



Independent auditor's report on the audit

For the General Meeting and the Supervisory Board of Lubelski Węgiel "Bogdanka" S.A.

Report on the audit of the annual separate financial statements

Our opinion

In our opinion, the annual consolidated financial statements:

- present a true and fair view of the consolidated economic and financial position of Lubelski Węgiel "Bogdanka" S.A. ("the Parent Company") and its subsidiaries (together, "the Group") as at 31 December 2025 and the Group's consolidated profit or loss and consolidated cash flows for the financial year ended on that date, in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the accounting policies adopted;
- comply in terms of form and content with the legal regulations applicable to the Group and the Articles of Association of the Parent Company;

This opinion is consistent with our supplementary report for the Parent Company's Audit Committee, which we issued on the date of publication of this report.

The subject matter of our audit

We have audited the annual consolidated financial statements of the Lubelski Węgiel Bogdanka Group, which comprise:

- the consolidated statement of financial position (balance sheet) as at 31 December 2025;
- the consolidated statement of comprehensive income for the financial year then ended;
- the consolidated statement of comprehensive income for the financial year then ended;

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- the consolidated statement of changes in equity for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended, and
- notes to the consolidated financial statements, containing information on significant accounting policies and other explanatory information.

Basis for opinion

We carried out our audit in accordance with the National Auditing Standards, which reflect the International Auditing Standards as adopted by resolutions of the National Council of Statutory Auditors and a resolution of the Council of the Polish Audit Oversight Agency (the “NAS”), and in compliance with the provisions of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight (“Act on Statutory Auditors”) and EU Regulation No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, repealing Commission Decision 2005/909/EC (the “EU Regulation”). Our responsibilities under the NAS are further described in the Statutory auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the EU Regulation applicable to audits of financial statements of public-interest entities, the ethical requirements of the Act on Statutory Auditors applicable to audits of financial statements in Poland, and the “Handbook of the International Code of Ethics for Professional Accountants (including the International Standards on Independence)” (“Code of Ethics”), adopted by the resolution of the National Council of Statutory Auditors and applicable to the audit of financial statements of public-interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the EU Regulation and the ethical requirements of the Act on Statutory Auditors and the Code of Ethics. During the audit, the key statutory auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

Our approach to the audit

Conclusion



The overall materiality adopted for the audit was determined at a level of PLN 23,900 thousand, accounting for 2.5% of the average consolidated EBITDA in the years 2023-2025.

- We carried out the audit of the Parent Company and four subsidiaries in Poland ("Łęczyńska Energetyka" Sp. z o.o., EkoTRANS Bogdanka Sp. z o.o., RG "Bogdanka" Sp. z o.o., MR Bogdanka Sp. z o.o.).
- The scope of our audit covered 100% of the Group's revenue, 100% of the absolute value of its profit or loss, and 100% of the total assets of all the Group's consolidated companies prior to the application of consolidation exclusions.

The key issue of the audit

- Impairment test for property, plant and equipment

We have designed our audit by establishing materiality and assessing the risk of material misstatement of the consolidated financial statements. In particular, we considered where the Management Board of the Parent Company made subjective judgements; for example, in relation to significant accounting estimates that required assumptions and consideration of the occurrence of future events that are inherently uncertain. We also addressed the risk of the Management Board of the Entity circumventing internal controls, including, among others, whether there was evidence of the Management Board bias that would constitute a risk of material misstatement due to fraud.

Materiality

The scope of our audit was affected by the materiality level adopted. The audit was designed to provide reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement. Distortions can arise from fraud or error. Misstatements are deemed material if they could reasonably be expected to affect individually or in the aggregate the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we have determined quantitative thresholds for materiality, including overall materiality in relation to the consolidated financial statements as a whole. These thresholds, including the qualitative factors, enabled us to determine the scope of our audit and the type, timing and extent of audit procedures, as well as to assess the impact of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall materiality for the Group	PLN 23.900 thousand
Basis for determination	2.5% of the average consolidated EBITDA for the years 2023-2025. EBITDA is an alternative performance indicator and it is defined in the Activity Report of the

	Parent Company and the Group, in the “Glossary of Terms” section. The purpose of averaging the EBITDA ratio was to determine a standardised measure that could serve as a basis for determining the materiality threshold.
Reasons for the basis adopted	For companies in the mining sector, EBITDA is one of the key indicators analysed, among others, by shareholders. We have adopted materiality threshold at a level of 2.5% since, based on our professional judgement, it falls within the range of acceptable quantitative thresholds applied for the purposes of auditing the financial statements of public-interest entities.

We have agreed with the Audit Committee of the Parent Company that we will report any misstatements in the consolidated financial statements identified during the audit with a value exceeding PLN 2,390 thousand, as well as misstatements below that amount if, in our opinion, this is justified on the basis of qualitative factors.

Scope of the Group’s audit

We have tailored the scope of our audit to ensure that we performed sufficient work enabling us to express the opinion on the consolidated financial statements as a whole, taking into account the Group’s structure, accounting processes and controls as well as the industry where the Group operates.

We carried out the audit of the Parent Company and all four subsidiaries operating in Poland. The scope of our audit covered 100% of the Group’s revenue, 100% of the absolute value of its profit or loss, and 100% of the total assets of all the Group’s consolidated companies prior to the application of consolidation exclusions.

Key audit matters

Key audit issues include matters that, according to our professional judgement, were most significant during the audit of the consolidated financial statements for the current period. We have addressed these issues in the context of our audit of the consolidated financial statements as a whole and in preparing our opinion, and we do not express a separate opinion on these matters.

The key matter of the audit	How our audit addressed this matter
Impairment test for property, plant and equipment As at 31 December 2025, the Group recognises property, plant and equipment and intangible assets in its separate financial statements in the total amount of PLN 1,710 million, accounting for 46.5% of the total assets recognised in the consolidated statement of financial position. In accordance with IAS 36 “Impairment of Assets”, the Parent Company’s Management Board carries out the analysis at the end of the	For the purpose of analysing the test carried out by the Parent Company, we gained a detailed understanding of the process by which the Management Board prepares cash flow forecasts, as well as the key estimates and assumptions applied in the test. As part of our audit activities, we verified the mathematical and methodological accuracy of the discounted cash flow model that had been prepared. We also carried out an independent assessment of the assumptions and estimates adopted by the Management

reporting period to assess whether there are any indications that non-current assets may be impaired. Assets for which indications of impairment or a reduction in a previously recognised impairment loss occurred are tested for impairment at the end of the reporting period.

On the basis of the analysis of the economic and market situation carried out by the Management Board, it was noted that the current market capitalisation of the Parent Company

remains for a long period at a level below the carrying amount of net assets. Furthermore, the growing importance of RES units and the planned decarbonisation of the Polish economy results in a decline in demand for steam coal, which has a negative impact on the Parent Company's sales forecasts. The Management Board considered this as the grounds for performing an impairment test and determining the recoverable amount.

The impairment test (including the resulting cash flows and the value of the assets tested) was carried out as at 31 December 2025.

The calculation of the recoverable amount requires the Management Board to adopt a number of assumptions and exercise its judgement. They relate, among others, to the adopted strategy of the Group, financial plans and cash flow forecasts for the coming years, as well as macroeconomic and market assumptions (primarily relating to demand for and prices of hard coal).

In Note 4.3 to the consolidated financial statements, the Group presented the key assumptions applied to estimate the value in use of the tangible fixed assets tested. The net carrying amount of the assets subject to the test stood at PLN 1,948 million as at 31 December 2025, whilst the present value of the discounted cash flows estimated on the basis of forecasts amounted to PLN 1,425 million. On this basis, an impairment loss of PLN 523 million was recognised on the fixed assets tested by the Parent Company.

Board, taking into account, among others, our knowledge of the industry and the market, regulatory and macroeconomic situation, which comprised, among others:

- the discount rate applied (based on the weighted average cost of equity),
- the forecast average selling price of coal,
- the increase in the average wage (in real terms),
- the average annual level of projected capital expenditure,
- the period covered by the cash flow forecasts (based on operational coal resources),
- the projected sales volume based on production capacity and demand for steam coal on the domestic and international markets.

In the scope of analysis of the discount rate applied, we relied on the expertise of our in-house specialists (PwC Capital Markets and Accounting Advisory Department).

Our procedures also included the assessment of the sensitivity analysis carried out by the Management Board to examine how the model would be affected by changes to key assumptions that could affect the measurement result.

Furthermore, we have verified the accuracy and completeness of the disclosures in the consolidated financial statements prepared by the Group.

Responsibility of the Management Board and the Supervisory Board of the Parent Company for the consolidated financial statements

The Parent Company's Management Board is responsible for the preparation, on the basis of properly maintained accounting records, of the annual consolidated financial statements that give a true and fair view of the financial position and financial performance of the Group in accordance with the International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies and the legal regulations applicable to the Group and its Articles of Association, as well as for such internal control as the Parent Company's Management Board deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management Board of the Parent Company and the members of the Supervisory Board are responsible for ensuring that the separate financial statements meet the requirements provided for in the Accounting Act of 29 September 1994 ("Accounting Act"). Members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process.

Statutory auditor's responsibility for the audit of the consolidated financial statements

Our aim was to obtain sufficient assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and to issue a report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the National Standards on Auditing will always detect an existing material misstatement. Misstatements may arise as a consequence of fraud or error and are considered material if they could reasonably be expected to individually or in the aggregate affect the economic decisions of users taken on the basis of the consolidated financial statements.

The scope of the audit does not include assurance as to the future profitability of the Group or the efficiency or effectiveness with which the Management Board of the Parent Company conducts or will conduct the Group's affairs.

As part of an audit in accordance with NAS, we exercise professional judgement and maintain professional scepticism throughout the audit as well as:

- we identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error, design and perform audit procedures appropriate to those risks and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error. This is because fraud may involve collusion, forgery, deliberate omissions, misrepresentations or circumvention of internal controls;
- we gain an understanding of the internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we assess the adequacy of the accounting policies used and the legitimacy of accounting estimates and related disclosures made by the Parent Company's Management Board;
- we conclude on the adequacy of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report; however, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we plan and carry out the audit of the Group in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for expressing an opinion on the consolidated financial statements. We are responsible for the management, supervision and review of the work carried out for the purposes of the Group's audit, and we are solely responsible for our audit opinion.

We communicate with the Parent Company's Audit Committee regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We submit a statement to the Parent Company's Audit Committee confirming that we have complied with the relevant ethical requirements regarding independence and that we have disclosed all relationships and other matters that could reasonably be considered to pose a threat to our independence; where applicable, we also report on the measures taken to address these threats and the safeguards applied.

Among the matters reported to the Audit Committee, of the Parent Company we have identified those matters that were most significant during the audit of the consolidated financial statements for the current reporting period and therefore recognised them as key audit issues. We describe those issues in our statutory auditor's report unless a law or regulations prohibit public disclosure or if, in exceptional circumstances, we determine that the matter should not be presented in our report because the negative consequences could reasonably be expected to outweigh the benefits of such information to the public interest.

Other information, including the Report on activities

Other information comprises:

- the report on the activities of the Parent Company and the Group for the financial year ended 31 December 2025 (“Activity Report”) together with the corporate governance statement and the Lubelski Węgiel Bogdanka Group’s Sustainability Report for 2025, which form separate parts of this Activity Report.
- consolidated statement on payments to public administration,
- other documents included in the Annual Report for the financial year ended 31 December 2025 (collectively, “Other information”). The Other information does not include the consolidated financial statements and our auditor's report thereon.

Responsibilities of the Management Board and Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for the preparation of Other Information in accordance with the law.

The Management Board and members of the Supervisory Board of the Parent Company are required to ensure that the Activity Report and the statement on payments to public administration meet the requirements provided for in the Accounting Act.

Auditor's responsibility

Our audit opinion on the consolidated financial statements does not comprise Other information.

In connection with our audit of the consolidated financial statements, our responsibility under the NAS is to read the Other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work performed, we find a material misstatement of Other Information, we are required to report this in our audit report.

It is also our duty, in accordance with the requirements of the Act on Statutory Auditors, to issue an opinion as to whether the Activity Report, insofar as it does not relate to sustainability reporting, has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 73 of the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent information required by the laws of a non-Member State ("Regulation on Current Information"), whether it is consistent with the information contained in the consolidated financial statements, and to issue a statement as to whether, in the light of the knowledge of the Company and its environment obtained during the audit, any material misstatements were identified in the Activity Report, in respect of matters not relating to sustainability reporting, and to specify the nature of each such material misstatement.

Furthermore, we are required to issue an opinion whether the Group has included the required information in its corporate governance statement.

Statement concerning Other Information

We declare that, in the light of the knowledge of the Group and its environment obtained during our audit:

- we have nothing to report with regard to material misstatements in the Other information;
- we found no material misstatements in the Activity Report, insofar as it does not relate to sustainability reporting.

Opinion on the Activity Report in the scope that does not relate to sustainability reporting.

Based on the work carried out during the audit, in our opinion, the Activity Report, insofar as it does not relate to sustainability reporting:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 73 of the Regulation on Current Information;
- is consistent with the information contained in the consolidated financial statements.

Opinion on the corporate governance statement

In our opinion, in the corporate governance statement the Group has included the information specified in paragraph 72(7)(5) of the Regulation on Current Information. Furthermore, in our opinion, the information specified in paragraph 72(7)(5)(c) to (f), (h) and (i) of that Regulation, as set out in the corporate governance statement, is consistent with the applicable regulations and the information contained in the consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the compliance of the labelling of the consolidated financial statements with the requirements of the European Single Electronic Format (“ESEF”)

In connection with the audit of the consolidated financial statements, we were engaged by the Management Board of the Parent Company, pursuant to the contract, to carry out an assurance engagement providing reasonable assurance with a view to expressing an opinion as to whether the Group’s consolidated financial statements as at and for the year ended 31 December 2025 prepared in the uniform electronic reporting format and contained in a file named lwb-2025-12-31-1-pl.xbri (“consolidated financial statements in ESEF format”) have been tagged in accordance with the requirements set out in Article 4 of Commission Delegated Regulation (EU) No 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards concerning the specifications of the uniform electronic reporting format (“the ESEF Regulation”).

Description of the subject matter of the contract and the applicable criteria

The consolidated financial statements in ESEF format have been prepared by the Management Board of the Parent Company in order to comply with the technical requirements regarding the specifications for a uniform electronic reporting format and labelling, as set out in the ESEF Regulation.

The subject of our certification service is the compliance of the labelling of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation and, in our opinion, the requirements set out therein constitute the appropriate criteria for us to prepare our opinion.

Responsibilities of the Management Board and Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for preparing the consolidated financial statements in the ESEF format in accordance with the technical requirements relating to the specifications of the uniform electronic reporting format, as set out in the ESEF Regulation. This responsibility includes the selection and application of appropriate XBRL tags using the taxonomy determined in the ESEF Regulation. The responsibility of the Parent Company's Management Board also includes the design, implementation and maintenance of the internal control system to ensure that the consolidated financial statements in the ESEF format are prepared free from material non-compliance with the requirements of the ESEF Regulation and that they are tagged in accordance with those requirements.

The members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process, which also includes the preparation of the consolidated financial statements in accordance with the format prescribed by law.

Statutory auditor's responsibility

Our aim was to express the opinion, based on the assurance engagement carried out, as to whether the consolidated financial statements in the ESEF format had been tagged, in all material respects, in accordance with the requirements of the ESEF Regulation.

We carried out this engagement in accordance with the National Standard for Assurance Services Other than Audit and Review 3001PL – "Audit of financial statements prepared in a uniform electronic reporting format" ("KSUA 3001 PL") and, where applicable, in accordance with the National Standard on Assurance Engagements Other Than Audits and Reviews 3000 (Z), as set out in International Standard on Assurance Engagements 3000 (as amended) – "Assurance Engagements Other Than Audits and Reviews of Historical Financial Information" ("KSUA 3000 (Z)"). These standards require us to plan and implement procedures in such a way as to obtain reasonable assurance that the consolidated financial statements in the ESEF format have been tagged, in all material respects, in accordance with the

specified criteria.

Reasonable assurance means a high level of assurance, but it does not guarantee that a service carried out in accordance with KSUA 3001PL and, where applicable, in accordance with KSUA 3000 (Z), will always detect a material misstatement (a material non-compliance with the requirements).

The selection of the procedures depends on the statutory auditor's judgement, including their assessment of the risk of material misstatement arising from fraud or error. When assessing this risk, the statutory auditor takes into account the internal control relating to the preparation of the consolidated financial statements in the ESEF format in order to plan adequate procedures designed to provide the statutory auditor with sufficient and adequate evidence under the circumstances. The assessment of the internal control system functioning was not carried out with a view to expressing an opinion on its effectiveness.

Quality management and ethical requirements

We apply the National Quality Control Standard 1 in its wording consistent with the International Standard on Quality Management (PL) 1 – “Quality Management for Firms Performing Audits or Reviews of Financial Statements or Other Assurance or Related Services” developed by the International Standards Board for Auditing and Assurance Services, adopted by a resolution of the Council of the Polish Audit Oversight Agency (“KSKJ 1”). In accordance with the requirements of KSKJ 1, we maintain a comprehensive quality control system, comprising documented policies and procedures relating to the compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

When performing the engagement, we complied with the independence requirements and other ethical requirements set out in the Code of Ethics. The Code of Ethics is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We have also complied with other independence and ethical requirements applicable to this assurance engagement in Poland.

Summary of the work performed

The procedures we planned and carried out were aimed to obtain reasonable assurance as to whether the consolidated financial statements in the ESEF format had been tagged, in all material respects, in accordance with the applicable requirements. Our procedures included, among others:

- gaining an understanding of the process of preparing the consolidated financial statements in the ESEF format, including the Group's selection and application of XBRL tags and ensuring compliance with the ESEF Regulation, including an understanding of the internal control mechanisms relating to this process;
- reconciliation, on the basis of a selected sample, of the highlighted information contained in the

consolidated financial statements in the ESEF format with the audited consolidated financial statements;

- an assessment of compliance with the technical standards relating to the specifications for a uniform electronic reporting format, including the use of the XHTML format;
- an assessment of the completeness of the tagging of information in the consolidated financial statements in ESEF format using XBRL tags;
- an assessment whether the XBRL tags of the taxonomy set out in the ESEF Regulation have been applied correctly, and whether taxonomy extensions have been used appropriately in cases where the relevant elements were not identified in the core taxonomy set out in the ESEF Regulation;
- an assessment whether the taxonomy extensions used are correctly anchored within the core taxonomy set out in the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and adequate to form the basis of our opinion.

Opinion

In our opinion, based on the assurance engagement carried out, the consolidated financial statements in the ESEF format had been tagged, in all material respects, in accordance with the requirements of the ESEF Regulation.

Declaration on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Parent Company and its controlled entities within the European Union are compliant with the laws and regulations in force in Poland, and that we have not provided any non-audit services prohibited under Article 5(1) of the EU Regulation and Article 136 of the Act on Statutory Auditors.

Non-audit services other than the audit of financial statements that we provided to the Parent Company and its controlled entities in the period from the beginning of the audit period until the issuance of the audit report are specified in the Activity Report.

Selection of the audit firm

We were first appointed to audit the Group's annual consolidated financial statements by the resolution of the Parent Company's Supervisory Board of 5 January 2018, and subsequently by resolutions of 24 March 2021 and 29 May 2023. We have audited the Group's consolidated financial statements continuously since the financial year ended 31 December 2018, i.e., for eight consecutive years.

The key statutory auditor responsible for the audit resulting in this independent auditor's report, conducted on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., an audit firm entered on the list of audit firms under number 144, is Tomasz Zieliński.

Tomasz Zieliński

Key Statutory Auditor

Number in the register: – 13587.

Warsaw, 10 April 2026