



Lubelski Węgiel Bogdanka S.A.



INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025

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SEPARATE STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

	NOTE	AS AT 30 JUNE 2025	AS AT 31 DECEMBER 2024
Assets			
Non-current assets			
Tangible fixed assets	5	1,983,544	1,786,735
Intangible assets	6	15,312	15,717
Non-current investments		75,601	75,601
Right-of-use asset	7.1	21,061	21,633
Trade receivables and other receivables	8	348	353
Deferred tax assets		139,024	157,019
Cash and cash equivalents	10	177,394	177,394
Total non-current assets		2,412,284	2,234,452
Current Assets			
Inventories	9	182,076	229,154
Trade receivables and other receivables	8	332,604	580,205
Income tax overpaid		34,786	1,591
Other short-term investments	11	607,219	-
Cash and cash equivalents	10	413,040	807,770
Total current assets		1,569,725	1,618,720
TOTAL ASSETS		3,982,009	3,853,172
Equity			
Common equity	12	301,158	301,158
Supplementary capital		702,549.	702,549.
Other reserve capitals		1,380,529	2,884,583
Retained earnings		551.168	(1,214,654)
Total equity		2,935,404	2,673,636
Liabilities			
Long-term liabilities			
Provisions for employee benefits	16	271.509	264.660
Provisions for other liabilities and charges	17	174.599	173.450
Grants		10.136	10.423
Lease liabilities		20.291	20.091
Trade and other liabilities	14	13.488	16.295
Total long-term liabilities		490.023	484.919
Current liabilities			
Provisions for employee benefits	16	80.164	72.120
Provisions for other liabilities and charges	17	17.088	18.377
Grants		684	671
Lease liabilities		4.545	4.353
Trade and other liabilities	14	453.470	598.646
Liabilities from contracts with customers		631	450
Total short-term liabilities		556.582	694.617
Total liabilities		1,046,605	1,179,536
TOTAL EQUITY AND LIABILITIES		3,982,009	3,853,172

INTERIM STATEMENT OF INCOME

	NOTE	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
<i>Continuing operations</i>			
Sales revenues	18	1,517,696	1,666,964
Cost of products, goods and materials sold		(1,244,483)	(1,503,137)
Gross profit		273,213	163,827
Sales costs		(26,784)	(28,808)
Administrative expenses		(91,792)	(95,726)
Other income	19	148,549	4,007
Other expenses	20	(1,903)	(833)
Other losses - net	21	(2,445)	(5,071)
Impairment loss due to non-current assets		(143)	(1,174,268)
Operating profit/(loss)		298,695	(1,136,872)
Financial income	22	39,502	24,365
Financial costs	22	(14,553)	(12,026)
Profit/ (loss) before tax		323,644	(1,124,533)
Income tax	23.2	(56,655)	215,397
Profit/(loss) on continuing operations		266,989	(909,136)
Net profit/(loss) for the period		266,989	(909,136)

EARNINGS PER SHARE

EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY DURING THE YEAR (EXPRESSED IN PLN PER SHARE)	NOTE	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
- basic profit/(loss) per share from continuing operations		7.85	(26.73)
- basic profit/(loss) per share from discontinued operations		-	-
Basic earnings per share	24	7.85	(26.73)
- diluted earnings per share from continuing operations		7.85	(26.73)
- diluted earnings per share from discontinued operations		-	-
Diluted earnings per share	24	7.85	(26.73)

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	NOTE	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Net profit/(loss) for the period		266,989	(909,136)
Other comprehensive loss for the financial period: Items never to be reclassified to current period profit or loss:			
Actuarial losses from defined benefit plans	16	(6,445)	(21,008)
Other comprehensive loss that will not be reclassified to profit or loss, before tax		(6,445)	(21,008)
Other comprehensive income to be reclassified to profit or loss, before taxation		-	-
Other comprehensive loss, before tax		(6,445)	(21,008)
Income tax on the items not to be transferred	23.1	1,224	3,991
Other comprehensive net loss for the period		(5,221)	(17,017)
Net comprehensive income/(loss) for the period - total		261,768	(926,153)

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

	NOTE	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
As at 1 January 2025		301,158	702,549	2,884,583	(1,214,654)	2,673,636
Total net income for the financial period:		-	-	-	261,768	261,768
- <i>net profit</i>		-	-	-	266,989	266,989
- <i>other comprehensive loss</i>		-	-	-	(5,221)	(5,221)
Previous years' loss brought forward	25	-	-	(1,504,054)	1,504,054	-
Change of equity in the period		-	-	(1,504,054)	1,765,822	261,768
As at 30 June 2025		301,158	702,549	1,380,529	551,168	2,935,404

	NOTE	COMMON EQUITY	SUPPLEMENTARY CAPITAL	OTHER RESERVE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
As at 1 January 2024		301,158	702,549.	2,282,626	997,154	4,283,487
Total net comprehensive loss for the period:		-	-	-	(926,153)	(926,153)
- <i>net loss</i>		-	-	-	(909,136)	(909,136)
- <i>other comprehensive loss</i>		-	-	-	(17,017)	(17,017)
Dividend for 2023	25	-	-	-	(85,034)	(85,034)
Previous year's result carried forward		-	-	601,957	(601,957)	-
Change of equity in the period		-	-	601,957	(1,613,144)	(1,011,187)
As at 30 June 2024		301,158	702,549	2,884,583	(615,990)	3,272,300

INTERIM STATEMENT OF CASH FLOWS

	NOTE	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Cash flows from operating activities			
Net profit (loss)		266,989	(909,136)
<i>Adjustments:</i>			
Income tax in the interim consolidated statement of profit or loss		56,655	(215,397)
Depreciation and amortisation		91,051	213,206
Loss on sale and liquidation of property, plant and equipment		9,296	34,511
Reversal and recognition of impairment losses for property, plant and equipment	5.2	143	1,174,268
Interest income		(25,568)	(18,111)
Dividends received and receivable	22	(12,126)	(1,617)
Interest expenses		1,205	914
Other cash flows		468	(1,931)
<i>Changes in working capital:</i>			
Change in provisions for employee benefits		8,448	74,384
Change in provisions		3,776	1,931
Change in inventories		47,078	55,695
Change in trade receivables and other receivables		253,408	72,813
Change in trade liabilities and other liabilities	26	(138,073)	(117,489)
Total adjustments		295,761	1,273,177
Cash from operating activities		562,750	364,041
Income tax paid		(70,630)	(35,995)
Net cash flows from operating activities		492,120	328,046
Cash flows from investing activities			
Acquisition of property, plant and equipment	26	(308,346)	(274,004)
Acquisition of intangible assets		(246)	(882)
Proceeds from the sale of property, plant and equipment		8	15
Interest received		18,349	18,111
Dividends received	29	6,323	1,025
Expenditure on other short-term investments		(600,000)	
Outflows from cash collected in the Mine Closure Fund's bank account		-	5,728
Net cash flows from investing activities		(883,912)	(250,007)
Cash flows from financing activities			
Payment of lease liabilities		(2,938)	(2,817)
Net cash flows from financing activities		(2,938)	(2,817)
Net increase/(decrease) in cash and cash equivalents before effects of FX rate		(394,730)	75,222
Net increase/(decrease) in cash and cash equivalents		(394,730)	75,222
Opening balance of cash and cash equivalents		807,770	708,556
Closing balance of cash and cash equivalents		413,040	783,778

GENERAL INFORMATION

1.1 Information about the Company

Lubelski Węgiel "Bogdanka" S.A. is a joint stock company operating under of the laws of Poland. The Company was established through the transformation of the state-owned enterprise, Kopalnia Węgla Kamiennego "Bogdanka" with its registered office in Bogdanka, pursuant to the Act of 13 July 1990 on the Privatisation of State Enterprises.

On 26 March 2001, Lubelski Węgiel "Bogdanka" Spółka Akcyjna was registered in the Register of Entrepreneurs of the National Court Register under the KRS number 0000004549. At present, the register is maintained by the District Court Lublin-East in Lublin, with its seat in Świdnik, 6th Commercial Department of the National Court Register.

The shares of Lubelski Węgiel "Bogdanka" S.A. are listed on the Warsaw Stock Exchange (WSE).

The Company's core business, according to the Polish Classification of Business Activity (PKD 0510Z), is hard coal mining.

The Company is the Parent Company in the Lubelski Węgiel Bogdanka Group. The Group prepares interim condensed consolidated financial statements in accordance with the IFRS for the period from 1 January to 30 June 2025. In order to fully understand the Company's financial position and results of operations, these interim condensed financial statements should be read in conjunction with the interim condensed consolidated financial statements of the Lubelski Węgiel Bogdanka Group for the period ended 30 June 2025, as well as with the audited separate financial statements of Lubelski Węgiel "Bogdanka" S.A. for the financial period ended 31 December 2024. The statements are available on the Company's website at www.ri.lw.com.pl.

Company in the ENEA Group's structure

On 14 September 2015, ENEA S.A. announced a takeover bid for the Company's shares, stating that it intended to acquire up to 64.57% of all votes at the General Meeting of the Company. The transaction was settled on 29 October 2015. As a result of the transaction, ENEA S.A. and its subsidiary acquired the total of 66% of the Company shares and consequently the Company became a member of the ENEA Group with ENEA S.A. With its registered office in Poznań as its parent company. As a result of the disposal of the Company's shares in Q2 2022 by a subsidiary of ENEA S.A., as at 31 December 2023, ENEA S.A. held the total of 64.57% of shares in the Company.

The State Treasury is the ultimate controlling entity

1.2 Going concern assumption

These interim condensed financial statements have been prepared based on the assumption that the Company will continue its business activity as a going concern in the foreseeable future and that there are no circumstances indicating a treat to the Company continuing as a going concern.

DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES APPLIED

2.1 Basis for preparation

These interim condensed financial statements of LW "Bogdanka" S.A. for the first half of 2025 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as endorsed by the European Union.

The interim condensed financial statements have been drawn up in accordance with the historical cost principle, except for derivative financial instruments measured at fair value.

Historical cost is generally determined based on the fair value of the payment made for goods or services.

Fair value is understood as the price that may be obtained upon the sale of an asset or the price paid to transfer a liability in a common transaction on the main (or the most favourable) market on the measurement date and in the current market conditions, irrespective of whether the price is directly observable or estimated using a different measurement technique. In its fair value measurement of an asset or a liability, the Company considers the characteristics of the asset or liability if market players take these features into account when measuring assets or liabilities as at the measurement date. Fair value for measurement and/or disclosure purposes in the Company's financial statements is determined as described above, except for share-based payments, which are subject to IFRS 2, leases, which are subject to IFRS 16, as well the measurements that are similar to fair value but are not fair values, such as net selling price under IAS 2 or value in use under IAS 36.

The Company considered the impact of climate risks (factors) on the financial statements and included them, among other things, in the impairment test of non-financial assets or in the calculation of provisions for other liabilities and other charges.

2.1.1 New accounting principles

The interim condensed financial statements have been prepared using the same accounting principles for the current period and for the comparative period and the same accounting principles (policy) and calculation methods were used as in the last annual financial statements for 2024.

2.1.2 Material values based on professional judgement and estimates

Preparation of the consolidated financial statements on the basis of the International Financial Reporting Standards and in accordance with the accounting policy requires that, in addition to accounting estimates, professional judgement of the Management Board is also used regarding current and future events in individual areas.

Important accounting estimates and judgements result from past experience and other factors, including anticipated future events that seem reasonable in the current situation. Accounting estimates and judgements are subject to regular evaluation.

Material estimates and judgements have not changed since the publication of the annual financial statements for 2024.

2.1.3 New standards and interpretations

In these financial statements, the following new standards and amendments to the existing standards, which came into force in 2025 were applied for the first time:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In August 2023, the Board published amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates". The amendments introduced are intended to make it easier for entities to determine whether a currency is convertible into another currency and to estimate the immediate exchange rate when a currency is not convertible. In addition, the amendments to the standard introduce additional disclosures when currencies are not convertible on how the alternative exchange rate is determined.

The application of the aforementioned amendments did not have a significant impact on the Company's financial statements.

In these interim condensed financial statements, the Company has not decided to apply the following published standards, interpretations or amendments to existing standards before the date of their entry into force:

➤ Changes in the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7.

In May 2024, the IASB published the amendments to IFRS 9 and IFRS 7 with the aim to:

(a) clarify the recognition and derecognition dates for certain financial assets and liabilities, with an exemption for certain financial liabilities settled through electronic funds transfer;

(b) clarify and add further guidelines concerning assessing whether a financial asset meets the SPPI criteria;

(c) add new disclosures for certain instruments where the contractual terms may change cash flows; and

(d) update disclosures on equity instruments measured at fair value through other comprehensive income (FVOCI).

The published amendments are applicable to financial statements for the periods beginning on or after 1 January 2026. As at the day of drawing up this financial statements, these amendments have not yet been approved by the European Union.

➤ Annual amendments to IFRS

The "Annual amendments to IFRS" introduce changes to the standards: IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows".

The amendments provide explanations and clarify the standards' guidance in the scope of recognition and measurement.

The published amendments are applicable to financial statements for the periods beginning on or after 1 January 2026. As at the day of drawing up this financial statements, these amendments have not yet been approved by the European Union.

➤ IFRS 18 "Presentation and Disclosure in Financial Statements"

In April 2024, the Board published the new standard, IFRS 18 "Presentation and Disclosure in Financial Statements". The standard will replace IAS 1 - Presentation of Financial Statements and will be effective from 1 January 2027. The changes in relation to the replaced standard mainly relate to three issues: the statement of profit or loss, the required disclosures on performance measures and issues related to the aggregation and disaggregation of information contained in the financial statements.

The published standard will apply to financial statements for the periods beginning on or after 1 January 2027. As at the day of drawing up this financial statements, these amendments have not yet been approved by the European Union.

➤ Amendments to IFRS 10 and IAS 28 concerning sales or contribution of assets between the investor and its affiliated entities or joint ventures.

The amendments solve the problem of the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-monetary assets sold or contributed to an affiliate or a joint venture represent "business".

In case if non-monetary assets represent "business", the investor shall recognise full profit or loss on the transaction. On the other hand, if assets do not meet the definition of business, the investor recognises the profit or loss excluding a part representing shares of other investors.

The amendments were published on 11 September 2014. As at the day of drawing up this financial statements, the approval of this amendment has been postponed by the European Union.

The Company is in the course of analysing the impact of the new standards and their interpretations on the financial statements. The above standards will have an impact on the financial statements, with IFRS 18 "Presentation and Disclosure in Financial Statements" with potentially the greatest impact. On the other hand, the Company believes that the impact of the remaining standards and amendments to the standards will be relatively insignificant.

3. INFORMATION ON SEGMENTS

Basic reporting layout - industry segments

The Company focuses its activity mainly on the production and sales of coal. Revenue from sales of other products and services in the period from 1 January to 30 June 2025 amounted to PLN 33,172 thousand (PLN 34,535 thousand in the corresponding period of the previous year), representing 2.2% of total sales revenue in 2025 (2.1% in the corresponding period of the previous year).

Accordingly, the Company does not present its operating results broken down by industry segments.

Supplementary reporting layout - geographic segments

The Company's operations are focused predominantly on Poland. In the period from 1 January to 30 June 2025, revenues from the sale of coal outside Poland amounted to PLN 47,641 thousand, accounting for 3.1% of total sales revenues (PLN 19,635 thousand in the corresponding period of the previous year, which accounted for 1.2% of sales revenues). The Company has no related assets and liabilities located outside of the territory of Poland.

Accordingly, the Company does not present its operating results broken down by industry segments.

While carrying out its tasks, the Management Board analyses financial data consistent with the

financial statements prepared in accordance with the EU IFRS.

Breakdown into mining fields

The Company conducts its business in the area of three mining fields: Bogdanka, Nadrybie and Stefanów. Production assets are concentrated at the location of the Company's registered office, at the centre of the Bogdanka field and they are linked to the other locations; therefore, the Nadrybie and Stefanów fields cannot operate independently. Due to these interrelations between the individual fields, departments and because of the organisation effective in the mine, all of the Company's assets are treated as a single CGU (Cash Generating Unit).

Main coal purchasers

In the 6-month period of 2025 and 2024, the Company's key customers, for which the share of sales exceeded 10% of the total sales revenue, included:

	FOR THE PERIOD FROM 1 JANUARY TO 30 June 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 June 2024
ENEA Wytwarzanie Sp. z o.o.	65%	63%
ENEA Elektrownia Połaniec S.A.	16%	16%

4. INFORMATION ON SEASONALITY

There is no clear seasonality in sales. The long-term, quarterly sales structure remains at stable levels close to each other, with the relatively weakest second quarter. The level of coal sales is always a product of the demand reported by customers, the level of mining achieved and the coal stocks held.

5. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS AND STRUCTURES		TECHNICAL EQUIPMENT AND MACHINERY	MEANS OF TRANSPORT	OTHER FIXED ASSETS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
		TOTAL	INCLUDING ROADWAYS					
As at 1 January 2025								
Cost or value derived from valuation	8,596	2,458,440	1,722,708	2,380,418	112,634	27,441	515,438	5,502,967
Depreciation	-	(1,640,037)	(1,146,365)	(1,970,802)	(81,154)	(24,239)	-	(3,716,232)
Net carrying amount	8,596	818,403	576,343	409,616	31,480	3,202	515,438	1,786,735
As at 30 June 2025								
Net carrying amount opening balance	8,596	818,403	576,343	409,616	31,480	3,202	515,438	1,786,735
Increases	-	-	-	385	-	762	297,764	298,911
Transfers from fixed assets under construction	143	206,174	189,303	81,554	2,140	516	(290,527)	-
Decreases	-	(30,657)	(26,690)	(645)	(44)	(1)	(110)	(31,457)
Depreciation and amortisation	-	(46,811)	(41,046)	(38,116)	(2,021)	(1,130)	-	(88,078)
Revaluation charge	(143)	17,576	17,539	-	-	-	-	17,433
Net carrying amount	8,596	964,685	715,449	452,794	31,555	3,349	522,565	1,983,544
As at 30 June 2025								
Cost or value derived from valuation	8,596	2,604,618	1,855,981	2,456,745	114,315	27,049	522,565	5,733,888
Depreciation	-	(1,639,933)	(1,140,532)	(2,003,951)	(82,760)	(23,700)	-	(3,750,344)
Net carrying amount	8,596	964,685	715,449	452,794	31,555	3,349	522,565	1,983,544
As at 1 January 2024								
Cost or value derived from valuation	29,401	3,891,164	2,830,933	2,999,379	151,149	33,278	475,851	7,580,222
Depreciation	-	(1,714,550)	(1,242,647)	(1,990,366)	(78,913)	(24,235)	-	(3,808,064)
Net carrying amount	29,401	2,176,614	1,588,286	1,009,013	72,236	9,043	475,851	3,772,158
As at 30 June 2024								
Net carrying amount opening balance	29,401	2,176,614	1,588,286	1,009,013	72,236	9,043	475,851	3,772,158
Increases	-	-	-	-	-	883	474,414	475,297
Transfers from fixed assets under construction	-	230,170	226,139	41,881	18,488	727	(291,266)	-
Decreases	-	(59,152)	(52,235)	(20,063)	(200)	(1)	(13)	(79,429)
Depreciation and amortisation	-	(128,242)	(114,017)	(75,856)	(3,459)	(1,623)	-	(209,180)
Revaluation charge	(10,756)	(747,987)	(533,943)	(324,066)	(30,437)	(3,156)	(70)	(1,116,472)
Net carrying amount	18,645	1,471,403	1,114,230	630,909	56,628	5,873	658,916	2,842,374
As at 30 June 2024								
Cost or value derived from valuation	18,645	3,125,790	2,283,080	2,584,829	135,665	28,970	658,916	6,552,815
Depreciation	-	(1,654,387)	(1,168,850)	(1,953,920)	(79,037)	(23,097)	-	(3,710,441)
Net carrying amount	18,645	1,471,403	1,114,230	630,909	56,628	5,873	658,916	2,842,374

5.1 Property, plant and equipment - roadways

The following tables present a brief description of the roadways and other items of property, plant and equipment reported under the heading “roadways”.

As at 30 June 2025:

	QUANTITY [pcs]	LENGTH [m]	OPENING BALANCE	DEPRECIATION	IMPAIRMENT AS AT	NET VALUE AS AT THE BALANCE SHEET DATE	LEVEL OF ACCUMULATED DEPRECIATION IN THE GROUP
Roadways recognised as fixed assets, depreciated using the natural method, of which:							
- amortised until June 2025.	22	28,792	673,382	(254,450)	(199,047)	219,885	67%
Roadways recognised as fixed assets, depreciated based on useful lives	10	19,065	399,613	(113,346)	(128,714)	157,553	61%
Others items depreciated based on useful lives (shafts, shaft towers, stoppings, storage tanks and other)	255	100,793	2,064,003	(714,085)	(899,457)	450,461	78%
	32	-	323,426	(171,997)	(106,326)	45,103	86%
Total as at 30 June 2025	309	129,585	3,060,811	(1,140,532)	(1,204,830)	715,449	77%

As at 30 June 2024:

	QUANTITY [pcs]	LENGTH [m]	OPENING BALANCE	DEPRECIATION	IMPAIRMENT AS AT	THE BALANCE SHEET DATE	LEVEL OF ACCUMULATED DEPRECIATION IN THE GROUP
Roadways recognised as fixed assets, depreciated using the natural method, of which:							
- amortised until June 2024.	24	26,014	558,191	(285,347)	(88,199)	184,645	67%
Roadways recognised as fixed assets, depreciated based on useful lives	9	11,380	266,739	(157,657)	(32,746)	76,336	71%
Others items depreciated based on useful lives (shafts, shaft towers, stoppings, storage tanks and other)	252	101,253	1,961,209	(714,071)	(467,445)	779,693	60%
	31	-	319,324	(169,432)	-	149,892	53%
Total as at 30 June 2024	307	127,267	2,838,724	(1,168,850)	(555,644)	1,114,230	61%

5.2 Analysis of indications of potential impairment of property, plant and equipment

In preparing the Company's financial statements, the Management Board periodically evaluates indications of possible impairment of non-current assets, in accordance with the guidelines of IAS 36 “Impairment of Assets”. Such analysis is even more important where companies must operate in volatile, non-standard conditions. Under such circumstances, the Management Board of the Company must act very cautiously.

During the analysis of the premises performed at the end of 2024, it was determined that an impairment test was warranted due to the high probability of having to adapt the scope of the operating business to the new market environment. In particular, this risk is indicated by the strategies adopted and presented to the market by Polish energy groups, which assume the development of new low-emission/zero-emission generation sources and their accelerated replacement of coal-based generation capacity, as well as the continued subsidising of unprofitable mines in Poland, distorting competition in the hard coal market. The situation described above, as well as the Company's market capitalisation value, which has been below the carrying value of net assets for a long time, made it necessary to re-test the impairment of assets of the cash-generating units as at 31 December 2024. The test resulted in finding the impairment and the details of the test and the key assumptions used to perform the test, are broadly described in the annual financial statements of the Company for 2024.

When re-examining the premises for the needs of the interim condensed financial statements as at 30 June 2025 and up to the date of these financial statements, the Management Board of the Company has not identified any new rationale indicating the need to perform re-testing during the financial year.

As at the end of the previous periods, it was noted that the Company's market capitalisation value continues to remain below the carrying amount of its net assets, which, in the opinion of the Management Board of the Company is still primarily due to factors beyond its control, such as political factors and EU climate policy, limited confidence in companies in the mining sector and partially, also the low liquidity of the shares and the low level of free float of shares.

Other impairment losses

The balance of impairment losses for property, plant and equipment is shown in the table below:

	LAND	BUILDINGS AND STRUCTURES	TECHNICAL EQUIPMENT AND MACHINERY	MEANS OF TRANSPORT	OTHER FIXED ASSETS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
As at 1 January 2025	28,185	1,549,485	746,190	55,768	6,444	19,936	2,406,008
Recognition of impairment losses	143	-	-	-	-	-	143
Recognition of impairment losses	-	(17,576)	-	-	-	-	(17,576)
As at 30 June 2025	28,328	1,531,909	746,190	55,768	6,444	19,936	2,388,575
As at 1 January 2024	5,520	21,701	34,525	-	-	7,005	68,751
Recognition of impairment losses	10,756	769,688	342,276	30,437	3,156	70	1,156,383
Recognition of impairment losses	-	(21,701)	(18,210)	-	-	-	(39,911)
As at 30 June 2024	16,276	769,688	358,591	30,437	3,156	7,075	1,185,223

The creation and reversal of an impairment loss in respect of property, plant and equipment was recognised in the consolidated statement of profit and loss under the heading "Impairment of non-current assets".

6. INTANGIBLE ASSETS

	SOFTWARE	FEES, LICENSES	GEOLOGICAL INFORMATION	TOTAL
As at 1 January 2025				
Cost or value derived from valuation	7,163	15,718	29,394	52,275
Depreciation	(6,321)	(10,141)	(20,096)	(36,558)
Net carrying amount	842	5,577	9,298	15,717
As at 30 June 2025				
Net carrying amount opening balance	842	5,577	9,298	15,717
Increases	-	246	-	246
Amortisation and depreciation	(115)	(351)	(185)	(651)
Net carrying amount	727	5,472	9,113	15,312
As at 30 June 2025				
Cost or value derived from valuation	7,060	15,964	29,394	52,418
Depreciation	(6,333)	(10,492)	(20,281)	(37,106)
Net carrying amount	727	5,472	9,113	15,312
As at 1 January 2024				
Cost or value derived from valuation	7,796	23,855	54,343	85,994
Depreciation	(6,287)	(8,689)	(19,007)	(33,983)
Net carrying amount	1,509	15,166	35,336	52,011
As at 30 June 2024				
Net carrying amount opening balance	1,509	15,166	35,336	52,011
Increases	-	882	-	882
Decreases	(9)	-	-	(9)
Depreciation and amortisation	(193)	(852)	(680)	(1,725)
Revaluation charge	(1)	(4,257)	(13,627)	(17,885)
Net carrying amount	1,306	10,939	21,029	33,274
As at 30 June 2024				
Cost or value derived from valuation	7,519	20,481	40,715	68,715
Depreciation	(6,213)	(9,542)	(19,686)	(35,441)
Net carrying amount	1,306	10,939	21,029	33,274

Impairment losses on intangible assets are recognised when there are indications that the Company will not derive future economic benefits from its intangible assets.

The total balance of impairment losses for intangible assets is shown in the table below:

	SOFTWARE	FEES, LICENSES	GEOLOGICAL INFORMATION	TOTAL
As at 1 January 2025	279	9,169	26,728	36,176
As at 30 June 2025	279	9,169	26,728	36,176
As at 1 January 2024	-	-	1,780	1,780
Recognition of impairment losses	1	4,257	13,627	17,885
As at 30 June 2024	1	4,257	15,407	19,665

The creation of an impairment loss in respect of intangible assets is recognised in the interim statement of profit and loss under the heading "Impairment of intangible assets".

7. LEASES

7.1 Right-of-use asset

The table below shows the changes in the right-of-use asset:

	RIGHT OF PERPETUAL USUFRUCT OF LAND	MEANS OF TRANSPORT	TOTAL
As at 1 January 2025			
Cost or value derived from valuation	16,284	12,651	28,935
Depreciation	(2,857)	(4,445)	(7,302)
Net carrying amount	13,427	8,206	21,633
As at 30 June 2025			
Net carrying amount opening balance	13,427	8,206	21,633
Increases	2,191	-	2,191
Decreases	(399)	(41)	(440)
Depreciation and amortisation	(282)	(2,041)	(2,323)
Net carrying amount	14,937	6,124	21,061
As at 30 June 2025			
Cost or value derived from valuation	18,475	12,587	31,062
Depreciation	(3,538)	(6,463)	(10,001)
Net carrying amount	14,937	6,124	21,061
As at 1 January 2024			
Cost or value derived from valuation	16,042	12,786	28,828
Depreciation	(2,369)	(346)	(2,715)
Net carrying amount	13,673	12,440	26,113
As at 30 June 2024			
Net carrying amount opening balance	13,673	12,440	26,113
Other	-	(99)	(99)
Depreciation and amortisation	(244)	(2,057)	(2,301)
Net carrying amount	13,429	10,284	23,713
As at 30 June 2024			
Cost or value derived from valuation	16,042	12,687	28,729
Depreciation	(2,613)	(2,403)	(5,016)
Net carrying amount	13,429	10,284	23,713

Costs relating to the right-of-use asset are recognised as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Amortisation of the right-of-use asset	2,323	2,301
Financial costs	1,205	910
Total	3,528	3,211

The change in lease liabilities and the balance as at 30 June 2025 is shown in the table below:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
As at 1 January	24,444	28,291
Increases	2,191	-
Decreases	(66)	-
Other changes	-	(99)
Principal instalment under finance lease agreements	(1,733)	(1,907)
Total	24,836	26,285

7.2 Minimum future payments under irrevocable lease agreements

The minimum future payments under irrevocable lease agreements that do not fall within the scope of IFRS 16 "Leases" are as follows:

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Below 1 year	242	241
from 1 to 2 years	210	595
From 2 to 5 years	280	-
Minimum future payments	732	836

The Company is a party to lease agreements for specialist machinery and equipment and means of transportation that do not meet the criteria for recognising them as finance leases. Lease agreements are concluded for terms of different length. In part, they are short-term contracts to verify the quality of workmanship and suitability of the machines and equipment in the production process. Agreements concluded for a period longer than 2 years contain a clause offering an option to index the rate by the price index of goods and services.

Selected short-term agreements are not covered by the scope of IFRS 16 "Leases" and as such are not presented in the balance sheet as "Right-of-use assets".

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Trade receivables	281,551	532,829
Allowance for uncollectible accounts	(5,218)	(5,121)
Net trade receivables	276,333	527,708
Prepayments and accruals	53,294	47,982
Other receivables	2,977	4,515
Short-term part	332,604	580,205
Prepayments and accruals	-	5
Other	348	348
Long-term part	348	353
Total trade receivables and other receivables	332,952	580,558

The fair value of trade and other receivables is not significantly different from their carrying value.

All the Company's receivables are denominated in Polish zloty.

Changes in the balance of revaluation charge for trade receivables are presented in the following table:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
As at 1 January	5,121	5,770
Recognition of a charge	97	545
Receivables written off as uncollectible during the year	-	(1)
Reversal of unused amounts	-	(12)
Total	5,218	6,302

The impairment loss allowance for receivables was recognised and reversed in the statement of profit or loss in the "Selling costs" item. The other categories of trade receivables and other receivables do not contain any items of a reduced value.

The age structure of impaired receivables is shown in the table below:

	AS AT 30 JUNE 2025	AS AT 31 DECEMBER 2024
Up to 1 month	30	-
Over 12 months	5,188	5,121
Total	5,218	5,121

The age structure of overdue receivables which do not show signs of impairment is presented in the table below:

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Up to 1 month	114	26
1 to 3 months	-	9
3 to 6 months	-	4
Total	114	39

The maximum exposure to credit risk as at the reporting date is the fair value of each category of receivables listed above.

9. INVENTORIES

	AS AT 30 JUNE 2025	AS AT 31 DECEMBER 2024
Materials	173,525	176,843
Impairment loss for materials	(317)	-
Finished products	8,868	52,311
Total	182,076	229,154

The cost of inventories in the interim statement of profit or loss was included in the item "Cost of products, goods and materials sold", the total value of which during the first six months of 2025 amounted to PLN 1,244,483 thousand (PLN 1,503,137 thousand in the corresponding period of 2024).

Changes in the impairment loss for inventories are shown in the table below:

	FOR THE PERIOD FROM 1 JANUARY TO 30 June 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 June 2024
As at 1 January	-	8
Recognition of a charge	317	-
Total	317	8

The creation/reversal of the impairment loss for inventories is recognised in the statement of profit or loss under "Other net profits / (losses)".

No security has been established on inventories.

10. CASH AND THEIR EQUIVALENTS

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Cash in bank	12,496	16,405
Bank deposits	577,938	968,759
Total	590,434	985,164
Of which:		
- long-term part*	177,394	177,394
- short-term part	413,040	807,770
Total	590,434	985,164

* Restricted cash

The value of restricted cash amounted to PLN 188,975 thousand as at 30 June 2025 (as at 31 December 2024: PLN 197,339 thousand), of which PLN 177,394 thousand were funds accumulated within the Mine Decommissioning Fund to cover mine decommissioning costs (as at 31 December 2024: PLN 177,394 thousand), while the remaining amount relates to cash held in separated VAT accounts and collateral received.

The Company's cash holdings are denominated in PLN.

11. OTHER SHORT-TERM INVESTMENTS

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Other short-term investments	607,219	-
<i>Including:</i>		
- deposits with maturity of more than 3 months	607,219	-
Total	607,219	-

Other short-term investments relate entirely to deposits with BGK with an original maturity of more than 3 months. The carrying amount at 30 June 2025 consists of the principal amount of PLN 600,000 thousand and accrued interest of PLN 7,219 thousand. The deposits will mature in October 2025 and in January and April 2026.

12. SHARE CAPITAL

	NUMBER OF SHARES (in thousand)	COMMON EQUITY PAR VALUE	HYPERINFLATION ADJUSTMENT	TOTAL
As at 1 January 2025	34,014	170,068	131,090	301,158
As at 30 June 2025	34,014	170,068	131,090	301,158
As at 1 January 2024	34,014	170,068	131,090	301,158
As at 30 June 2024	34,014	170,068	131,090	301,158

All shares issued by the Company have been fully paid up.

13. OTHER CAPITAL

According to the Articles of Association, the Company may create supplementary capital and other

reserve capital, the purpose of which is stipulated by law and resolutions of the governing bodies. Other reserve capital include, among others, reserve capital from the issue of Management Options and capital from the valuation of cash flow hedges (in the part considered to be effective hedging).

Capital from valuation of cash flow hedging financial instruments

Other capital may also include derivative financial instruments constituting cash flow hedges (in the portion considered to be an effective hedge) after taking into account the tax effect. In the first 6 months of 2025 and 2024, the Company did not hold any financial instruments designated as cash flow hedges.

Retained earnings

The amount of retained earnings consists of, in addition to the current year's net result, also retained earnings from prior years, non-transferable actuarial gains/losses on account of defined benefit plans and capitals arising from the valuation of property, plant and equipment at fair value as of the date when IAS/IFRS was first applied.

Non-distributable equity components

Pursuant to Article 396 §1 of the Commercial Company Code, which is applicable to the Company, supplementary capital must be established to cover potential losses and at least 8% of the profit for the financial year is allocated to the supplementary capital until the capital reaches at least one-third of the share capital. This part of the supplementary capital is not available for distribution to shareholders. As at 31 December 2025 and 31 December 2024, this value amounted to PLN 100,386 thousand.

Actuarial gains and losses relating to provisions for post-employment benefits recognised through other comprehensive income are also excluded from distribution.

14. TRADE LIABILITIES AND OTHER LIABILITIES

	AS AT 30 JUNE 2025	AS AT 31 DECEMBER 2024
Trade liabilities	175,590	244,749
Other liabilities, including:	231,055	248,493
- <i>Company Social Benefit Fund</i>	5,122	707
- <i>Liabilities due to bid deposits</i>	2,995	1,175
- <i>Investment liabilities</i>	44,028	66,068
- <i>Payroll liabilities</i>	37,352	86,469
- <i>Other liabilities</i>	141,558	94,074
Total financial liabilities	406,645	493,242
Liabilities due to social security and other taxes	60,313	121,700
Trade and other liabilities	466,958	614,942
Of which:		
- <i>long-term part</i>	13,488	16,295
- <i>short-term part</i>	453,470	598,647
Total	466,958	614,942

The fair value of trade and other liabilities is not significantly different from their carrying value.

15. FINANCIAL INSTRUMENTS

Hierarchy of financial instruments measured at fair value.

Financial instruments carried at fair value may be classified as belonging to the following valuation models:

- Level 1: quoted (unadjusted) prices on active markets for identical assets and liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (as derived from provisions),
- Level 3: inputs that are not based on unobservable market prices (unobservable inputs).

As at 30 June 2025, the Company had no financial instruments measured at fair value.

16. PROVISION FOR EMPLOYEE BENEFITS

	AS AT 30 June 2025	AS AT 31 DECEMBER 2024
Recognised in the statement of financial position:		
Retirement and disability benefits	127,598	116,071
Service anniversary award	174,005	180,116
Other employee benefits (unused holiday leave, salaries, death benefits and others)	50,070	40,593
Total	351,673	336,780

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Costs recognised in the consolidated statement of profit or loss due to:		
Retirement and disability benefits	7,298	19,726
Service anniversary award	3,012	11,946
Other employee benefits (unused holiday leave, salaries, death benefits and others)	28,280	72,697
Total	38,590	104,369

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
(Profits)/losses recognised in the interim statement of comprehensive income due to:		
Retirement and disability benefits	6,945	21,369
Other employee benefits (death benefits)	(500)	(361)
Total	6,445	21,008

Change in provisions for employee benefits:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
As at 1 January	336,780	261,285
Current employment costs (including unused holiday leave, salaries, death benefits and others)	40,008	82,222
Costs of past employment	-	15,339
Interest costs	7,411	5,420
Actuarial (gains)/losses recognised in the interim statement of profit or loss	(8,829)	1,388
Actuarial losses recognised in the interim statement of comprehensive income	6,445	21,008
Total recognised in comprehensive income	45,035	125,377
Benefits paid	(30,142)	(29,985)
As at 30 June	351,673	356,677
of which:		
- long-term part	271,509	242,629
- short-term part	80,164	114,048

Costs of employee benefits are captured in the following items of the interim statement of profit or loss and of the interim statement of comprehensive income:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Cost of products, goods and materials sold	28,345	89,697
Sales costs	134	475
Administrative expenses	2,700	8,777
Financial costs	7,411	5,420
Total recognised in the interim statement of profit and loss	38,590	104,369
Actuarial losses recognised in the interim statement of comprehensive income	6,445	21,008
Total recognised in the interim statement of comprehensive income	45,035	125,377

17. PROVISION FOR OTHER LIABILITIES AND CHARGES

	PROVISION FOR MINE CLOSURE COSTS AND RECLAMATION OF LAND	MINING DAMAGE	LITIGATION	OTHER	TOTAL
As at 1 January 2025	173,450	10,768	7,218	391	191,827
Including:					
Long-term	173,450	-	-	-	173,450
Short-term	-	10,768	7,218	391	18,377
Recognised in the interim statement of financial position:					
- Revaluation of the provision created	(3,230)	-	-	-	(3,230)
Recognised in the interim statement of profit and loss:					
- Additional provisions created	-	-	-	361	361
- Use of the provision created	-	(1,259)	-	(391)	(1,650)
- Settlement of a discount	4,379	-	-	-	4,379
As at 30 June 2025	174,599	9,509	7,218	361	191,687
Including:					
Long-term	174,599	-	-	-	174,599
Short-term	-	9,509	7,218	361	17,088
As at 1 January 2024	169,102	7,352	8,566	189	185,209
Including:					
Long-term	169,102	-	-	-	169,102
Short-term	-	7,352	8,566	189	16,107
Recognised in the interim statement of financial position:					
- Revaluation of the provision created	(6,185)	-	-	-	(6,185)
Recognised in the interim statement of profit and loss:					
- Additional provisions created	-	-	2,093	223	2,316
- Use of the provision created	-	(1,315)	(3,677)	(189)	(5,181)
- Settlement of a discount	4,067	-	-	-	4,067
As at 30 June 2024	166,984	6,037	6,982	223	180,226
Including:					
Long-term	166,984	-	-	-	166,984
Short-term	-	6,037	6,982	223	13,242

Mine closure and reclamation of land

The Company recognises the provision for mine closure and reclamation of land as required by the applicable provisions of law. The calculated amount of mine closure and land reclamation costs as at 30 June 2025 is PLN 174,599 thousand, including the provision for mine closure of PLN 157,558 thousand and a provision for land reclamation of PLN 17,041 thousand. The change in the provision compared to the balance as at 31 December 2024 amounted to PLN 1,149 thousand, with the increase resulting from the reversal of the discount allowance of PLN 4,379 thousand recognised in the interim statement of profit or loss under "Finance costs", while the decrease resulting from the updating of assumptions, totalling PLN 3,230 thousand, was recognised in the interim statement of financial position as a decrease in the item "Property, plant and equipment".

Remedying of mining damages

Due to the need to remedy the damage caused by its operations, the Company recognises a provision for mining damages. The estimated value of the work required to repair the damage as at 30 June 2025 is PLN 9,509 thousand, with the amount primarily related to the planned costs that will have to be incurred in connection with securing buildings, repairing damage to buildings and roads and in connection with compensation for damage to agricultural land. The total amount of the provision used

in the first 6 months of 2025 was PLN 1,259 thousand (PLN 1,315 thousand in the same period of the previous year).

Litigation

The stated amounts represent a provision for certain legal claims brought against the Company by its clients and suppliers. The amount of provisions recognised/reversed in the current period is recognised in the interim statement of profit or loss as other revenues/costs. According to the judgement of the Company's Management Board, supported by relevant legal opinions, the reporting of these claims will not cause any significant losses in amounts exceeding the amount of provisions recognised as at 31 December 2025.

18. SALES REVENUES

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Sales of coal	1,484,524	1,632,429
Other operations	25,526	26,291
Sales of goods and materials	7,646	8,244
Total revenues on sales	1,517,696	1,666,964

The main categories of contracts in the above revenue types include:

- Coal sales contracts relating to the Company's core business; there are two types of these contracts – with the transport service (in which the Company organises transport to the customer) or without the service.
- Contracts relating to the sale of goods and materials, mainly scrap metal; revenues from such contracts represent a small percentage of all revenue from sales. The total amount of all revenues on this account in the first 6 months of 2025 amounted to PLN 7,646 thousand (PLN 8,244 thousand in the corresponding period of the previous year).
- Contracts relating to sales of other services, with the highest amounts being revenues from the rental of space in shower rooms (hooks and lockers). This service is provided almost exclusively to the Company's sub-contractors (providing mining services to the Company) whose employees are obliged by OHS regulations to use shower rooms. The total amount of revenue from sales from the rental of shower room space in the first 6 months of 2025 was PLN 7,746 thousand (PLN 7,032 thousand in the corresponding period of the previous year).

19. OTHER REVENUES

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Compensations received**	147,736	1,920
Excise tax refund	506	253
Reversal of other provisions for liabilities	291	121
Reversal of impairment losses	14	1,691
Other revenues	2	22
Total other income	148,549	4,007

** Very high increase in compensations received as well as in the entire item "Other income" results from the compensation received at the beginning of 2025 for the damage to wall 3/VII/385. A broader description is presented in note 31.

20. OTHER COSTS

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Donations	(1,814)	(351)
Enforcement fees and penalties	(12)	(182)
Claims	-	(136)
Other	(77)	(164)
Total other costs	(1,903)	(833)

21. OTHER NET LOSSES

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Profit on the sale of fixed assets	8	10
Exchange gains or losses	(59)	(53)
Result on the liquidation of fixed assets	(1,189)	(4,042)
Write-down on inventories	(317)	-
Other losses	(888)	(986)
Total other losses - net	(2,445)	(5,071)

22. FINANCIAL INCOME AND COSTS

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Interest income on short-term bank deposits	22,631	17,584
Dividends received	12,126	1,617
Other revenues, including:	4,745	5,164
- <i>Interest relating to the Mine Closure Fund</i>	4,565	4,994
- <i>Other</i>	180	170
Total finance income	39,502	24,365
Interest cost from valuation of employee benefits	(7,411)	(5,420)
Settlement of discount relating to provision for Mine Closure and for land reclamation	(4,379)	(4,067)
Other interest costs and indexation	(1,273)	(1,301)
Interest expenses relating to the lease of fixed assets	(1,205)	(910)
Other costs	(285)	(328)
Total financial costs	(14,553)	(12,026)

23. INCOME TAX

23.1 Tax liability

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Current Tax	37,436	27,931
Deferred tax recognised in profit or loss	19,219	(243,328)
Deferred tax recognised in other comprehensive losses:	(1,224)	(3,991)
- <i>due to actuarial losses recognised in the interim statement of comprehensive income</i>	(1,224)	(3,991)
Total	55,431	(219,388)

23.2 Reconciliation of effective tax rate

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Profit/ (loss) before tax	323,644	(1,124,533)
Tax calculated at a rate of 19%	61,492	(213,661)
Correction of income tax for previous years	(3,983)	(1,435)
Tax effect of revenues permanently excluded from the tax base, of which:	(2,304)	(1,186)
- dividend from subsidiaries	(2,304)	(307)
- other	-	(879)
Tax effect of costs permanently excluded from the tax base, of which:	1,450	885
- payment to the PFRON disabled persons fund	973	862
- donations	4	23
- amortisation and other costs	473	-
Income tax debiting/(crediting) of financial result	56,655	(215,397)
Effective tax rate	18%	19%

Income tax in the interim condensed financial statements was assessed using a nominal tax rate for 2025 of 19.0% (2024: 19.0%).

The regulations governing VAT, property tax, corporate income tax, personal income tax, or social security contributions are frequently amended, as a result of which there is often no reference to established regulations or legal precedents. The current regulations also contain ambiguous provisions that result in differences of opinion about the legal interpretation of tax regulations both between various state authorities and between state authorities and businesses.

Tax and other (e.g. customs or foreign exchange) settlements may be audited by authorities, which may levy significant penalties; any additional liabilities determined as a result of the audit must be paid with high interest. Consequently, tax risk in Poland is higher than in countries with better developed tax systems. Tax settlements may be audited for a period of five years. As a result, the amounts stated in the financial statements may change at a later date after the final determination of their amounts by the tax authorities.

23.3 Current income tax receivables and liabilities

The current income tax receivables of PLN 34,786 thousand relate entirely to 2025.

24. EARNINGS PER SHARE

Basic

Basic earnings/(losses) per share are calculated as a quotient of profit/(loss) attributable to the Company's shareholders and the weighted average number of ordinary shares during the year.

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Profit/(Loss) attributable to shareholders of the Company	266,989	(909,136)
Weighted average number of ordinary shares (in thousand)	34,014	34,014
Basic earnings/(loss) per share (PLN)	7.85	(26,73)

Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares as if the conversion to potential dilutive ordinary shares had occurred. As at 30 June 2025, the Company did not have any instruments giving rise to potential dilution of ordinary shares.

25. DIVIDEND PER SHARE

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

On 25 June 2025, the Company's AGM was held, at which the Shareholders passed a resolution to cover the loss for 2024, according to which the Company's net loss of PLN 1,504,054 thousand was fully covered from the reserve capital.

The resulting ratios measuring dividends due to Company's shareholders are presented in the table below:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Dividend due and disbursed	-	85,034
Number of ordinary shares at the dividend record date (in thousand)	34,014	34,014
Dividend per share (in PLN)	-	2.50

26. ADDITIONAL INFORMATION FOR RECONCILIATION OF CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Balance sheet change in liabilities, liabilities from contracts with customers and subsidies		(148,076)	83,790
Change in investment commitments		10,003	(201,279)
Change in liabilities for the purposes of the interim statement of cash flows		(138,073)	(117,489)
Increases in fixed assets	5	298,911	475,297
Other non-cash adjustments		(568)	(14)
Change in investment liabilities		10,003	(201,279)
Acquisition of property, plant and equipment		308,346	274,004

27. CONTINGENT ITEMS

The Company has conditional liabilities on account of property tax as well as conditional liabilities and assets on account of legal claims arising in the regular course of business.

Property Tax

In connection with the settlement of property tax on underground roadways, in the part deemed probable by the Company, the Company no longer recognises a provision for property tax. Nevertheless, the potential contingent liability may arise mainly from the existing differences between the Company's position and the position of tax authorities regarding the subject of this tax. The differences are related to the issue whether the underground roadways of the Company contain other structures (in addition to those already declared) within the meaning of the provisions of the Act on Local Taxes and Charges that are taxable with this tax; other discrepancies may also relate to the value of individual facilities if it is determined that they are indeed subject to property 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 enter into force on 1 January 2025. The legislation introduces quite significant changes to the property tax, including a revised definition of a building and a new list and scope of facilities that will be considered as structures subject to property tax.

Price collusion claims

The conditional assets resulting from the legal action brought by the Company on 30 December 2020 against "A. Weber" Sp. z o.o., Minova Ekochem S.A. and "DSI Schaum Chemie" Sp. z o.o. for payment of the amount of PLN 23,124 thousand (principal amount plus interest) as compensation for damage caused as a result of violation of competition law (unlawful anti-competitive arrangements, including price collusion, market sharing and collusive bidding in the purchase of mining chemical products, including polyurethane adhesives). The damage to the Company resulted from the necessity to pay inflated prices due to the prohibited agreements in 2006-2010 (following the decision of the President of UOKiK of 16 December 2013, which was subsequently appealed by the aforementioned penalized entities).

On 11 October 2023, the Supreme Court dismissed the cassation appeal of the President of the UOKiK against the unfavourable judgement of the Court of Appeals in respect of the original decision, which has the effect of removing the decision of the President of the UOKiK finding price collusion from legal circulation. The first trial date was set for 1 August 2024, however, on 24 July 2024, the Company filed a request with the court to refer the case to mediation so the trial date was cancelled. At the moment, the Company is awaiting further Court's decision.

Legal claims relating to patents

The contingent liability for legal claims relating to the fee for co-creators of the inventions covered by Patent No. 206048 and functioning in the Company, for which the Company does not recognise a provision, may result mainly from the inability to assess the grounds for the amount of the claim in question and the difference between the Company's position and the position of the co-creators of the inventions covered by the above patent.

In Q1 2024, there was a significant change in the status of legal claims concerning patents previously recognised as a contingent liability. Namely, on 15 February 2024, the Court of Appeals in Warsaw ruled that the plaintiffs were entitled to the remuneration in the amount of PLN 4,075 thousand with interest from 2013, thus largely upholding the Company's appeal. The judgement is final and therefore the Company has made a payment to the plaintiffs. On 15 March 2024, the Company received a written justification for the aforementioned judgement, which was subject to detailed analysis, as a result of which the Company decided to file a cassation appeal.

On 28 May 2024, the Company filed a cassation appeal with the Supreme Court; in addition, the plaintiffs also filed an appeal. The company is still waiting for setting the date for a hearing on the matter.

28. FUTURE CONTRACTUAL LIABILITIES

Investment liabilities

Contractual investment liabilities incurred as at the balance sheet date but not yet recognised in the interim statement of financial position are as follows:

	AS AT 30 JUNE 2025	AS AT 31 DECEMBER 2024
Property, plant and equipment	255,910	217,676
Investment liabilities	255,910	217,676

Future contractual liabilities arise mainly under concluded contracts for mining work and for the purchase of mining machinery and equipment, which depend on the amount of preparatory work (excavation of roadways) planned.

29. TRANSACTIONS WITH RELATED PARTIES

All transactions concluded with related parties are concluded in the ordinary course of business of the Company and on an arm's length basis.

Transactions with subsidiaries of the State Treasury of the Republic of Poland

The Company enters into commercial transactions with state and local administration authorities and with subsidiaries of the State Treasury of the Republic of Poland.

Major sales transactions relate to the revenue from sales of steam coal to the following companies: Zakłady Azotowe w Puławach S.A. (Grupa Azoty), Energa Elektrownie Ostrołęka S.A., Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Chełm, Krajowa Grupa Spożywcza S.A. and Orlen Termika S.A.

In the reporting periods ended 30 June 2025 and 30 June 2024, the revenue on sales to the above-mentioned entities and the balance of the Company's receivables from these entities were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Sales in the period	125,300	357,706	172,147
Balance of receivables at end of period, including VAT	43,983	104,043	93,296

Major purchase transactions include: purchase of materials (roof supports) from Huta Łabędy S.A., purchase of transport services from PKP Cargo S.A., purchase of electricity distribution services from PGE Dystrybucja S.A., purchase of fuel from Orlen Paliwa Sp. z o.o., and fees arising from mining and exploration concessions.

In the reporting periods ended 30 June 2025 and 30 June 2024, the turnover resulting from purchases from the above entities and the balance of amounts payable by the Group to these entities were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Purchases in the period	140,609	341,934	179,077
Balance of liabilities at end of period, including VAT	16,802	36,700	28,566

Transactions with ENEA Group companies

Purchase transactions mainly involve the purchase of electricity from ENEA S.A., the purchase of services from Enea Centrum Sp. z o.o. and materials from ENEA Wytwarzanie Sp. z o.o.

In the reporting periods ended 30 June 2025 and 30 June 2024, the turnover resulting from purchases from ENEA Group companies and the amounts payable by the Group to these entities were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Purchases in the period	78,902	274,246	132,018
Balance of liabilities at end of period, including VAT	29,152	58,419	52,081

Sales transactions involved primarily sales of steam coal to ENEA Wytwarzanie Sp. z o.o., Enea Elektrownia Połaniec S.A. and Enea Ciepło Sp. z o.o.

In the reporting periods ended 30 June 2025 and 30 June 2024, the revenue from sales to ENEA Group companies and the balance of the Company's receivables from these entities was as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Sales in the period	1,221,859	3,079,286	1,368,247
Balance of receivables at end of period, including VAT	212,108	404,143	320,350

In the reporting periods ended 30 June 2025 and 30 June 2024, the values of liability on account of dividends paid to ENEA Group companies were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Dividend liability for ENEA Group companies	-	-	54,905
Dividend paid to ENEA Group companies	-	54,905	-

The Company's transactions with subsidiaries in the Lubelski Węgiel Bogdanka Group

The revenue earned by the Company from its cooperation with the "Łęczyńska Energetyka" Sp. z o.o. subsidiary included primarily sales of coal, payments for the lease of space, telecommunications services, investor supervision services and re invoicing of electricity.

Purchase transactions included mainly the purchase of heat, potable water and maintenance of the sewerage and central heating systems, mine water installations and water supply systems.

The revenue earned by the Company from its cooperation with the EkoTRANS Bogdanka Sp. z o.o. subsidiary included mainly payments for the lease of space and telecommunications services.

Purchase transactions included mainly the purchase of services related to transportation, disposal and management of waste created during the washing and purification of coal winnings, as well as land reclamation services.

The revenue earned by the Company from its cooperation with the RG "Bogdanka" Sp. z o.o. subsidiary included mainly payments for the lease of space, fees for the use of equipment and tools and telecommunications services.

Purchase transactions included mainly the purchase of services related to the performance of mining works, auxiliary work in the mine and handling of coal haulage.

The revenue earned by the Company from its cooperation with the MR Bogdanka Sp. z o.o. subsidiary included mainly payments for the lease of space and telecommunications services.

Purchase transactions comprised mainly the purchase of services related to the renovation of mining machinery and equipment, transportation units, refurbishing services, maintenance services and the supply of equipment and components.

In the reporting periods ended 30 June 2025 and 30 June 2024, the turnover resulting from purchases from Lubelski Węgiel Bogdanka Group companies and the amounts payable by the Company to these entities were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Purchases in the period, of which:	133,203	240,980	115,285
- Purchases of services activated as property, plant and equipment	6,647	38,226	20,250
Balance of liabilities at end of period, including VAT	22,087	25,505	20,091

In the reporting periods ended 30 June 2025 and 30 June 2024, the turnover resulting from sales to Lubelski Węgiel Bogdanka Group companies and the amounts receivable by the Company from these entities were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Sales in the period	10,676	25,221	12,355
Balance of receivables at end of the period including VAT	1,651	5,270	1,514

In the reporting periods ended 30 June 2025 and 30 June 2024, the values of dividends received from the subsidiaries comprising the Lubelski Węgiel Bogdanka Group were as follows:

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Dividend received from LW Bogdanka Group companies	5,803	-	592
Dividend received from LW Bogdanka Group companies	6,323	1,617	1,025

30. INFORMATION ON REMUNERATION OF MANAGEMENT BOARD MEMBERS, SUPERVISORY BOARD MEMBERS AND COMMERCIAL PROXIES

	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2025	FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
Remuneration of the Management Board members and commercial proxies	2,316	2,888
Remuneration of the Supervisory Board members	190	322

In addition to the standard remuneration under management contracts, appointments or employment, in the first half of 2025, as well as in the corresponding period of the previous year, there were no other transactions with the key personnel of the Company.

31. SIGNIFICANT EVENTS AFFECTING THE COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2025

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

32. EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the knowledge possessed, there have been no material events after the balance sheet date that could have an impact on the financial result as at 30 June 2025 and have not been included in the interim condensed financial statements.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The Management Board of Lubelski Węgiel Bogdanka S.A. hereby represents that on 8 September 2025, it approves these financial statements of the Company for the period from 1 January to 30 June 2025 for publication.

34. SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD AND THE CHIEF

ZBIGNIEW STOPA

President of the Management Board

.....

ARTUR WASILEWSKI

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

.....

BARTOSZ ROŻNAWSKI

Vice-President of the Management Board,
Production

.....

SŁAWOMIR KRENCZYK

Vice-President of the Management Board,
Development

.....

URSZULA PIĄTEK

Chief Accountant

.....

ACCOUNTANT