



MANAGEMENT BOARD REPORT

on the operations of the LW Bogdanka Group
for Q1 2026

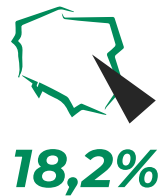




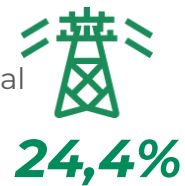
Lubelski Węgiel Bogdanka S.A.

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

Share in the hard coal market in Poland



Share in the steam coal market in Poland



Share in coal supplies to the commercial power sector in Poland

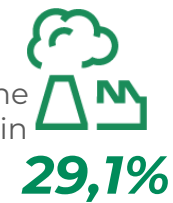


Table of Contents

1. Organisation and activity of the LW Bogdanka Group	4-21	3. Governing bodies	38-43
1.1 LW Bogdanka S.A. and the Group's structure	5-7	3.1 Composition and changes in the composition of the Management Board and the Supervisory Board of LW Bogdanka S.A.	39
1.2 Summary of Q1 2026	8	3.2 President of the Management Board of LW Bogdanka S.A.	40-41
1.3 New Development Strategy of the LW Bogdanka Group	9-11	3.3 Supervisory Board of LW Bogdanka S.A.	42-43
1.4 Investment activities	12-13		
1.5 Business environment	14-16	4. Shares and shareholding	41-47
1.6 Risk factors	17	4.2 Prices of LW Bogdanka S.A. shares at the WSE and analyst recommendations	45
1.7 Employment	18	4.1 Share capital structure and shareholding of LW Bogdanka S.A.	46
1.8 ESG	20-21	4.3 Number of shares of LW Bogdanka S.A. held by members of the Company governing bodies	47
2. Financial standing	22-37	<u>Glossary of terms</u>	48
2.1 Production, sales and coal inventories	23		
2.2 Sales revenues and main suppliers of the LW Bogdanka Group	24		
2.3 Financial results of the LW Bogdanka Group	25-27		
2.4 Balance sheet of the LW Bogdanka Group	28		
2.5 Cash flows of the LW Bogdanka Group	29		
2.6 Economic indicators of the LW Bogdanka Group	30-31		
2.7 Provisions of the LW Bogdanka Group	32		
2.8 Costs of LW Bogdanka S.A.	33-34		
2.9 Other information affecting the financial position of the LW Bogdanka Group	35		
2.10 Information on financial instruments, bonds	36		
2.11 Agreements relating to bonds and borrowings	37		



1. Organisation and activity of the LW Bogdanka Group





1.1 LW Bogdanka S.A.

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

The steam coal sold by the Company is used predominantly for the production of electricity, heat and cement. The Company's customers include mainly industrial companies, primarily those operating in the power sector, located in eastern and north-eastern Poland.

LW Bogdanka S.A. is part of the Enea Group, one of the leaders of the Polish energy market. The company has been listed on the Warsaw Stock Exchange since 2009.

LW Bogdanka S.A. has three mining fields:

- Bogdanka
- Nadrybie
- Stefanów

The structure of coal production in Q1 2026 was as follows:

- fine coal - 97.6%
- pea coal - 2.4%

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

- electricity production
- heat generation
- cement production

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

- Enea Group - Enea Wytwarzanie (63%)
- Enea Group - Enea Połaniec (9%)

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

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

Modern technology

LW Bogdanka S.A. cares about the safety of its employees and the natural environment. In the mining process, state-of-the-art technologies are applied and world-class machinery is used, consequently, it is a mine with the highest efficiency and best performance rates in Poland.

The underground productivity of the Company is more than twice the average value in the hard coal mining industry in Poland.

Cost control

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

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

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

We have built our success thanks to:

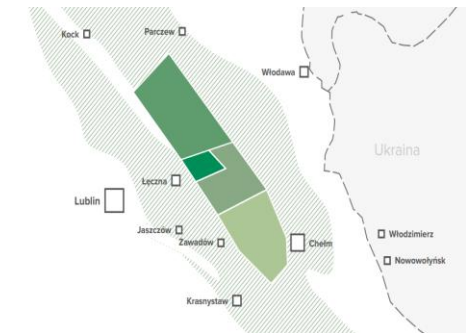
- highly qualified staff, top technical culture focused on cooperation and achievement of common objectives
- highly efficient, reliable, energy-saving machinery and equipment, properly adjusted to existing geological and mining conditions,

mechanizing both primary mining works and a broad range of auxiliary works

- mechanisation and automation of the broadest possible range of underground works
- deployment of modern IT systems for various areas of mining activity, aimed at streamlining technological processes, monitoring the operation of machinery and equipment, useful in production planning and hazard identification.

Management objectives:

- maintaining the leadership position on the market of the steam coal supply to the commercial power sector in Poland, while effectively competing with imports;
- maintaining high production efficiency and profitability due to the application of innovative organisational as well as technical and technological solutions;
- our activity is driven by the overriding values, such as responsibility, ethics, professionalism and transparency. These values ensure the harmonious development of the Company, pursuing its business goals while maintaining the highest standards and a proactive attitude related to environmental performance, occupational safety and community relations.
- We are committed to maintaining the highest quality standards for all the products we produce and manufacture. Given the special nature of the Company's operations, we also care for protecting the environment and reducing undesirable environmental impacts, as well as ensuring and prioritising the occupational safety of our employees and those who work for or on behalf of the Company.
- The implementation of the aforementioned declarations is guaranteed by the care of the Mine management for ensuring the resources, including the means necessary to improve the competence and commitment of all the Company's employees.





Taking into account the Group's structure and the fact that the basis for the Group's operations and activities is the business conducted by LW Bo(activities of subsidiary companies are primarily ancillary to the activities conducted by the Parent Company), the descriptions presented in the Report refer also directly to the activities and events taking place within LW Bogdanka S.A.

Wherever any discrepancies exist, this is clearly indicated by posting an appropriate description and data.

Lubelski Węgiel Bogdanka Spółka Akcyjna

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 Fax: +48 81 462 51 91
 www: www.lw.com.pl; www.ri.lw.com.pl
 REGON: 430309210
 NIP [Tax Identification Number]: 713-000-57-84
 e-mail: bogdanka@lw.com.pl

Legal form and regulations underlying the Company's activity

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

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

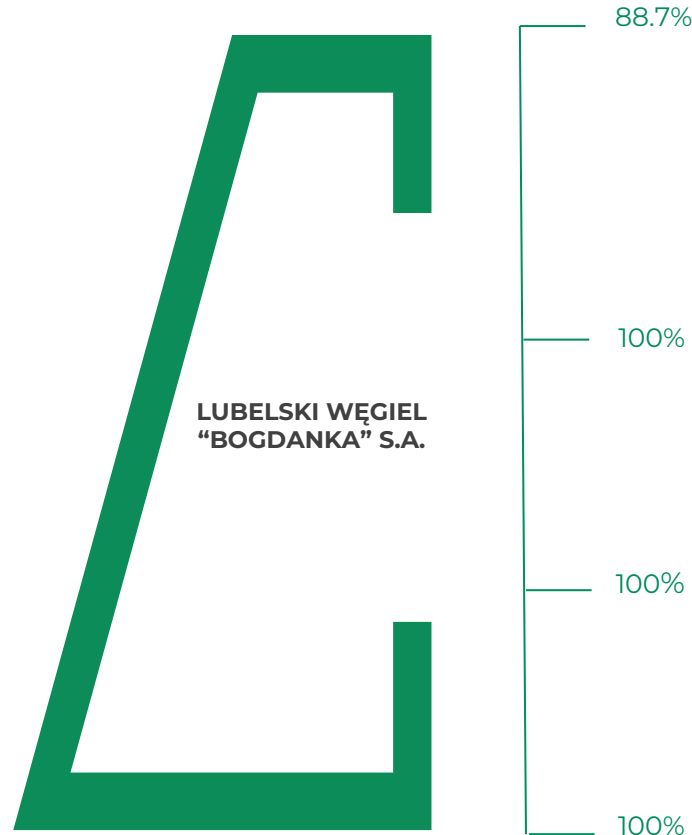
The Company was founded by the State Treasury, represented by the Minister for State Assets. The Company may operate in the territory of the Republic of Poland and abroad. The Company has been established for an indefinite period.

Historical background

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



1.1 Structure of the LW Bogdanka Group



ŁĘCZYŃSKA ENERGETYKA SP. Z O.O.

As at 31 March 2026, the Parent Company held 88.7% of shares in the capital of the "Łęczyńska Energetyka" Sp. z o.o. subsidiary.

"Łęczyńska Energetyka" Sp. z o.o. supplies heat to the mine and provides water and sewage management services. Moreover, the company supplies heat to external entities, such as housing estates and other facilities in Łęczna. The Company is also involved in building and repairing heating, water and sewage systems.

EKOTRANS BOGDANKA SP. Z O.O.

As at 31 March 2026, the Parent Company held 100.0% of shares in the capital of the EkoTRANS Bogdanka Sp. z o.o. subsidiary.

EkoTRANS Bogdanka Sp. z o.o. provides services to the mine in the scope of transportation, disposal and management of waste generated during the washing and purification of coal winnings, other transport services as well as land reclamation services.

RG BOGDANKA SP. Z O.O.

As at 31 March 2026, the Parent Company held 100.0% shares in the capital of the RG "Bogdanka" Sp. z o.o. subsidiary.

RG "Bogdanka" Sp. z o.o. provides services to the mine, primarily relating to the performance of mining and ancillary works, haulage operations, as well as cleaning, tidying and site maintenance services.

MR BOGDANKA SP. Z O.O.

As at 31 March 2026, the Parent Company held 100.0% shares in the capital of the MR "Bogdanka" Sp. z o.o. subsidiary.

MR Bogdanka Sp. z o.o. provides the mine with services including renovation, construction services, work performed in underground machinery divisions, refurbishment and production of steel structures.

Changes in the structure GK LW Bogdanka

Apart from the relations outlined above, there are no other organisational or financial links with other entities.

In Q1 2026, no changes occurred in the structure of the LW Bogdanka Group or in the Group's organisational and capital links with other entities. During this period there were no changes in the structure of the LW Bogdanka Group as a result of merger of business entities, takeover or sale of the Group's entities, long-term investments, demerger, restructuring and discontinuation of activity.

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



1.2 Summary of Q1 2026

Operating data

2.9 million tonnes

Gross coal extracted

71,4%

Mining yield

2.0 million tons

Commercial coal production

6.8 km

New excavations*

2.1 million tonnes

Sales of commercial coal

Headcount

6,045 employees

Headcount as at the end of Q1 2026

-0,1%

Decline in employment compared with the figure at the end of 2025



Financial data of LW Bogdanka Group

PLN 702.6 million

Sales revenues

PLN -20.6 million

Loss on sale

PLN -24.8 million

EBIT loss

PLN 25.2 million

EBITDA

PLN -22.1 million

Net loss

Highlights

- write-down on the carrying amount of value of non-current assets in the amount of PLN 522,5 million, in connection with the results of impairment tests on assets as at 31 December 2025.

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

- appointment of the Management Board of LW Bogdanka S.A. for a new term of office with the same members
- Management Board's recommendation regarding the coverage of the net loss for 2025 and the non-payment of a dividend. The recommendation has been approved by the Supervisory Board of the Company.
- convening of the Annual General Meeting of LW Bogdanka S.A. on 27 May 2026



1.3 Development Strategy of GK LW Bogdanka

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

On 16 April 2025, the Supervisory Board of the Company approved the LW Bogdanka S.A. Updated Development Strategy until 2030 (outlook to 2035) replacing the existing Strategy of the Company in its entirety (except for the dividend policy, which remains in force).

The key premises for updating the Strategy included:

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

OVERARCHING OBJECTIVE

Maintaining a high market position through efficiency in the scope of thermal coal production to achieve transformation ambitions.



VISION

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



MISSION

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





1.3 Development Strategy of GK LW Bogdanka

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

Strategic objectives:

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

Key operational and economic parameters:

- The average level of coal production in 2025-2030 will reach approx. 8.2 million tonnes, in 2031-2035 - approx. 6.6 million tonnes.
- Net output per employee in 2025-2030 is expected at a level of 1,714 tonnes per person and in 2031-2035, at a level of 1,763 tonnes per person.
- EBITDA per tonne of output in 2025-2030 will reach approximately PLN 97/ tonne, in 2031-2035 - approximately PLN 104/ tonne.
- The Company will strive to achieve an average EBITDA margin ratio of 26% in 2025-2030 and

28.7% in 2031-2035.

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

Development projects scheduled for implementation:

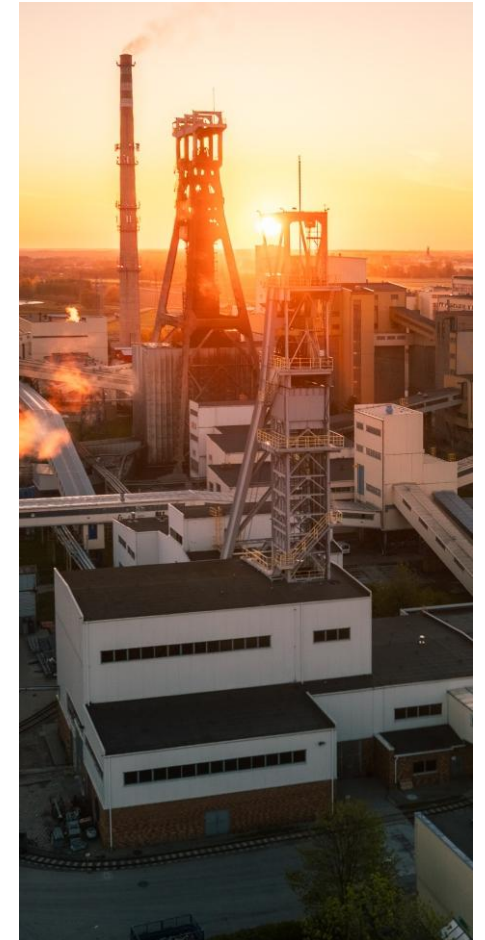
- a) in the scope of core business:
 - Seeking new customers to replace contractors declaring a gradual withdrawal from coal
 - Building the Company's flexibility through mining work scheduling changes and expansion of the coal storage facility
 - Cost optimisation in production planning and scheduling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

Through the implementation of the Strategy, LW Bogdanka will increase its positive social impact and mitigate the environmental impact of its operations, which will be reflected in both the reduced carbon footprint and the increased percentage of

operational and investment expenditure in line with the environmental objectives of the so-called EU Taxonomy. As a leader of responsible transformation in mining, the Company will ensure that the aspects most important for its stakeholders - in particular, security in terms of employment guarantees, the natural environment or regional development - are managed.

Dividend policy:

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





1.3 Development strategies of the subsidiaries

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

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

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

It is planned that the above-mentioned investment projects of the Company will be executed using the own funds, however in the case of the Bogdanka-Łęczna main, the source of funding may be changed in subsequent years (if aid funds are obtained).

Development strategy MR Bogdanka sp. z o.o.

MR Bogdanka's business and product strategy is based on the following assumptions:

MR BOGDANKA shall provide strategic product and service support for mining infrastructure of LW Bogdanka S.A., taking into account:

- acting as a counterbalance to external product monopolies (monopolistic external suppliers contracted under public procurement procedures by LW Bogdanka S.A.)
- focusing of the Company on developing more technologically advanced products and services, which should be retained as key "know-how" within the LW Bogdanka S.A. Group (including own renovation documentation, own products, and eventually own research and development department)
- maintaining process and cost efficiency as a benchmark against the cost terms achieved by the Procurement Department of LW Bogdanka S.A. in the procurement process based on the Public Procurement Law
- faster response time for repairs and maintenance in critical or unplanned situations
- acting as a product buffer for purchases carried out by the Procurement Department of LW Bogdanka S.A., based on Distribution Agreements concluded by the company and/or its participation in industry-specific purchasing groups, which should ensure the flexibility of the procurement function itself at LW Bogdanka S.A.

The product, service and investment strategy (taking the foregoing aspects into account) should prioritise the needs of LW Bogdanka S.A. The provision of services to external customers and the development of the external market will be carried out solely in the context of utilising surplus production capacity.

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

The Company plans to conduct post-mining waste management activities in 2026 and beyond.

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

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

The company has identified the expansion of its range of services provided in line with the requirements reported by LW Bogdanka S.A. as its main area of development. The expansion of the operating areas is part of both the ongoing strategy for mining operations and the provision of entirely new surface services. The activities indicated above will enable the company to maintain or increase its revenue and will facilitate the training and professional development of employees who will form the future workforce of LW Bogdanka S.A. The process of upskilling of the staff directly enables LW Bogdanka S.A. to expand the scope of its work to include more complex projects and to broaden the range of surface services it offers. The company plans to ensure that both the number and qualifications of the staff it recruits are adjusted to the scope of work commissioned by LW Bogdanka S.A. (taking into account the reduction in headcount resulting from the transfer of qualified staff to LW Bogdanka S.A. under the current employers' agreement).





1.4 Investment activities completed in Q1 2026

In Q1 2026, LW Bogdanka S.A. implemented its scheduled investment tasks.

As part of implementation of the investments, expenditure on fixed assets in the total amount of PLN 150.725 thousand were incurred.

The 2026 plan includes the following groups of tasks:

- development and replacement investment - including purchases of machinery and equipment, their modernisation and repairs, expansion of the mining waste disposal facility,
- operational investment – including the development and modernisation of workings in the Bogdanka, Nadrybie and Stefanów fields, as well as new workings in the Ostrów area; the reconstruction of mining workings will also be carried out.

Development and replacement investments LW Bogdanka S.A

Maintenance of machinery

- Purchase of new machinery and equipment requiring assembly – the expenditure of PLN 163 thousand was incurred for the assembly of, among others, a 1400 belt conveyor.
- Purchase of finished goods, machinery and equipment - finished goods were purchased for the total amount of PLN 3,687 thousand. The most important of these include: transport equipment (including a mobile platform for the inspection and repair of retention tanks); pumps and hydraulic units (including air compressors), electrical equipment (including electric engines and transformer stations), other finished equipment (including refrigeration units, dust meters and sheet metal benders)
- Modernisation and refurbishment of machinery and equipment – PLN

8,307,000 was allocated, among other things, for the modernisation of a belt conveyor – adapting it for passenger use – as well as for the refurbishment of the following conveyors: the JOY AFC longwall conveyor and the JOY BSL back-wall conveyor.

Other development investment projects

- Expansion of the mining waste treatment facility - expenditure of PLN 78 thousand was incurred, among others, for the construction of a storage facility at a waste disposal site.
- Power, telecommunications and mechanical installations – expenditure of PLN 78 thousand was incurred, among others, for the expansion of telecommunications and data transmission networks.
- Hoisting machinery switchgear facilities and other power systems – the amount of PLN 1,203 thousand was spent, among others, on the modernisation of the S1.4 Main Fan Station and the modernisation of the S1.4 mining hoist
- ZPMW replacement investments – PLN 2,537 thousand was allocated, among other things, for the modernisation of ZPMW facilities, the purchase of conveyor scales, and the installation of a high-pressure system for cleaning the filter cloths on the filter presses.
- 110/6 kV substations and switchgear – expenditure of PLN 928 thousand was incurred for the replacement of the 110/6 kV GSTR transformer.
- Construction and modernisation of buildings and installations – expenditure of PLN 450 thousand was incurred, among others, on the installation of heating in the casing reconditioning hall in Nadrybie

ICT – expenditure totalling PLN 646 thousand was incurred, mainly on the company's facility monitoring systems, computer systems, as well as computer hardware and software.

Other

- Environmental protection – the expenditure of PLN 3,094 thousand was spent on the construction of a groundwater pumping station on the RE "Żelazny" drainage channel,

- Construction of buildings at the Nadrybie, Bogdanka and Stefanów sites: expenditure of PLN 299 thousand was incurred on the construction of a building for the compressor station at shaft 2.1.

Operational investments of LW Bogdanka S.A.

New excavations were implemented in accordance with the applicable Mining Work Schedule. The total length of the completed roadway excavations carried out as part of the investments in Q1 2026 amounted to approximately 6.0 km (in total, 6.1 km), with a value of PLN 116,291 thousand.

The modernisation of excavations in the form of reconstruction of vertical excavations was carried out in accordance with the adopted schedule for the total value of PLN 12,526 thousand.

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

The subsidiaries belonging to the LW Bogdanka Group incurred expenditure on fixed assets in the amount of PLN 443 thousand.

Łęczyńska Energetyka - investment tasks completed in Q1 2026 included investment projects related to the generation, transmission and distribution of heat for the total amount of PLN 84 thousand.

RG Bogdanka – capital expenditure of PLN 111 thousand was allocated to core operations, software purchases and transport.

MR Bogdanka – capital expenditure of PLN 248 thousand incurred in Q1 2026 was related to core business and transport.



1.4 Investment activities completed in Q1 2026

Selected items of capital expenditure in LW Bogdanka Group

[PLN thousand]	TEP 2026	TEP actuals IQ 2026	TEP actuals Q1 2026 [%]
New excavations and upgrade of existing pits	455,151	128,817	28,3%
Machinery	226,039	12,157	5,4%
Concessions	9,606	0	0,0%
Other development investments	87,169	5,274	6,1%
ICT	8,316	646	7,8%
Administration	170	0	0,0%
Other	1,401	3,393	242,2%
Strategic initiatives and RES	10,388	438	4,2%
TOTAL CAPEX in LW Bogdanka SA	798,240	150,725	18,9%
Łęczyńska Energetyka sp. z o.o.	11,800	84	0,7%
MR Bogdanka	6,450	248	3,8%
RG Bogdanka	2,786	111	4,0%
EkoTrans	0	0	0,0%
TOTAL CAPEX in the LW Bogdanka SA Group	819,276	151,168	18,5%

Value of capital expenditure incurred for excavations in Q1 2026

Total excavations and works	Depreciation method	Length [running metres]	Value of capital expenditure [PLN thousand].
Gate roads	natural	4,443	
Basic excavations	straight-line	1,551	128,817
Reconstructions	linear/natural	278	

In Q1 2026, the total length of tunnel sections completed was 6,063 metres (including 5,994 metres of development work). Work on the drilling of new tunnel sections and the refurbishment of existing ones was carried out in accordance with the agreed schedules. Total expenditure incurred in the period under analysis:

- PLN 12,526 thousand for the reconstruction and modernisation of roadway excavations,
- PLN 116,291 thousand for the development of new pits.

The table shows the investment development projects. The total length completed is 709.5 metres.

The figures shown in the table do not include partition walls and structural breaks, as these are charged directly to costs. The length of the cost excavations is: 69 metres.



1.5 Price of coal on the domestic and international markets

In the recent period, **global coal prices** have had insignificant impact on coal prices in Poland. This is due to low import levels and the fact that subsidised mines can average the selling price of coarse coal and fine steam coal for power generation against the reference price. Consequently, steam coal on the Polish market is offered at a price significantly below its production costs and the average price of imported coal.

CIF ARA coal prices

- 108.4 USD/t - average CIF ARA coal price in Q1 2026, up by 5.9% vs. Q1 2025 (102.3 USD/t)
- compared to the average CIF ARA coal price in Q4 2025 (95.2 USD/t), it means an increase of 13.8%

Inventories in ARA ports

- approx. 2.3 million tonnes of coal inventories at the end of 2026 in ARA ports - at the end of December 2025 the inventories stood at 3.2 million tonnes

Prices at major ports worldwide

- 66.6 USD/t - average Baltic Ports FOB coal price in Q1 2026 vs. Q2 2025 (70.2 USD/t) - down by 5.1%
- compared to the average price in Q4 2025 (63 USD/t), it means an increase of 5.2%

Steam coal prices in Poland

also affect the pricing of coal sold by the Company. The price declines affected the company's financial results, including revenue and EBITDA. The decline in coal prices in Poland results from the price of coal from Silesian mines, which is sold below the cost of its production.

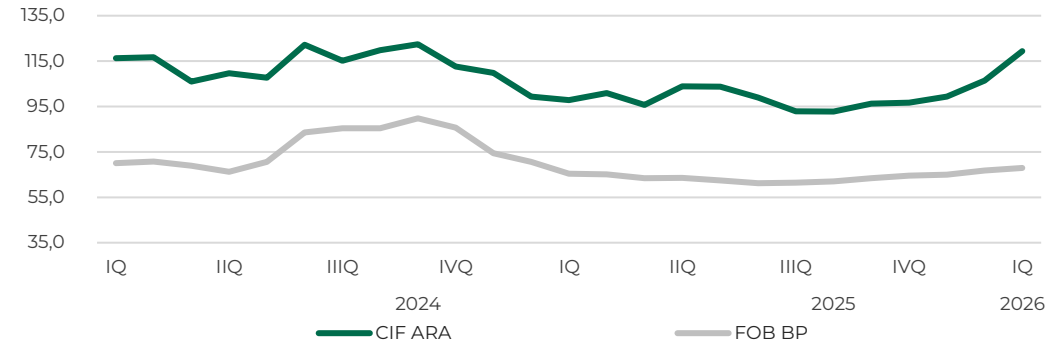
Price of fine steam coal

- the average price of fine steam coal for the commercial power sector in Q1 2026 reached 14.3 PLN/GJ, the price decline rate was approx. 13.9% compared to Q1 2025 (16.6 PLN/GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.5 GJ

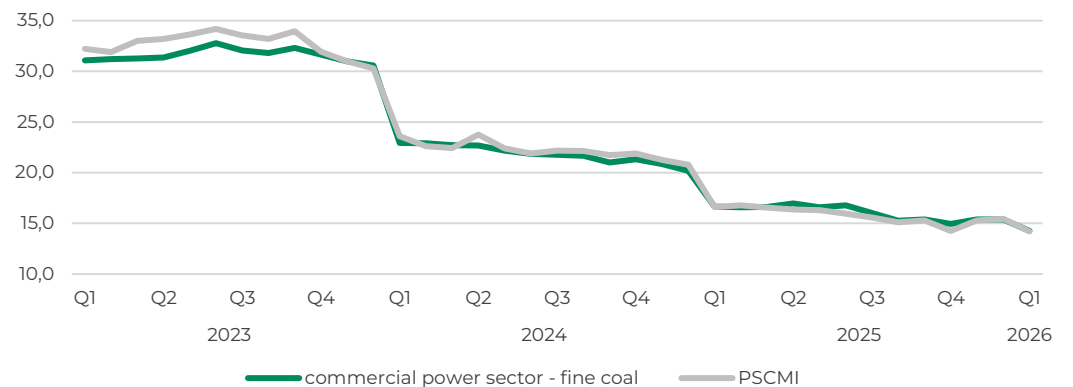
Prices from the PSCMI index

- the average price from the PSCMI Index in Q1 2026 was approx. 14.2 PLN/GJ, compared to the average price in Q1 2025 (14.9 PLN/GJ), down by approx. 4.7%

Price of coal on the international market [USD/t]



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





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

The domestic market has seen a decline in demand for steam coal. The strategy, in force since 2025, aims to diversify revenue sources and launch new sales directions. Details of the Strategy can be found on pages 9-11.

Key buyers of steam coal in Poland

The main consumer of steam coal in Poland is the commercial power sector, where approximately 6.3 million tonnes of fine coal were delivered in Q1 2026, up by 2.8% compared to Q1 2025. The most important buyers in the commercial power industry include:

- Tauron
- PGE
- Enea
- Orlen (formerly PGNiG)
- ENERGA

The decline in hard coal production and inventories, accompanied by an increase in sales in Q1 2026 compared with the same period of the previous year, is the result of sustained domestic demand for coal and the continued share of coal in the energy production mix – partly due to its low price. The reduction in the supply of steam coal in Poland, whilst demand remains steady, gives the Company the opportunity to increase coal sales outside the Enea Group.

Steam coal production in Poland

- In Q1 2026, approx. 7.4 million tonnes of steam coal were produced, down by 10.4% y/y.

Steam coal sales in Poland

- sales in Q1 2026 amounted to approx. 8.3 million tonnes, of which sales to the commercial power sector amounted to approx. 6.3 million tonnes of fine steam coal
- compared to Q1 2025, steam coal sales increased by approx. 6.2%

Coal inventories in Poland

At the end of Q1 2026, steam coal inventories stood at 1.9 million tonnes, representing a 55.7% decrease compared with Q1 2025 (4.2 million tonnes).

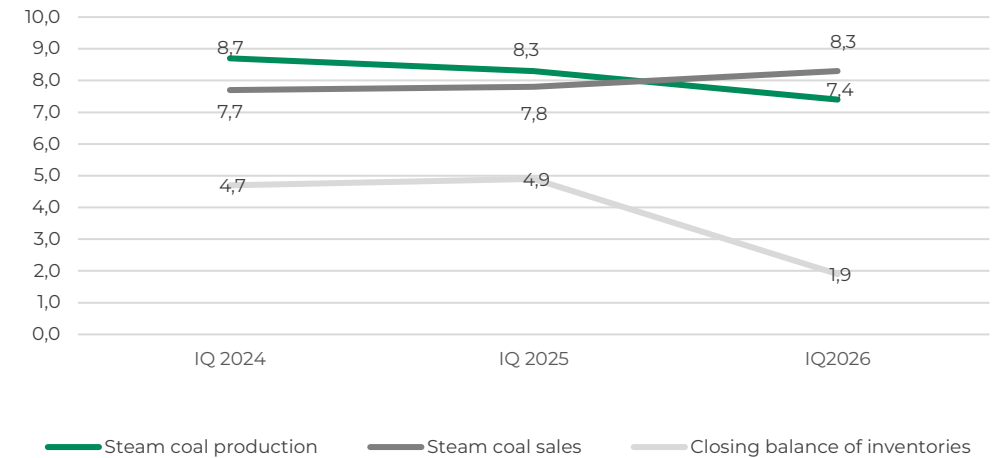
Coal exports

Approximately 1.1 million tonnes of coal were exported, including approximately 0.3 million tonnes of steam coal.

Coal imports

Hard coal imports to Poland in Q1 2026 amounted to 1.4 million tonnes (-81.8% y/y), of which 1.2 million tonnes was steam coal (down by 83.1% compared with the corresponding period in 2025).

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



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



*The figures do not include ZG Eko-Plus iBumeh S.A. Silesia Coal Mine Branch



1.5 Electricity generation in Poland

Total electricity production

In Q1 2026, 47,301 GWh of electricity was generated, compared to Q1 2025 this is an increase of 1,504 GWh (+3.3%).

Electricity production from coal

The main fuel for electricity production was coal, which generated 30,990 GWh in 2026. Such a level means an increase of 605 GWh (+2.0%) compared to Q1 2025. In Q1 2026, coal was the source of 65.5% of the total electricity production in Poland - its share in the fuel mix was 0,8% lower compared to Q1 2025.

Electricity production from hard coal

In Q1 2026, 21,964 GWh of electricity was produced from hard coal (up by 7.3% compared to Q1 2025).

Electricity production from lignite

In Q1 2026, 9,026 GWh of electricity was produced from lignite (9.0% less compared to Q1 2025).

Electricity production from wind power plants

In Q1 2026, wind farms produced 6,096 GWh, down by 8.3% compared to Q1 2025. The share of wind power in electricity generation was approximately 12.9%.

Electricity production from gas-fired power plants

Electricity production by gas-fired power plants in Q1 2026 amounted to 6,048 GWh, up by 20.0% compared to Q1 2025.

Electricity generation from other renewable sources

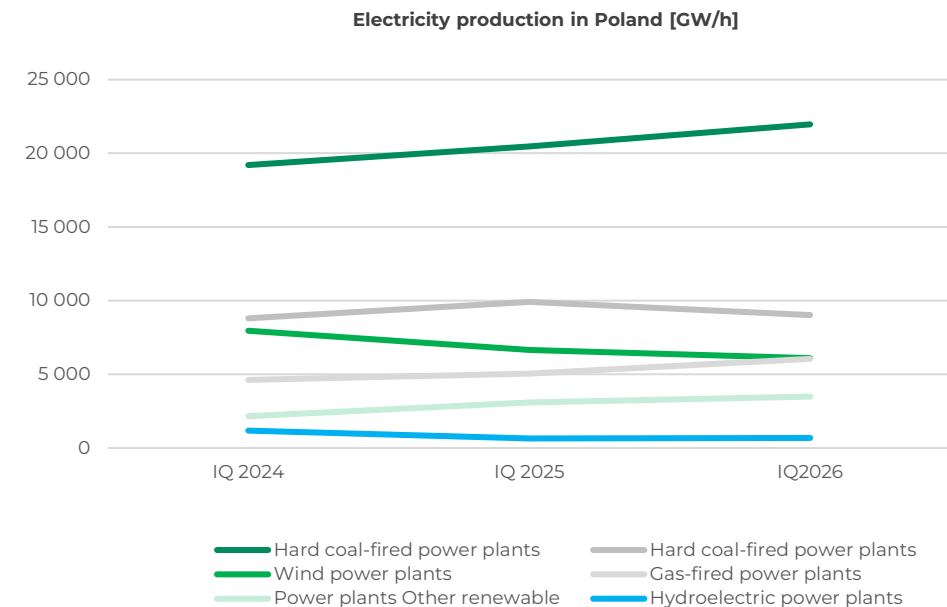
Electricity production by other renewable energy sources in Q1 2026 amounted to 3,486 GWh, up by 13.2% compared to Q1 2025.

Domestic electricity consumption

In Q1 2026, 46,793 GWh of electricity was consumed, compared to Q1 2025, which means an increase of 2.338 GWh (5.3%).

Balance of cross-border exchange

Balance of cross-border exchange of electricity in Q1 2026 amounted to -508 GWh, compared to -1,342 GWh in Q1 2025. This means export of energy.





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

A full description of the risks affecting the Group's business is included in the 2025 report. Below we present the factors that, in the opinion of the Group, are most significant in the perspective of the next (second) quarter of 2026.

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

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

currently being developed due to the changing geopolitical and economic situation and the energy crisis related to Russia's aggression against Ukraine. Current energy policy aims to gradually reduce the role of hard coal whilst developing dynamically renewable energy sources and the

nuclear power sector. It should be noted, however that the projected still relatively high role of coal in the Polish Power System and in the process of ensuring the country's energy security (despite downward trends) has a positive impact on the long-term aspect of LW Bogdanka's operations.

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

The prices of energy commodities are influenced primarily by the prices of steam coal and raw materials alternative to steam coal (crude oil, natural gas, renewable sources) on global markets and, consequently, on the domestic market. This is critical to the business conducted by the Parent Company. On the world coal market, in March 2026, prices at ARA ports reached a level of approx. 120 USD/t, an increase compared to the average price in March 2025, which amounted to approx. 98 USD/t. CIF ARA cumulative average prices for the entire 2025 amounted to approx. 100 USD/t. However, it should be noted that despite the decline in CIF ARA prices in 2025, in particular compared to the record prices of 2022, the level of March 2026, i.e. approx. 120 USD/t is above the average prices for 2024-2025 (the average price for this period is approx. 106 USD/t). In the domestic fine steam coal market, the PSCMI 1 index (commercial power segment) for the month of February 2026 was at a level of 14.35 PLN/GJ, and the PSCMI 2 index (commercial and non-professional district heating segment) at a level of approximately 17.23 PLN/GJ. The last price of December 2025 was, respectively: 15.45 PLN/GJ (PSCMI 1) and 17.89 PLN/GJ (PSCMI 2). Despite the decline in the quotations of both indices in 2026 compared to their levels at the end of 2025, domestic coal prices still remain at a relatively higher level, particularly when compared to the PSCMI 1 index quotations in previous years (on average, PLN 11.42/GJ in 2021). At the same time, it should be indicated that the average annual quotation of the PSCMI 1 index in 2025 was at 15.47 PLN/GJ, while the average annual quotation of the PSCMI 2 index in 2025 stood at 19.65 PLN/GJ.

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

An important aspect of the Company's operations is the need to secure future mining opportunities through access to currently held coal reserves. The depletion of the raw material base resulting from ongoing operations, due to the depletion of the deposit through its current exploitation, the lack of preparation of the deposit for exploitation, and the reduction in production levels will, consequently, affect the expected financial results in the future. The opening of new deposits is connected with the necessity to incur additional capital expenditure, in particular for new capital excavations and the construction of new shafts (ventilation and material intake and output shafts). The key issue is to ensure that production efficiency is maintained despite longer transport and haulage routes and reduced effective working hours.

Technical and technological factors

The underground mining of hard coal deposits is a complex process subject to strict technical and technological regimes. In the course of such activities, various downtimes may occur due to scheduled and unscheduled (e.g. breakdowns) technical interruptions. In this group of risks, there is also a risk of unexpected, usually local deterioration of the geological and mining conditions. Countermeasure infrastructure availability – two mining shafts; the ability to transport ore from the Stefanów field to the Bogdanka field via underground tunnels; a system of underground coal storage tanks; surface raw coal storage tanks; the use of modern mining equipment and machinery; research and development work aimed at increasing productivity and improving workplace safety.

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

The changing energy policy of the European Union and the country, as well as legal regulations aimed at a gradual reduction of coal mining, including the May 2021 social agreement regulating the principles and pace of phasing out of steam coal

mines in Poland, may affect the sense of uncertainty among workers. The issue of decarbonisation is extremely important from the point of view of the Employer as well as the trade unions representing the employees. In the hard coal mining sector, trade unions hold a significant position and play an important role in shaping the personnel and payroll policy, often forcing renegotiations of the payroll policy using protests. As at 31 March 2026, there were six trade union organisations active in the Group (of which, at LWB, there were four trade unions representing approximately 72.0% of the workforce). The strong position of the trade unions gives rise to a situation in which there exists a risk of increasing salaries under the negotiated salary agreements in the future, which consequently may adversely affect the financial performance of the LW Bogdanka Group.

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

Countermeasure

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



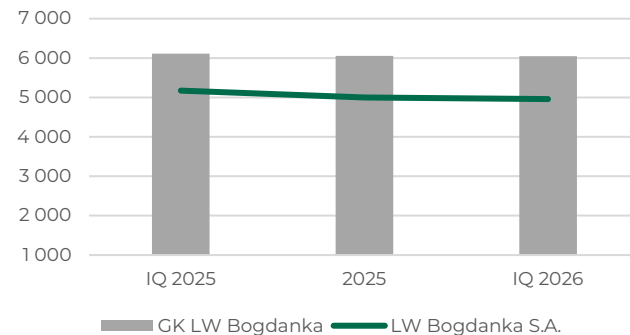
1.7 Changes in headcount

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

Key HR objectives:

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

Headcount in the Group

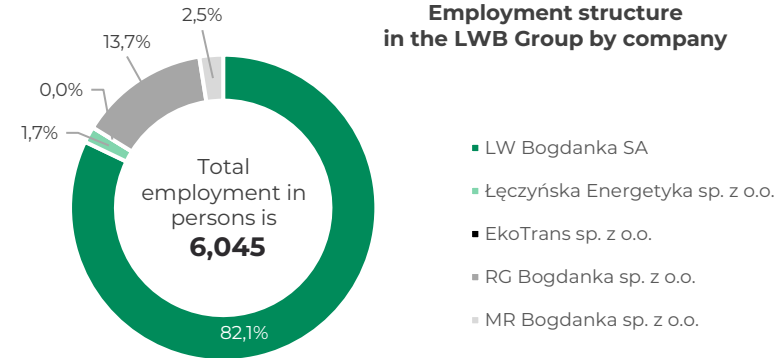


Headcount in the Group

In Q1 2026, there was an increase in headcount in the LW Bogdanka Group by 1.1% compared with Q1 2025.

Headcount in LW Bogdanka S.A.

In Q1 2026, the Parent Company employed 82.1% of the LW Bogdanka Group's total workforce. Blue-collar workers accounted for 79.9% of LW Bogdanka S.A.'s total workforce. Compared to Q1 2025, the number of underground workers decreased by 1.9%. In Q1 2026, 7 people were hired by LW Bogdanka S.A., while 47 people left the Company in the same period.



Headcount in persons	31 March 2025	31 December 2025	31 March 2026	Employment structure in the Group	Change Q1 2026/ Q1 2025	Change Q1 2026/ 2025
Total workers	4,154	3,991	3,961	-	-4.6%	-0,8%
Underground employees	3,157	3,103	3,091	-	-2.1%	-0,4%
Surface employees	997	888	870	-	-12.7%	-2,0%
Full-time underground employees	578	576	574	-	-0.7%	-0,3%
Full-time surface employees	442	432	424	-	-4.1%	-1,9%
Total underground employees	3,735	3,679	3,665	-	-1.9%	-0,4%
LW Bogdanka S.A.	5,174	4,999	4,959	82,1%	-4,2%	-0,8%
RG Bogdanka sp. z o.o.	701	804	829	13,7%	18,3%	3,1%
MR Bogdanka sp. z o.o.	140	149	153	2,5%	9,3%	2,7%
EkoTrans Bogdanka sp. z o.o.	1	1	2	0,0%	100,0%	100,0%
Łęczyńska Energetyka sp. z o.o.	99	99	102	1,7%	3,0%	3,0%
GK LW Bogdanka	6,115	6,052	6,045	100,0%	-1,1%	-0,1%



1.8 Environmental issues - [E]

Location of the LW Bogdanka Group

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

In the immediate vicinity, the following parks are located:

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

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

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

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

Climate policy

In early 2026, the Management Board of LW Bogdanka adopted the Climate Policy. This policy sets out how the Company manages the impact of its operations on climate and prepares for the effects of climate change in the short, medium and long term.

The document was produced in response to growing regulatory and market requirements regarding climate-related disclosures (including those arising from the CSRD and ESRS, in particular ESRS E1), as well as the need to conduct operations in a manner consistent with the specific conditions of the mining industry, i.e. the long life cycle of assets, safety requirements, and the need to ensure operational continuity of the plant and cost predictability.

The policy sets out the objectives and the mechanisms for achieving them. It focuses on five main objectives:

- gradual reduction of greenhouse gas emissions associated with operational activities
- systematic improvement in energy efficiency
- increasing the use of energy from renewable sources for own consumption,
- providing reliable data on emission and energy consumption as a basis for management decisions
- strengthening the resilience of infrastructure and organisations to the effects of climate change.

The policy is based on the principle of "reduction first, compensation later". This means that carbon offsetting and compensation measures are designed to balance residual emissions that cannot be reduced or for which reduction is not technically feasible, and will be developed in a controlled, transparent manner based on quality criteria. At the same time, the document clearly emphasises the importance of the data – the Company's carbon footprint and energy consumption records serve as a benchmark for baseline figures, targets and the monitoring of progress.

The Group's carbon footprint

In each reporting period, improvements are introduced to refine the procedures for calculating the Group's carbon footprint and in Q1 2026, measures were taken to modify the methodologies for collecting the data required to calculate the carbon footprint. The data collection digitisation project, completed at the turn of 2025/26, was designed to streamline the data aggregation process, resulting in a more accurate assessment of emissions across various areas of the

Company's activities.

Biodiversity protection

In March 2026, as in previous years, Lubelski Węgiel Bogdanka began activities to protect and stimulate biodiversity, carried out in cooperation with the Foundation for Nature as part of two projects:

- Monitoring of the Nadrybie and Szczecinek sinkhole areas, the main assumption of which will be to investigate and document the unique natural value of water reservoirs formed as a result of land subsidence. The main objective of the project is to assess the composition of the avifauna in a full annual cycle, with particular emphasis on breeding and migratory species.
- Wandering of Lublin Cranes - whose main goal will be the active protection of the population of cranes nesting in and around Polesie National Park by securing nests and monitoring nestlings. Detailed information on the project can be found at <https://lubelskie-zurawie.pl/>.

Another project launched to protect biodiversity is a collaboration with the Ptasie Horyzonty [Bird Horizons] Foundation on a project entitled "Active conservation of the black-tailed godwit (*Limosa limosa*) and the northern lapwing (*Vanellus vanellus*) in the Lubelskie Province". The protective activities will include searching for nests, securing hatchlings using incubators, temporarily placing of dummy bird eggs, and aviary rearing of chicks. The project is scheduled for completion in August 2026.

Cooperation with the Polesie National Park and universities

Bogdanka's partnership with the Polesie National Park is a strategic initiative. In order to continue the project launched in 2024, another, third agreement was signed.

The project involves the implementation of conservation measures within the Park's ecosystems and initiatives in the field of environmental education.

The scope of cooperation covers selected tasks set out in the Management Plan for the Polesie National Park, established by the Regulation of the Minister of Environment of 16 September 2020, in particular:

- active protection of the European pond turtle,
- protection of non-forest terrestrial ecosystems,
- protection of low, raised and transitional bogs,
- protection of aquatic ecosystems – including the modernisation of water infrastructure to optimise water management
- environmental education initiatives.

The termination of the collaboration is scheduled in March 2027.

Bogdanka has also established the collaboration with the UMCS Centre for Climate Change and Environmental Research to establish and manage a Grant Fund supporting research and environmental protection initiatives, addressed to researchers from the Lubelskie Province, as part of the project entitled "Environment and Science" Grant Competition.

The initiative is implemented under the honorary patronage of the Minister for Climate and the Environment. The project is scheduled to be completed in September 2027.

The second agreement signed with UMCS concerns cooperation with the Department of Hydrology and Climatology regarding the development by researchers from the Institute of Earth and Environmental Sciences of an interactive system for the operational assessment and management of water resources, using data from the hydrometeorological monitoring provided by Lubelski Węgiel Bogdanka S.A. The aim of the project is to improve water management, in particular by planning conservation measures more effectively and reducing the impact of mining activities on local ecosystems. The termination of the collaboration is scheduled in December 2026.



1.8 Social issues – [S]

Involvement in the development of the social environment

Development of the local community

Initiatives for the region, as well as those relating to the environment, society and organisational culture, form the pillars of the adopted ESG Strategy for 2025–2030, with an outlook to 2035. The Strategy sets out measures designed to develop the region in which Bogdanka operates, particularly with regard to driving entrepreneurship, developing 'green' skills and supporting those at risk of the negative effects of the mining region transition, namely the Łęczna District and its surrounding areas. The objectives and tools for community engagement are set out in separate *LWB Community Engagement Policy*.



A new investment area in Łęczna

In April 2026, Bogdanka, the Industrial Development Agency and the Łęczna Municipality signed a letter of intent regarding the cooperation on the preparation and development of an investment area within the Łęczna Municipality.

The project assumes creating modern facilities for industrial and business investment, fostering the region's development and creation of new jobs. The planned investment area covers approximately 180 hectares of land located in the vicinity of Podzamcze and Stara Wieś. As part of the cooperation, the parties will carry out preparatory work, including legal, environmental and infrastructural analyses necessary for the launch of projects of regional and national importance. This activity is a part of implementation of LW Bogdanka's business strategy to maintain and create new jobs for the local community.

Analysis of the socio-economic impact of Bogdanka

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

The work commissioned included:

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

The assessment of the local community's needs and potential resulted in a qualitative survey report, which provides a comprehensive picture of perception of the company by key stakeholder groups. The key areas of LW Bogdanka S.A.'s impact include positive and effective cooperation with local authorities and acting as a driver of regional development.

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

Charitable activity

Donations in the form of in-kind or cash contributions made in Q1 2026 by the Management Board of LW Bogdanka S.A. actively supported the achievement of socially useful goals by various entities from the social environment. 5 donation agreements have been concluded with community service providers.

"Solidary Miners" Foundation

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



Key pro-social initiatives implemented by the Solidarity Miners Foundation in Q1 2026:

- Support for people in difficult life situation: providing support to people living in the immediate vicinity of the mine with regard to treatment and rehabilitation remains the Foundation's most important statutory activity. The support takes a form of funding for medical equipment or treatment, including grants provided to individuals.
- The main beneficiaries include current and retired employees and their families – several dozen people each year (in Q1 2026, financial assistance was provided to 10 employees or members of their families)

- Cooperation with institutions and charitable organisations – in Q1 2026, it included the Care and Education Centre for Children and Young People (Children's Home in Kijany and Witaniowo) and the Society of Children's Friends in Lublin.
- Continuation of the cooperation with the District Family Support Centre in Łęczna in connection with the operation of the Consultation and Information Point for Addicts. The purpose of the Point is to diagnose problems related to addictions and violence in the family, to plan assistance and provide support in overcoming life difficulties, to reduce the scale of violence and aggression, and to counteract addictions.
- Organisation of charity initiatives on the Company premises – collection of gloves as part of the "Share the Warmth" campaign and a Christmas food collection for the needy and the poor, with the donations addressed to those supported by Lublin CARITAS and the Odra-Niemen Association.
- Organisation of regular blood donation campaigns in Bogdanka and the Łęczna area.
- Organisation of the "Become a Bone Marrow Donor" campaign on the premises of the Company to encourage people to register with the DKMS bone marrow donor database in order to support a local resident searching for a "genetic twin" in their fight for life and health.



1.8 Governance issues – [G]

The principles of responsible and transparent governance have become an integral part of Lubelski Węgiel Bogdanka's operations. Invariably, all operations undertaken by the Company are compliant with the law and internal regulations. Compliance management at the Company covers three areas – compliance of operations with generally applicable laws, compliance with the Company's internal acts and compliance with ethical standards. The Compliance Policy Department monitors ongoing compliance with legal provisions and responds promptly in the event of irregularities. The Company has had the Compliance Policy in place since 2020 and the Anti-Corruption Policy since 2025.

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

- Work regulations
- Company Collective Bargaining Agreement
- Organisational Regulations
- Human Rights and Diversity Policy at the LW Bogdanka Group
- LWB Group's Code of Ethics
- Procedure for whistleblowing and follow-up actions at LW Bogdanka S.A.
- Compliance policy
- Anti-corruption policy
- Company's Articles of Association
- Management Board Bylaws
- Supervisory Board Bylaws
- Shareholder Meeting Bylaws
- The contractor verification procedure at LWB
- LWB Supplier Code of Conduct.

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

In Q1 2026, LW Bogdanka's Climate Policy was adopted, for which climate-related risks and opportunities were identified based on climate

scenarios.

Its key implementation principles include:

- Translating objectives into a measurable action plan, with clearly defined KPIs, responsibilities and timelines
- Monitoring and digitalisation to improve data quality as a prerequisite for effective emission and energy management
- A periodic review of the document as a measure to adapt to regulatory, technological and market conditions, as well as to the results of monitoring and risk assessment.

LW Bogdanka Group's Sustainability Report for 2025

On 10 April 2026, the Sustainability Report of LW Bogdanka Group for 2025 was published, for the second time as part of the Report on Activities of LW Bogdanka and the LW Bogdanka Group for 2025. The report was prepared on the basis of the new non-financial reporting standards (ESRS), in accordance with the Corporate Sustainability Reporting Directive (the so-called CSRD). The topics material from the Group's perspective, in the environmental social and corporate governance areas, were defined as part of the double materiality analysis performed. This process comprised a review of the impacts, risks and opportunities of LW Bogdanka's operations, taking into account the market environment as well as the opinions of stakeholders.

In the document, information can be found on how the Group engages with climate, pollution, water, biodiversity and the circular economy, as well as social issues relating to its own employees and the local community. In addition, the report describes topics specific to the mining industry, among others, related to activities in the area of mining damages. LW Bogdanka Group's Sustainability Report for 2025 was subject to external assessment.

Bogdanka's ESG strategy

In 2025, LW Bogdanka updated its ESG Strategy by harmonising it with the LW Bogdanka Group Development Strategy to 2030, with an outlook to 2035, announced on 16 April 2025. The overarching goal of the update was to address gaps and take action on areas and issues identified as weaknesses, whilst enhancing strengths in the areas of the environment, community and corporate governance – from the perspective of both the organisation and the region – whilst taking into account the perspectives of various stakeholder groups, legal conditions, market trends, and the long-term plan for the so-called just transition and the challenges facing the industry. It is assumed that through efficient raw material extraction based on flexibility, innovation and safety, ESG-consistent measures can be taken. Following the redrafting of the document by the Management Board and the Supervisory Board, the updated ESG Strategy was presented to stakeholders for information. The strategy is accounted for on an annual basis and monitored.

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

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

The tasks of the Scientific Council include in particular:

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

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

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



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

The Council's first meeting of 2026 was held in January. The meeting focused on presenting the results of the collaborative project with the Polesie National Park, carried out in 2025 with the participation of Director of the Polesie National Park, outlining the plans for the second edition of the grant competition for researchers from the Lublin region as well as enhancing the effectiveness of measures taken to mitigate the environmental impact.



2. Financial standing





2.1 Coal production, sales and inventory of the LW Bogdanka Group

Principles for the preparation of consolidated condensed financial statements

The interim condensed consolidated financial statements of the Group and the interim condensed financial statements of the Parent Company for Q1 2026 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

Production and sales of the Group's commercial coal

[thousand tonnes]	IQ 2025	IQ 2026	Change	Change %
Gross coal extracted	3,845	2,850	-995	-25.9%
Commercial coal production	2,652	2,036	-616	-23.2%
Mining yield (%)	69.0%	71.4%	2.4 p.p	3.5%
Sales of commercial coal	2,237	2,082	-155	-6.9%
New excavations *(km)	4.5	6.8	2.3	51.1%

The Group's commercial coal inventories

[thousand tonnes]	31 March 2025	31 December 2025	31 March 2026	Change [%] 31 March 2026 / 31 March 2025	Change [%] 31 March 2026 / 31 December 2025
Coal inventories	573	74	28	-95.1%	-62.2%

Commercial coal production structure

[%]	IQ 2025	Q1 2026
Fine coal	98.6%	97.6%
Chestnut coal	0.0%	0.0%
Pea coal	1.4%	2.4%
Total	100.0%	100.0%

*The length of the new workings includes re-routing and cross-cuts

The results for the current financial period were significantly affected by lower coal prices on the domestic market, which had a direct impact on the prices of steam coal sold by LW Bogdanka. Furthermore, the Company recorded lower coal sales compared with the corresponding period of the previous year.

Commercial coal production structure

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

Coal production

(-) gross coal production in Q1 2026 fell by 25.9%, i.e. by 995 thousand tonnes and amounted to 2,850 thousand tonnes
 (-) commercial coal production in Q1 2026 reached 2,036 thousand tonnes, i.e. 23.2% (-616 thousand tonnes) less than in Q1 2025.
 (+) yield reached 71.4% in Q1 2026 compared with 69.0% in Q1 2025.

Coal sales

(-) in Q1 2026, coal sales decreased by 6.9%, i.e. by 155 thousand tonnes compared to Q1 2025 and amounted to 2,082 thousand tonnes.

Inventories

(+) at the end of Q1 2026, coal inventories stood at 28 thousand tonnes, i.e. 46 thousand tonnes less than at the end of 2025.
 (+) the level of coal inventories presented at the end of Q1 2026 corresponds approximately to 1-days' production of commercial coal (based on 3-month average daily production)
 (+) the level of coal inventories is the result of commercial coal production, coal sales and the level of coal inventories as at 31 December 2025.



2.2 Sales revenues and main customers of the LW Bogdanka Group

Changes in sales revenue on various items

[PLN thousand]	Q1 2025	Q1 2026	Change	Change %
Sales of coal	845,868	678,328	-167,540	-19.8%
Other operations	19,136	20,470	1,334	7.0%
Sales of goods and materials	3,887	3,829	-58	-1.5%
Total	868,891	702,627	-166,264	-19.1%

Structure of revenues

[%]	IQ 2025	Q1 2026
Sales of coal	97.4%	96.5%
Other operations	2.2%	3.0%
Sales of goods and materials	0.4%	0.5%
Total	100.0%	100.0%

Geographical structure of sales revenues

[PLN thousand]	IQ 2025	Structure	Q1 2026	Structure
Domestic sales	843,211	97.0%	673,110	95.8%
Foreign sales	25,680	3.0%	29,517	4.2%
Total	868,891	100.0%	702,627	100.0%

Revenue from coal sales

(-) In Q1 2026, the Group generated PLN 678,328 thousand in coal sales revenue, a decrease of 19.8% compared to Q1 2025. The main source of the Group's sales revenue is the production and sales of steam coal carried out by the Parent Company. This activity generates approximately 97% of LW Bogdanka Group's sales revenue in each of the comparative reporting periods.

Revenue from other operations

In Q1 2026, revenue from other operations (which includes revenue from subsidiaries generated outside the Group) amounted to PLN 20,470 thousand (2.9% of total revenue), compared to PLN 19,136 thousand (2.2% of the revenue) in the corresponding period of 2025 (up by 7.0% y/y). Significant items in this group were as follows:

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

The higher value of revenues from sales of goods and materials recorded at the end of Q1 2026 results from higher sales of scrap, i.e. supports recovered from the liquidation of roadways which are not suitable for refurbishment and reuse.

Geographical structure of sales revenues

The Group's operations are focused predominantly in Poland. In Q1 2026, coal sales abroad took place both through an intermediary coal entity (Ukraine) and directly (Slovakia).

Main customers

In Q1 2026, approx. 72% of the coal (by revenue) was sold by LW Bogdanka S.A. to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A.

In the corresponding period of 2025, the share of the aforementioned customers was approx. 10 p.p. higher.

Major customers by share in revenue:

- Enea Wytwarzanie Sp. z o.o. - Grupa Enea S.A. - approx. 63% share in revenues
- Enea Elektrownia Połaniec S.A. - Grupa Enea S.A. - approx. 9% share in revenues



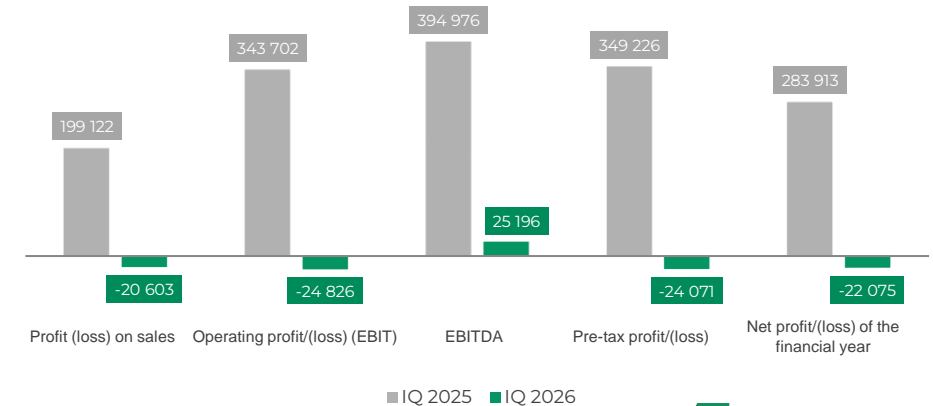
2.3 Key financial results of the LW Bogdanka Group

Analysis of the consolidated statement of profit or loss

[PLN thousand]	IQ 2025	Q1 2026	Change
Sales revenue	868,891	702,627	-19.1%
Costs of products, goods and materials sold, selling and administrative expenses	669,769	723,230	8.0%
Profit (loss) on sales	199,122	-20,603	-110.3%
Gross return on sales	22.9%	-2.9%	-25.8 p.p
Other revenues	145,679	860	-99.4%
Other costs	85	108	27.1%
Net operating profit/(loss) (EBIT)	344,716	-19,851	-105.8%
Other losses - net	-1,014	-4,975	390.6%
Operating profit/(loss) (EBIT)	343,702	-24,826	-107.2%
EBIT margin	39.6%	-3.5%	-43.1 p.p
EBITDA	394,976	25,196	-93.6%
EBITDA margin	45.5%	3.6%	-41.9 p.p
Financial income	14,018	8,300	-40.8%
Financial costs	8,494	7,545	-11.2%
Pre-tax profit/(loss)	349,226	-24,071	-106.9%
Profit margin before tax	40.2%	-3.4%	-43.6 p.p
Income tax	-65,313	1,996	-103.1%
Net profit/(loss) of the financial year	283,913	-22,075	-107.8%
Net profitability	32.7%	-3.1%	-35.8 p.p

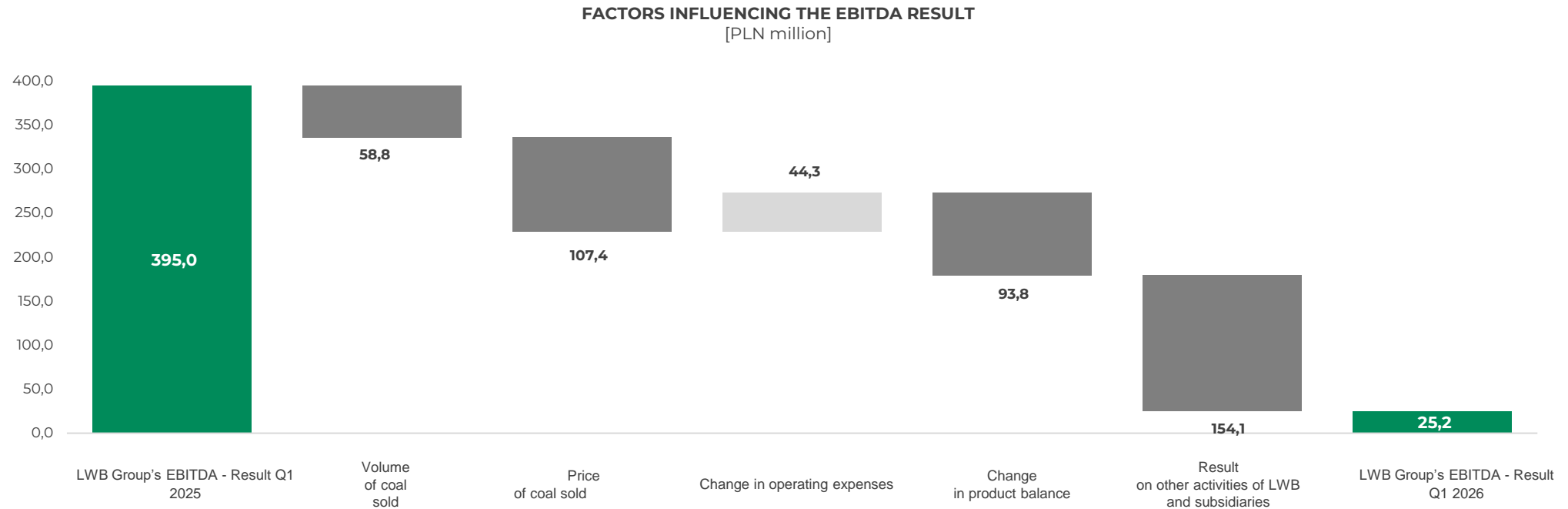


Key financial results of the LW Bogdanka Group (thousand PLN)





EBITDA GK LW Bogdanka in Q1 2026



- (-) A decrease in coal sales volume – 2,082 thousand tonnes compared with 2,237 thousand tonnes, accounting for a decrease of 6.9%
- (-) Lower price of coal sold
- (+) Decrease in costs: lower value of employee provisions recognised
- (+) In January 2025, the Parent Company received the compensation of PLN 144.8 million for damages to underground assets



Basic financial results of LW Bogdanka Group

Sales revenues

The value of sales revenues (comprising revenue from coal sales of the Parent Company, revenue from other activities of the Parent Company and subsidiaries generated outside the Group and sales of goods and materials) in Q1 2026 decreased by 19.1% compared to the corresponding period of the previous year and amounted to PLN 702,627 thousand.

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

In Q1 2026, the total costs of products, goods and materials sold including selling and administrative costs amounted to PLN 723,230 thousand and were higher by PLN 53,461 thousand compared to the corresponding period of the previous year, when they showed a value of PLN 669,769 thousand.

Profit (loss) on sales

In Q1 2026, loss on sales amounted to PLN 20,603 thousand, while the profit on sales in the amount of PLN 199,122 thousand was recorded in the corresponding period of 2025.

Other revenues

This item comprises, among others:

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

In Q1 2026, other revenues amounted to PLN 860 thousand, compared to PLN 145,679 thousand in the corresponding period of 2025. In Q1 2025, the Company received the compensation of PLN 144,849 thousand for the damage to its underground assets caused by a groundwater outflow.

Other costs

This item comprises, among others:

- donations
- enforcement fees and penalties
- compensations paid.

In Q1 2026, other costs amounted to PLN 108 thousand, compared to PLN 85 thousand in the corresponding period of 2025.

Other losses - net

This item comprises, among others:

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

In Q1 2026, other net losses amounted to PLN 4,975 thousand, compared with a net loss of PLN 1,014 thousand in Q1 2025 (the increase is attributable to a higher value of disposed fixed assets).

EBIT

The operating loss in Q1 2026 amounted to PLN 24,826 thousand compared with the operating profit of PLN 343,702 thousand for Q1 2025. At the same time, the EBIT margin stood at -3.5%, i.e. 43.1 percentage points less than in the first quarter of the previous year.

EBITDA

The EBITDA result in Q1 2026 decreased compared with Q1 2025 and amounted to PLN 25,196 thousand. The EBITDA margin in Q1 2026 was lower than in the corresponding period of 2025 and amounted to 3.6%.

Financial income

In Q1 2026, financial income amounted to PLN 8,300 thousand, compared to PLN 14,018 thousand in Q1 2025. Financial income in the analysed period of 2026 consists almost entirely of interest income from bank deposits. The decrease is due to the lower average level of cash held and invested by the Group.

Financial expenses

Financial costs for Q1 2026 were 11.2% lower than the costs of the corresponding period of 2025, amounting to PLN 7,545 thousand. In both periods under review, the dominant items included interest expenses on the valuation of employee benefits and the reversal of the discount on long-term provisions. In both periods under review, the Group had no interest-bearing debt.

Pre-tax profit/(loss)

In Q1 2026, the Group recorded the loss before tax in the amount of PLN 24,071 thousand compared with the pre-tax profit of PLN 349,226 thousand in Q1 2025.

Net profit/(loss) for the period

In Q1 2026, the Group generated the net loss in the amount of PLN 22,075 thousand compared to the net profit of PLN 283,913 thousand in Q1 2025.



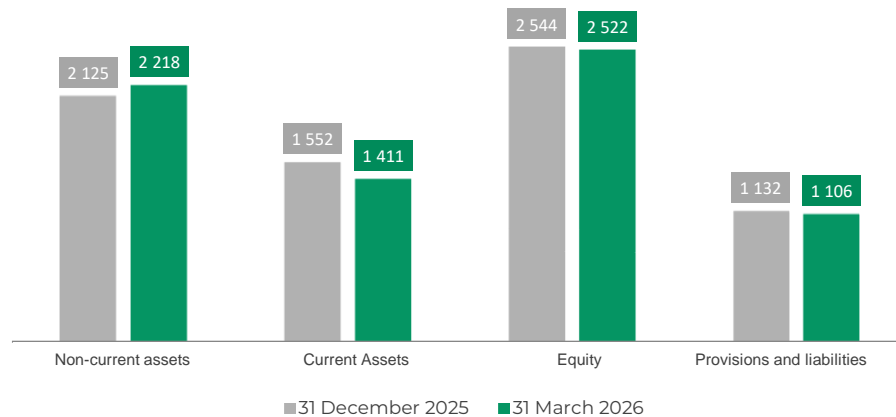
2.4 Balance sheet of the LW Bogdanka Group

Balance sheet

[PLN thousand]	31 December 2025	31 March 2026	Change
Total assets	3,676,863	3,628,761	-1.3%
Return on assets (ROA)*	-4.2%	-12.7%	-8.5 p.p.
Non-current assets	2,124,881	2,218,218	4.4%
Current Assets	1,551,982	1,410,543	-9.1%
Equity	2,544,457	2,522,382	-0.9%
Return on equity (ROE)*	-6.1%	-18.4%	-12.3 p.p.
Provisions and liabilities	1,132,406	1,106,379	-2.3%

*the calculation as at 31 March 2026 takes into account the net result for the last four quarters and the average level of assets and equity (as at 31 March 2026 + as at 31 December 2025)/2.

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



Assets

Total assets as at 31 March 2026 in relation to the value as at 31 December 2025 decreased by PLN 48,102 thousand and amounted to PLN 3,628,761 thousand, while fixed assets increased by PLN 93,337 thousand and current assets decreased by PLN 141,439 thousand. Among fixed assets, the most significant change is the increase in the value of tangible fixed assets by PLN 88,601 thousand and of cash and cash equivalents by PLN 8,136 thousand. Among current assets, the main decreases were recorded in trade receivables and other receivables, which fell by PLN 60,779 thousand and in other short-term investments, which fell by PLN 206,372 thousand, whilst cash and cash equivalents increased by PLN 132,379 thousand. Other short-term investments consist of bank deposits set up by the Parent Company with a maturity of more than 3 months. As at 31 March 2026, the return on assets (ROA) was -12.7%, compared to -4.2% at the end of 2025.

Equity and liabilities

Equity decreased by 0.9%. It was the result of the total income generated for Q1 2026. Provisions and liabilities fell by 2.3% compared with the figures as at 31 December 2025, with current liabilities decreasing by 4.1% (primarily due to a decline in trade liabilities and other liabilities), whereas non-current liabilities fell insignificantly by 0.1%. As at 31 March 2026, return on equity decreased by 12.3 p.p. compared to the end of 2025. The value of ROE as at 31 March 2026 stood at -18.4% compared to -6.1% as at 31 December 2025.



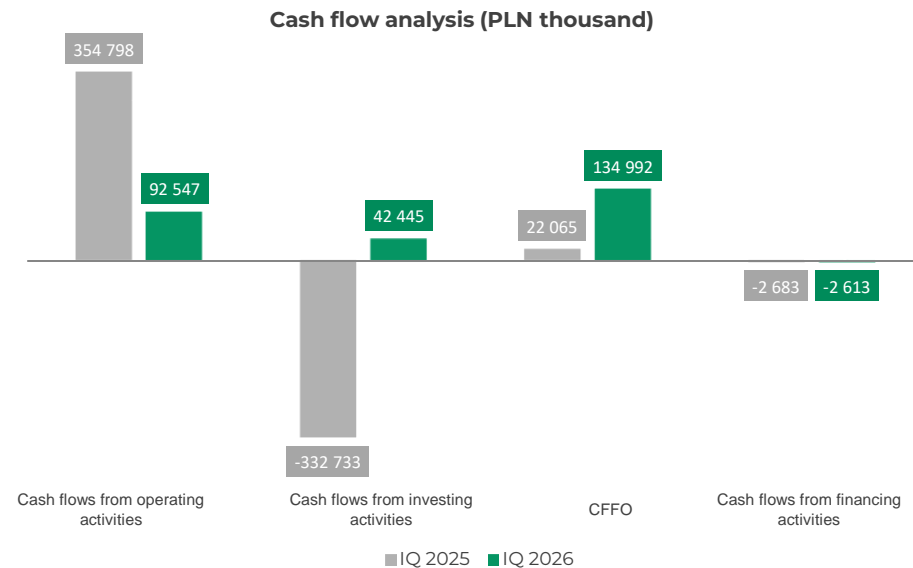


2.5 Cash flows of the LW Bogdanka Group

Cash position

[PLN thousand]	IQ 2025	Q1 2026	Change
Cash flows from operating activities	354,798	92,547	-73.9%
Cash flows from investing activities	-332,733	42,445	-
CCFO**	22,065	134,992	511.8%
Cash flow from financing activities	-2,683	-2,613	-2.6%

**total operating and investment flows



Cash position

Cash flows from operating activities

In Q1 2026, the Group generated net cash flows from operating activities lower by PLN 262,251 thousand than in Q1 2025 - in Q1 2026, they amounted to PLN 92,547 thousand compared to PLN 354,798 thousand a year earlier.

The decline in net cash flow from operating activities is mainly a consequence of a higher net result generated in Q1 2026 compared to Q1 2025.

Cash flows from financing activities

In Q1 2026, the Group recorded negative cash flows from financing activities in the amount of PLN 2,613 thousand which referred to the payment of liabilities arising from financial leases

Cash flows from investing activities

In Q1 2026, cash flows from investing activities were positive and amounted to PLN 42,445 thousand, whereas in the corresponding period of the previous year, cash flows from investing activities were negative and amounted to PLN -332,733 thousand.

In Q1 2025, deposits were opened with a maturity of more than three months for the total value of PLN 200,000 thousand, whereas in Q1 2026, funds were repaid in connection with the maturity of the deposits (which originally had a maturity of more than three months).



2.6 Debt and liquidity ratios of GK LW Bogdanka

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

Cash position

[PLN thousand]	31 December 2025	31 March 2026	Change
Total debt ratio	30.8%	30.5%	-0.3 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.65	2.11	224.6%
Net debt/EBITDA ratio**	-1.57	-4.49	186.0%
Debt to equity ratio	44.5%	43,9%	-0.6 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	135.4%	128.6%	-6.8 p.p.
Short-term debt ratio (current liabilities/liabilities)	17.1%	16.6%	-0.5 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	13.7%	13.9%	0.2 p.p.

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

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

	31 December 2025	31 March 2026	Change
Current liquidity ratio	2.53	2.41	-4.7%
Quick liquidity ratio	2.24	2.11	-5.8%

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

Total debt ratio

The total debt ratio at 31 March 2026 decreased by 0.3 p.p. compared to 31 December 2025 and stood at 30.5%. In the period under review, a decrease in the value of liabilities was recorded while the total assets increased.

As at 31 March 2026, the Group's level of debt did not pose a threat to its operations and its ability to meet its obligations in a timely manner.

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

Debt plus employee liabilities/EBITDA

The debt-to-EBITDA ratio at the end of March 2026 rose compared with the figure recognised at the end of 2025 and stood at 2.11. Comparing figures as at 31 March 2026 against 31 December 2025, a higher nominal increase in EBITDA was recorded (calculated on a rolling basis for the last four quarters), compared to the increase in debt levels.

Net debt/EBITDA ratio

The indicator describing the ratio of net debt (total interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA increased, in absolute terms, from -1.57 as at 31 December 2025 to -4.49 as at 31 March 2026. Net debt decreased and amounted to PLN -777,481 thousand with a decrease in EBITDA by approx. PLN 369,780 thousand (EBITDA calculated on a rolling basis for the last four quarters).

Debt to equity ratio

The debt-to-equity ratio as at 31 March 2026 decreased by 0.6 p.p. compared to the status as at 31 December 2025 and stood at 43,9% - liabilities decreased by approximately PLN 26 million, while equity decreased by approx. PLN 22 million.

Fixed capital to non-current assets ratio

The fixed assets to non-current assets ratio reached 128.6% (as at 31 March 2026) compared to 135.4% (as at 31 December 2025) - in the period under review, the value of fixed assets increased by approximately PLN 93 million while the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) by approximately PLN 23 million.



Turnover of receivables and liabilities in the LW Bogdanka Group

Turnover ratios

[PLN thousand]

			31 December 2025	31 March 2026	Change
1. Inventory turnover ratio	$\frac{\text{average balance of inventories}}{\text{cost of goods, products and materials sold}} \times$	number of days in the period	31	24	-22.6%
2. Receivables turnover ratio*	$\frac{\text{average balance of receivables}}{\text{sales revenues}} \times$	number of days in the period	65	53	-18.5%
3. Liabilities turnover ratio**	$\frac{\text{average balance of liabilities}}{\text{cost of goods, products and materials sold}} \times$	number of days in the period	84	70	-16.7%
4. Operating cycle	1+2		96	77	-19.8%
5. Cash conversion cycle	4-3		12	7	-41.7%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 31 March 2026 decreased by 7 days compared to 31 December 2025 and amounts to 24 days. On average, it takes 7 days longer to liquidate inventory.

Receivables turnover ratio

The receivables turnover ratio (calculated on the basis of the balance sheet item "Trade and other receivables") was 53 days (as at 31 March 2026) compared to 65 days at the end of the previous year. As at 31 March 2026, both a lower average level of receivables and a lower average level of revenue was recorded.

Liabilities turnover ratio

The liabilities turnover cycle (calculated on the basis of the balance sheet item "Trade and other liabilities") in the analysed period decreased by 14 day compared to the value at the end of 2025 and amounted to 70 days.

Operating cycle

The operating cycle of current assets (the sum of inventory and trade receivables turnover ratios) decreased to 77 days in the period under review. On average, the Group's current assets are liquidated after 77 days.

Cash conversion cycle

The result of the trends described above was to achieve a cash conversion cycle of 7 days as at 31 March 2026 (compared to 12 days recorded at the end of 2025). A positive value of the ratio means that the Group does not use trade credit to finance its current operations.



2.7 Provisions of the LW Bogdanka Group

Balance sheet provisions

[PLN thousand]

	As at 31 March 2025	As at 31 December 2025	As at 31 March 2026	Change 31 March 2026 / 31 December 2025	Change 31 March 2026 / 31 March 2025
Employee provisions	426,773	351,935	365,955	4.0%	-14.3%
Provision for mine decommissioning costs and land reclamation	173,397	173,781	174,097	0.2%	0.4%
Mining damage	10,501	7,480	7,237	-3.2%	-31.1%
Other	9,707	7,346	9,217	25.5%	-5.0%
Total	620,378	540,542	556,506	3.0%	-10.3%

Change in provisions

[PLN thousand]

	Change Q1 2025	Change Q1 2026	Change Q1 2026/ Q1 2025
Employee provisions	81,153	14,020	-82.7%
Provision for mine decommissioning and land reclamation costs	-53	316	-
Mining damage	-267	-243	-9.0%
Other	1,324	1,871	41.3%
Total	82,157	15,964	-80.6%

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

[PLN thousand]

	Change in provisions in Q1 2026	Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Including:		
				Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	14,020	28,498	3,327	-	-	-17,805
Provision for mine decommissioning and land reclamation costs	316	325	1,986	-1,995	-	-
Mining damage	-243	-	-	-	-	-243
Other	1,871	1,871	-	-	-	-
Total	15,964	30,694	5,313	-1,995	-	-18,048





2.8 Costs of LW Bogdanka S.A.

Costs by type

[PLN thousand]	Q1 2025	Q1 2026	Change
Net production [thousand t].	2,652	2,036	-23.2%
Sales [thousand t]	2,237	2,082	-6.9%
Amortization and depreciation	48,072	46,995	-2.2%
Consumption of materials and energy	231,507	256,611	10.8%
External services	184,877	194,292	5.1%
Employee benefits	253,447	253,358	0.0%
Representation and advertising costs	4,346	2,606	-40.0%
Taxes and charges	19,364	19,424	0.3%
Other costs	1,360	851	-37.4%
Total costs by type	742,973	774,137	4.2%
Manufacturing cost of products for internal purposes	-95,852	-122,777	28.1%
Accruals	32,554	41,037	26.1%
Provisions and other presentation adjustments between expenses by nature and by function	69,627	11,507	-83.5%
Total production costs	749,302	703,904	-6.1%
Change in products	-79,023	14,788	-118.7%
Value of goods and materials sold	3,804	3,686	-3.1%
Own cost of production sold, including:	674,083	722,378	7.2%
Cost of products, goods and materials sold	608,976	661,062	8.6%
Selling costs	12,670	12,322	-2.7%
Administrative costs	52,437	48,994	-6.6%

Q1 2026

Costs by type

In Q1 2026, LW Bogdanka S.A. incurred costs by type in the amount of PLN 774,137 thousand (PLN +31,164 thousand y/y), i.e. 4.2% higher than in Q1 2025. The increase in costs in Q1 2026 was mainly affected by higher costs of material and energy consumption as well as an increase in costs of third-party services.

Amortisation

Amortisation fell by 2.2% (to PLN 46,995 thousand) – this was primarily due to a decrease in depreciation of fixed assets, accompanied by an increase in wear and tear.

Costs of consumed materials and energy

The value of the cost of materials and energy consumed during Q1 2026 in relation to Q1 2025 increased by 10.8% and amounted to PLN 256,611 thousand. In the period under analysis, the price of electricity increased (with its simultaneous higher consumption), as did the value of materials consumed (primarily due to lower scope of development work).

Third-party services

The value of third-party service costs has increased compared to Q1 2025 by 5.1% (i.e. by PLN 9,415 thousand) and amounted to PLN 194,292 thousand. During the period under review, the Company incurred higher costs primarily for mining and drilling services (due to a greater scope of preparatory work), work carried out at weekends, and maintenance work.

Employee benefits

The cost of employee benefits amounted to PLN 253,358 thousand and remained at almost the same level as in the corresponding period of the previous year. In the period under review, wage costs increased, whilst other employee benefits fell by a similar amount.

Representation and advertising costs

The decrease in the value of representation and advertising costs by PLN 1,740 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and charges

In Q1 2026, taxes and charges amounted to PLN 19,424 thousand and remained at almost the same level as in the corresponding period of the previous year.

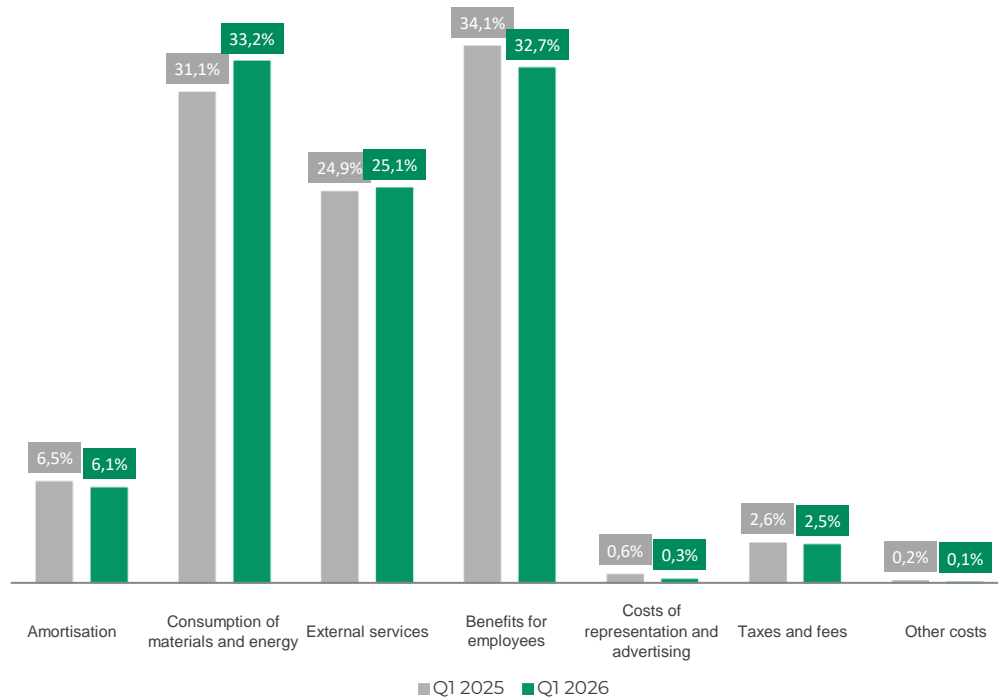
Other costs

Other costs in Q1 2026 amounted to PLN 851 thousand, compared with PLN 1,360 thousand in Q1 2025, which means a decrease of PLN 509 thousand.



Costs of LW Bogdanka S.A.

Costs by type
 (% share of total costs)

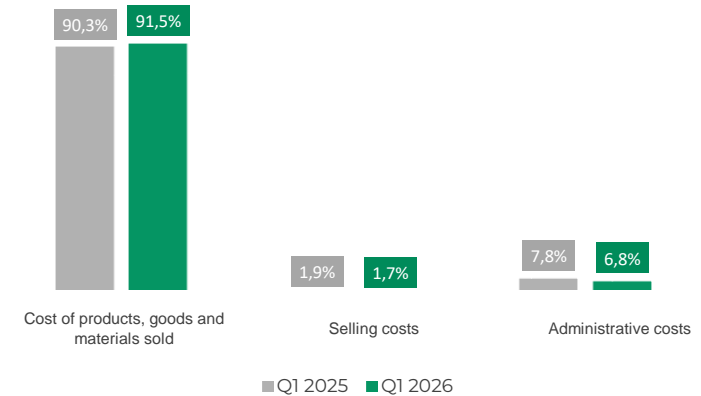


Costs by function

The cost of own production sold (by function) in Q1 2026 was PLN 722,378 thousand, compared to PLN 674,083 in the corresponding period of the previous year.

[PLN thousand]	Q1 2025	Q1 2026	Change
Cost of products, goods and materials sold	608,976	661,062	8.6%
Selling costs	12,670	12,322	-2.7%
Administrative costs	52,437	48,994	-6.6%
Costs of goods sold	674,083	722,378	7.2%

Costs by function
 (% share of total costs)





2.9 Other information affecting the financial position of the LW Bogdanka Group

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

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

The Parent Company systematically performs works aimed to optimise the mining process (in terms of the applied technology and the planned deposit slicing and opening out works for new coal seams).

The works as a whole (planning new excavations, extraction and sales of commercial coal) take the current and future quantifiable market risk into account. The opening out works (for new excavations) are performed in a manner enabling continuous extraction. Coal prices are also monitored on an ongoing basis in domestic and international markets.

The LW Bogdanka Group settles its liabilities on an ongoing basis. The Group manages its financial resources efficiently, depositing free funds in banks (the tenor and value of deposits depends on internal short-term financial forecasts).

Suppliers

The awarding of contracts by hard coal mining companies for the purpose of carrying out these activities is subject to sectoral public procurement regulations. In the LW Bogdanka Group, all procurement orders above the thresholds defined in accordance with the Public Procurement Law are awarded based on the rules stipulated in the aforementioned Act. Other contracts are awarded on the basis of the Group's internal procedures. The main suppliers for the LW Bogdanka Group are companies offering services and products specific to the mining industry (excavation and reconstruction of roadways, haulage of winnings, as well as supply of roadway supports, specialist mining machinery and equipment), as well as companies supplying electricity. In the period from 1 January to 31 March 2026, the value of turnover with any supplier did not exceed 10% of the Group's revenue.

Investments and deposits of the LW Bogdanka Group

The value of cash held by the Group at the end of March 2026 amounted to PLN 654.598 thousand, of which:

- an amount of PLN 188,412 thousand was recognised in non-current assets
- an amount of PLN 466,186 thousand was recognised in current assets

The amount of PLN 188,412 thousand includes cash accumulated by the Parent Company as part of the Mine Closure Fund, earmarked to cover the costs of decommissioning of the mine (these funds are held on a bank deposit).

The amount of PLN 466,186 thousand includes cash (available cash) kept on short-term bank deposits - the level of deposits depends on internal forecasts of revenue and expenditure.

In addition, the Parent Company reports other short-term investments of PLN 311,295 thousand at the end of Q1 2026.

In accordance with the adopted Strategy, the Group maintains the level of disposable cash in

the amount of at least the value of average monthly sales revenues (1/12 of planned annual sales revenues). The funds accumulated in the Parent Company as at 31 March 2026 amounted to PLN 416,067 thousand, while those in subsidiaries amounted to PLN 50,119 thousand (mainly in Łęczyńska Energetyka).

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

A detailed description of contingent liabilities and contingent assets is presented in Note 29 to the consolidated financial statements for 2025.

There was no significant change in contingent liabilities and assets during Q1 2026 (compared to the last financial year ended).

Evaluation of factors and unusual events affecting the operating result

In Q1 2026, no factors or unusual events occurred that would have a material impact on the LW Bogdanka Group's operating results.



2.10 Information on financial instruments, bonds

Information on financial derivatives

As at 31 March 2026, neither the Parent Company nor its Subsidiaries had any outstanding derivative transactions.

Bonds

As at 31 March 2026, the Parent Company and its Subsidiaries:

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

Assessment of the possibilities of acquiring bank funding

In view of the market conditions affecting the financing of the hard coal sector, the Parent Company recognises the limitations related to its capacity to acquire such funding.

Position of the Management Board of LW Bogdanka S.A. concerning the feasibility of the previously published performance forecasts for a given year in view of the results presented in the annual report compared to the forecast results

LW Bogdanka S.A. did not publish any financial result forecasts for 2026.

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

On 20 February 2024, as a result of the Parent Company's appeal against the judgement of the court of first instance in case file I C 942/13 for payment under the rights to patent 206048, the Court of Appeals in Warsaw (case file no. VII Aga 422/23) amended the appealed judgement and dismissed the claim in large part. In accordance with the Court's judgement, the Parent Company was obliged to pay to the plaintiffs the sum of PLN 4.1 million with interest calculated from the dates indicated in the judgement. The judgement is final and therefore the Parent Company has made a payment to the plaintiffs.

On 28 May 2024, the Parent Company filed a cassation appeal with the Supreme Court; in addition, the plaintiffs also filed an appeal.

On 17 December 2025, the Supreme Court issued a ruling accepting both appeals on points of law for examination. The Parent Company is currently waiting for setting of a date for the hearing before the Supreme Court.

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





2.11 Agreements relating to loans and borrowings

Information on loans and borrowings taken out and granted

In Q1 2026, the Parent Company did not take out or grant any loans or terminate any loan agreements.

Information on sureties and guarantees granted and received

In Q1 2026, the Parent Company did not issue (or receive) any sureties.

Transactions with related parties

In Q1 2026, the Parent Company and its subsidiaries did not enter into any individually or jointly significant transactions with related parties out of compliance with the arm's length principle.

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

For more information on agreements with the Enea Group and companies controlled by the State Treasury, see Note 11 of the Interim Condensed Consolidated Financial Statements for the period from 1 January to 31 March 2026.

Guarantees extended by LW Bogdanka S.A.

In Q1 2026, the Parent Company did not instruct banks to issue any guarantees.

Loans taken

In Q1 2026, the Parent Company had no active loan agreements.

Agreements relating to loans and borrowings of subsidiaries

In Q1 2026, the subsidiaries, Łęczyńska Energetyka sp. z o.o., EkoTrans Bogdanka Sp. z o.o., RG Bogdanka Sp. z o.o., MR Bogdanka Sp. z o.o. did not grant or incur any loans and borrowings or terminate any agreements pertaining to loans and borrowings and did not issue any guarantees.





3. Governing bodies





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

Membership of the Management Board as at 1 January and 31 March 2026:

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

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

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

Following the balance sheet date, the Supervisory Board of the Company adopted resolutions appointing, with effect from the day following the approval of the Company's financial statements for 2025, the Management Board for a new term of office, comprising:

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

Composition of the Supervisory Board as at 1 January and 31 March 2026:

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

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

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





3.2 Membership of the Management Board of LW Bogdanka S.A. as at 20 May 2026



Zbigniew Stopa - President of the Management Board

Education

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

Experience

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

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

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

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

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

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

- Defence matters
- (Company general office archives),
- Administrative and economic policy,
- Cooperation with trade union organisations,
- Protection of classified information
- Cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans.
- Occupational health and safety issues,



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

Education

A graduate of the Lublin University of Technology with a degree in Management and Marketing, postgraduate studies in Corporate Finance and Capital Markets, and a Master of Business Administration (MBA) programme at the University of Warsaw in collaboration with the University of Illinois. Participant of numerous training courses on finance, controlling and reporting under IAS/IFRS. Member of Supervisory Boards of capital companies.

Mr Artur Wasilewski – a manager with over 25 years of experience in finance, controlling and management in the mining sector. An expert in financial strategy, management accounting, capital markets, financial modelling and the integration of finance with a company's operational activities. He has many years of experience in managing large teams

and the implementation of efficiency and transformation projects in a public company listed on the Warsaw Stock Exchange.

Experience

He initially gained his professional experience at the consultancy firm DEMOS Sp. z o.o., working on projects relating to business analysis and valuation, financial consultancy and privatisation processes carried out on behalf of the Ministry of State Treasury.

Since 2000, he has been working for Lubelski Węgiel Bogdanka S.A., where he has progressed through all levels of his professional career in the economic and financial area – from Financial Analyst and Head of the Planning and Analysis Department, through Chief Economist and Director of Controlling and Finance, to the position of Deputy Chairman of the Management Board for Economic and Financial Affairs, a role he has held since 2018.

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

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



3.2 Membership of the Management Board of LW Bogdanka S.A. as at 20 May 2026



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

Education

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

Experience

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

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

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

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



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

Education

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

He is preparing a PhD thesis on the transformation of Bogdanka.

Experience

Since 1 May 2024, he has served on the Management Board of LW Bogdanka S.A. as Vice-President of the Management Board for Development, with responsibility for sales, procurement and investment. He is involved, among others, in railway development and projects to develop new business lines.

He gained his earlier managerial experience in public companies, as well as by managing foundations and projects. At a level of representation bodies, he was responsible for legal and organisational, communications and marketing, and development areas, among others. He held directorial and managerial positions at, among others, Enea S.A. in the areas of communication, marketing and external relations.

As part of his business activities, he has implemented consulting and training projects for local and international entities in the energy and raw materials industry.

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

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

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



3.3 Composition of the Supervisory Board of LW Bogdanka S.A.

Bartosz Krysta - Chairman of the Supervisory Board

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

He began his career in 1997 at the Upper Silesian Power Company.

Throughout his professional life, he has set the direction of trade and sales development in key companies on the energy market, such as Vattenfall, Tauron, Enea and Veolia.

From 2001 to 2012, he worked at Vattenfall Sales Poland, holding managerial positions in controlling, sales portfolio and pricing. From 2012 to 2014, he was the head of the Pricing and Risk Measurement Department at Tauron Polska Energia, where he was responsible for the implementation and development of an innovative commercial risk measurement and control system.

From 2014 to 2016, he served as Management Board Member for Portfolio Management and then as President of the Management Board at Enea Trading, responsible for the company's strategic and operational management.

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

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

At Veolia Energia Warsaw, he served as Management Board Member and Sales Director. There, he was responsible, among other things, for the concept and implementation of the integration of commercial areas across the Veolia Group, the organisation and automation of the

connection process and the implementation of risk management tools as well as for the development of commercial operations in the field of district heating projects and products. Since 1 March 2024, he has served as Management Board Member for Sales at ENEA S.A.

Graduate of the Silesian University of Technology and postgraduate studies in the management of electricity trading and distribution companies. He received his doctoral degree in economics in 2010 from the Department of Finance and Insurance at the University of Economics in Katowice. He holds domestic and foreign certificates for training programmes in energy, finance and management practices.

Paweł Cygan - Vice-Chairman of the Supervisory Board

Paweł Cygan - a graduate of Wyższa Szkoła Biznesu-National Louis University in Nowy Sącz, ACCA member, Certified Auditor. He holds an MBA in Financial Management from the University of Hull in the UK. He gained his professional experience at Arthur Andersen/ Ernst & Young in the area of financial audit and business consulting, then from 2004 he worked at Vattenfall, where he was responsible for the development and management of internal audit and business consulting and supervision of key projects in the area of electricity sales and distribution.

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

budget after 2013. In 2016-2017, member of the management board, chief financial officer of the Ożarów Group, and since 2017, managing director, member of the management board of Kirchhoff Automotive Poland, responsible for the overall company activities.

On 19 December 2025, the Supervisory Board adopted a resolution appointing Mr Paweł Cygan as the Vice Chairman of the Supervisory Board of LW Bogdanka S.A.

Szymon Jankowski - Secretary of the Supervisory Board

Mr. Jankowski graduated from the Poznań University of Economics and Business, Management Faculty, majoring in Management and Marketing.

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

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

He is a graduate of the Warsaw University of Technology's Faculty of Transportation, a graduate of Lublin University of Technology's Faculty of Management and Fundamentals of Technology, where he studied Management and Marketing, and a graduate of the Faculty of Mechanical Engineering. He also completed a post-graduate Master of Business Administration programme at the University of Illinois at Urban-Champaign. He is competent in corporate governance, the Commercial Company Code and corporate financial analysis. He took a course for candidates for supervisory board members in State Treasury companies, completed with an examination and a diploma issued by the Minister of State Treasury. He has many years of experience in managerial positions obtained at international financial institutions, specialising in financial solutions for corporate entities and hedge accounting.



3.3 Composition of the Supervisory Board of LW Bogdanka S.A.

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

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

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

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

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

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

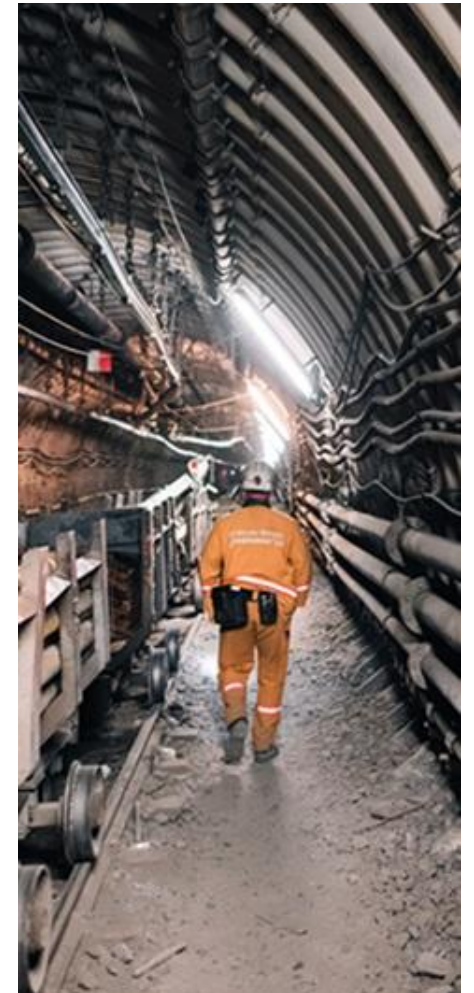
Grzegorz Czornik - Member of the Supervisory Board (Dependent member)

PhD in Economics and Engineer. Expert with more than 30 years of experience in the mining, energy and district heating industries, in the area of international solid fuel trade and logistics. His management experience includes positions such as Member of the Management Board, Managing Director, Commercial Director, and Member of Supervisory Boards in WIG 20 capital companies. He has a record of success in commercial and logistic processes, IPO, M&A, functional strategy optimisation, environmental and ESG processes. He has gained professional experience both at home and abroad. Since 1993, he has been active in the energy, mining and steel industry companies: Polski Koks SA, JSW SA, Tauron Wydobycie, SFW Energia, Koksownia Częstochowa Nowa, and Veolia; where he managed processes related to fuel trading, international trade, new technology development, M&A processes, and applications of the circular economy and ESG. He currently serves as a member of the Management Board of Enea Trading Sp. z o.o. and is an assistant professor at the University of Business in Dąbrowa Górnicza. He obtained a PhD in Economics from the University of Economics in Kraków and a first-class engineering degree from the AGH University of Science and Technology in Kraków, which were supplemented by postgraduate MBA studies at the University of Economics in Poznań and the Warsaw

School of Economics, as well as postgraduate studies abroad.

Zbigniew Niedbalski - Member of the Supervisory Board (independent member)

Doctor habilitated in technical sciences, for 29 years a research and teaching employee of the AGH University of Science and Technology, currently employed as a university professor. A graduate of mining and geology at his alma mater. Specialist in mining technology and natural hazards in underground mines. In 2016–2024, Vice-Dean of the Faculty of Civil Engineering and Resource Management (before the name change, the Faculty of Mining and Geoengineering) at the AGH University of Science and Technology. In 2008–2012, Deputy Head of the Department of Geomechanics, Construction and Geotechnics, Faculty of Mining and Geoengineering at the AGH University of Science and Technology. Author and co-author of nearly 200 scientific papers and conference presentations in Poland and abroad. He participated in about 100 national and international congresses, conferences, seminars, fairs and exhibitions in the field of mining. He delivered approximately 80 presentations in Poland and abroad, including many at the invitation as an expert. For over 15 years, he has held the title of an expert awarded by the President of the State Mining Authority. Since the beginning of his work at the AGH University of Science and Technology, he has been actively cooperating with underground plants as an expert and appraiser. The result of cooperation with industry is the management of or participation in the implementation of approximately 300 projects, expert reports, opinions and studies for all hard coal mining companies. Participant in domestic and international training tours. He has extensive experience in training personnel for the mining industry as a lecturer and supervisor of engineering, master's and doctoral theses. He peer-reviewed several doctoral and habilitation theses. He provided classes during studies and courses specifically designed for foreign students. He holds the rank of second-degree mining director general.





4. Shares and shareholding structure





4.1 Share capital structure and shareholding of LW Bogdanka S.A

Share capital structure

The Company's share capital is PLN 170,067,950 and is divided into 34,013,590 shares with a nominal value of PLN 5 per share. On 4 January 2012, 3,208,111 employee shares were floated on the Warsaw Stock Exchange, and on 4 February 2013, another 34,754 shares were floated. The total number of the Company's shares traded is 34,013,455. The remaining 135 shares, as of the date of this Report, are registered shares. The total number of votes resulting from all outstanding shares of the Issuer corresponds to the number of shares, translating into 34,013,590 votes. The dominant strategic shareholder in the Company is ENEA S.A., with a majority shareholding of 64.6% in LW Bogdanka S.A., which authorise it to 21,962,189 votes, translating into the nominal value of PLN 109,810,945.

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

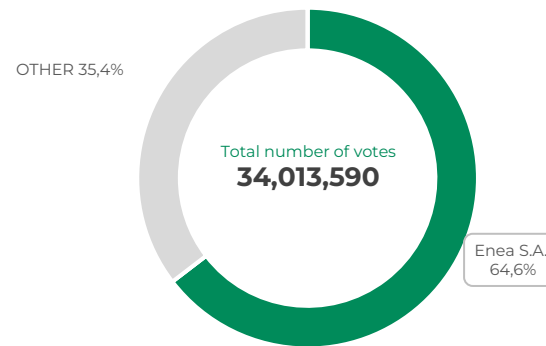
Treasury shares

In Q1 2026, LW Bogdanka S.A. and its subsidiaries did not purchase any Treasury shares.

Changes in shareholder structure up to the date of the report

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the Annual Report for 2025, to the date of publication of the report for Q1 2026, there were no changes in the ownership structure of significant shareholdings.

Shareholding structure of LW Bogdanka S.A. As at 31 March 2026.



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

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

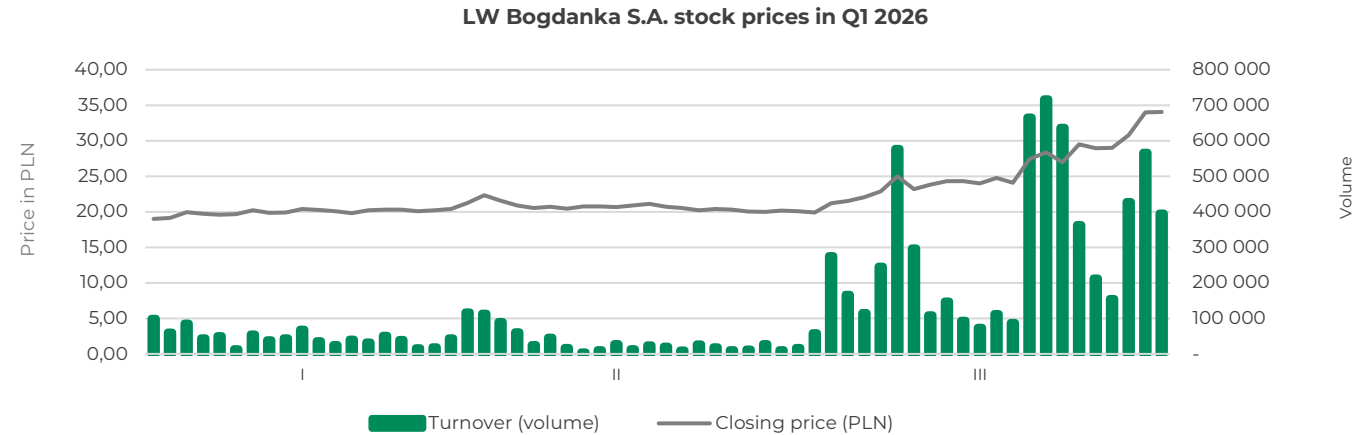
At the end of Q1 2026, LW Bogdanka S.A. was included in the following stock exchange indices:

- **sWIG80** - index of small companies listed on the WSE
- **sWIG80TR** - version of the sWIG80 index which takes into account dividend income
- **WIG** - broad index comprising all companies listed on the WSE main market
- **WIG-Poland** - index of only Polish companies on the main market
- **WIG140** - index of the 140 largest companies on the WSE
- **WIG mining** - a sector index comprising companies participating in the WIG index and simultaneously classified in the "mining" sector.
- **GPWB-CENTR** – a net income index comprising the largest and most liquid companies in Central Europe, taking into account both the transaction prices of the companies in its portfolio and net dividend income.
- **CEEplus** – a price index comprising the largest and most liquid companies in Central Europe, based on transaction prices but excluding dividend income.





4.2 Share prices of LW Bogdanka S.A. at the Stock Exchange



Key data on shares

	Q1 2025	Q1 2026
Maximum price [PLN]	25.20	34.05
Minimum price [PLN]	21.00	19.00
Last price [PLN]	21.00	34.05
Average price [PLN]	22.92	22.31
Capitalisation at the end of the period [PLN million]	714.3	1,158.2
Carrying amount [PLN million]	2,951.6	2,486.5
P/E [market capitalisation/net profit]	2.6	-46.3
P/BV [market capitalisation/book value]	0.24	0.47
Rate of return at the end of the period [%]	-4.2	79.2
Average trading value per session [PLN 000]	1,223.3	3,376.6
Average volume per session	53,288	129,977
Number of shares traded [pcs]	34,013,590	34,013,590

Analyst recommendations

Date of issue	Institution	Recommendation	Price target	Price before date of issue
20 February 2025	Santander Brokerage House	Sell	PLN 15.30	PLN 24.72
27 February 2026	Noble Securities	Sell	PLN 13.97	PLN 20.15
4 May 2026	BM Pekao	Sell	PLN 18.12	PLN 25.25

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



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

Shares in related parties of the Company

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

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

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the report for 2025, to the date of publication of the annual report for Q1 2026, there were no changes in the number of shares in LW Bogdanka S.A. held by persons discharging management and supervisory functions.

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

Employee share scheme

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

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

MANAGEMENT BOARD					
Full name	Number of Company shares as at 20 May 2026	Par value per share (PLN)	Number of Company shares as at 10 April 2026	Par value per share (PLN)	Number of shares in Subsidiaries
Zbigniew Stopa	0	0	0	0	0
Bartosz Rożnawski	43	215	43	215	0
Sławomir Krenczyk	0	0	0	0	0
Artur Wasilewski	0	0	0	0	0
SUPERVISORY BOARD					
Full name	Number of Company shares as at 20 May 2026	Par value per share (PLN)	Number of Company shares as at 10 April 2026	Par value per share (PLN)	Number of shares in Subsidiaries
Bartosz Krysta	0	0	0	0	0
Szymon Jankowski	0	0	0	0	0
Paweł Cygan	0	0	0	0	0
Grzegorz Czornik	0	0	0	0	0
Daniel Frąc	0	0	0	0	0
Magdalena Makiela	0	0	0	0	0
Robert Wietrzyk	0	0	0	0	0
Paweł Wójcik	0	0	0	0	0
Zbigniew Niedbalski	0	0	0	0	0
TOTAL					
	43	215	43	215	0

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



Glossary

- **CSR** - Corporate Social Responsibility
- **Net debt/ EBITDA** - ratio of net debt (sum of interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA
- **EBIT** - operating profit before interest and taxes
- **EBITDA** - EBIT plus depreciation and amortization and impairment losses
- **PTE** - Technical and Economic Plan
- **LWB** - Lubelski Węgiel Bogdanka S.A.
- **IFRS** - International Financial Reporting Standards endorsed for use in the EU
- **Gross sales margin** - the gross sales margin is calculated by dividing profit by the value of sales
- **EBITDA margin** - ratio of operating profit plus depreciation and amortisation to revenue
- **EBIT margin** - ratio of EBIT calculated for the period to sales revenues for the period
- **Gross margin** - ratio of gross profit (before tax) to net sales
- **Net margin** - ratio of net profit to net sales
- **Return on assets (ROA)** - ratio of a company's net profit to the value of its assets
- **Return on equity (ROE)** - ratio of net profit to equity
- **Total debt ratio** - total liabilities to total assets
- **Debt to equity ratio** - total liabilities to equity
- **Fixed assets to fixed assets ratio** - sum of equity, non-current liabilities and non-current accruals to non-current assets
- **Current debt ratio** - short-term debt to total assets
- **Non-current debt ratio** - non-current liabilities to equity
- **Current ratio** - current assets to current liabilities
- **APMs** - alternative performance measures
- **CSRD** – Corporate Sustainability Reporting Directive – Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting
- **ESG** – an acronym for Environmental, Social and Governance – refers to key indicators relating to non-financial data
- **ESRS** – European Sustainability Reporting Standards
- **EU Taxonomy** – a classification system that sets out the criteria that economic activities must meet in order to be considered sustainable, established by Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020.
- **PEP40** – Poland's Energy Policy to 2040

Report of the Management Board on the operations of the LW Bogdanka Group for Q1 2026 was approved by the following Members of the Management Board of the Parent Company

Zbigniew Stopa

President of the Management Board

Bartosz Rożnawski

Vice-President of the Management Board,
Production

Sławomir Krenczyk

Vice-President of the Management Board,
Development

Artur Wasilewski

Vice-President of the Management Board,
Economy and Finance

Bogdanka, 19 May 2026



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