervisory Board (independent member)

He is a graduate of the School of Business - National Louis University in Nowy Sącz, a member of ACCA, a Certified Auditor. He holds an MBA in Financial Management from the University of Hull in the UK.

He gained professional experience at Arthur Andersen / Ernst & Young in the area of financial audit

and business consulting, then from 2004 he worked at Vattenfall, where he was responsible for the development and management of internal audit and business consulting and supervision of key projects in the area of electricity sales and distribution.

From 2008 to 2016, Vice President of the Management Board, Chief Financial Officer of TAURON Dystrybucja and Chairman of the Supervisory Boards of subsidiaries, including responsibility for dozens of optimisation projects, M&A and implementation of key IT systems. In 2014, he received an award in the large company category in the 2013 CFO of the Year competition organised by ACCA, Forbes and Euler Hermes, among others, "for the CFO's extensive involvement in the company's difficult and complex processes and for his influence in shaping the company's corporate culture". In 2010-2012, he represented the Polish Electricity Committee and the Polish Society for Transmission and Distribution of Electricity in Eurelectric as part of the task force for the EU budget after 2013. From 2016 to 2017, member of the management board, chief financial officer of the Ożarów Group, and since 2017, managing director, member of the management board of Kirchhoff Automotive Poland, responsible for the overall company activities.

Daniel Frąć - Member of the Supervisory Board (independent member)

He is a graduate of the Warsaw University of Technology's Faculty of Transportation, a graduate of Lublin University of Technology's Faculty of Management and Fundamentals of Technology, where he studied Management and Marketing, and a graduate of the Faculty of Mechanical Engineering. A post-graduate Master of Business Administration programme at the University of Illinois at Urban-Champaign. He is competent in corporate governance, the Commercial Company Code and corporate financial analysis. He took a course for candidates for supervisory board members in State Treasury companies, completed with an examination and a diploma issued by the Minister of State Treasury.

He has many years of experience in managerial positions obtained at international financial institutions, specialising in financial solutions for corporate entities and hedge accounting.

Composition of the Supervisory Board of LW Bogdanka S.A. as at 16 May 2025

Magdalena Makiela - Member of the Supervisory Board (independent member)

Advocate, doctor of legal sciences, arbitrator, mediator, Vice- of the Court of Arbitration at the Chamber of Commerce and Industry in Kraków, Advisory Board Member at the European Criminal Bar Association. Trainer in the field of business mediation, speaker at numerous seminars and conferences on such topics as business mediation. Graduate of the Faculty of Law and Administration of the Jagiellonian University in Kraków. He earned his doctorate at his Alma Mater in the department of public international law. She completed an advocate trainee program. Owner of an advocate firm in Kraków with many years of experience in litigation and non-litigation, negotiation and mediation. Expert in extradition law. She specialises in business cases, international criminal business cases, and providing services to commercial law companies.

Robert Wietrzyk - Member of the Supervisory Board (independent member)

He has been an employee of LW Bogdanka S.A. since 2009. Currently employed as an underground miner. Completed a post-secondary mining technical school, with a degree of underground mining technician. Elected by employees as a candidate for the LW Bogdanka S.A. Supervisory Board in May 2024.

Paweł Wójcik - Member of the Supervisory Board (independent member)

Graduate of the Catholic University of Lublin. He majored in administration, graduating in 2006. He has been with LW Bogdanka S.A. since 2007, initially on the surface in the logistics department, and currently an underground worker in the mechanical department as a steel fixer-mechanic. Social Branch Labour Inspector at LW Bogdanka S.A. since 2024. Since April 2023 he has also served as a councilor for the Sławinek district. Elected by employees as a candidate for the LW Bogdanka S.A. Supervisory Board in May 2024.



Glossary

- **CSR** - Corporate Social Responsibility
- **Net debt/ EBITDA** - ratio of net debt (sum of interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA
- **EBIT** - operating profit before interest and taxes
- **EBITDA** - EBIT plus depreciation and amortization and impairment losses
- **PTE** - Technical and Economic Plan
- **LWB** - Lubelski Węgiel Bogdanka S.A.
- **IFRS** - International Financial Reporting Standards endorsed for use in the EU
- **Gross sales margin** - the gross sales margin is calculated by dividing profit by the value of sales
- **EBITDA margin** - ratio of operating profit plus depreciation and amortisation to revenue
- **EBIT margin** - ratio of EBIT calculated for the period to sales revenues for the period
- **Gross margin** - ratio of gross profit (before tax) to net sales
- **Net margin** - ratio of net profit to net sales
- **Return on assets (ROA)** - ratio of a company's net profit to the value of its assets
- **Return on equity (ROE)** - ratio of net profit to equity
- **WFOŚiGW** - Voivodeship Fund for Environmental Protection and Water Management
- **Total debt ratio** - total liabilities to total assets
- **Debt to equity ratio** - total liabilities to equity
- **Fixed assets to fixed assets ratio** - sum of equity, non-current liabilities and non-current accruals to non-current assets
- **Current debt ratio** - short-term debt to total assets
- **Non-current debt ratio** - non-current liabilities to equity
- **Current ratio** - current assets to current liabilities
- **Quick ratio** - measure of the company's ability to pay its current liabilities with its most liquid assets
- **APMs** - alternative performance measures

The Management Board's report on the activities of the LW Bogdanka Group for Q1 2025 was approved by the following Members of the Management Board of the Parent Company

Zbigniew Stopa

President of the Management Board

Bartosz Rożnawski

Vice-President of the Management Board,
Production

Sławomir Krenczyk

Vice-President of the Management Board,
Development

Artur Wasilewski

Vice-President of the Management Board,
Economy and Finance

Bogdanka, 15 May 2025



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