

MANAGEMENT BOARD REPORT

on the Activity of the LW Bogdanka Group
for H1 2025



Grupa Kapitałowa
Lubelski Węgiel Bogdanka

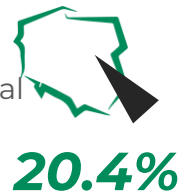




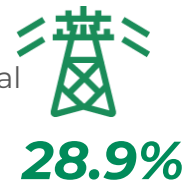
Lubelski Węgiel Bogdanka S.A.

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

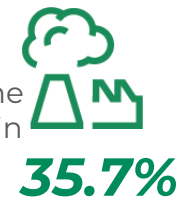


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1. Operating summary



Summary of H1 2025

Operating data

5.9 million tonnes

Gross coal extracted

66.0%

Mining yield

3.9 million tonnes

Commercial coal production

9.0 km

New excavations

4.0 million tonnes

Sales of commercial coal

Headcount

6,120 persons

Headcount as at the end of
1H 2025

-0.8%

Decrease in headcount
compared to 2024



Financial data of LW Bogdanka Group

PLN 1,522.6 million

Sales revenues

PLN 166.6 million

Profit on sales

PLN 310.8 million

EBIT

PLN 408.6 million

EBITDA

PLN 264.7 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
- making a write-down of the carrying value of non-current assets in the amount of PLN 1,249 million, in connection with the results of an asset impairment test as at 31.12.2024 - the write-down affected the financial results for 2024. The result of the write-downs is a decrease in depreciation and amortisation, which directly affects the 2025 results.
- adoption of the LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)
- session of the Annual General Meeting
- appointment of a member of the Supervisory Board

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

- adoption of an ESG strategy for 2025-2030 with an outlook to 2035.

2. 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 H1 2025 was as follows:

- fine coal - 98.1%
- pea coal - 1.8%
- chestnut coal - 0.1%

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 (65%)
- Enea Group - Enea Połaniec (16%)

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

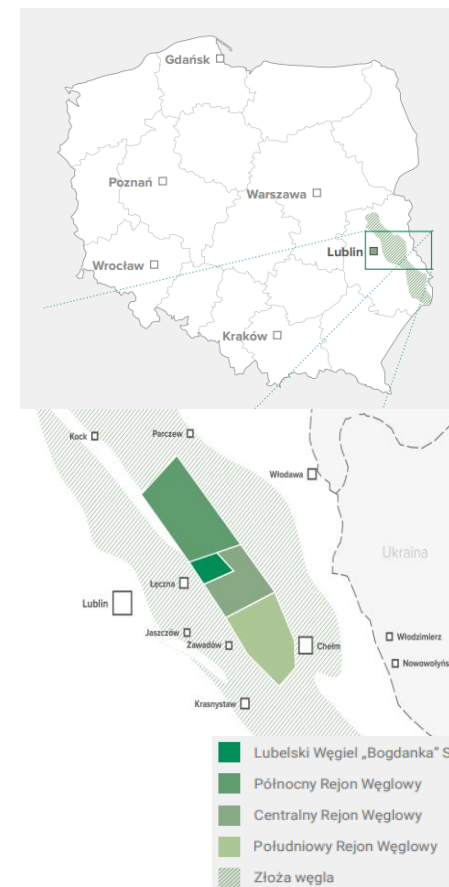
The Company remains the efficiency leader in the Polish mining industry owing to its consistently implemented Cost Optimisation Programme. The Company's strategy assumes a further decrease in the Unit Mining Cash Cost.

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 on the basis of the law of Poland. The Company operates on the basis of, among others, the following legislation:

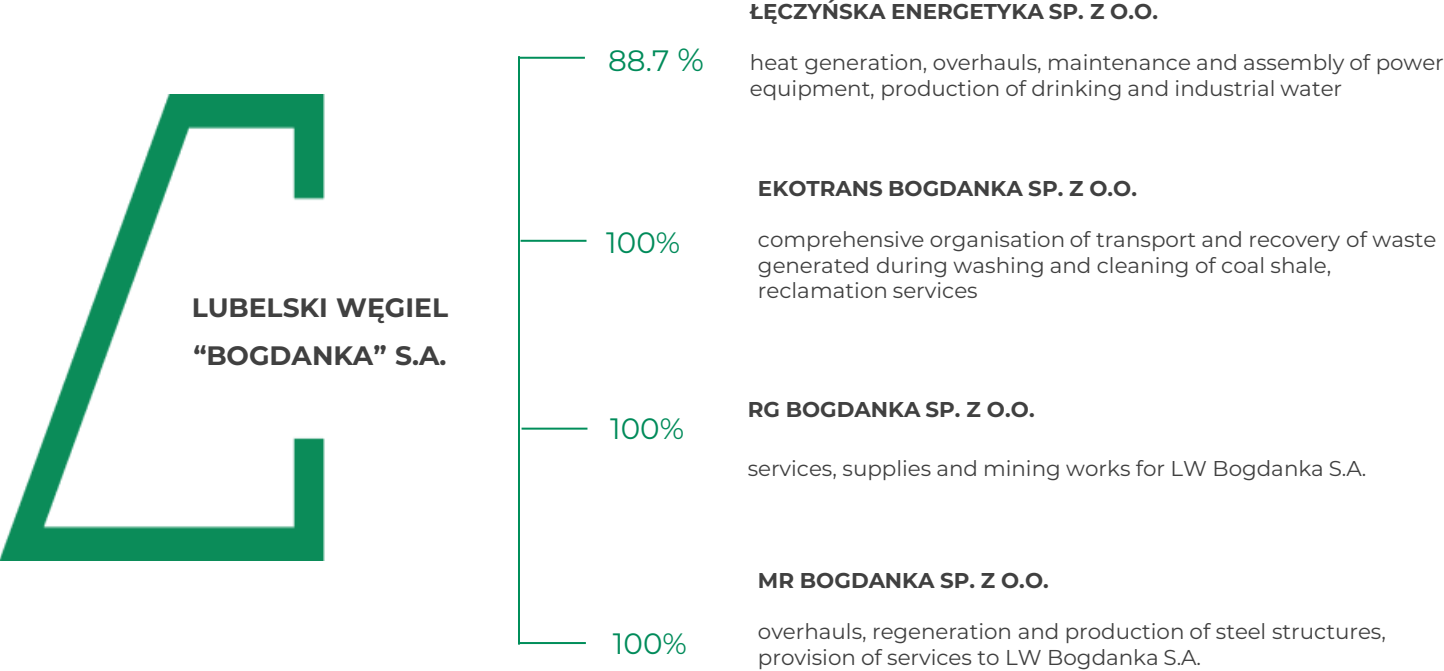
- Act of 15 September 2000 entitled Commercial Company Code
- Act of 9 June 2011 entitled Geological and Mining Law

The Company's founder is the State Treasury represented by the Minister of State Assets. The Company may operate in 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 2017	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

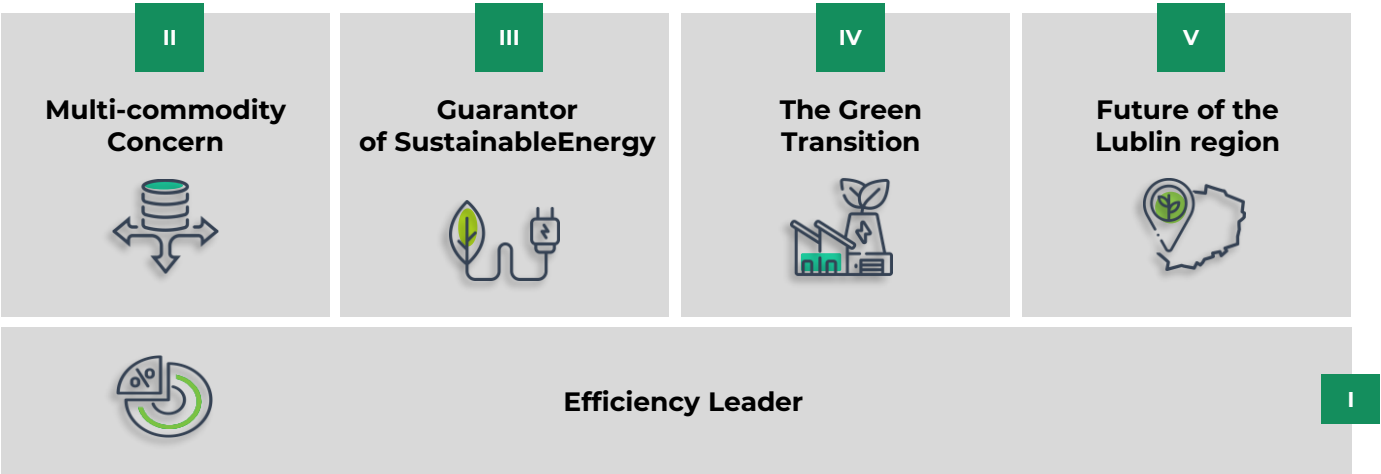
During the first half of 2025, there were no changes in the structure of the LW Bogdanka Group or in its organisational and capital relations with other entities. During this period there were no changes in the structure of the LW Bogdanka Group as a result of merger of business entities, takeover or 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.

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 activities related to management of post-mining waste. 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 H1 2025

In the first half of 2025, LW Bogdanka S.A. consistently implemented the planned investment tasks. Total expenditure incurred on fixed assets as part of ongoing investments amounted to PLN 298,015 thousand.

The investment plan for 2025 includes the following groups of tasks:

- Development and replacement investments, which assume, among others, the purchase of machinery and equipment, their modernisation and refurbishment, the expansion of the mining waste treatment facility and the construction of longwall complexes;
- Operational investment, including conducting and modernisation of mine workings in the Bogdanka, Nadrybie and Stefanów fields. Reconstruction of existing pits was also carried out in this area.

Development and replacement investments LW Bogdanka S.A.

Maintenance of machinery

- Purchase of new machinery and equipment to be installed - expenditure of PLN 11,250 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 6,309 thousand. The most important of these include: device for feeding casing elements to the working face, hydraulic pumps and aggregates (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 22,768 thousand was earmarked, among others, for the modernisation of the Eickhoff SL 300 longwall shearer, the overhaul of the PF-4/113 under-bed scraper conveyor, the modernisation of the DH R75t shearer, fire-proof mine switchgear (ORK) and the modernisation of ZMI pumps.

Other development investments

- Central air conditioning of the Bogdanka field - expenditure of PLN 1,716 thousand was incurred for the modernisation of coils in spray and evaporative condensers - stage 3.
- Replacement investments of ZPMW - PLN 4,669 was allocated, among others, on the modernisation of ZPMW facilities, the modernisation of steel structures and the façade of ZPMW, modernisation of the 500V switchgear as well as the modernisation of access roads and manoeuvring yards.
- Construction and modernisation of buildings and installations - expenditure amounting to PLN 3,847 thousand were incurred, among others for modernisation of the locomotive depot building in Zawadów, modernisation of the HETMAN-T telecommunications system, implementation of the MPLS-TP backbone network of the OT industrial network, as well as modernisation of lighting in selected rooms on the surface.
- Windmill switchgear facilities and other power systems - the expenditure of PLN 8,615 thousand was incurred, among others, for the modernisation of the S1.4 Main Fan Station.
- Switchgear and substation facilities 110/6kV - the expenditure amounting to PLN 6,352 thousand was incurred for the modernisation of the capacitor bank of GSTR Bogdanka and STR Nadrybie and the replacement of the 110/kV transformer of GSTR in Bogdanka, Stefanów or Nadrybie.
- Power, telecommunications and mechanical systems power and mechanical installations - expenditure of PLN 3,740 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 treatment facility - expenditure of PLN 5,657 thousand was incurred, among others, for the construction of a storage facility at a waste disposal site.

ICT - expenditure in the total amount of PLN 2,907 thousand was incurred, mainly for the alarm and monitoring systems.

Other - PLN 10,885 thousand mainly for the construction of an underground water pumping station on the "Żelazny" RE ditch (as part of environmental protection), as well as PLN 307 thousand for the construction of surface facilities in the Bogdanka and Stefanów fields, including the construction of a facility for a compressor station at shaft 2.1 and the construction of a gantry crane on the service yard.

Administration - expenditure in the total amount of PLN 276 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 H1 2025 amounted to approximately 7.4 km (in total, 9.0 km), with a value of PLN 165,710 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 42,782 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 1,313 thousand.

Łęczyńska Energetyka - investment tasks completed in H1 2025 included investment projects related to the generation, transmission and distribution of heat for the total amount of PLN 544 thousand.

RG Bogdanka, MR Bogdanka - incurred the total investment expenditure in the amount of PLN 769 thousand in H1 2025 on core operations as well as replacement and development investment.

Investment activities completed in H1 2025

Selected items of capital expenditure in LW Bogdanka Group

[PLN thousand]	TEP 2025	TEP actuals IH 2025	TEP actuals H1 2025 [%]
New excavations and upgrade of existing pits	430,769	208,492	48.4%
Maintenance of machinery	136,220	40,327	29.6%
Acquisition of new concessions	0	149	0.0%
Other development investments	78,832	34,772	44.1%
ICT	16,279	2,907	17.9%
Administration	335	276	82.4%
Transport	207	207	100.0%
Other	19,398	10,885	56.1%
Strategic initiatives and RES	250	0	0.0%
TOTAL CAPEX in LW Bogdanka SA	682,290	298,015	43.7%
Łęczyńska Energetyka sp. z o.o.	9,000	544	6.0%
MR Bogdanka	2,906	523	18.0%
RG Bogdanka	3,277	246	7.5%
EkoTrans	0	0	0.0%
TOTAL CAPEX in the LW Bogdanka Group	697,473	299,328	42.9%

Value of capital expenditure incurred for excavations in H1 2025

Total excavations and works	Depreciation method	Length [running metres]	Value of capital expenditure [PLN thousand].
Gate roads	natural	4,923	
Basic excavations	straight-line	2,465	208,492
Reconstructions	linear/natural	875	

The total length of roadway excavations completed in the period of 6 months of 2025 was 8,081 m. Reconstruction of excavations was carried out according to the adopted schedules. Total expenditures on reconstruction of roadway excavations in this period amounted to PLN 47,782 thousand. The total expenditure incurred on new excavations and modernisation of existing ones amounts to PLN 165,710 thousand.

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, this is 692 m.

Price of coal on the international market

CIF ARA coal prices

- 100.2 USD/t - average CIF ARA coal price in Q2 2025 - 9.6% vs. Q2 2024 (110.8 USD/t)
- compared to the average CIF ARA coal price in Q1 2025 (102.3 USD/t), down by 2.1%
- average price in H1 2025 was USD 101.3/t, a decrease of 6.5% (108.3 USD/t in H1 2024).

Stocks in ARA ports

- approx. 2.9 million tonnes of coal inventories at the end of June 2025 in ARA ports - at the end of March 2025 the inventories stood at 4.7 million tonnes

Prices at major ports worldwide

- 64.0 USD/t - average Baltic Ports FOB coal price in Q2 2025 vs. Q2 2024 (68.6 USD/t) - down by 6.7%
- compared to the average price in Q1 2025 (70.2 USD/t), this means a decline of 8.8%
- average price in H1 2025 amounted to 67.1 USD/t, a decline of 3.3% (69.4 USD/t in H1 2024)

China

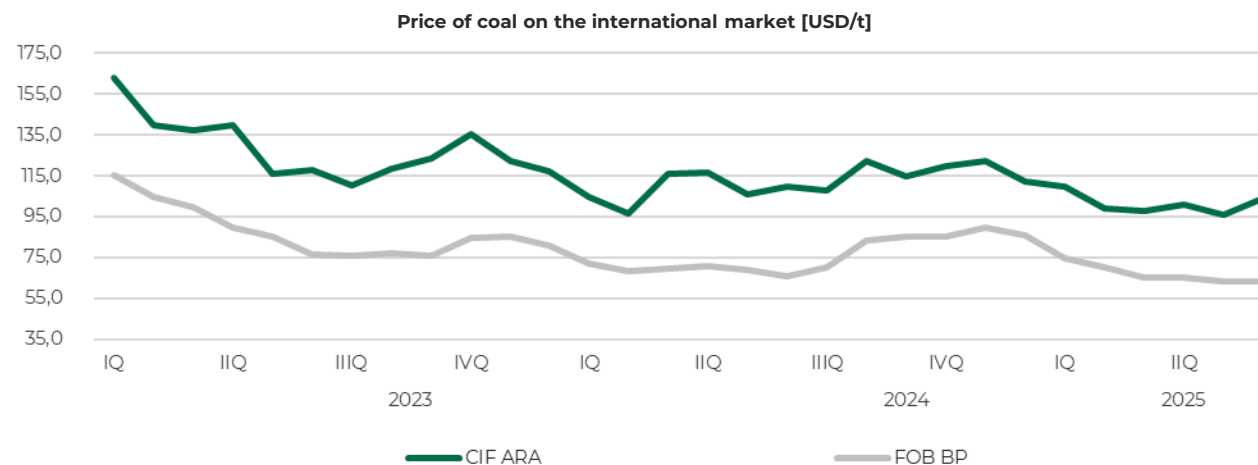
- in H1 2025, approx. 2.4 billion tonnes of coal produced, an increase of 4.3% compared to H1 2024
- imports in H1 2025 amounted to 221.7 million tonnes, down by approximately 11.2% compared to Q1 2024 (249.6 million tonnes)

USA

- in H1 2025, production reached 241.9 million tonnes, 11.1% vs. H1 2024 (217.8 million tonnes)
- consumption in H1 2025 amounted to 195.9 million tonnes, 11.4% more vs. H1 2024 (175.8 million tonnes)
- exports in H1 2025 amounted to 42.7 million tonnes of hard coal, -9.3% y/y (47.1 million tonnes in H1 2024)

Russia

- in H1 2025, production amounted to 216.0 million tonnes, up by 2.4% y/y
- in H1 2025, exports amounted to 78.0 million tonnes, down by 1.5% y/y



Prices of fine steam coal on the domestic market

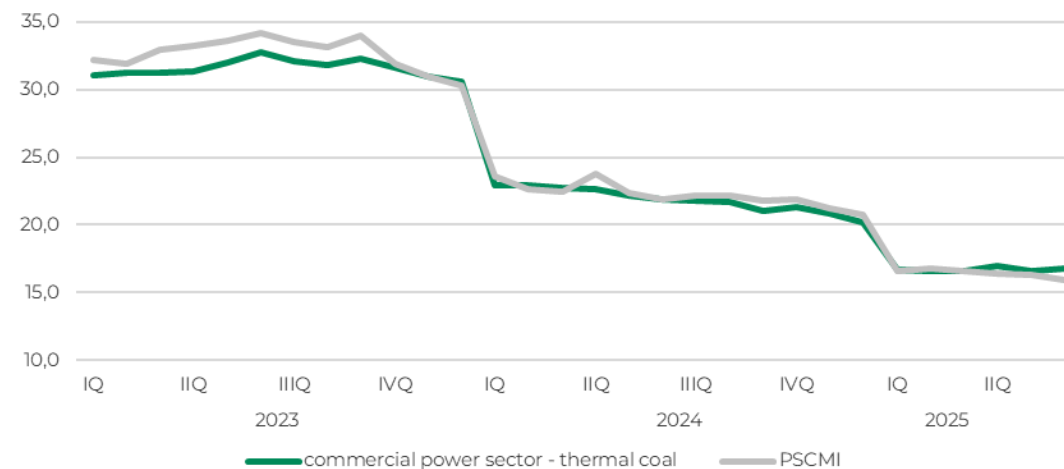
Price of fine steam coal

- the average price of fine steam coal for the commercial power sector in Q2 2025 was 16.8 PLN/GJ, the price decline rate was approx. - 24.3% compared to Q2 2024 (22.2 PLN /GJ)
- the average price of fine steam coal for the commercial power sector in H1 2025 was 16.7 PLN/GJ, the price decline rate was approx. 27.5% compared to H1 2024 (22.5 PLN /GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.7 GJ

Prices from the PSCMI index

- the average price from the PSCMI Index in Q2 2025 was approx. 16.7 PLN/GJ, compared to the average price in Q2 2024 (22.7 PLN/GJ), down by approx. 28.6%
- the average price from the PSCMI Index in H1 2025 was approx. 16.4 PLN/GJ, compared to the average price in H1 2024 (22.8 PLN/GJ), down by approx. 28.1%

Prices of fine steam coal on the domestic market [PLN/GJ]



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

Steam coal production in Poland

- in H1 2025, approx. 14.6 million tonnes of steam coal was produced, down by 9.9% y/y.

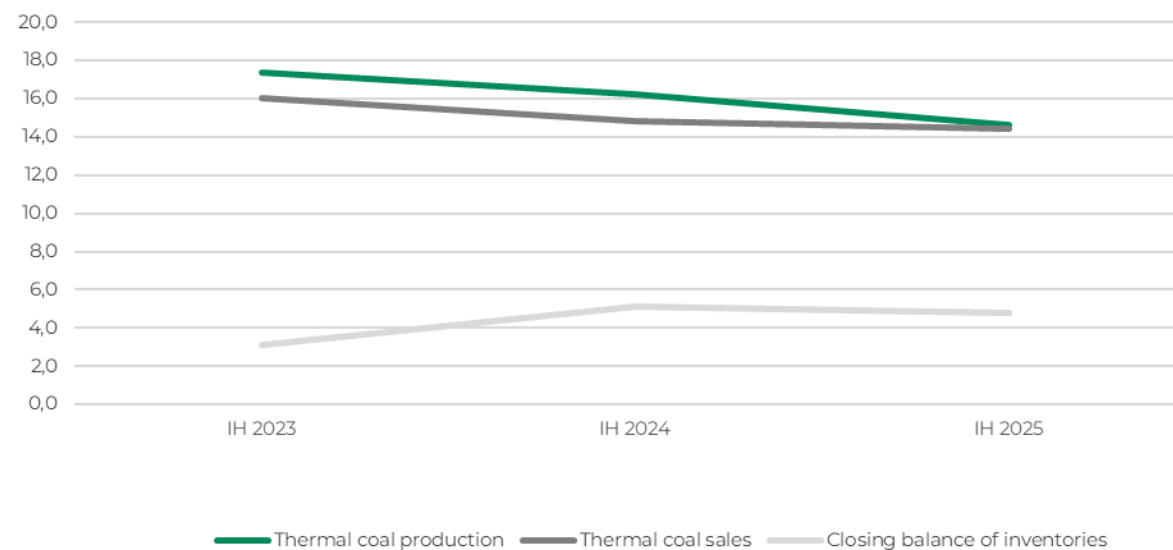
Steam coal sales in Poland

- sales in H1 2025 amounted to approx. 14.4 million tonnes, of which sales to the commercial power sector amounted to approx. 9.9 million tonnes of fine steam coal
- compared to H1 2024, steam coal sales decreased by approx. 2.7%

Coal inventories in Poland

- at the end of H1 2025, steam coal inventories amounted to 4.8 million tonnes (5.1 million tonnes at the end of H1 2024)
- compared to Q1 2025 (4.9 million tonnes), inventories fell by 0.1 million tonnes (+2.0%)

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. 9.9 million tons of fine steam coal. The most important buyers in the commercial power sector are:

- Tauron
- PGE
- Enea
- PGNiG
- ENERGA.

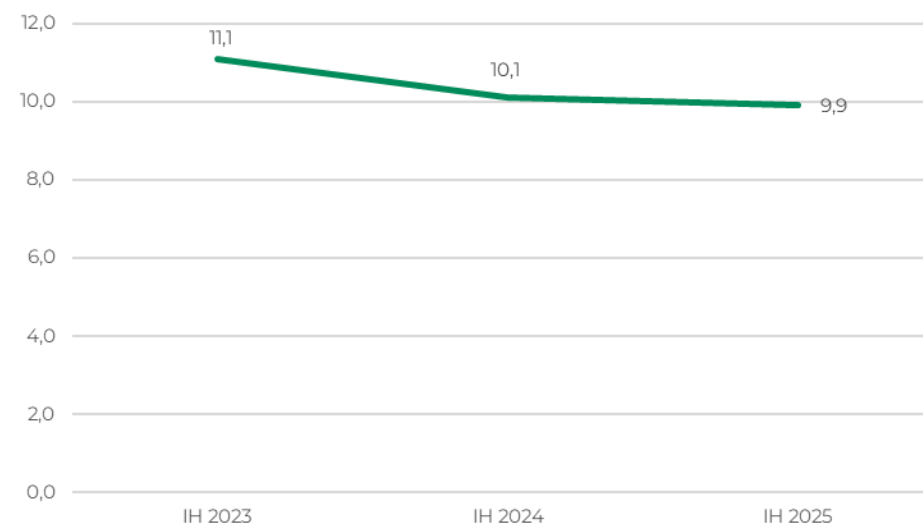
Steam coal sales in Poland

In H1 2025, approximately 14.4 million tonnes of steam coal were sold in Poland. Approximately 13.8 million tonnes of steam coal were delivered to the domestic market, including 12.2 million tonnes of fine steam coal.

Coal exports

Approximately 2.2 million tonnes of coal were exported, including approximately 0.6 million tonnes of steam coal.

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



Production of electricity in Poland

Total electricity production

In H1 2025, 84,418 GWh of electricity was generated, compared to H1 2024 this is an increase of 1,213GWh (+1.5%).

Electricity production from coal

The main fuel for electricity production was coal, which generated 51,532 GWh in H1 2025. This level means a decrease of 722 GWh (-1.4%) compared to H1 2024.
In H1 2025, coal was the source of 61.0% of the total electricity production in Poland - its share in the fuel mix was 1,8% lower compared to H1 2024.

Electricity production from hard coal

In H1 2025, 34,464 GWh of electricity was produced from hard coal (an increase of 1.3% compared to H1 2024).

Electricity production from lignite

In H1 2025, 17,068 GWh of electricity was produced from lignite (-1.6% less compared to H1 2024).

Electricity production from wind power plants

In H1 2025, wind farms produced 12,339 GWh, a decrease of 3.7% compared to H1 2024. The share of wind power in electricity generation was approximately 14.6%.

Electricity production from gas-fired power plants

Electricity production by gas-fired power plants in H1 2025 was 8,922 GWh and it means an increase of 21.2% compared to 1H 2024

Electricity generation from other renewable sources

Electricity production by other renewable energy sources in H1 2025 amounted to 10,292 GWh, up by 17.1% compared to H1 2024.

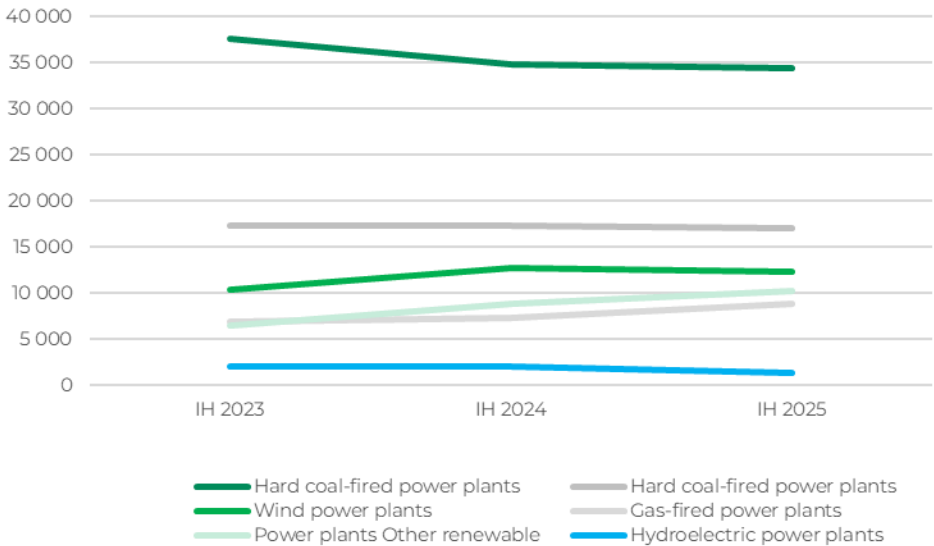
Domestic electricity consumption

In H1 2025, 83,309 GWh of electricity was consumed, compared to H1 2024 it means a decline of 1.991GWh (-2.3%).

Balance of cross-border exchange

Balance of cross-border exchange of electricity in H1 2025 amounted to -1,108 GWh, compared to 2,095 GWh in H1 2024. This means export of energy.

Electricity production in Poland [GW/h]



Key risks and 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

Environment and market	Operational	Financial indicators	Environmental protection	Legal
<ul style="list-style-type: none"> Risks related to the socio-economic situation in Poland and worldwide Risk associated with the state's economic policy towards the hard coal mining industry Risk related to the prices of energy commodities in Poland and globally Risk associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events Risk of restrictive climate policies resulting in changes to applicable law 	<ul style="list-style-type: none"> Risk associated with the launch of mining from new deposits of LW Bogdanka S.A. Technical and technological risks Risks associated with the high costs of the technologies used by the Company Risk of IT system failures Risk of customers' insolvency Risk related to the strong position of the trade unions Risk associated with retaining and recruiting the Group's personnel Key supplier risk Risk of supplier price collusion 	<ul style="list-style-type: none"> Insurance risks 	<ul style="list-style-type: none"> Risks associated with reclamation and mining damage Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits Risk related to mining waste management Investment risk associated with the presence of protected areas 	<ul style="list-style-type: none"> Risk of changes in the tax law Property tax risk in relation to LW Bogdanka S.A.'s mine workings Risk of changes in the law and its interpretation and application Risk of violating stock exchange disclosure obligations Risk of extension of the process of issuing administrative decisions on the conduct of mining operations

Risk related to the Group's social, economic and market environment

Risks related to the socio-economic situation in Poland and worldwide

Factors affecting the financial results of LW Bogdanka S.A.:

- demand for electricity and heat
- development of renewable energy generation sources
- climate policy trends in Poland and in Europe
- prices of raw materials on global markets, which translates into prices of production inputs
- prices of CO₂ emission allowances and the commercial power sector's pressure on coal prices
- coal exports and imports balance from/to Poland
- government plans to expand/modernise Poland's electricity generation system
- plans of the European Parliament to reduce methane emissions in the energy sector
- government policy on the minimum wage in the economy
- pressure from the trade unions to increase wages in the company
- directions and rate of change of domestic and global GDP, including changes in the volume of industrial production
- inflation rate
- unemployment rate.

Countermeasure: monitoring all factors, adjusting operations to the market situation and environment, planning future activities,

formulating long-term financial projections, cost control, entering into long-term contracts, taking measures to improve mining efficiency.

Risk severity: **medium**

Risk associated with the state's economic policy towards the hard coal mining industry

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" (PEP 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 under development due to the changing geopolitical and economic situation and the energy crisis related to Russia's aggression against Ukraine. Nevertheless, it should be noted that despite downward trends, the projected and still relatively high role of coal in the national energy system and in the process of ensuring energy security of the country has a positive impact on the long-term aspect of LW Bogdanka's operations.

Risk severity: **medium**

Risk related to the 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 June 2025, prices at ARA ports reached a level of approx. 103 USD/t, a decrease compared to the average price in June 2024, which amounted to approx. 110 USD/t.

Average CIF ARA prices for 1H 2025 amounted to approximately USD 101/t, while average CIF ARA cumulative prices for the whole of 2024 amounted to approx. USD 112/t. It should be emphasised, however, that despite the decline in CIF ARA quotations in 1H 2025, particularly compared to the record prices of 2022, their level is admittedly below the average CIF ARA prices cumulatively for 2024, but still remains above the average prices for 2019-2021 (the average for this period is approximately USD 77/t).

In the domestic fine steam coal market, the quotations of the PSCMI 1 index (commercial power segment) for the month of May 2025 stood at a level of 16.29 PLN/GJ, and the PSCMI 2 index (commercial and non-professional district heating segment) at a level of approximately 20.04 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 a level of 22.21 PLN/GJ, while the average annual quotation of the PSCMI 2 index in 2024 stood at 23.77 PLN/GJ.

Risk severity: **low**

Risk related to the Group's social, economic and market environment

Risk associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events

The operational activities of LW Bogdanka S.A. are exposed to risks and dangers arising from the specific nature of operations in the mining sector. They include, among others:

- events associated with the environment (including industrial and technological accidents)
- extraordinary events, including geotechnical phenomena, mining disasters, fires or working floodings with underground water
- damages caused by mining operations.

The consequences can be as follows:

- temporary interruptions of operations, losses of property and financial assets
- accidents at work, including fatal accidents
- potential legal liability of the Company.

Countermeasure:

- strict compliance with OHS rules,
- ongoing monitoring of risks associated with the specific workplaces,
- use of solutions in the scope of prevention.

The following is also important:

- use of modern and reliable mining machinery and equipment to reduce the risk of industrial accidents,
- relatively regular location of the coal seams mined,

- relatively low costs associated with repair of mining damages due to the low degree of urbanisation of the area where the mine extracts hard coal,
- high level of personnel skills.

Risk severity: **medium**

Risk of restrictive climate policies resulting in changes to applicable law

The EU's restrictive climate policy is leading to a reduction in greenhouse gas emissions, an increase in the acquisition of renewable energy and increased energy efficiency. In the Polish power generation industry, electricity is produced mainly from coal (hard coal and lignite). Production of electricity or heat from coal involves significant CO2 emissions. Since the beginning of 2021, there has been a significant increase in the price of CO2 emission allowances which, despite a decrease at the turn of 2023 and 2024, continues to remain high, and directly affects the cost of coal combustion. The above restrictions and subsequent draft regulations in the form of regulations on CO2, SOx, NOx, mercury emission standards and quality standards for coal sold on the household market, i.e. the entry into force of the Resolution of the Minister of Industry and the Minister of Climate and Environment of 4 November 2024 on quality requirements for solid fuels prohibiting the sale of coal on the market (or its segment) from 1 July 2027 with a sulphur content exceeding 1.2% and a sintering index of RI>60, the implementation of local government anti-smog resolutions, the introduction of the ETS2 system, as well as the persistently high level of CO2 emission allowance prices, may have a major impact on the competitiveness of LWB-produced coal for electricity and heat generation and may directly

affect the ability to sell LWB-produced coal. As a consequence, the above restrictions or plans of further legal changes may result in further reduction in demand for coal. This may also adversely affect LW Bogdanka S.A.'s coal sales and reduce revenues and, consequently, have a negative impact on the Group's financial performance.

Countermeasure:

- active participation in consultations conducted by the hard coal industry in Poland to minimise the above risks borne by domestic coal producers;
- monitoring changes in the Energy Law or other laws and studying their potential impact on the Group's operations.

Risk severity: **medium**



Risks directly associated with the Group's operations

Risk associated with the launch of mining from new deposits of LW Bogdanka S.A.

An important aspect of the Company's operations is the need to secure future mining opportunities through access to coal resources currently held (subject to the mining concession). The reduction in the resource base resulting from current exploitation due to the depletion of the deposit through its ongoing exploitation, the lack of preparation of the deposit for exploitation and the reduction in the level of extraction will consequently have a negative impact on future financial results.

The development of new deposits requires additional capital expenditure, in particular for the construction of new main workings and at least one shaft (ventilation), and ultimately for the construction of the second shaft (intake-downcast-material). The key issue is to ensure that production efficiency is maintained despite longer transport and haulage routes and reduced effective working hours.

Risk severity: **medium**

Technical and technological risks

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:

- infrastructure accessibility - two mining shafts, two downcast material shafts and one shaft used for ventilation purposes only,
- possibility of transporting the excavated material from the Stefanów field to the Bogdanka field through underground excavations,
- underground coal retention 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.

Risk severity: **medium**

Risks associated with the high costs of the technologies used by the Company

The applied technology of steam coal mining

involves the use of highly specialised machinery and equipment.

Due to global concentration as well as a decreasing number of machinery and equipment manufacturers, there is a risk of unforeseen increases in their prices. This could increase capital expenditure and reduce cost efficiency. There is also the risk of hindered access to unique and original spare parts necessary to guarantee

their continued operation. As depth increases, the difficulty related to the maintenance of workings increases (growth in pressure in the rock mass due to the extensive mining area in which mining is carried out), the temperature increases

in both roadway and longwall workings (due to the "distances" of the workings from the shafts), and certain natural hazards, i.e. water, methane, rock mass tremors. Making available deposits with mining walls exceeding a run length of 7,000 metres and a length of approximately 380 metres requires the implementation of technological and organisational solutions to counteract natural hazards, ensure continuity of production and occupational health and safety. Taken together,

this can result in an increase in coal mining costs. Countermeasure: Control of costs and capital expenditure, use of highly specialised machinery and equipment, high work culture in terms of compliance with mining and geological law and technology, taking care of the equipment used, conducting scientific and research work, implementing innovative technology to improve underground climate conditions, implementing the IIoT platform for the control of operating parameters and continuous analysis of the effective working time of key machines in the production process.

Risk severity: **high**

Risk of IT system failures

Any loss, partial or total, of data related to the

failure of computer systems may adversely affect current operations and thus affect future financial results.

Countermeasures:

- periodic audits of IT security
- reviews of authorisations to IT systems
- raising security levels by continuous monitoring of network traffic of potential threats and implementing solutions to impede access and improve security of access to IT systems
- performing secure backups of systems and data, ensuring rapid restoration of systems in the event of failures.

Risk severity: **low**

Risk of customers' insolvency

The risk of customers' insolvency is associated with the general level of current receivables of the LW Bogdanka Group due from its customers and the balance of receivables over the Group's liabilities. The Group's trade and other short-term receivables accounted for 8.2% of its balance sheet total and 21.7% of its sales revenues for 2024. Trade receivables accounted for 82.7% of total trade receivables and other short-term

receivables.

Countermeasure:

- monitoring of outstanding amounts due from business partners for products sold
- analysis of credit risk for the key business partners on a case by case basis or as part of specific classes of assets
- executing transactions with business partners whose reliability has been confirmed only.

Risk severity: **low**

Risks directly associated with the Group's operations

Risk related to the strong position of the trade unions

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 30 June 2025, there were six trade union organisations active in the Group (of which, at LWB, there were four trade unions representing approximately 71.7% 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.

Risk severity: **medium**

Risk associated with retaining and recruiting the Company's personnel

The labour market is now a worker's market, which promotes the fact that employees can easily switch to a more attractive position. In addition, due to the policy of decarbonising the economy, the mining industry is becoming unattractive to potential job candidates. Concerns about the future of the sector may cause the Company's current employees to seek alternative career opportunities in more stable and forward-looking industries.

In addition, the decarbonisation process will make it difficult to recruit new staff, especially skilled technical staff, engineers or specialists in new mining technologies. As the focus on decarbonisation and energy transition increases, younger generations are less and less willing to work in the coal sector.

Failure to provide competitive employment opportunities and maintain salaries at market standards will result in the loss of highly qualified employees.

Countermeasure:

- building generational continuity - the implementation of development programmes supports the transfer of knowledge and experience from older employees to younger generations
- attracting employees from related industries, investing in employees with non-mining experience helps transform the business and adapt to future labour market requirements
- cooperation with local vocational schools

- (partner mining schools) and universities by defining a framework for cooperation (letters of intent with schools/universities),
- providing employees with opportunities for promotion and development within the company's structures
- building a friendly organisational culture,
- increased competitiveness in the labour market - through the implementation of incentive programmes and appropriate social measures
- management competence development activities among the management and supervisory staff
- employee development programmes.

Risk severity: **medium**

Key supplier risk

The specific nature of the business requires the use of technologies that often involve the use of highly specialised machinery and equipment and the use of specialised services. Thus, there is a potential risk of problems in finding suitable suppliers, as well as the risk that suppliers default on their contracts. This also applies to contractors for specialised mining services, as there may be

dependence on these entities due to their small number in the Polish market.

Countermeasure: assessment of potential risks associated with the conclusion of contracts with suppliers in terms of performance of contracts and possibility of starting cooperation with other suppliers. In addition, a performance bond is required to

secure the performance of contracts subject to increased risk.

Risk severity: **high**

Risk of supplier price collusion

The requirement for highly specialised products and services and the legal aspects that must be met in order for such products and services to be considered appropriate carry the risk of price collusion. Thus, there is a potential risk of a group

of suppliers agreeing on commercial terms that may be offered to LW Bogdanka S.A.

Countermeasure:

- ongoing market monitoring and new supplier acquisition
- periodic analysis of contract prices and assessment of market trends
- searching for replacement products.

Risk severity: **medium**



Financial and environmental protection risks

Insurance risk

The Group is exposed to insurance risks, both to the standard extent applicable to all business entities and to the extent typical of entities in the mining industry arising from risks accumulated in the underground part of the mine. Given the significance of the risks to which the Group is exposed, where particularly justified, these risks are transferred externally on the basis of insurance contracts concluded. The Group is covered for underground property, surface property and business liability (third-party liability), as well as for other, less significant risks. In addition to covering potential business liability and property damage, the Group also covers risks of loss of profit (Business Interruption) and the risk of "terrorism" in relation to risks on the mine surface.

Risk severity: **medium**

Risks associated with reclamation and mining damage

The LW Bogdanka Group is responsible for

reclamation of post-mining areas and removal of mining damage. The existing standards regarding reclamation and removal of mining damage may change in the future and greater severity is anticipated in this respect. Countermeasure: repair works, preventive protection of buildings against the effects of mining damage and reimbursement to investors of costs of adapting new buildings constructed

within the mine site, ongoing dialogue with the local community. Advance inventory of construction facilities to eliminate unjustified claims. Ongoing monitoring of land subject to mining impact. Meetings of the Consulting Team for periodic assessment of impacts of mining operations on the land surface within the borders of Cyców, Ludwin and Puchaczów municipalities organised by the Director of the Mining Authority twice a year. Consistent execution of drainage hydrological works and land reclamation in the affected area.

Risk severity: **low**

Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits

The activities of LW Bogdanka S.A. exert a significant impact on the environment. Accordingly, it must hold certain permits and comply with regulatory standards for the use of the environment (including the BAT requirements of BAT - Best Available Techniques). They refer, in particular, to:

- water and sewage management
- waste management
- emissions of substances and noise into the air
- use of natural resources.

Countermeasure The Company monitors regulations on an ongoing basis and adjusts its operations as necessary within statutory deadlines.

Risk severity: **medium**

Risk related to mining waste management

The Company generates significant quantities of mining waste. The mining waste is subject to

management (recovery) and storage at the mining waste disposal facility in Bogdanka.

Approx. 50% of waste is processed and 50% is kept in the facility.

Based on a construction permit, the Company is conducting works to increase the current spoil tip (to 250 m a.s.l.) and to enlarge the spoil tip in the eastern part. It has also taken steps to acquire adjacent land for further expansion, and another permit has been obtained for the expansion of the mining waste facility in the south-eastern part, which will secure waste storage for the next 6-7 years. Further actions are being taken to acquire more land to expand the facility.

Failure to complete this investment will entail the risk of undermining the stability of the mining process and the need to seek alternative methods of mining waste management.

Countermeasure: The Group has been carrying out works to elevate and expand the existing mining waste facility. It has also continued efforts to acquire further land for the upcoming stages of spoil tip expansion.

The Parent Company takes intensive efforts related to recovery and management of mining waste.

Risk severity: **medium**

Investment risk associated with the presence of protected areas

The mine is located close to protected areas (a national park, landscape parks, protected landscape areas, wildlife corridor, as well as two Natura 2000 areas located partially in the mining area and three in close proximity to the mining area). All planned investments must be analysed in terms of their potential negative impact on protected areas. There is a risk that in case of undertaking investment activities, certain obligations or stricter requirements may be imposed on the mine with a view to reducing negative environmental impacts. An objection may also be lodged against the performance of a particular investment project. Such investment restrictions may require higher capital

expenditures and hence may affect the financial result.

Countermeasure: ongoing monitoring, adjusting operations to meet the requirements and obligations.

Risk severity: **medium**

Risks relating to proceedings and the legal environment

Risk of changes in the tax law

Lack of stability and transparency in the Polish tax system, resulting from the changes in regulations and inconsistent interpretations of the tax law, can cause uncertainty in the final results of financial decisions. Continuous amendments to tax laws and also strict sanction regulations are not incentives to take such decisions. Volatility of regulations and sometimes even of interpretations thereof may entail occurrence of any types of risks. Consequently, the amount of tax due indicated in the financial statement may need to be modified later, after the final decision of tax authorities. Countermeasure:

- monitoring the changing tax laws
- training for employees to make sure they are as competent as possible in this area
- thorough analyses of any emerging tax issues, including by relating them to recent tax interpretations and court rulings on similar issues, requesting individual tax interpretations
- using the assistance of advisory companies
- performance of the Transfer Pricing Policy which sets forth the terms and principles of setting prices for transactions executed
- within the Group
- application by the Parent Company of a tax strategy as referred to in Article 27c of the Act on Corporate Income Tax.

Risk severity: **medium**

Property tax risk in relation to LW Bogdanka S.A.'s mine workings

In line with the strategy adopted, the Parent Company also takes into account the values of underground mine workings and the equipment

located in these workings in its property tax declarations from 2019 for the purpose of calculating this tax. At the same time, the provisions of the Act of 19 November 2024 amending the Agricultural Tax Act, the Local Taxes and Fees Act and the Stamp Duty Act entered into force on 1 January 2025. This legislation introduces quite significant changes in the area of real estate tax, including a revised definition of a building and a new list of and scope of objects that will be considered as structures subject to property tax therefore the Parent Company has taken appropriate measures in order to mitigate the risk in this regard.

Countermeasure

- monitoring the changing tax laws
- training for employees to make sure they are as competent as possible in this area
- thorough analyses of any emerging tax issues, including by relating them to recent tax interpretations and court rulings on similar issues, using the assistance of advisory companies.

Risk severity: **low**

Risk of changes in the law and its interpretation and application

The laws in Poland change quite frequently. Interpretations of the law and the practice of

applying it also are subject to change. Changes to interpretation of tax regulations are particularly frequent. There is a lack of uniformity in the practice of tax authorities and case-law in the sphere of taxation. The adoption by the tax authorities of an interpretation of tax law different from that adopted by the Group or the introduction of new requirements by the Mining Law may imply a deterioration in its financial position and, as a result, adversely affect the Group's results and development prospects of the Group.

Countermeasure

- using the services of legal advisers and advisory companies, as well as consulting a variety of offices specialising in the issues

under analysis

- if applicable, the Group also requests binding interpretations of the law.

Despite the efforts undertaken it is not possible to fully eliminate the risks although the Management Board believes that the risk is significantly mitigated.

Risk severity: **medium**

Risk of violating stock exchange disclosure obligations

As the shares in LW Bogdanka S.A. are listed on the Warsaw Stock Exchange, the Company is subject to a number of obligations which, in case of failure to perform or improper performance, may entail significant fines. Countermeasure: reliable fulfilment of the obligations imposed, preceded by the introduction of internal procedures defining the circulation of stock exchange information at LW Bogdanka S.A., as well as constant monitoring of the Company's activities in terms of its disclosure obligations.

Risk severity: **low**

Risk of extension of the process of issuing administrative decisions on the conduct of mining operations

As other mines, LW Bogdanka S.A. carries out the mining operations based on the Mine Operation Plan approved by the Director of the Regional Mining Authority. The current Operation Plan covers the years 2023-2025 and has been subject to numerous updates in connection with the changes in circumstances arising during the operations. An update to the Operation Plan in the form of a Supplement is approved by means of an administrative decision subject to the same principles as the Plan. The Company was informed that one of the social organisations, which indicates in its statutory objectives the protection of nature, landscape and the environment, had applied for admission to participate in the administrative proceedings for updating the Operation Plan currently in effect in the Company. An intervention by social

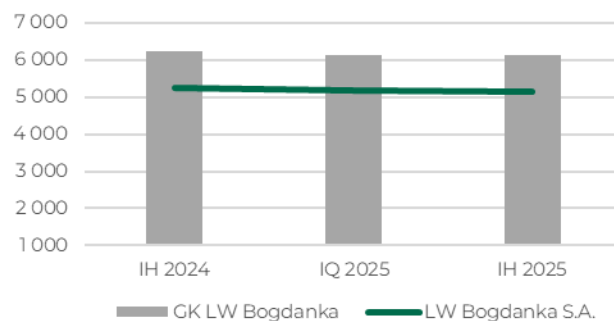
organisations which are negatively inclined towards the Company in the procedures regarding approval of updates of the Operating Plan entails the risk that this process will be prolonged, and thus may have the effect of obstructing the mining operations covered by the Supplement. To mitigate the above risk, the Company conducts educational and information activities regarding the impact of mining operations on the environment, as well as relies on the support of reputable law firms to conduct the proceedings.

Risk severity: **high**

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.

Headcount in the Group



Key HR objectives:

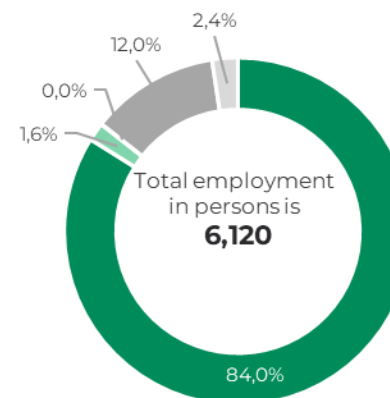
- Attracting and retaining the best employees
- Increased level of occupational safety
- Technical improvement of occupational safety
- Industry re-qualification programme for mining workers

Headcount in the Group

In H1 2025, there was an increase in headcount in the LW Bogdanka Group by 1.6% compared to H1 2024.

Headcount in LW Bogdanka S.A.

In H1 2025, the Parent Company employed 84.0% of the LW Bogdanka Group's total workforce. Blue-collar workers accounted for 80.2% of LW Bogdanka S.A.'s total workforce. Compared to H1 2024, the number of underground workers decreased by 1.4%. In H1 2025, 3 people were employed by LW Bogdanka S.A., while 89 people left the Company in the same period.



Employment structure in the LWB Group by company

- LW Bogdanka S.A.
- Łęczyńska Energetyka sp. z o.o.
- EkoTrans sp. z o.o.
- RG Bogdanka sp. z o.o.
- MR Bogdanka sp. z o.o.

Headcount in persons	30.06.2024	31.03.2025	30.06.2025	Employment structure in the Group	Change H1 2025 H1 2024	Change H1 2025 Q1 2025
Total workers	4,230	4,154	4,120	-	-2.6%	-0.8%
Underground employees	3,185	3,157	3,136	-	-1.5%	-0.7%
Surface employees	1,045	997	984	-	-5.8%	-1.3%
Full-time underground employees	583	578	580	-	-0.5%	0.3%
Full-time surface employees	452	442	439	-	-2.9%	-0.7%
Total underground employees	3,768	3,735	3,716	-	-1.4%	-0.5%
LW Bogdanka S.A.	5,265	5,174	5,139	84.0%	-2.4%	-0.7%
RG Bogdanka sp. z o.o.	734	701	735	12.0%	0.1%	4.9%
MR Bogdanka sp. z o.o.	125	140	144	2.4%	15.2%	2.9%
EkoTrans Bogdanka sp. z o.o.	1	1	1	0.0%	0.0%	0.0%
Łęczyńska Energetyka sp. z o.o.	97	99	101	1.6%	4.1%	2.0%
GK LW Bogdanka	6,222	6,115	6,120	100.0%	-1.6%	0.1%

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 Brzeziczno 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. In connection with the foregoing, long-term activities are carried out that are included in the Integrated Quality, Environmental and Health & Safety Management System and certified under the PN EN ISO 14001, 9001 and 45001 standards. Ongoing operations are designed to mitigate the environmental impact of the Group's activities.

Carbon footprint

In H1 2025, the work on developing a new methodology for calculating the carbon footprint for the LW Bogdanka S.A. Group 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 the consultancy firm, KPMG Sp. z o.o., the data collection methodology was developed for the calculation of Scope 1, 2 and 3 greenhouse gas emissions, including a methodology for calculating the carbon footprint of the for scopes 1, 2 and 3. On that basis, the emission report for 2024 was prepared, while consolidating it with emissions across the 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 completion of the computerisation project is planned with the adoption of the developed methodologies (second half of the year).

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/>.
- H1 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 Voivodeship". 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.

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, during the same period both LW Bogdanka and PPN expressed their willingness to continue their cooperation and therefore on 23 January 2025 another year of its operation was initiated at the headquarters of the Poleski National Park. The tasks defined in the Protection Plan for Poleski National Park, established by the Regulation of the Minister of the Environment on the establishment of the Protection Plan for Poleski 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 H1 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 H1 2025, financial assistance was provided to 25 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 and Information 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 the blood donation campaign in Bogdanka and promotion of voluntary blood donation
- Supporting the activities of the Foundation of Mining Families
- Maintaining the cooperation with the "Maksymilian" Regional Sobriety Centre in Łęczna.

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 “LW Bogdanka Group's ESG strategy for 2023-2025 with an outlook to 2040” in force in H1 2025. Engagement with the local environment is in line with the assumptions for the update of the ESG Strategy. 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 H1 2025 by the Management Board of LW Bogdanka S.A. actively supported the achievement of socially useful goals by various entities from the social environment. 4 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.

In July 2025, at the Creative Work Centre in Ciechanki, the official closure of the first half of this year's project edition took place, at the same time as the pilot module dedicated to female employees of LW Bogdanka was concluded. They shared their experience during a panel discussion. Special guest at the meeting was Agata Buzek, who talked about balance in life, intuition, acceptance and freedom. As part of the event entitled, “Halfway Power”, the exhibition of photographs by Paweł Totoro Adamiec presenting the project participants was also held.

Moreover, the participants had the opportunity to attend the theatre performance “Republic of

Dreams” directed by Paulina Prokopiuk (winner of one of the edition of the Bogdanka Cultural Scholarships in Chatka Żaka). The event was also honoured by the presence of Mr Jerzy Buzek.



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 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.

In H1 2025, it was possible to complete the stage of the LW Bogdanka impact survey among representatives of institutions and students and employees of the Company.

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 accordance with the Corporate Sustainability Reporting Directive (the so-called 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 found 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 H1 2025, the LW Bogdanka Group updated the LW Bogdanka Group's ESG Strategy for 2023-2025 with an outlook to 2030, adopted in December 2022.

The basis for the update was the LW Bogdanka Group's Development Strategy until 2030 with an outlook until 2040, announced on 16 April 2025. Following the model of the current ESG strategy, the overarching goal of the update was to fill gaps and take action in areas and issues identified as vulnerabilities, as well as to enhance strengths in the areas of the environment, community and corporate governance – from the perspective of

the organisation and the region, taking into account the perspectives of various stakeholder groups, legal conditions, market trends, 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.

Following the redrafting of the document by the Management Board and the Supervisory Board, the updated ESG Strategy was presented to stakeholders for information.

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 most important item of the first meeting of the Scientific Council in 2025 was the presentation of the main assumptions of the "Environmental Report" which was delivered by representatives of the contractors and the Institute of Mineral Raw Material and Energy Management of the Polish Academy of Sciences. The assumptions of the newly developed ESG Strategy were also discussed. Moreover, the scientific seminar organised in December 2024 entitled "Challenges and opportunities for sustainable development of LW Bogdanka in the context of environmental and socio-economic conditions" and cooperation with Poleski National Park was summarised, with special emphasis on the Fund for Research and Activities for Environmental Protection in the Lublin Coal Basin.

3. Financial standing



Coal production, sales and inventory of the LW Bogdanka Group

Production and sales of the Company's commercial coal

[thousand tonnes]	IIQ 2024	IIQ 2025	Change	Change %	IH 2024	IH 2025	Change	Change %
Gross coal extracted	2,633	2,018	-615	-23.4%	5,529	5,863	334	6.0%
Commercial coal production	1,622	1,220	-402	-24.8%	3,497	3,872	375	10.7%
Mining yield (%)	61.6%	60.5%	-1.1 p.p	-1.8%	63.2%	66.0%	2.8 p.p	4.4%
Sales of commercial coal	1,871	1,765	-106	-5.7%	3,628	4,002	374	10.3%
New excavations (km)	5.3	4.4	-0.9	-17.0%	11.7	9.0	-2.7	-23.1%

Company's commercial coal inventories

[thousand tonnes]	30.06.2024	31.12.2024	30.06.2025	Change [%]	Change [%]
Coal inventories	240	159	29	-81.8%	-87.9%

Commercial coal production structure

[%]	Q2 2024	Q2 2025	H1 2024	H1 2025
Fine coal	97.8%	97.3%	98.6%	98.1%
Chestnut coal	0.2%	0.1%	0.2%	0.1%
Pea coal	2.0%	2.6%	1.2%	1.8%
Total	100.0%	100.0%	100.0%	100.0%

The financial results generated by the Group in H1 2025 were affected by a lower coal sales price, which was offset by higher sales.

Moreover, the results for the period were also significantly affected by the compensation received and lower depreciation resulting from the lower carrying amount of non-current assets, due to the write-downs applied in 2024. The Company retains a possibility to respond to the market situation on an ongoing basis by adjusting production, due to the preparatory work carried out last year and this year.

Inventories

(-) at the end of Q2 2025, coal inventories stood at 29 thousand tonnes, down by 130 thousand tonnes compared to the status as at 31 December 2024
 (-) the level of coal inventories presented at the end of Q2 2025 corresponds approximately to one day's production of commercial coal (based on 6-month averagedaily production)

Commercial coal production structure

(+) the dominant share of production of fine coal sold to industrial customers was maintained
 (+) In Q2 2025 as well as in the entire H1 2025, the higher share of pea coal in the production structure is related to higher sales to Ukrainian customers.

Coal production

(+) gross coal production in H1 2025 increased by 6.0%, i.e. by 334 thousand tonnes and amounted to 5,863 thousand tonnes

(+) commercial coal production in H1 2025 was 3,872 thousand tonnes, i.e. 375 thousand tonnes more than in the corresponding period of 2024

(+) yield reached 66.0% in H1 2025 compared to 63.2% in H1 2024.

Coal sales

(+) in H1 2025, sales of commercial coal amounted to 4,002 thousand tonnes, i.e. 10.3% more than in the corresponding period of 2024

(+) in Q2 2025, coal sales increased by 5.7% compared to Q2 2024, amounting to 1,765 thousand tonnes

Sales revenues and main customers of the LW Bogdanka Group

Changes in sales revenue on various items

[PLN thousand]	Q2 2024	Q2 2025	Change	Change %	H1 2024	1H 2025	Change	Change %
Sales of coal	833,504	634,180	-199,324	-23.9%	1,626,465	1,480,048	-146,417	-9.0%
Other operations	17,067	15,645	-1,422	-8.3%	35,852	34,781	-1,071	-3.0%
Sales of goods and materials	4,107	3,871	-236	-5.7%	8,264	7,758	-506	-6.1%
Total	854,678	653,696	-200,982	-23.5%	1,670,581	1,522,587	-147,994	-8.9%

Structure of revenues

[%]	Q2 2024	Q2 2025	H1 2024	1H 2025
Sales of coal	97.5%	97.0%	97.4%	97.2%
Other operations	2.0%	2.4%	2.1%	2.3%
Sales of goods and materials	0.5%	0.6%	0.5%	0.5%
Total	100.0%	100.0%	100.0%	100.0%

Geographical structure of sales revenues

[PLN thousand]	IIQ 2024	Structure	IIQ 2025	Structure	IH 2024	Structure	IH 2025	Structure
Domestic sales	853,790	99.9%	631,735	96.6%	1,650,946	98.8%	1,474,946	96.9%
Foreign sales	888	0.1%	21,961	3.4%	19,635	1.2%	47,641	3.1%
Total	854,678	100.0%	653,696	100.0%	1,670,581	100.0%	1,522,587	100.0%

Revenue from coal sales

(-) in Q2 2025, the Group generated PLN 634,180 thousand revenue from coal sales, down by 23.9% compared to Q2 2024.

(-) in H1 2025, revenue from coal sales amounted to PLN 1,480,048 thousand vs. PLN 1,626,465 thousand in H1 2024, down by 9.0% y/y.

(-) in Q2 2025, the decline in revenue occurred due to both lower price and lower volume of coal sold, while in H1 2025, the decrease in revenue was due to a lower price with higher volumes of coal sold.

The main source of the Group's sales revenue is the production and sales of steam coal by the Parent Company. This activity generates approximately 98% of LW Bogdanka Group's sales revenue in each of the comparative reporting periods.

Revenue from other operations

In Q2 2025, revenue from other activities (which includes revenue of subsidiaries earned outside the LWB Bogdanka Group) amounted to PLN 15,645 thousand, compared with PLN 17,067 thousand in the corresponding period of 2024, down by 8.3% 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.

In H1 2025, revenues from other operations amounted to PLN 34,781 thousand compared to PLN 35,852 thousand in the corresponding period of the previous year, which means a decline of 3.0%.

The decline in this group is attributable, above

all, to lower sales of scrap, i.e. casings recovered from decommissioning of galleries that are not suitable for reclamation and reuse.

Geographical structure of sales revenues

The Group's operations are focused predominantly in Poland. In H1 2025, coal sales abroad (Ukraine, Slovakia) took place both through an intermediary coal entity and directly.

Main customers

Approximately 80% of coal sales (in terms of value) in H1 2025 took place to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A.

In the corresponding period of 2024, the share of the above-mentioned recipients was almost identical and amounted to 79%.

Major customers by share in revenue:

- Enea Wytwarzanie Sp. z o.o. - Grupa Enea S.A. - approx. 64% share in revenues
- Enea Elektrownia Połaniec S.A. - Grupa Enea S.A. - approx. 16% share in revenues

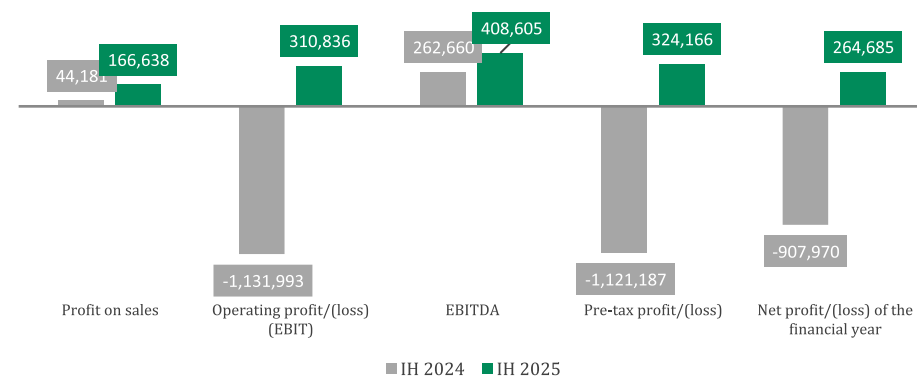
Key financial results of the LW Bogdanka Group

Analysis of the consolidated statement of profit or loss

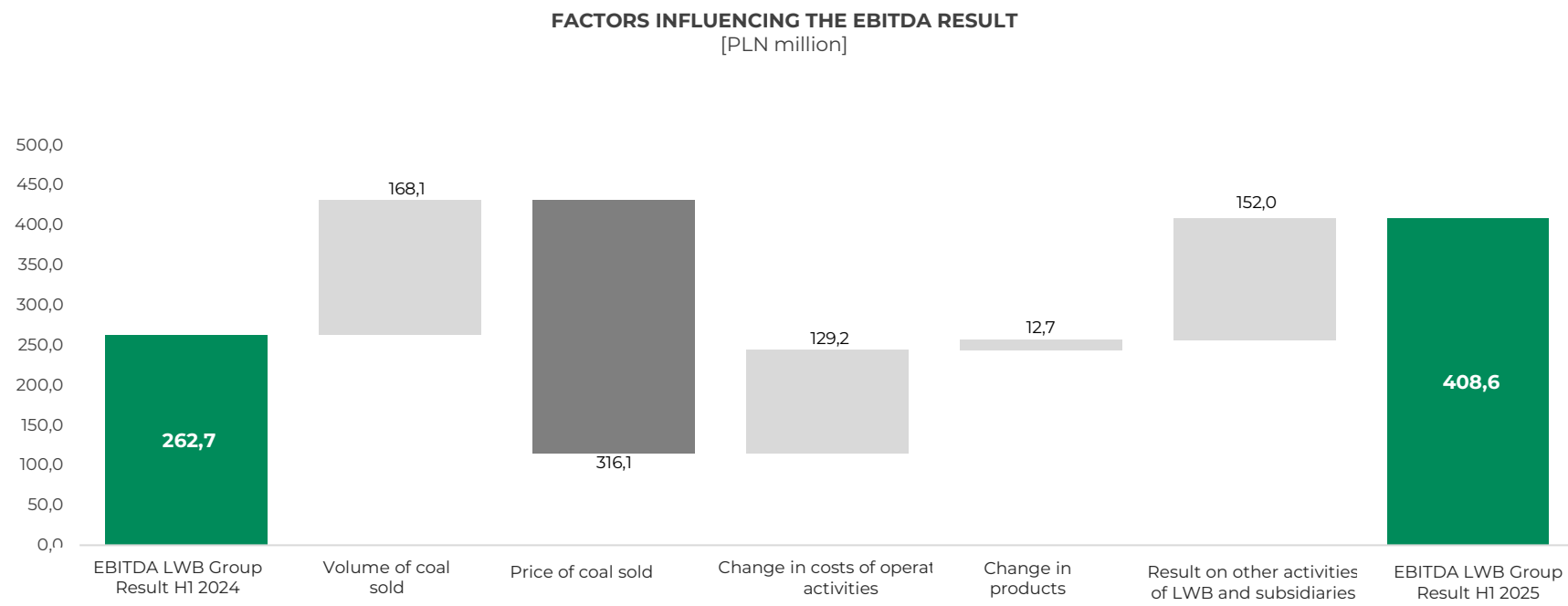
[PLN thousand]	IIQ 2024	IIQ 2025	Change	IH 2024	IH 2025	Change
Sales revenue	854,678	653,696	-23.5%	1,670,581	1,522,587	-8.9%
Costs of products, goods and materials sold, selling and administrative expenses	855,980	686,180	-19.8%	1,626,400	1,355,949	-16.6%
Profit (loss) on sales	-1,302	-32,484	2394.9%	44,181	166,638	277.2%
Gross return on sales	-0.2%	-5.0%	-4.8 p.p.	2.6%	10.9%	8.3 p.p.
Other revenues	339	3,018	790.3%	4,041	148,697	3579.7%
Other costs	659	1,845	180.0%	858	1,930	124.9%
Operating profit/(loss)	-1,622	-31,311	1830.4%	47,364	313,405	561.7%
Other losses - net	-4,405	-1,412	-67.9%	-5,089	-2,426	-52.3%
Impairment loss allowance for non-current assets	-1,174,268	-143	-100.0%	-1,174,268	-143	-100.0%
Operating profit/(loss) (EBIT)	-1,180,295	-32,866	-97.2%	-1,131,993	310,836	-127.5%
EBIT margin	-138.1%	-5.0%	133.1 p.p.	-67.8%	20.4%	88.2 p.p.
EBITDA	100,195	13,629	-86.4%	262,660	408,605	55.6%
EBITDA margin	11.7%	2.1%	-9.6 p.p.	15.7%	26.8%	11.1 p.p.
Financial income	11,593	14,118	21.8%	23,123	28,136	21.7%
Financial costs	5,226	6,312	20.8%	12,317	14,806	20.2%
Pre-tax profit/(loss)	-1,173,928	-25,060	-97.9%	-1,121,187	324,166	-128.9%
Profit margin before tax	-137.4%	-3.8%	133.6 p.p.	-67.1%	21.3%	88.4 p.p.
Income tax	223,179	5,832	-97.4%	213,217	-59,481	-127.9%
Net profit/(loss) for the period	-950,749	-19,228	-98.0%	-907,970	264,685	-129.2%
Net profitability	-111.2%	-2.9%	108.3 p.p.	-54.4%	17.4%	71.8 p.p.



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



EBITDA of LW Bogdanka Group in H1 2025



(+) Increase in coal volume sales
(-) Lower price of coal sold
(+) Decline in consumption costs of materials and energy and other costs, with higher costs for third-party services, taxes and charges and employee benefits
(+) In January 2025, the Parent Company received compensation for damages to underground assets

Key financial results of the LW Bogdanka Group

Sales revenues

Sales revenue in Q2 2025 decreased by 23.5% in relation to the corresponding period of the preceding year and amounted to PLN 653,696 thousand.

In H1 2025, the Group generated revenues of PLN 1,522,587 thousand compared to PLN 1,670,581 thousand in 2024 (down by 8.9%).

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

In Q2 2025, the total costs of products, goods and materials sold as well as sales and administrative costs amounted to PLN 686,180 thousand and were lower by PLN 169,800 thousand compared to Q2 2024, when they stood at PLN 855,980 thousand.

In H1 2025, the costs of products, goods and materials sold and sales and administrative costs decreased compared to H1 of the previous year from PLN 1,626,400 thousand to PLN 1,355,949 thousand, i.e. by 16.6%.

Profit (loss) on sales

In Q2 2025, loss on sales amounted to PLN 32,484 thousand, compared to PLN 1,302 thousand in the corresponding period of 2024.

In H1 2025, the Group generated profit on sales in the amount of PLN 166,638 thousand vs. PLN 44,181 thousand in the corresponding period of 2024.

Other revenues

Other revenues in H1 2025 amounted to PLN 148,697 thousand compared to PLN 4,041 thousand in the previous year.

This item records, among others:

- compensations received
- reversal of other provisions for liabilities

- reversal of impairment losses
- excise tax refund

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

Other costs in H1 2025 amounted to PLN 1,930 thousand compared to PLN 858 thousand in the corresponding period of 2024.

This item records, among others:

- donations
- enforcement fees and penalties
- compensations paid.

The increase is mainly due to the higher value of donations contributed.

Other losses - net

In Q2 2025, other net losses amounted to PLN 1,412 thousand, compared to the net loss of PLN 4.405 thousand in Q2 2024.

In H1 2025, other net losses amounted to PLN 2,426 thousand, compared to PLN 5.089 thousand in H1 2024.

Revaluation charge

In H1 2024, as a result of an asset impairment test, a write-down of PLN 1,174,196 thousand (the total amount of write-downs relating to fixed assets, together with other write-downs, amounted to PLN 1,174,268 thousand). In H1 2025, the write-down amounted to PLN 143 thousand and related to land bought back as part of mining damages.

EBIT

The operating result in Q2 2025 amounted to PLN -32,866 thousand. At the same time, the EBIT margin amounted to -5.0%, i.e. 133.1 p.p. more than in Q2 of the previous year.

EBIT profitability for H1 2025 was higher by 88.2 p.p. compared to H1 2024 and amounted to 20.4%. In H1 2025, the EBIT operating result amounted to 310,836 thousand compared to the negative result

of PLN -1,131,993 thousand for H1 2024.

EBITDA

EBITDA in Q2 2025 decreased by 86.4% compared to Q2 2024 and amounted to PLN 13,629 thousand. The EBITDA margin in Q2 2025 was lower than in the corresponding period of 2024 and amounted to 2.1%.

In H1 2025, the Group reached the EBITDA margin of 26.8%, i.e. 11.1 p.p. more than in the corresponding period of 2024 (in the period under review, EBITDA result increased by 55.6%). In H1 2025, EBITDA amounted to PLN 408,605 thousand, compared to PLN 262.660 thousand in H1 2024.

Financial income

Financial income in Q2 2025 amounted to PLN 14,118 thousand compared to PLN 11,593 thousand in Q2 2024.

In H1 2025, financial revenues amounted to PLN 28.136 thousand, compared to PLN 23.123 thousand in the previous year. The higher financial income in H1 2025 is primarily driven by higher 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 Q2 2025 were 20.8% higher than the costs of the corresponding period of 2024, amounting to PLN 6,312 thousand. Financial costs for H1 2025 amounted to PLN 14,806 thousand and were at a higher level than in the corresponding period of 2024. As at 30 June 2025, the Group had no interest-bearing debt.

Pre-tax profit/(loss)

In Q2 2025, the Group recorded a pre-tax loss of PLN 25,060 thousand compared to the pre-tax loss of PLN 1,173,928 thousand in Q2 2024.

Profit before tax for H1 2025 amounted to PLN 324,166 thousand compared to the pre-tax loss of PLN 1,121,187 thousand in the corresponding period of 2024.

Net profit/(loss) for the period

In Q2 2025, the Group recorded the net loss of PLN 19,228 thousand, compared to the net loss of PLN 950,749 thousand in Q2 2024.

The Group's net profit for H1 2025 amounted to PLN 264,685 thousand compared to the net loss of PLN 907,970 thousand in the corresponding period of the previous financial year.



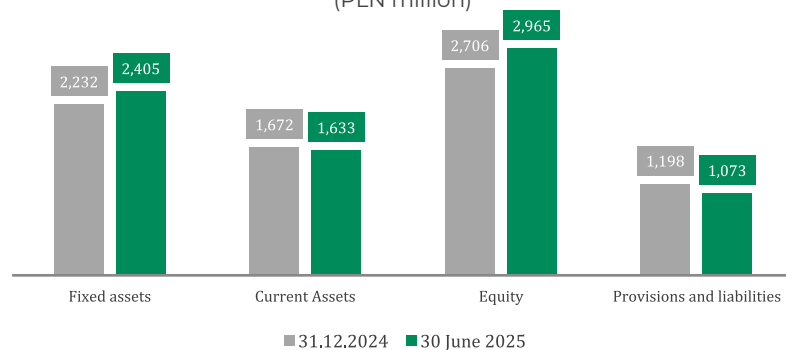
Balance sheet of LW Bogdanka Group

Balance sheet

	31.12.2024	30 June 2025	Change
[PLN thousand]			
Total assets	3,904,460	4,037,916	3.4%
Return on assets (ROA)*	-30.9%	-8.0%	22.9 p.p.
Non-current assets	2,231,970	2,404,996	7.8%
Current Assets	1,672,490	1,632,920	-2.4%
Equity	2,706,495	2,965,153	9.6%
Return on equity (ROE)*	-42.5%	-11.2%	31.3 p.p.
Provisions and liabilities	1,197,965	1,072,763	-10.5%

*the calculation takes into account the net result for the last four quarters and the average level of assets and equity (as at 30 June 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 30 June 2025 in relation to the value as at 31 December 2024 increased by PLN 133,456 thousand and amounted to PLN 4,037,916 thousand, with non-current assets increasing by PLN 173,026 thousand and current assets by PLN 39,570 thousand. Among fixed assets, the most significant change is an increase in property, plant and equipment by PLN 191,430 thousand. Among current assets, the most significant change is a decline in trade and other receivables by PLN 251,577 thousand and a decline in inventories by PLN 46,861 thousand. At the same time, other short-term investments of PLN 607,219 thousand were recognised, with a decline in cash and cash equivalents of PLN 381,064 thousand (these investments consist of bank deposits made by the Parent Company with maturities exceeding 3 months).

As at 30 June 2025, the return on assets (ROA) was -8.0%, compared to -30.9% at the end of 2024.

Equity and liabilities

Equity increased by 9.6%. This is mainly due to the inclusion of the total net income for H1 2025. Provisions and liabilities decreased by 10.5% compared to the value as at 31 December 2024, with current liabilities falling by 18.6% (mainly as a result of a decline in trade payables with a slight increase in provisions for employee benefits) and long-term liabilities increasing by 1.2% (mainly as a result of an increase in provisions for employee benefits). As at 30 June 2025, return on equity increased by 31.3 p.p. compared to the end of 2024. The value of the ratio as at 30 June 2025 stood at -11.2% compared to -42.5% as at 31 December 2024.

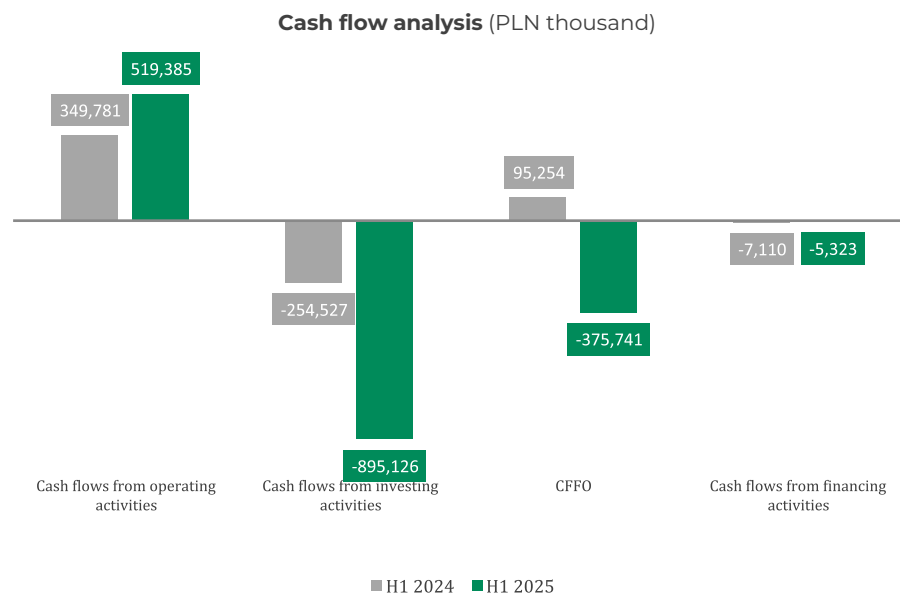


Cash flows of the LW Bogdanka Group

Cash position

[PLN thousand]	Q2 2024	Q2 2025	Change	H1 2024	1H 2025	Change
Cash flows from operating activities	149,681	164,587	10.0%	349,781	519,385	48.5%
Cash flows from investing activities	-104,851	-562,393	436.4%	-254,527	-895,126	251.7%
CFFO*	44,830	-397,806	-	95,254	-375,741	-
Cash flow from financing activities	-3,062	-2,640	-13.8%	-7,110	-5,323	-25.1%

*total operating and investment flows



Cash position

Cash flows from operating activities

In Q2 2025, the Group generated 10.0% higher net cash flows from operating activities than in Q2 2024 - in Q2 2025, they amounted to PLN 164,587 thousand compared to PLN 149,681 thousand a year earlier.

In H1 2025, the LW Bogdanka Group generated cash flows of PLN 519,385 thousand from operating activities (+48.5% y/y). The recorded increase results from the higher net result achieved in H1 2025 compared to the H1 2024.

Cash flows from financing activities

In Q2 2025, the Group recorded negative cash flows from financing activities in the amount of PLN 2,640 thousand.

In H1 2025, the Group recorded negative cash flows from financing activities in the amount of PLN 5,323 thousand. The predominant items were payments of liabilities on account of lease contracts.

Cash flows from investing activities

Cash flows from investing activities increased in terms of their value (in absolute terms) in Q2 2025 by PLN 457,542 thousand (to PLN 562,393 thousand) compared to the corresponding period of 2024. In H1 2025, cash flows from investing activities increased in terms of their value (in absolute terms) by PLN 640,599 thousand, i.e. from PLN 254,527 thousand to PLN 895,126 thousand.

Such a significant increase is mainly due to expenditure on short-term investments (setting up a deposit with a maturity of more than three months).

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	30 June 2025	Change
Total debt ratio	30.7%	26.6%	-4.1 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.35	0.32	-8.6%
Net debt/EBITDA ratio**	-0.87	-0.96	10.3%
Debt to equity ratio	44.3%	36.2%	-8.1 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	135.6%	136.8%	1.2 p.p.
Short-term debt ratio (current liabilities/liabilities)	18.0%	14.2%	-3.8 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	12.6%	12.4%	-0.2 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	30 June 2025	Change
Current liquidity ratio	2.44	2.94	20.5%
Quick liquidity ratio	2.10	2.60	23.8%

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

Total debt ratio as at 30 June 2025 decreased by 4.1 p.p. compared to the status as at 31 December 2024 and amounted to 26.6%. In the period under review, there was a decrease in the value of liabilities while the total assets increased.

As at 30 June 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 indicator describing the debt to EBITDA ratio at the end of Q2 2025 decreased by 8.6% and stood at 0.32. Comparing the figures as at 30 June 2025 to 31 December 2024, a higher nominal growth 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 -0.96 as at 30 June 2025. Net debt decreased and amounted to PLN -1,079,829 million with an increase in EBITDA by approx. PLN 146 million (EBITDA calculated on a rolling basis for the last four quarters).

Debt to equity ratio

The debt to equity ratio as at 30 June 2025 increased by 8.1 p.p. compared to the status as at 31 December 2024 and amounted to 36.2% - liabilities decreased by approximately PLN 125 million and equity fell by approximately PLN 259 million.

Fixed capital to non-current assets ratio

The ratio of coverage of non-current assets with fixed capital reached 136.8% (as at 30 June 2025) against 135.6% (as at 31 December 2024) - in the period under analysis, the value of non-current assets increased by approximately PLN 173 million, as well as the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) by approximately PLN 263 million.

Turnover of receivables and liabilities in the LW Bogdanka Group

Turnover ratios

[PLN thousand]

			31.12.2024	30.06.2025	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	31	-16.2%
2. Receivables turnover ratio*	$\frac{\text{average balance of receivables}}{\text{sales revenues}} \times$	number of days in the period	58	54	-6.9%
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	78	-1.3%
4. Operating cycle	1+2		95	85	-10.5%
5. Cash conversion cycle	4 - 3		16	7	-56.3%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 30 June 2025 decreased in relation to the status as at 31 December 2024 and amounts to 31 days. On average, it takes 6 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 54 days (as at 30 June 2025) compared to 58 days (as at 31 December 2024).

In the period under review, both a lower average balance of receivables and a lower average level of revenues was recorded.

Liabilities turnover ratio

The liabilities turnover ratio (calculated on the basis of the balance sheet item "Trade and other liabilities") was reduced in the corresponding period by 1 day and amounts to 78 days.

Operating cycle

The operating cycle of current assets (the sum of the inventory and trade receivables turnover ratios) increased by 10 days in the period under review and amounted to 85 days. On average, the Group's current assets are liquidated after 85 days.

Cash conversion cycle

The result of the trends described above was to achieve a cash conversion cycle of 7 days as at 30 June 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

LW Bogdanka Group's provisions

Balance sheet provisions [PLN thousand]	As at 30 June 2024	As at 31 December 2024	As at 30 June 2025	Change 30 June 2025/ 31 December 2024	Change 30 June 2025 30 June 2024
Employee provisions	368,767	345,620	364,587	5.5%	-1.1%
Provision for mine decommissioning and land reclamation costs	166,984	173,450	174,599	0.7%	4.6%
Mining damage	6,037	10,768	9,509	-11.7%	57.5%
Other	8,328	8,383	8,376	-0.1%	0.6%
Total	550,116	538,221	557,071	3.5%	1.3%

The total balance of provisions as at 30 June 2025 amounted to PLN 557,071 thousand, an increase of 3.5% compared to the balance as at 31 December 2024.

Change in provisions [PLN thousand]	Change Q2 2024	Change Q2 2025	Change Q2 2025/ Q2 2024	Change in H1 2024	Change in H1 2025	Change H1 2025/ H1 2024
Employee provisions	65,622	-62,186	-	98,048	18,967	-80.7%
Provision for mine decommissioning and land reclamation costs	-4,169	1,202	-	-2,118	1,149	-
Mining damage	-500	-992	98.4%	-1,315	-1,259	-4.3%
Other	889	-1,331	-	-1,243	-7	-99.4%
Total	61,842	-63,307	-	93,372	18,850	-79.8%

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

[PLN thousand]	Change in provisions in H1 2025	Change recognised in operating activities (EBITDA)	Including:			
			Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	18,967	35,577	7,411	-	6,445	-30,466
Provision for mine decommissioning and land reclamation costs	1,149	686	4,379	-3,916	-	-
Mining damage	-1,259	-	-	-	-	-1,259
Other	-7	384	-	-	-	-391
Total	18,850	36,647	11,790	-3,916	6,445	-32,116

[PLN thousand]	Change in provisions in Q2 2025	Change recognised in operating activities (EBITDA)	Including:			
			Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	-62,186	-59,800	3,706	-	6,445	-12,537
Provision for mine decommissioning and land reclamation costs	1,202	337	2,189	-1,324	-	-
Mining damage	-992	-	-	-	-	-992
Other	-1,331	-985	-	-	-	-346
Total	-63,307	-60,448	5,895	-1,324	6,445	-13,875

Costs of LW Bogdanka S.A.

Costs by type

[PLN thousand]	Q2 2024	Q2 2025	Change	H1 2024	H1 2025	Change
Net production [thousand t].	1,622	1,220	-24.8%	3,497	3,872	10.7%
Sales [thousand t]	1,871	1,765	-5.7%	3,628	4,002	10.3%
Amortization and depreciation	102,827	42,979	-58.2%	213,206	91,051	-57.3%
Consumption of materials and energy	251,911	211,110	-16.2%	529,526	442,617	-16.4%
External services	159,389	183,860	15.4%	335,940	368,737	9.8%
Employee benefits	244,135	243,600	-0.2%	491,532	497,047	1.1%
Representation and advertising costs	3,030	2,488	-17.9%	9,263	6,834	-26.2%
Taxes and charges	12,399	11,616	-6.3%	28,186	30,980	9.9%
Other costs	49,233	973	-98.0%	57,872	2,333	-96.0%
Total costs by type	822,924	696,626	-15.3%	1,665,525	1,439,599	-13.6%
Manufacturing cost of products for internal purposes	-113,304	-115,524	2.0%	-225,083	-211,376	-6.1%
Accruals	-4,680	50,656	-1182.4%	30,894	83,210	169.3%
Provisions and other presentation adjustments between expenses by nature and by function	58,756	-69,064	-217.5%	91,949	563	-99.4%
Total production costs	763,696	562,694	-26.3%	1,563,285	1,311,996	-16.1%
Change in products	89,771	122,466	36.4%	56,181	43,443	-22.7%
Value of goods and materials sold	4,063	3,816	-6.1%	8,205	7,620	-7.1%
Own cost of production sold, including:	857,530	688,976	-19.7%	1,627,671	1,363,059	-16.3%
Cost of products, goods and materials sold	796,920	635,507	-20.3%	1,503,137	1,244,483	-17.2%
Selling costs	13,610	14,114	3.7%	28,808	26,784	-7.0%
Administrative costs	47,000	39,355	-16.3%	95,726	91,792	-4.1%

Q2 2025

Costs by type

In Q2 2025, LW Bogdanka S.A. incurred costs by type in the amount of PLN 696,626 thousand (PLN -126,298 thousand y/y), i.e. 15.3% lower than in Q2 2024. The decline in costs in Q2 2025 was mainly due to lower depreciation and amortisation, other costs and lower material and energy consumption, with a simultaneous growth in costs of third-party services.

Depreciation

Depreciation decreased by 58.2% (to PLN 42,979 thousand). The decline was mainly recorded in the value of depreciation of property, plant and equipment and natural depreciation, 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 Q2 2025 in relation to Q2 2024 decreased by 16.2% and amounted to PLN 211,110 thousand. In the period under analysis, both the consumption and the price of electricity fell, as did the value of materials consumed (primarily due to lower scope of preparatory work).

Third party services

The value of costs of third-party services increased by 15.4% compared to Q2 2024 and amounted to PLN 183,860 thousand. In the period under review, the Company mainly incurred higher costs for Saturday and Sunday work, drilling and mining and other services, coal transport by rail, repairs and other costs.

Employee benefits

The value of benefits for employees in Q2 2025 amounted to PLN 243,600 thousand and remained at almost the same level as in Q2 2024.

Representation and advertising costs

The decrease in the value of representation and advertising costs by PLN 0.5 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and charges

The decline in taxes and charges by approximately PLN 0.8 million mainly results from a decrease in the mining royalty tax (due to lower coal production) in Q2 2025.

Other costs

Decrease in other costs by PLN 48.3 million results from concluding of the 18-month insurance policy in June 2024, the cost of which is accrued on a pro-rata basis over its duration.

Costs of LW Bogdanka S.A.

H1 2025

Costs by type

In H1 2025, LW Bogdanka S.A. incurred costs by type in the amount of PLN 1,439,599 thousand, i.e. 13.6% (PLN -225,926 thousand) lower than in the corresponding period of 2024. The decline in costs in the analysed period was mainly affected by the recorded decrease in depreciation and amortisation, material and energy consumption and other costs, with a simultaneous increase in the costs of third-party services.

Depreciation

The value of depreciation and amortisation fell by 57.3% (to PLN 91,051 thousand) - a decrease in depreciation of fixed assets (by approximately PLN 74 million) as well as natural depreciation (by approximately PLN 47 million) was recorded, which is a result of the write-downs of property, plant and equipment applied in 2024.

Costs of consumed materials and energy

The total value of the cost of materials and energy consumed decreased by 16.4% compared to 2024 and amounted to PLN 442,617 thousand. Due to the smaller scope of auxiliary works, the cost of material consumption fell and, at the same time a decline in both the consumption and the price of electricity was recorded.

Third-party services

The value of third-party services for H1 2025 increased from PLN 335,940 thousand to PLN 368,737 thousand (+9.8%) compared to the corresponding period of 2024. In the period under review, the Company incurred higher costs for Saturday and Sunday work, mining and drilling and other services, waste management, coal transport by rail, repairs and other costs.

Employee benefits

In H1 2025, compared to the corresponding period of 2024, the value of employee benefits increased by PLN 5,515 thousand. In the period under review, there was an increase in employee benefits and contributions to the Company Social Benefit Fund, with a slight decrease in average employment.

Representation and advertising costs

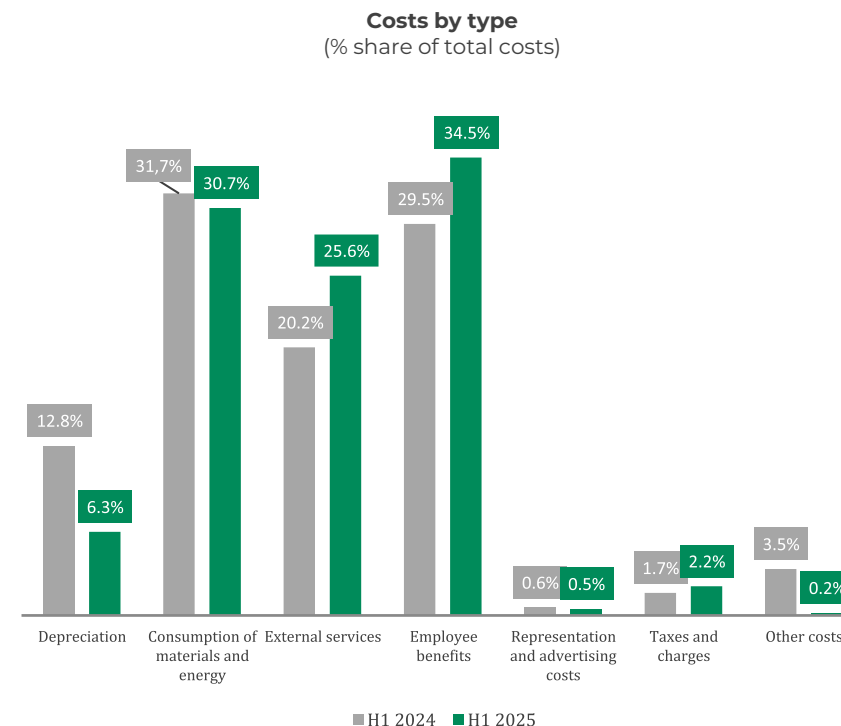
The decrease in the value of representation and advertising costs by PLN 2.4 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and charges

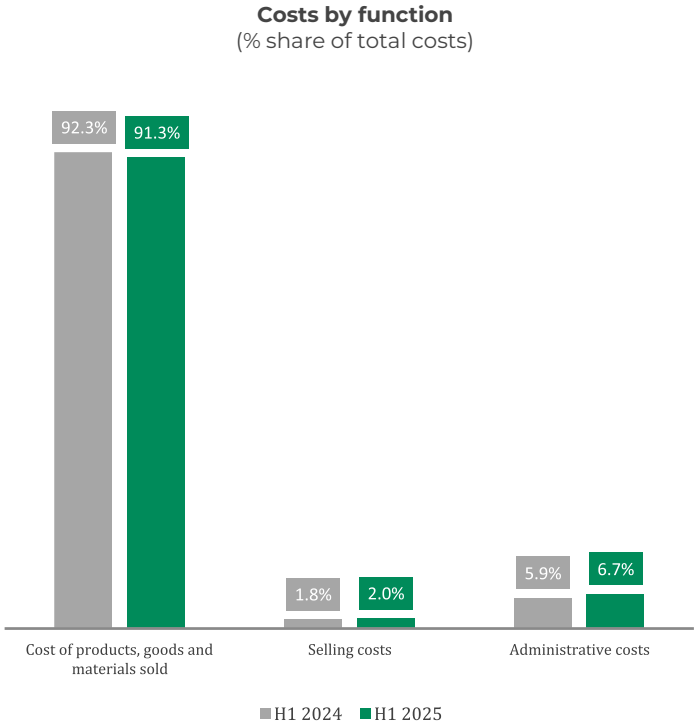
The increase in taxes and charges of approximately PLN 2.8 million is mainly due to an increase in the mining fee, payments to the State Fund for the Rehabilitation of Disabled (PFRON) and property tax.

Other costs

The decline in other costs by PLN 55.5 million results from the conclusion of an 18-month insurance policy in June 2024, the costs of which are accrued in proportion to its duration.



Costs of LW Bogdanka S.A.



Costs by function

The cost of goods sold (by function) in Q2 2025 amounted to PLN 688,976 thousand, while in the corresponding period of the previous year it amounted to PLN 857,530 thousand.

Own cost of goods sold (by function) in H1 2025 amounted to PLN 1,363,059 thousand and was 16.3% lower (- PLN 264,612 thousand) than the cost incurred in the corresponding period of 2024.

[PLN thousand]	Q2 2024	Q2 2025	Change	H1 2024	H1 2025	Change
Cost of products, goods and materials sold	796,920	635,507	-20.3%	1,503,137	1,244,483	-17.2%
Selling costs	13,610	14,114	3.7%	28,808	26,784	-7.0%
Administrative costs	47,000	39,355	-16.3%	95,726	91,792	-4.1%
Costs of goods sold	857,530	688,976	-19.7%	1,627,671	1,363,059	-16.3%

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 30 June 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 June 2025 amounted to PLN 650,004 thousand, of which:

- an amount of PLN 177,394 thousand was recognised in non-current assets
- an amount of PLN 472,610 thousand was recognised in current assets

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 472,610 thousand includes cash (available cash) kept on 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 30 June 2025 amounted to PLN 413,040 thousand, while those in subsidiaries amounted to PLN 59,570 thousand (mainly in Łęczyńska Energetyka). Moreover, the Parent Company reports other short-term investments of PLN 607,219 thousand at the end of H1 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 no. 27 to the Interim Condensed Consolidated Financial Statements for the period from 1 January to 30 June 2025.

Evaluation of factors and unusual events affecting the operating result

On 24 January 2025, the Parent Company received an insurance decision issued by Towarzystwo Ubezpieczeń Wzajemnych Polskiego Zakładu Ubezpieczeń Wzajemnych ("TUW PZUW"). The decision of TUW PZUW of 22 January 2025 concerns the award and payment of compensation to the Parent Company for the damage to underground assets resulting from the event in wall 3/VII/385 of February 2023 (groundwater spill). In accordance with the insurer's decision, the Parent Company was paid compensation of PLN 144.85 million.

Information on financial instruments, bonds

Information on financial derivatives

As at 30 June 2025, the Group had no open derivative transactions.

Bonds

As at 30 June 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 submission of this Report, the Group does not see any risk as regards the possibility of raising additional debt financing, however it points to the risk that the costs of raising and servicing such financing may be higher than those currently incurred.

Tenancy and lease agreements

The Group's total net revenue from tenancy and lease agreements for, among others, land, premises, machinery and equipment in H1 2025 amounted to PLN 5,727 thousand.

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 H1 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 H1 2025, the Group did not take out or grant any loans or terminate any loan agreements.

Information on sureties and guarantees granted and received

In H1 2025, the Group did not issue (or receive) any sureties.

Transactions with related parties

In H1 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 29 of the Interim Condensed Consolidated Financial Statements for the period from 1 January to 30 June 2025.

Guarantees extended by LW Bogdanka S.A.

In H1 2025, the Parent Company did not instruct banks to issue any guarantees.

Loans taken

In H1 2025, LW Bogdanka S.A. had no active loan agreements.

Agreements relating to loans and borrowings of subsidiaries

In H1 2025, the subsidiaries, EkoTrans Bogdanka sp. z o.o., RG Bogdanka sp. z o.o., MR Bogdanka sp. z o.o. did not grant, conclude or terminate any loan or credit agreements or grant guarantees.



4. 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.

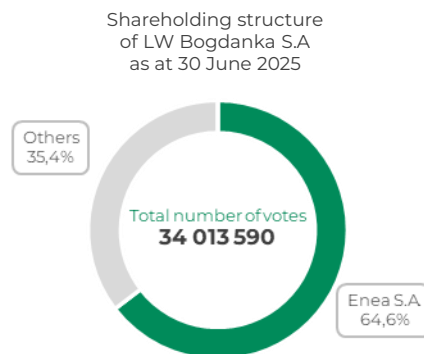
The Issuer's other shareholders are mainly institutional investors in the form of pension and investment funds.

Treasury shares

In H1 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 Report for Q1 2025, to the date of publication of the report for H1 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.

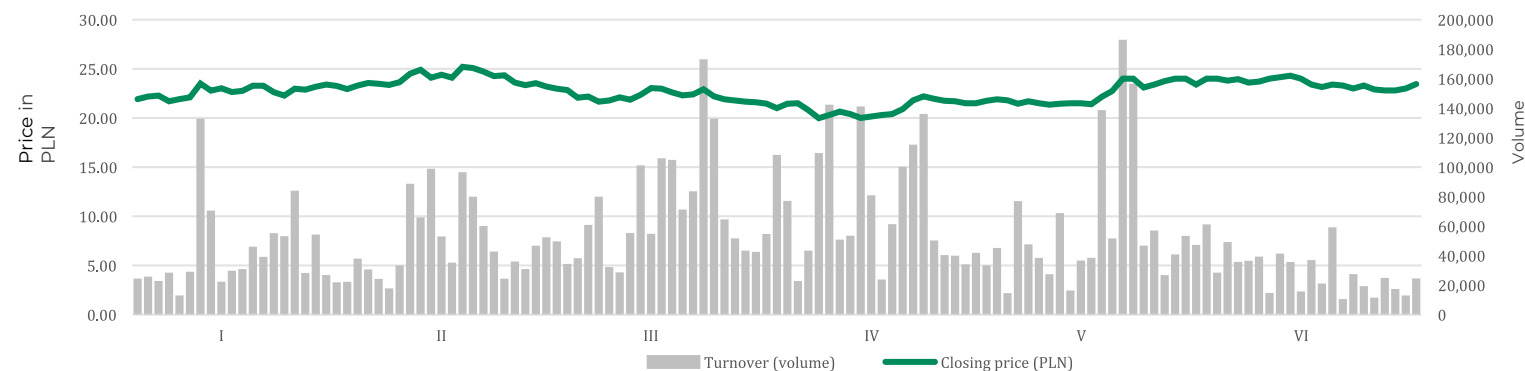
At the end of H1 2025, LW Bogdanka S.A. was included in the following stock exchange indices:

- **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
- **WIGdivplus** - index of companies with high dividend yields
- **WIG140** - index of the 140 largest companies on the WSE
- **WIG mining** - a sector index comprising companies participating in the WIG index and simultaneously classified in the "mining" sector.
- **WIG ESG** - index of companies considered to be socially responsible



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

LW Bogdanka S.A. stock prices in H1 2025



Key data on shares

	H1 2024	H1 2025
Maximum price [PLN]	36.38	25.20
Minimum price [PLN]	28.60	19.98
Last price [PLN]	30.92	23.45
Average price [PLN]	32.53	22.65
Capitalisation at the end of the period [PLN million]	1,051.70	797.62
Carrying amount [PLN million]	3,272.3	2,935.4
P/E [market capitalisation/net profit]	-1.16	2.99
P/BV [market capitalisation/book value]	0.32	0.27
% of profit allocated for dividend payment	12.4	-
Average trading value per session [PLN 000]	2,257.8	1,183.5
Average volume per session	65,588	52,505
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
04 June 2025	Santander Brokerage House	Sell	PLN 15.80	PLN 23.80

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 Q1 2025, to the date of publication of the report for H1 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	Par value per share (PLN)	Number of Company shares as at	Par value per share (PLN)	Number of shares in Subsidiaries
	08 September 2025		16 May 2025		
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	Par value per share (PLN)	Number of Company shares as at	Par value per share (PLN)	Number of shares in Subsidiaries
	08 September 2025		16 May 2025		
Bartosz Krysta	0	0	0	0	0
Szymon Jankowski	0	0	0	0	0
Paweł Cygan	0	0	0	0	0
Grzegorz Czornik	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 8 September 2025	Par value per share (PLN)	Number of the Company's shares as at 16 May 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

5. Governing bodies



Composition 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 30 June 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 01 January 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 personal composition of the Supervisory Board in H1 2025:

On 25 June 2025, the Annual General Meeting of the Company adopted a resolution on the appointment of Mr Gregory Czornik.

Composition of the Supervisory Board as at 30 June 2025:

- Bartosz Krysta - Chairman of the Supervisory Board
- Szymon Jankowski - Secretary of the Supervisory Board
- Paweł Cygan - Member of the Supervisory Board
- Grzegorz Czornik - 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 of LW Bogdanka S.A. as at 8 September 2025



Zbigniew Stopa - President of the Management Board

Education

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 of LW Bogdanka S.A. as at 8 September 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 postgraduate 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,



Mr. 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 (WSHUI) 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 8 September 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 others, for creating the concept and implementing the integration of the trade 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.

Grzegorz Czornik - Member of the Supervisory Board

Doctor of Economics and Engineer. Expert with more than 30 years of experience in the mining, energy and district heating industries, in the area of international solid fuel trade and logistics. His management experience includes positions such as Member of the Management Board, Managing Director, Commercial Director, and Member of Supervisory Boards in WIG 20 capital companies. His has a record of success in commercial and logistic processes, IPO, M&A, functional strategy optimisation, environmental and ESG processes. He has gained professional experience both at home and abroad. Since 1993, he has been active in companies of the energy, mining and steel industries: Polski Koks SA, JSW SA, Tauron Wydobycie, SFW Energia, Koksownia Częstochowa Nowa, and Veolia; where he managed processes related to fuel trading, international trade, new technology development, M&A processes, and applications of the circular economy and ESG. He currently serves as a Member of the Management Board of Enea Trading sp. z o.o. and is an assistant professor at the WSB University in Dąbrowa Górnicza.

He obtained his PhD in economics from the Kraków University of Economics, a second-degree engineer title from the AGH University of Science and Technology in Kraków, complemented by postgraduate MBA studies at the Poznań University of Economics and the Warsaw School of Economics in Warsaw and postgraduate studies abroad.

Composition of the Supervisory Board of LW Bogdanka S.A. as at 8 September 2025

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' experience in managerial positions obtained in international financial institutions, specialising in financial solutions for corporate entities and hedge accounting.

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 councillor 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

Signatures of all Management Board members

Zbigniew Stopa

President of the Management Board

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Bartosz Rożnawski

Vice-President of the Management Board,
Production

.....

Sławomir Kreczyk

Vice-President of the Management Board,
Development

.....

Artur Wasilewski

Vice-President of the Management Board,
Economy and Finance

.....

Bogdanka, 8 September 2025



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