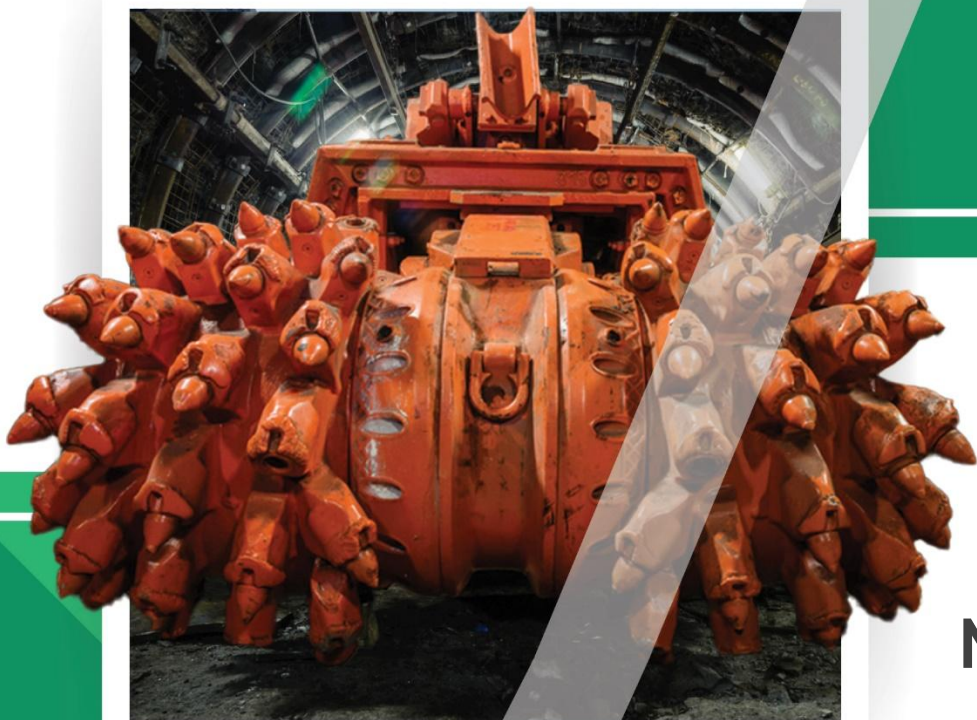




MANAGEMENT BOARD REPORT

on the operations of the LW Bogdanka Group
for H1 2026



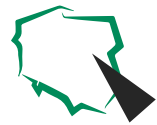
Grupa Kapitałowa
Lubelski Węgiel Bogdanka





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

18.7%



Share in the steam coal market in Poland

25.2%



Share in coal supplies to the commercial power sector in Poland

31.0%



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1. Organisation and activity of the LW Bogdanka Group

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- 1.2 Summary of H1 2026
- 1.3 Development Strategy of the LW Bogdanka Group
- 1.4 Investment activities
- 1.5 Business environment
- 1.6 Risk factors
- 1.7 Employment
- 1.8 ESG





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

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

LW Bogdanka S.A. has three mining fields:

- Bogdanka
- Nadrybie
- Stefanów

The structure of coal production in H1 2026 was as follows:

- fine coal - 97.9%
- pea coal - 2.1%

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

- electricity production
- heat generation
- cement production

The Company's key customers include

(percentage share of revenue):

- Enea Group - Enea Wytwarzanie (64%)
- Enea Group - Enea Polaniec (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, it applies state-of-the-art technologies and world-class machinery, consequently, it is a mine with the highest efficiency and best performance rates in Poland.

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

Cost control

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

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

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

We have built our success based on:

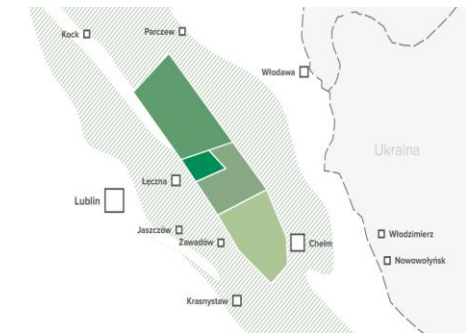
- highly qualified staff, top technical culture focused on cooperation and achievement of common objectives
- highly efficient, reliable, energy-saving machinery and equipment, properly adjusted to existing geological and mining conditions,

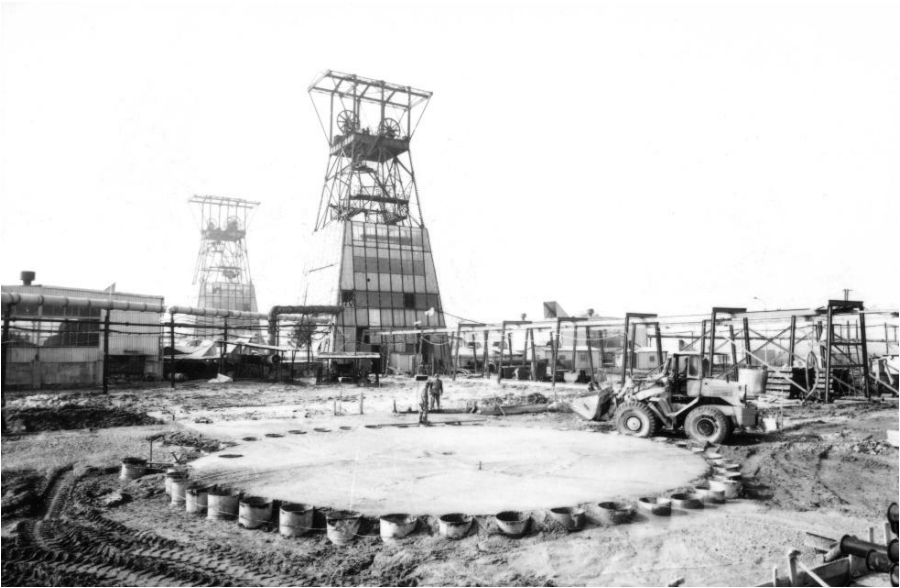
mechanizing both primary mining works and a broad range of auxiliary works

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

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 Bogdanka S.A. (activities of subsidiary companies are primarily ancillary to the activities conducted by the Parent Company), the descriptions presented in the Report refer also directly to the activities and events taking place within LW Bogdanka S.A.

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

Lubelski Węgiel Bogdanka Spółka Akcyjna

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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

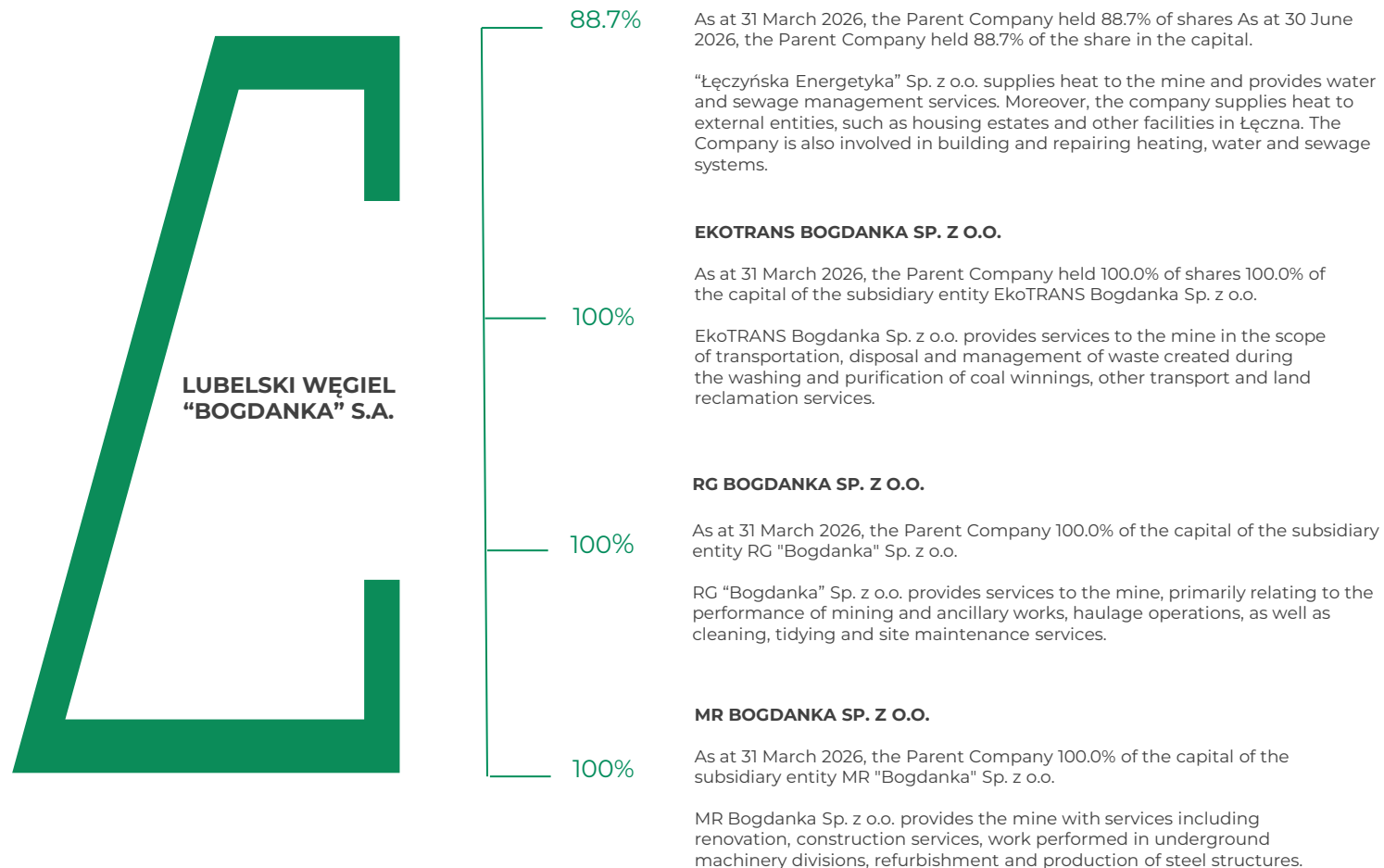
The founder of the Company is the State Treasury represented by the Minister of the State Assets.
The Company may operate in the territory of the Republic of Poland and abroad.
The Company has been established for an indefinite period.

Historical background

17 January 1975	1 March 1993	29 December 1994	25 June 2009	29 October 2015	17 November 2017	20 December 2019	17 May 2023	16 April 2025
decision made to build a pilot and extraction mine in Bogdanka. Bogdanka was one of 7 mines that were to be built in the Lublin Coal Basin, but due to suspension of the project, it turned out to be the only one.	transformation of the state-owned enterprise into a wholly-owned State Treasury company with the business name: Kopalnia Węgla Kamiennego "Bogdanka" S.A.	as part of the implementation of the provisions of a bank settlement, as a result of debt conversion, KWK "Bogdanka" S.A. ceased to be a wholly-owned State Treasury company as new shareholders (creditors) acquired 4.0% of the Company's shares	IPO on the Warsaw Stock Exchange	LW Bogdanka S.A. became part of the Enea Group	obtaining a concession for mining of hard coal from the Ostrów deposit in the Ludwin mining area	obtaining a concession for mining of hard coal from the "Lublin Coal Basin – Area K-6 and K-7" deposit in the "Cyców" mining area	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



Changes in the structure GK LW Bogdanka

Apart from the links presented above, there are no other organisational and capital relations with other entities.

In H1 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 H1 2026

Operating data

6.1 million tonnes

Gross coal extracted

72.1%

Mining yield

4.4 million tons

Commercial coal production

12.3 km

New excavations*

4.1 million tonnes

Sales of commercial coal

Headcount

6,031 employees

Headcount as at the end of 1H 2026

-1.5%

Decrease in headcount compared with H1 2025



Financial data LW Bogdanka Group

PLN 1,364.2 million

Sales revenues

PLN 12.6 million

Profit on sales

PLN 7.2 million

EBIT

PLN 113.0 million

EBITDA

5.1 million PLN

Net profit

Highlights

- conclusion of annexes to long-term coal supply agreements with ENEA Wytwarzanie sp. z o.o. and ENEA Elektrownia Połaniec sp. z o.o.
- appointment of the Management Board of LW Bogdanka S.A. for a new term of office with the same members
- session of the Annual General Meeting

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

- Conclusion of an annex to a steam coal sale agreement with ORLEN Termika S.A.



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





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:

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

Key operational and economic parameters:

- The average level of coal production in 2025-2030 will reach approximately 8.2 million tons, in 2031-2035 - approximately 6.6 million tons.
- Net output per employee in 2025-2030 is expected at a level of 1,714 tons per person and in 2031-2035, at a level of 1,763 tons per person.
- EBITDA per tonne of output in 2025-2030 will reach approximately PLN 97/ tonne, in 2031-2035 - approximately PLN 104/ tonne.
- The Company will strive to achieve an average EBITDA margin ratio of 26% in 2025-2030 and 28.7% in 2031-2035.

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

Development projects scheduled for implementation:

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

Through the implementation of the Strategy, LW Bogdanka will increase its positive social impact and minimise the environmental impact of its operations, which will be reflected both

in terms of a reduced carbon footprint and an increased proportion of operating and capital expenditure aligned 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 to find and select the optimal non-coal source for heat generation in the coming years in order to satisfy increasingly stringent environmental protection requirements.
- modernisation of the heating main between Bogdanka and Łęczna – the implementation of this task aims at gradual reduction of considerable transmission losses and will additionally allow for protecting the network against corrosion, thus supporting its operation in the following years.

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

Development strategy MR Bogdanka sp. z o.o.

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

The MR BOGDANKA company 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.)
- the Company's focus on developing more technologically advanced products and services which should be retained as significant 'know-how' within the LW Bogdanka S.A. Group (including own renovation documentation, own products, and ultimately own research and development department)
- maintaining process and cost efficiency as a benchmark against the cost terms secured 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 entered into by the company and/or participation in industry-specific purchasing groups, which should ensure flexibility of the procurement function at LW Bogdanka S.A.

The product, service and investment strategy (taking into account the foregoing) 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 tons of waste annually.

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

The Company has identified the expansion of its range of services in line with the requirements reported by LW Bogdanka S.A. as its main area of development. The expansion of the operational areas takes place both as a continuation of the established strategy for mining operations and through the provision of entirely new surface services. These measures will enable the company to generate revenue at the current or higher level and will allow for preparation and professional development of employees to form the future workforce of LW Bogdanka S.A. The process of upskilling staff directly enables LW Bogdanka S.A. to expand the scope of its work to include more complex projects and to expand the range of surface treatment 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 skilled staff to LW Bogdanka S.A. under the current Employers' agreement).





1.4 Investment activities completed in H1 2026

In the first half of 2026, LW Bogdanka S.A. consistently implemented the planned investment tasks. Total expenditure incurred on fixed assets as part of ongoing investments amounted to PLN 370,719 thousand.

The investment plan for 2026 includes the following groups of tasks:

- Development and replacement investments, including, among others, the purchase, modernisation and refurbishment of machinery and equipment, the expansion of the mining waste treatment facility.
- Operational investments, encompassing the excavation and modernisation of mine workings in the Bogdanka and Stefanów fields, as well as new workings in the Ostrów area. Reconstruction of existing pits was also carried out in this area.

Development and replacement investments LW Bogdanka S.A.

Maintenance of machinery

- Purchase of new machinery and equipment requiring assembly – expenditure of PLN 3,029,000 was incurred on the purchase of, among others, ventilation stoppings, a belt conveyor and the main drainage pump
- A total of PLN 6,463,000 PLN was allocated to the purchase of finished machinery and equipment. The most important of these include: transport equipment (including a mobile platform for the inspection and repair of retention reservoirs); pumps and hydraulic units (including screw compressors and water pumps), electrical equipment (including electric engines and transformer stations), other finished equipment (including refrigeration units, dust meters and a sheet metal bender)
- Modernisation and refurbishment of machinery and equipment – expenditure

totalling PLN 64,573,000 was allocated to, among others, to the refurbishment of the powered support, the modernisation of the belt conveyor 1000 (human transport adaptation), the refurbishment of the conveyors: the JOY AFC face conveyor and the JOY BSL sub-face conveyor, as well as routine maintenance of mine cars.

Other development investment projects

- Expansion of the mining waste treatment facility – a total of PLN 3,655,000 was spent on the haulage system at the waste storage site and on the purchase of plots of land.
- Power, telecommunications and mechanical installations – a total of PLN 769,000 PLN was spent on, among others, on the expansion of telecommunications and data transmission networks, the installation of a DN 150 drainage pipeline, and the modernisation of the shaft inlet air heating system control.
- Mine hoist switchgear facilities and other power systems – a total of PLN 8,961,000 was spent on, among others, the modernisation of the S1.4 Main Ventilator Station, the modernisation of the S 1.4 mine shaft hoist, and the RP-2 field switchgear.
- Replacement investments at the Mechanical Coal Processing Plant (ZPMW) – PLN 5,329,000 was allocated to, among others, the modernisation of ZPMW facilities, the purchase of conveyor scales, and the installation of electromagnetic pulsators and 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 953 thousand was incurred, among others, on the installation of heating in the casing reconditioning hall in Nadrybie

ICT – a total of PLN 3,113,000 was spent on the implementation of an AI system, a system for belt conveyors and plough complexes, a fire alarm system, the modernisation of the ICT network, and the purchase of computer hardware and software.

Administration

- Modernisation of existing buildings – PLN 26,000.

Others

- Environmental protection – PLN 3,094,000 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: PLN 299,000 was spent on the construction of a building for the compressor station at shaft 2.1.
- Purchase of finished equipment (other): PLN 20 thousand

Strategic initiatives and RES

- Development of rail transport – PLN 10,444,000 was allocated to the lease of an electric locomotive and the hire of 100 coal wagons.
- Construction of the EPV2 photovoltaic farm – capital expenditure of PLN 466,000 was incurred in respect of the fee for the connection to the electricity grid.

Operating investments of LW Bogdanka S.A.

New excavations were implemented in accordance with the applicable Mining Work Schedule. The total length of dog headings made during the period in question amounted to approximately 11 km, and their value was PLN 223,178,000. Modernisation and reconstruction of workings (including vertical modernisation and the reconstruction of horizontal workings) was carried out as scheduled and totalled PLN 35,419,000.

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 2,087 thousand.

Łęczyńska Energetyka - investment tasks completed in H1 2026 included investment projects related to the generation, transmission and distribution of heat for the total amount of PLN 1,111,000.

RG Bogdanka – capital expenditure of PLN 483 thousand was allocated to core operations, software purchases and transport.

MR Bogdanka – capital expenditure of PLN 493,000 incurred in H1 2026 was related to the core business and transport.



1.4 Investment activities completed in H1 2026

Selected items of capital expenditure in H1 in the LW Bogdanka Group

[PLN thousand]	TEP 2026	TEP actuals IH 2026	TEP actuals H1 2026 [%]
New excavations and upgrade of existing pits	455,151	258,597	56.8%
Machinery	226,039	74,065	32.8%
Concessions	9,606	0	0.0%
Other development investments	87,169	20,595	23.6%
ICT	8,316	3,113	37.4%
Administration	170	26	15.3%
Other	1,401	3,413	243.6%
Strategic initiatives and RES	10,388	10,910	105.0%
TOTAL CAPEX in LW Bogdanka SA	798,240	370,719	46.4%
Łęczyńska Energetyka sp. z o.o.	11,800	1,111	9.4%
MR Bogdanka	6,450	493	7.6%
RG Bogdanka	2,786	483	17.3%
EkoTrans	0	0	0
TOTAL CAPEX in the LW Bogdanka SA Group	819,276	372,806	45.5%

Value of capital expenditure incurred on excavations in H1 2026

Total excavations and works	Depreciation method	Length [running metres]	Value of capital expenditure [PLN thousand].
Gate roads	natural	7,548	
Basic excavations	straight-line	2,954	223,178
Reconstructions	linear/natural	699	

In H1 2026, the total length of the completed roadway excavations amounted to 4,052 running metres (including 10,502 rm of investment nature). Work related to the making of new excavations and the reconstruction of existing excavations was carried out in accordance with the approved schedules.

In the period concerned, the following expenditures were incurred:

- PLN 35,419,000 on the reconstruction and modernisation of roadway excavations,
- PLN 223,178 thousand for the development of new pits.

The table shows the investment development projects. The total length of all the reconstruction works carried out is 1,299 rm.

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: 492 metres.



1.5 Coal price 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

- 113.7 USD/t - average CIF ARA coal price in Q2 2026 grew 13.5% vs. Q2 2025 (100.2 USD/t)
- compared with the average CIF ARA coal price in Q1 2026 (108.4 USD/t), it means an increase by 4.9%
- the average price in H1 2026 amounted to 111.1 USD/t, a decrease by 9.7% (101.3 USD/t in H1 2025).

Stocks in ARA ports

- approx. 3.8 million tonnes of coal stocks at the end of June 2026 in ARA ports - at the end of March 2026, the stocks were 2.3 million tonnes.

Prices in major ports worldwide

- 74.1 USD/t - average Baltic Ports FOB coal price in Q2 2026 vs. Q3 2025 (64.0 USD/t) - up by 15.7%
- compared with the average price in Q1 2026 (66.6 USD/t), this means an increase by 11%
- the average price in H1 2026 amounted to 70.3 USD/t, down by 5% (67.1 USD/t in H1 2025).

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.

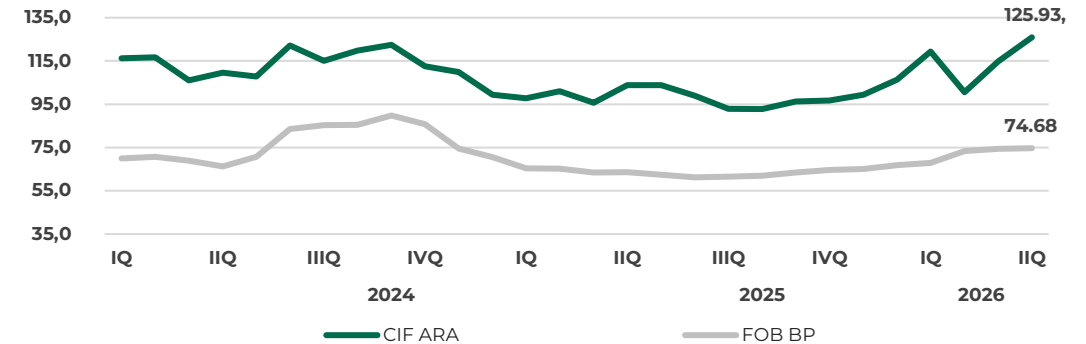
Price of fine steam coal

- the average price of fine steam coal for the commercial power sector in Q2 2026 was 14.3 PLN/GJ, the price decline rate was approx. 14.9% compared with Q2 2025 (16.8 PLN /GJ)
- the average price of fine steam coal for the commercial power sector in H1 2026 was 14.3 PLN/GJ, the price decline rate was approx. 14.4% compared with H1 2025 (16.7 PLN /GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.7 GJ.

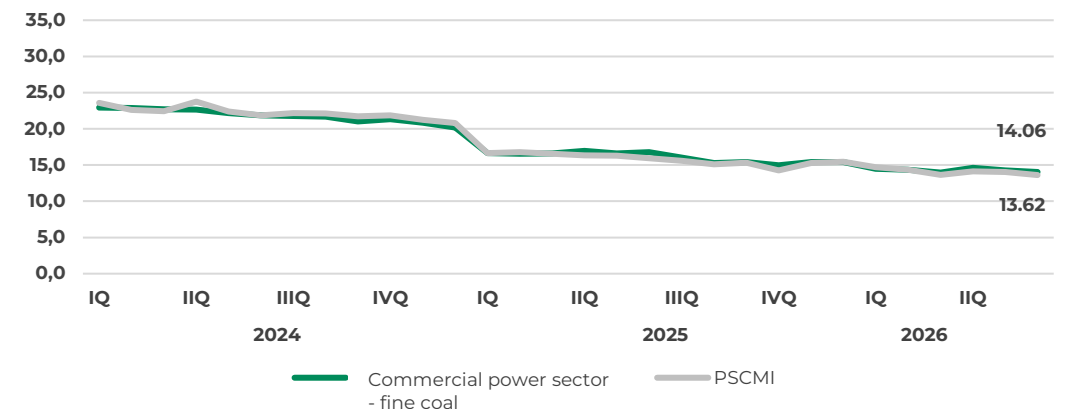
Prices from the PSCMI 1 index

- the average price from the PSCMI 1Index in Q2 2026 was approx. 13.9 PLN/GJ, compared with the average price in Q2 2025 (16.2 PLN/GJ), down by approx. 14.0%
- the average price from the PSCMI 1Index in H1 2026 was approx. 14.1 PLN/GJ, compared with the average price in H1 2025 (16.4 PLN/GJ), down by approx. 14.3%.

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 effective since 2025 assumes the diversification of revenue sources and launching new sales directions. Details of the Strategy can be found on pages 9-11.

Key buyers of steam coal in Poland

The main buyer of steam coal in Poland is the commercial power sector. The most important buyers in the commercial power sector are:

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

Compared with the corresponding period in the previous year, the increase in production, accompanied by a significant rise in sales and a fall in hard coal inventories in H1 2026 is the result of sustained domestic demand for coal and an increase in coal's share of the energy production mix – partly due to its low price. The reduction in the supply of steam coal in Poland, with the demand maintained, gives the Company the opportunity to increase coal sales outside the Enea Group.

Steam coal production in Poland

- in H1 2026, approx. 14.9 million tonnes of steam coal was produced, down by 2.1% y/y

Steam coal sales in Poland

- sales in H1 2026 amounted to approx. 16.3 million tonnes, of which sales to the commercial power sector amounted to approx. 11.7 million tonnes of fine steam coal
- compared with H1 2025, steam coal sales to the commercial power sector rose by approximately 18.6%.

Coal inventories in Poland

- at the end of H1 2026, steam coal inventories amounted to 1.7 million tonnes (4.8 million tonnes at the end of H1 2025)
- compared to Q1 2026 (2.5 million tonnes), inventories fell by 0.8 million tonnes (-32.0%)

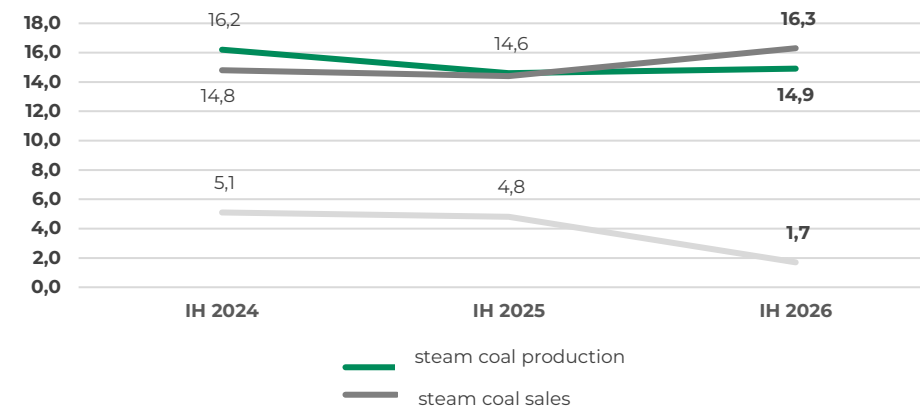
Coal exports

Approximately 2.1 million tonnes of coal were exported, including approximately 0.5 million tonnes of steam coal.

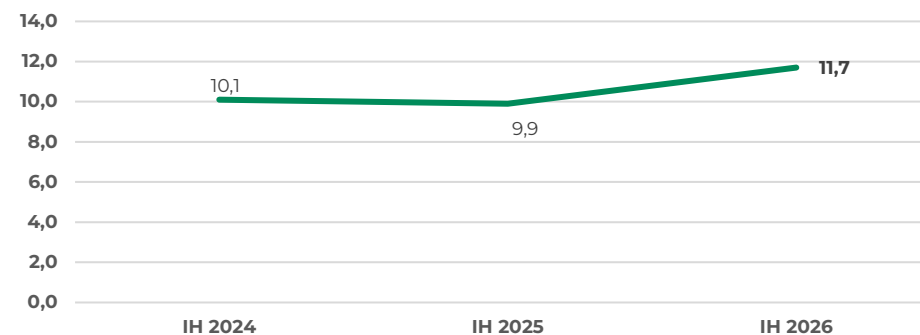
Coal imports

Hard coal imports to Poland in Q1 2026 amounted to 4.3 million tonnes (35.8% y/y), of which steam coal accounted for 3.9 million (down by 52.0% compared with the corresponding period in 2025).

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



Sales of steam coal to the professional power sector [million tons]





1.5 Electricity generation in Poland

Total electricity production

In H1 2026, electricity production amounted to 89,082 GWh, an increase by 4,664 GWh (5.5%) compared with H1 2025.

Electricity production from coal

The main fuel for electricity production was coal, which generated 55,016 GWh in H1 2026. This level means an increase by 3,484 GWh (6.8%) compared with H1 2025. In H1 2026, coal was the source of 61.8% of the total electricity production in Poland - its share in the fuel mix was 0.8% higher compared with H1 2025.

Electricity production from hard coal

In H1 2026, 37,910 GWh of electricity was produced from hard coal (up by 10% compared with H1 2025).

Electricity production from lignite

In H1 2026, 17,106 GWh of electricity was produced from lignite (0.2% more compared with H1 2025).

Electricity production from wind power plants

Wind farms produced 10,541 GWh in H1 2026, a decrease by 14.6% compared with H1 2025. The share of wind power in electricity generation amounted to approximately 11.8%.

Electricity production from gas-fired power plants

Electricity production by gas-fired power plants in H1 2026 was 9,898 GWh an increase by 10.9% compared with H1 2025.

Electricity production from photovoltaic plants and other renewable sources

Electricity production from photovoltaic plants (approx. 96% of total production) and other renewable sources in H1 2026 amounted to 12,256 GWh. This represents a 19% increase compared with H1 2025.

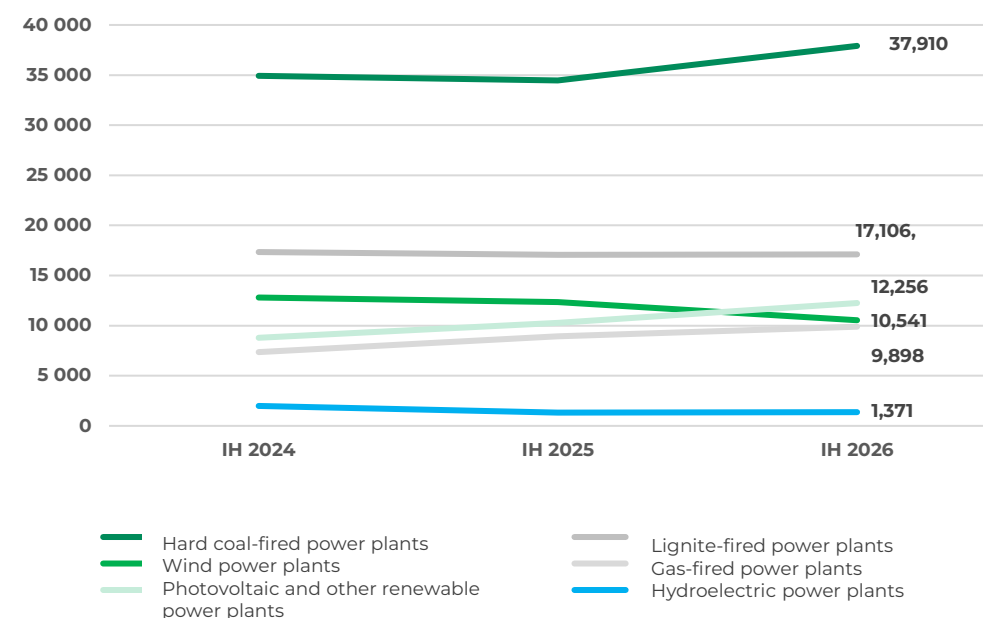
Domestic electricity consumption

In H1 2026, electricity consumption amounted to 87,104 GWh, an increase by 3,795 GWh (4.6%) compared with H1 2025.

Balance of cross-border exchange

Balance of cross-border exchange of electricity in H1 2026 amounted to -1,978 GWh, compared with -1,108 GWh in H1 2025. This means export of energy.

Electricity production in Poland [GW/h]





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

Environment and market

- Risks related to the socio-economic situation in Poland and worldwide
- Risk associated with the state's economic policy towards the hard coal mining industry
- Risk related to the prices of energy commodities in Poland and globally
- Risk associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events
- Risk of restrictive climate policies resulting in changes to applicable law

Operational and financial

- Risk associated with the launch of mining from new deposits of LW Bogdanka S.A.
- Technical and technological risks
- Risks associated with the high costs of the technologies used by the Company
- Risk of IT system failures
- Risk of customers' insolvency
- Risk related to the strong position of the trade unions
- Risk associated with retaining and recruiting the Group's personnel
- Key supplier risk
- Risk of supplier price collusion
- Insured risks

Environmental protection

- Risks associated with reclamation and mining damage
- Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits
- Risk related to mining waste management
- Investment risk associated with the presence of protected areas

Legal

- Risk of changes in the tax law
- Property tax risk in relation to LW Bogdanka S.A.'s mine workings
- Risk of changes in the law and its interpretation and application
- Risk of violating stock exchange disclosure obligations
- Risk of extension of the process of issuing administrative decisions on the conduct of mining operations



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

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

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

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

Countermeasure: monitoring all factors, adjusting operations to the market situation and environment, planning future activities, formulating long-term financial projections, cost control, entering into long-term agreements, taking actions to improve mining efficiency.

Risk severity: **medium**

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

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" (PEP 2040) and the "National Energy and Climate Plan (NECP)" approved by the Council of Ministers have been in force, with the assumption that hard coal is still a significant source of energy for the Polish economy in the perspective of 2030 and beyond. However, an update to PEP 2040 is currently under development due to the changing geopolitical and economic situation and the energy crisis related to Russia's aggression on Ukraine. Current energy policy aims to gradually reduce the role of hard coal while dynamically developing 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.

Risk severity: **medium**

Risk related to the prices of energy commodities in Poland and globally

The prices of energy commodities are influenced primarily by the prices of steam coal and raw materials alternative to steam coal (crude oil, natural gas, renewable sources) on global markets and, consequently, on the domestic market. This is critical to the business conducted by the Parent Company. On the global coal market, in June 2026, prices at ARA ports stood at approx. 126 USD/t, an increase compared with the average price in June 2025, which was approx. 103 USD/t.

CIF ARA cumulative average prices for the entire 2025 amounted to approx. 100 USD/t. It should be emphasised, however, that despite the fall in the CIF ARA prices in 2025, particularly when compared with the record prices of 2022, the CIF ARA price levels both in H1 2026, i.e. approx. 111 USD/t, and in June 2026, i.e. approx. 126 USD/t, are above the average CIF ARA prices for 2024–2025 (the average for this period was approx. 106 USD/t).

In the domestic fine steam coal market, the quotations of the PSCMI 1 index (commercial power segment) for the month of May 2026 stood at 14.04 PLN/GJ, and the PSCMI 2 index (commercial and non-commercial district heating segment) at 17.54 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 with 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 pointed out that the average annual quotation of the PSCMI 1 index in 2025 stood at 15.47 PLN/GJ, while the average annual quotation of the PSCMI 2 index in 2025 was 19.65 PLN/GJ.

Risk severity: **low**



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

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

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

They include, among others:

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

The consequences can be as follows:

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

Countermeasure:

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

The following is also important:

- use of modern and reliable mining machinery and equipment to reduce the risk of industrial accidents,
- relatively regular location of the coal seams mined,
- relatively low costs associated with repair of mining damages due to the low degree of urbanisation of the area where the mine extracts hard coal,
- high level of personnel skills.

Risk of restrictive climate policies resulting in changes to applicable law

The EU's stringent climate policy aims to reduce greenhouse gas emissions, develop renewable energy sources and improve energy efficiency. Combined with the operation of the EU ETS and persistently high prices for CO₂ emission allowances, this is leading to a significant increase in the cost of energy generation from coal and a gradual decline in its competitiveness.

An additional risk factor is the implementation of the objectives set out in the National Energy and Climate Plan until 2030, with a outlook to 2040 (KPEiK), which provides for the development of renewable energy sources, nuclear power and energy storage, as well as a gradual reduction in the use of coal. KPEiK forecasts a decline in domestic steam coal consumption by 2030 and the end of steam coal mining by 2049 at the latest.

The ability to sell coal produced by LWB may also be affected by regulatory changes concerning emission standards, quality requirements for solid fuels, local authority anti-smog resolutions, the implementation of the ETS2 scheme and the planned reduction in the use of coal in households. An additional risk factor is the further tightening of the EU's climate policy, including the pursuit of the target to reduce greenhouse gas emissions by 90% by 2040.

Consequently, the aforementioned regulations and the implementation of national and EU climate and energy policies may lead to a further decline in demand for coal, a reduction in sales and revenue for LW Bogdanka S.A., and thus have a negative impact on the Group's financial results.

Countermeasure

- active participation in consultations organised by the hard coal industry in Poland;
- monitoring changes in legislation and analysing their impact on the Group's operations;
- diversifying the portfolio of customers, sales channels and product mix, and aligning the specifications of the coal on offer to changing requirements

Risk severity: **medium**





1.6 Operational and financial risks related to the Group's operations

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

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

The development of new deposits requires

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

Risk severity: **medium**

Technical and technological risks

The underground mining of hard coal deposits is a complex process subject to strict technical and technological regimes. In the course of such activities, various downtimes may occur due to scheduled and unscheduled (e.g. breakdowns) technical interruptions. In this

group of risks, there is also the risk of unexpected, usually local deterioration of the quality of the deposit.

Countermeasure:

- infrastructure accessibility - two mining shafts, two downcast material shafts and one shaft used for ventilation purposes only,
- possibility of transporting the excavated material from the Stefanów field to the Bogdanka field through underground excavations,
- underground coal retention reservoir system,
- raw coal reservoirs on the surface,
- use of modern mining equipment and machinery,
- research and development work to increase productivity and improve occupational safety.

Risk severity: **medium**

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

The applied technology of steam coal mining involves the use of highly specialised machinery and equipment. Due to global concentration as well as a decreasing number of machinery and equipment manufacturers, there is a risk of unforeseen increases in their prices. This could increase capital expenditure and reduce cost efficiency. There is also a risk of difficulties in accessing unique and original spare parts that are necessary to ensure the continuity of their operations. As depth increases, the difficulty related to the maintenance of workings increases (growth in pressure in the rock mass due to the extensive mining area in which mining is carried out), the temperature increases in both roadway and longwall workings (due to the "distances" of the workings from the shafts), and certain natural hazards, i.e. water, methane, rock mass tremors. Making available deposits with mining walls exceeding a run length of 7,000 metres and a length of approximately 380 metres requires the implementation of technological and organisational solutions to counteract natural

hazards, ensure continuity of production and occupational health and safety. Taken together, this can result in an increase in coal mining costs.

Countermeasure

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

Risk severity: **high**

Risk of IT system failures

Any loss, partial or total, of data related to the failure of computer systems may adversely affect current operations and thus affect future financial results.

Countermeasures:

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

Risk severity: **low**

Risk of customers' insolvency

The risk of customers' insolvency is associated with the general level of current receivables of the LW Bogdanka Group due from its customers and the balance of receivables over the Group's liabilities. The Group's trade and other short-term receivables accounted for 9.9% of its balance sheet total and 27.2% of its sales revenues for six months of 2026.

Trade receivables accounted for 83.0% of total trade receivables and other short-term receivables.

Countermeasure:

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

Risk severity: **low**



1.6 Operational and financial risks related to the Group's operations

Risk related to the strong position of the trade unions

The changing energy policy of the European Union and in the country, as well as legal regulations aimed at a gradual reduction in coal mining, including the May 2021 social agreement regulating the principles and pace of phasing out of steam coal mines in Poland, may affect the sense of uncertainty among workers. The issue of decarbonisation is extremely important from the point of view of the Employer as well as the trade unions representing the employees. In the hard coal mining sector, trade unions hold a significant position and play an important role in shaping the personnel and payroll policy, often forcing renegotiations of the payroll policy using protests. As at 30 June 2026, there were six trade union organisations active in the Group (of which, at LWB, there were four trade unions representing approximately 72% 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,
- periodic negotiation and information

meetings with the social party on important issues of the Company, in particular on remuneration and the decarbonisation process.

Risk severity: **medium**

Risk associated with retaining and recruiting the Company's personnel

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

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

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

Countermeasure:

- building generational continuity - the implementation of development programmes supports the transfer of knowledge and experience from older employees to younger generations
- attracting employees from related industries, investing in employees with non-mining experience helps transform the business and adapt to future labour market requirements
- cooperation with local vocational schools (partner mining schools) and universities by defining a framework for cooperation (letters of intent with schools/universities),
- providing employees with opportunities for promotion and development within the

- company's structures
- building a friendly organisational culture,
- increased competitiveness in the labour market - through the implementation of incentive programmes and appropriate social measures
- management competence development activities among the management and supervisory staff
- employee development programmes.

Risk severity: **medium**

Key supplier risk

The specific nature of the business requires the use of technologies that often involve the use of highly specialised machinery and equipment and the use of specialised services. Thus, there is a potential risk of problems in finding suitable suppliers, as well as the risk that suppliers default on their agreements. This also applies to contractors for specialised mining services, as there may be dependence on these entities due to their small number in the Polish market. Countermeasure: assessment of potential risks associated with the conclusion of agreements with suppliers in terms of performance of agreements and possibility of starting cooperation with other suppliers. In addition, a performance bond is required to secure the performance of agreements subject to increased risk.

Risk severity: **high**

Risk of supplier price collusion

The requirement for highly specialised products and services and the legal aspects that must be met in order for such products and services to be considered appropriate carry the risk of price collusion. Thus, there is a potential risk of a group of suppliers agreeing on commercial terms that may be offered to LW Bogdanka S.A.

Countermeasure:

- ongoing market monitoring and new supplier acquisition

- periodic analysis of contract prices and assessment of market trends
- searching for replacement products.

Risk severity: **medium**





1.6 Environmental protection risks

Insured risks

The Group is exposed to insurance risks, both to the standard extent applicable to all business entities and to the extent typical of entities in the mining industry arising from risks accumulated in the underground part of the mine. Given the significance of the risks to which the Group is exposed, where particularly justified, these risks are transferred externally on the basis of insurance agreements concluded.

The Group is covered for underground property, surface property and business liability (third-party liability), as well as for other, less significant risks.

In addition to covering potential business liability and property damage, the Group also covers risks of loss of profit (Business Interruption) and the risk of "terrorism" in relation to risks on the mine surface.

Risk severity: **medium**

Risks associated with reclamation and mining damage

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

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

Risk severity: **low**

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

The activities of LW Bogdanka S.A. exert a significant impact on the environment. Accordingly, the Company must hold specific permits and comply with regulatory standards for the use of the environment (including the requirements of BAT - Best Available Techniques).

They refer, in particular, to:

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

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

Risk severity: **medium**

Risk related to mining waste management

The Company generates significant quantities of mining waste. The mining waste is subject to management (recovery) and storage at the mining waste disposal facility in Bogdanka. Approx. 50% of waste is processed and 50% is kept in the facility.

Based on a construction permit, the Company is conducting works to increase the current spoil tip (to 250 m a.s.l.) and to enlarge the spoil tip in the eastern part. It has also taken steps to acquire adjacent land for further expansion, and another permit has been obtained for the expansion of the mining waste facility in the south-eastern part, which will secure waste storage for the next 6-7 years. Further actions are being taken to acquire more land to expand the facility. Failure to complete this investment will entail the risk of undermining the stability of the mining process and the need to seek alternative methods of mining waste management. Countermeasure: The Group has been carrying out works to elevate and expand the existing mining waste facility. It has also continued efforts to acquire further land for the upcoming stages of spoil tip expansion. The Parent Company takes intensive efforts related to recovery and management of mining waste.

Risk severity: **medium**

Investment risk associated with the presence of protected areas

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

Risk severity: **medium**



1.6 Risks relating to proceedings and the legal environment

Risk of changes in the tax law

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

Countermeasure:

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

Risk severity: **medium**

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

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

Countermeasure

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

Risk severity: **low**

Risk of changes in the law and its interpretation and application

The laws in Poland change quite frequently. Interpretations of the law and the practice of applying it also are subject to change. Changes to interpretation of tax regulations are particularly frequent. There is a lack of consistency in practice of tax authorities and case law in the field of taxation. The adoption by the tax authorities of a tac law interpretation different from that adopted by the Group or the introduction of new requirements under the Mining Law may imply a deterioration in its financial position and, as a result, adversely affect the Group's results and

development prospects.

Countermeasure

- using the services of legal advisers and advisory companies, as well as consulting a variety of offices specialising in the issues under analysis
- if applicable, the Group also requests binding interpretations of the law.

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

Risk severity: **medium**

Risk of violating stock exchange disclosure obligations

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

Risk severity: **low**

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

As other mines, LW Bogdanka S.A. carries out the mining operations based on the Mine Operation Plan approved by the Director of the Regional Mining Authority. The current Operation Plan covers the years 2026-2028 and has been subject to numerous updates in connection with the changes in circumstances arising during the operations. An update to the Operation Plan in the form of a Supplement is approved by means of an administrative decision subject to the same principles as the Plan. The Company was informed that a civic society organisation, whose statutory objectives include the protection of nature, landscape and the environment, had applied for admission to participate in the administrative proceedings for updating the Operation Plan currently in effect in the Company. An intervention by social organisations which are negatively inclined towards the Company in the procedures regarding approval of updates of the Operating Plan entails the risk that this process will be prolonged, and thus may have the effect of obstructing the mining operations covered by the Supplement. To mitigate the above risk, the Company conducts educational and information activities regarding the impact of mining operations on the environment, as well as relies on the support of reputable law firms to conduct the proceedings.

Risk severity: **high**



1.7 Changes in headcount

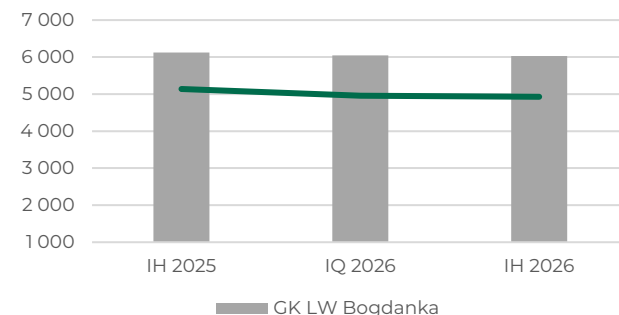
The **LW Bogdanka Group** is one of the biggest employers in the Lublin region. We employ over six thousand people, a vast majority of whom come from Łęczna District and its surrounding areas, i.e. within 50 km from Bogdanka.

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. We regard our staff as one of our most important assets on which our sustainable development depends. 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

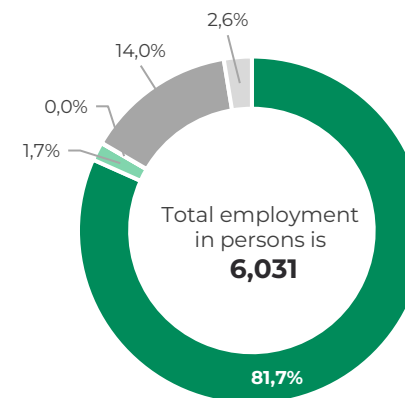


Headcount in the Group

In H1 2026, there was an increase in headcount in the LW Bogdanka Group by 1.5% compared to H1 2025.

Headcount in LW Bogdanka S.A.

In H1 2026, the Parent Company employed 81.7% of the LW Bogdanka Group's total workforce. Blue-collar workers accounted for 79.8% of total workforce employed at LW Bogdanka S.A. Compared with H1 2025, the number of underground workers decreased by 2.2%. In H1 2026, 18 people were employed by LW Bogdanka S.A., while 86 people left the Company in the same period.



Employment structure in the LWB Group by company

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

Headcount in persons	30 June 2025	31 March 2026	30 June 2026	Employment structure in the Group	Change H1 2026 H1 2025	Change H1 2026 Q1 2026
Total workers	4,120	3,961	3,931	79.8%	-4.6%	-0.8%
Underground employees	3,136	3,091	3,063	62%	-2.3%	-0.9%
Surface employees	984	870	868	18%	-11.8%	-0.2%
Full-time underground employees	580	574	570	12%	-1.7%	-0.7%
Full-time surface employees	439	424	427	9%	-2.7%	0.7%
Total underground employees	3,716	3,665	3,633	74%	-2.2%	-0.9%
LW Bogdanka S.A.	5,139	4,959	4,928	81.7%	-4.1%	-0.6%
RG Bogdanka sp. z o.o.	735	829	845	14.0%	15.0%	1.9%
MR Bogdanka sp. z o.o.	144	153	155	2.6%	7.6%	1.3%
EkoTrans Bogdanka sp. z o.o.	1	2	2	0.0%	100.0%	0.0%
Łęczyńska Energetyka sp. z o.o.	101	102	101	1.7%	0.0%	-1.0%
GK LW Bogdanka	6,120	6,045	6,031	100.0%	-1.5%	-0.2%



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, there is also the Brzeziczo reservation including a Nature 2000 Protected Area.

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

The activity of the Group has material influence on the natural environment. 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 and 45001 certificates, as well as ongoing operational activities to mitigate the impact of the Group's operations on the environment.

Climate policy

LW Bogdanka is implementing the Climate Policy adopted in early 2026, which sets out how the Company manages the impact of its operations on the 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 that is 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.

The Group's carbon footprint

In each reporting period, improvements are introduced with the aim of refining the procedures for calculating the Group's emission footprint. In H1 2026, efforts focused mainly on the digitisation of data collection. Work continued on the implementation of a digital tool for the collection and verification of data for the calculation of greenhouse gas emissions under Scopes 1, 2 and 3, together with a methodology for calculating the carbon footprint under Scopes 1, 2 and 3, to support the ESG-related risk control process. The role of collecting data on the carbon footprint and recording energy consumption is further strengthened by the Climate Policy adopted at the beginning of 2026.





1.8 Environmental issues - [E]

Biodiversity protection

Biodiversity protection is aimed at continuing actions that involve, among others, the protection of diverse avifauna species. Two projects are being carried out in collaboration with Fundacja dla Przyrody: 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 biodiversity protection project is being carried out in partnership with Fundacja Ptasie Horyzonty as part of the task entitled "Active conservation of the black-tailed godwit (*Limosa limosa*) and the northern lapwing (*Vanellus vanellus*) in the Lubelskie Province". Protection activities involve, among others, searching for nests, securing hatchlings using incubators, temporary placement of dummy bird eggs, and aviary rearing of chicks.

Cooperation with the Polesie National Park

Bogdanka's partnership with the Polesie National Park is a strategic initiative. The successive third agreement envisages that protection measures across the Park's ecosystems and nature education initiatives will continue. 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 fens, raised bogs 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.



Collaboration with the academic community in Lublin

The original project initiated by the Scientific Council for Environmental Protection at LW Bogdanka envisages the establishment of a Grant Fund for scientists in the Lublin Voivodeship. As part of the fund, a call for applications was launched in H1 2026 for the "Environment and Science" competition, held under the patronage of the Ministry of Climate and Environment. In collaboration with the Centre for Climate Change and Environmental Research at UMCS, Bogdanka selected eight winners of the competition from most of Lublin's higher education institutions whose research and implementation projects cover LW Bogdanka's immediate area of impact and combine the potential of science with practice while promoting innovative solutions, cooperation with the socio-economic environment, and tangible scientific and applied outcomes in the following areas: People, Environment, Industry.

The project is scheduled to be completed in September 2027.

Another project launched by Bogdanka focuses on improving water management, in particular through more effective planning of protection measures and reducing the impact of mining operations on local ecosystems. To this end, LW Bogdanka continues collaboration with the UMCS Department of Hydrology and Climatology to enable the scientists from the Institute of Earth and Environmental Sciences to develop 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 termination of the collaboration is scheduled in December 2026.





1.8 Social matters – [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 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 in terms of coordinated economic, investment, social and educational activities, which will result in the sustainable diversification of the region's economy and the creation of new, stable and adequately paid jobs.



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 collaboration, the parties will carry out preparatory work, including formal, legal, environmental and infrastructural analyses necessary for the launch of investment projects of regional and national importance. This activity is part of implementation of LW Bogdanka's business strategy to maintain and create new jobs for the local community.

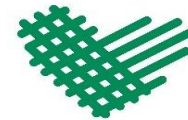
Analysis of the socio-economic impact of Bogdanka

H1 2026 saw the completion of Phase I of the project involving a comprehensive analysis of the Company's economic and social impact on the region. The analysis also included an assessment of the risks and opportunities associated with local stakeholders in the context of the challenges posed by sustainable transition. The assessment of the local community's needs and potential resulted in a qualitative survey report, which provides a comprehensive picture of how the Company is perceived by key stakeholder groups. The project was carried out in collaboration with the WSEI Academy in Lublin.

Phase II of the project is scheduled to take place in the second half of 2026. In the first half of 2026, the New Community Foundation summarised its activities, which included both carrying out a social assessment and organising three dialogue sessions with residents of the Łęczna Municipality. The project addressed the challenges associated with the energy transition and decarbonisation, and its aim was to gain a deeper understanding of the social situation in the Łęczna Municipality by mapping and identifying the current needs, sentiments and challenges facing the residents.

Charitable activity

In the first half of 2026, LW Bogdanka S.A. made 16 donations in the form of cash and in-kind contributions. The support was addressed to a variety of organisations within the Company's social environment which carry out socially beneficial initiatives and projects. The donations helped implement initiatives that responded to the needs of local communities, particularly in the areas of social care, healthcare, education, culture and sport. These activities form part of LW Bogdanka's commitment to social engagement and to building lasting relationships with stakeholders from in the Company's environment.



Fundacja Solidarni Górniczy

"Solidary Miners" Foundation

It is an 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 in the Lubelskie Voivodeship, who turn to it when they find themselves in a difficult life situation.

Key pro-social initiatives undertaken by the Solidary Miners Foundation in H1 2026:

- support for people in difficult life situation: providing support to people in the immediate vicinity of the mine with regard to medical treatment and rehabilitation remains the core statutory activity of the Foundation. The support takes the form of grants for medical equipment or treatment addressed to natural persons.
- The main beneficiaries include current and retired employees and their families,

- as well as residents of the Lubelskie Voivodeship – several dozen people each year (in H1 2026, financial assistance was provided to 23 people and their families);
- collaboration with air institutions and organisations – in H1 2026, these were: the Care and Education Centre for Children and Young People (Children's Homes in Kijany and Witaniowo), the Children's Friends Association (TPD) in Lublin, the Odra-Niemen Association in Lublin, and the "Maksymilian" Regional Sobriety Centre in Łęczna;
- continuation of collaboration 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 within the Company – collection of cleaning products for the beneficiaries of several local aid organisations, collection of gloves as part of the "Share the Warmth" campaign, and a Christmas food collection for the poor and needy, with donations going to the beneficiaries of Lublin's 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 within the Company to encourage people to register with the DKMS bone marrow donor database in order to support local residents searching for their "genetic twins" in their fight for life and health.



1.8 Governance issues – [G]

The matters 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
- Policy on respect for human rights and diversity in 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
- Climate Policy – adopted in early 2026

Faced with new challenges, the Company regularly evaluates its existing regulations and policies,

especially in terms of climate requirements but also in terms of diversity, labour rights and human rights.



LW Bogdanka Group's Sustainability Report for 2025

On 10 April 2026, the Sustainability Report of LW Bogdanka Group for the year 2025 was published, for the second time as part of the Report on the Activities of LW Bogdanka and the LW Bogdanka Group for the year 2025. The report was prepared on the basis of the new European Sustainability Reporting Standards (ESRS) in accordance with the Corporate Sustainability Reporting Directive (CSRD). The environmental, social and governance matters relevant to the Group were defined as part of a double materiality analysis. 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 unique to the mining industry like, among others, activities addressing mining damages. LW Bogdanka Group's Sustainability Report for 2025 was subject to external assessment.





1.8 Governance issues – [G]

Bogdanka's ESG strategy

In 2025, LW Bogdanka updated its ESG Strategy by harmonising it with the LW Bogdanka Group Development Strategy until 2030, with an outlook to 2035, announced on 16 April 2025. The overarching goal of the update was to address gaps and take actions on areas and issues identified as weaknesses, and to enhance strengths in the areas of the environment, community and corporate governance – from the perspective of both the organisation and the region – while taking into account the perspectives of various stakeholder groups, legal environment, 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.

With the draft reviewed by the Management Board and the Supervisory Board, the updated ESG Strategy was presented to stakeholders. The strategy is accounted for on an annual basis and monitored. The first ESG Strategy monitoring cycle was carried out at the end of H1 2026 and resulted in mapping the status of completed initiative at 41.5%. The high completion rate highlights LW Bogdanka's commitment to the just transition process.

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

Considering the vicinity of the extremely valuable natural environment in which LW Bogdanka operates, as well as the stakeholders' expectations 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 operating since May 2022 as a form of a permanent, independent opinion and advisory body consisting of experts from various fields of environmental protection.

The tasks of the Scientific Council include in particular:

- assessment of the resources, creations and components of nature subject to the immediate impact by LW Bogdanka
- participation in the development and implementation of the LW Bogdanka's environmental policy
- preparation of opinions on projects and concepts of projects for the Company's involvement in environmental protection initiatives
- assessment of the effectiveness of environmental protection measures taken by the Company
- preparation of opinions on selected applications for cooperation in the field of environmental protection received by LW Bogdanka
- preparation of opinions on research and scientific programmes in the field of environmental protection addressed to LW Bogdanka
- submission of motions and opinions on environmental protection issues
- proposing activities in the area of environmental protection for LW Bogdanka's potential involvement.

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

The Council's first meeting of 2026 was held in January. The main topics on the agenda included presentation of the results of the collaborative project with the Polesie National Park, carried out in 2025 (with the participation of the Director of the Polesie National Park), presentation of guidelines for the second edition of the grant competition for scientists from the Lublin region, and enhancement of the effectiveness of actions taken to mitigate the environmental impact.



2. Financial standing

2.1 Production, sales, inventories

2.2 Sales revenues and main suppliers of the LW Bogdanka Group

2.3 Financial results of the LW Bogdanka Group

2.4 Balance sheet of the LW Bogdanka Group

2.5 Cash flows of the LW Bogdanka Group

2.6 Economic indicators of the LW Bogdanka Group

2.7 Provisions of the LW Bogdanka Group

2.8 Costs of LW Bogdanka S.A.

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

2.10 Information on financial instruments, bonds

2.11 Agreements relating to loans and borrowings





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

Principles for the preparation of consolidated condensed financial statements

The interim consolidated condensed financial statements of the Group and the interim condensed financial statements of the Parent Company for H1 2026 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as approved by the European Union.

Production, sales of commercial coal by the Company

[thousand tons]	Q2 2025	Q2 2026	Change	Change %	IH 2025	IH 2026	Change	Change %
Gross coal extracted	2,018	3,229	1,211	60.0%	5,863	6,079	216	3.7%
Commercial coal production	1,220	2,345	1,125	92.2%	3,872	4,381	509	13.1%
Mining yield (%)	60.5%	72.6%	12.1 p.p	20.0%	66.0%	72.1%	6.1 p.p	9.2%
Sales of commercial coal	1,765	1,973	208	11.8%	4,002	4,055	53	1.3%
New excavations *(km)	4.4	5.5	1.1	25.0%	9.0	12.3	3.3	36.7%

Company's commercial coal inventories

[thousand tons]	30 June 2025	31 December 2025	30 June 2026	Change [%] 30.06.2026/ 31.12.2025	Change [%] 30.06.2026/ 30.06.2025
Coal inventories	29	74	400	440.5%	1,279.3%

Commercial coal production structure

[%]	Q2 2025	Q2 2026	IH 2025	IH 2026
Fine coal	97.3%	98.2%	98.1%	97.9%
Chestnut coal	0.1%	0.0%	0.1%	0.0%
Pea coal	2.6%	1.8%	1.8%	2.1%
Total	100.0%	100.0%	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.

Coal sales in H1 2026 stood at a similar level as in the corresponding period of the previous year.

Coal production

(+) gross coal production in H1 2026 increased by 3.7%, i.e. by 216 thousand tonnes and amounted to 6,079 thousand tonnes
 (+) commercial coal production in H1 2026 reached 4,381,000 tonnes, i.e. 509,000 tonnes more than in the corresponding period of 2025.
 (+) yield reached 72.1% in H1 2026 compared to 66.0% in H1 2025.

Coal sales

(+) in H1 2026, sales of commercial coal amounted to 4,055 thousand tonnes, i.e. 1.3% more than in the corresponding period of 2025
 (+) in Q2 2026, coal sales increased by 11.8% compared with Q2 2025, and reached 1,973,000 tonnes.

Inventories

(+) at the end of Q2 2026, coal inventories stood at 400,000 tonnes, an increase by 326,000 tonnes compared with the state as at 31 December 2025
 (+) the level of coal inventories presented at the end of Q2 2026 corresponds approximately to 13 days' production of commercial coal (based on the 6-month average daily production).

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.



2.2 Sales revenues and main customers of the LW Bogdanka Group

Changes in sales revenue on various items

[PLN thousand]	Q2 2025	Q2 2026	Change	Change %	IH 2025	IH 2026	Change	Change %
Sales of coal	634,180	638,909	4,729	0.7%	1,480,048	1,317,237	-162,811	-11.0%
Other operations	15,645	18,921	3,276	20.9%	34,781	39,391	4,610	13.3%
Sales of goods and materials	3,871	3,776	-95	-2.5%	7,758	7,605	-153	-2.0%
Total	653,696	661,606	7,910	1.2%	1,522,587	1,364,233	-158,354	-10.4%

Structure of revenues

[%]	Q2 2025	Q2 2026	IH 2025	IH 2026
Sales of coal	97.0%	96.5%	97.2%	96.5%
Other operations	2.4%	2.9%	2.3%	2.9%
Sales of goods and materials	0.6%	0.6%	0.5%	0.6%
Total	100.0%	100.0%	100.0%	100.0%

Geographical structure of sales revenues

[PLN thousand]	Q2 2025	Structure	IHQ 2026	Structure	IH 2025	Structure	IH 2026	Structure
Domestic sales	631,735	96.6%	643,458	97.3%	1,474,946	96.9%	1,320,405	96.8%
Foreign sales	21,961	3.4%	18,148	2.7%	47,641	3.1%	43,828	3.2%
Total	653,696	100.0%	661,606	100.0%	1,522,587	100.0%	1,364,233	100.0%

Revenue from coal sales

(+) in Q2 2026, the Group generated PLN 638,909,000 in revenues from coal sales, an increase by 0.7% compared with Q2 2025.
 (-) in H1 2026, revenues from coal sales amounted to PLN 1,317,237,000 vs. PLN 1,480,048,000 in H1 2025, a decrease by 11.0% y/y. The main source of the Group's sales revenue is the production and sales of steam coal by the Parent Company. In each of the compared reporting periods, this activity generated approximately 96-97% of the LW Bogdanka Group's sales revenues.

Revenue from other operations

In Q2 2026, revenues from other activities (which includes revenues of subsidiaries earned outside the LWB Bogdanka Group) amounted to PLN 18,921,000, compared with PLN 15,645,000 in the corresponding period of 2025, an increase by 20.9% y/y. Significant items in this group were as follows:

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

In H1 2026, revenues from other operations amounted to PLN 39,391,000 vs. PLN 34,781,000 in the corresponding period of the previous year, an increase by 13.3%. The growth in this group is primarily attributable to higher revenues from coal transport services.

Geographical structure of sales revenues

The Group's operations are focused predominantly in Poland. In H1 2026, coal sales abroad took place both through an intermediary coal entity (Ukraine) and directly (Slovakia).

Main customers

Approximately 73% of coal sales (in terms of value) in H1 2026 were to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A.

In the corresponding period of 2025, the share of the above-mentioned customers was higher and amounted to 80%.

Major customers by share in revenue:

- Enea Wytwarzanie Sp. z o.o. - Grupa Enea S.A. - approx. 64% share in revenues
- Enea Elektrownia Połaniec S.A. - Grupa Enea S.A. - approx. 9% share in revenues



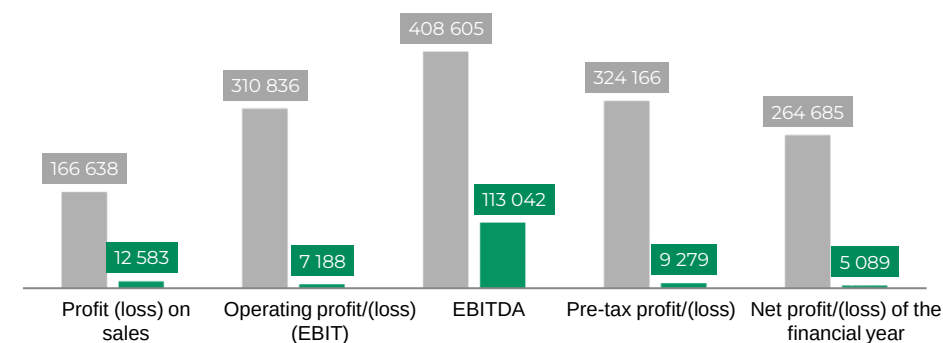
2.3 Key financial results of the LW Bogdanka Group

Analysis of the consolidated statement of profit or loss

[PLN thousand]	Q2 2025	Q2 2026	Change	IH 2025	IH 2026	Change
Sales revenue	653,696	661,606	1.2%	1,522,587	1,364,233	-10.4%
Costs of products, goods and materials sold, selling and administrative expenses	686,180	628,420	-8.4%	1,355,949	1,351,650	-0.3%
Profit (loss) on sales	-32,484	33,186	-202.2%	166,638	12,583	-92.4%
Gross return on sales	-5.0%	5.0%	10 p.p	10.9%	0.9%	-10 p.p
Other revenues	3,018	1,386	-54.1%	148,697	2,246	-98.5%
Other costs	1,845	2,167	17.5%	1,930	2,275	17.9%
Operating profit/(loss)	-31,311	32,405	-203.5%	313,405	12,554	-96.0%
Other losses - net	-1,412	-365	-74.2%	-2,426	-5,340	120.1%
Impairment loss allowance for non-current assets	-143	-26	-81.8%	-143	-26	-81.8%
Operating profit/(loss) (EBIT)	-32,866	32,014	-197.4%	310,836	7,188	-97.7%
EBIT margin	-5.0%	4.8%	9.8 p.p	20.4%	0.5%	-19.9 p.p
EBITDA	13,629	87,846	544.6%	408,605	113,042	-72.3%
EBITDA margin	2.1%	13.3%	11.2 p.p	26.8%	8.3%	-18.5 p.p
Financial income	14,118	6,988	-50.5%	28,136	15,288	-45.7%
Financial costs	6,312	5,652	-10.5%	14,806	13,197	-10.9%
Pre-tax profit/(loss)	-25,060	33,350	-233.1%	324,166	9,279	-97.1%
Profit margin before tax	-3.8%	5.0%	8.8 p.p	21.3%	0.7%	-20.6 p.p
Income tax	5,832	-6,186	-206.1%	-59,481	-4,190	-93.0%
Net profit/(loss) for the period	-19,228	27,164	-241.3%	264,685	5,089	-98.1%
Net profitability	-2.9%	4.1%	7 p.p	17.4%	0.4%	-17 p.p



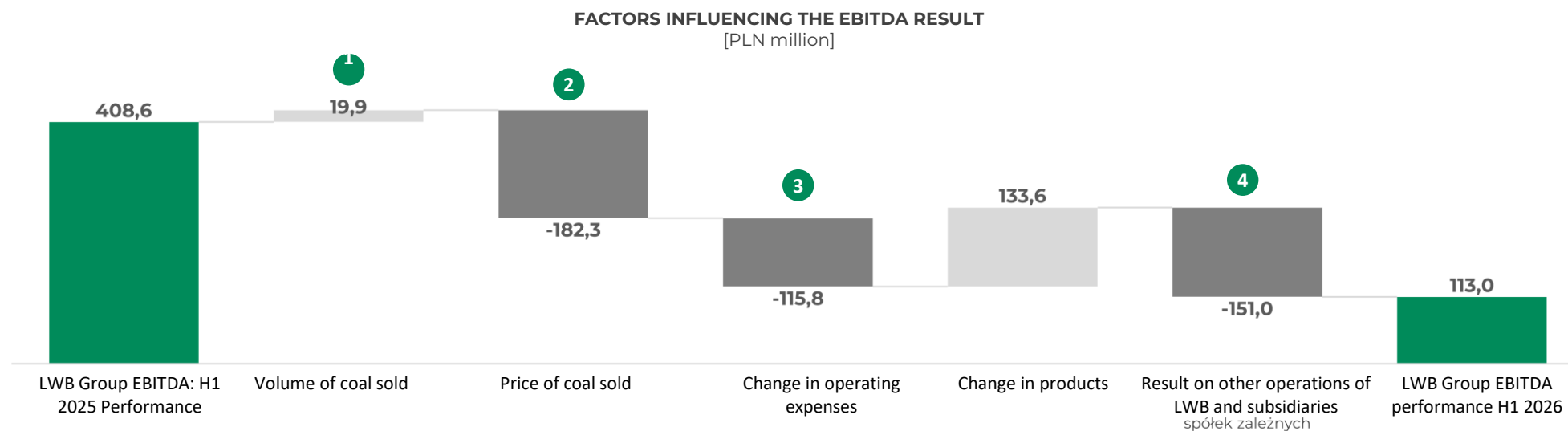
Key financial results of the LW Bogdanka Group
(thousand PLN)



■ IH 2025 ■ IH 2026



2.3 EBITDA of LW Bogdanka Group in H1 2026.



1 Change in the volume of coal sold

- +** **Growth in the volume of coal sales**
- by 1.3%, i.e. by 53,000 tonnes (4,055,000 tonnes in H1 2026, 4,002,000 tonnes in H1 2025)

2 Change in the price of coal sold

- Following the fall in prices on global and domestic markets, **LWB's contract prices also fell**

3 Change in operating expenses

- **Higher production**, translating into higher direct costs
- **Increase in production costs** - higher levels of wage costs and staff provisions; a greater number of mining days, including Saturdays

4 Result on other operations of LWB and subsidiaries

- **Settlement of property damage**
- In 2025, LWB received compensation amounting to PLN 144.85 million (groundwater outflow)



2.3 Key financial results of the LW Bogdanka Group

Sales revenues

Sales revenue in Q2 2026 increased by 1.2% compared with the corresponding period of the preceding year and amounted to PLN 661,606,000. In H1 2026, the Group generated revenues of PLN 1,364,233 thousand compared to PLN 1,522,587 thousand in 2025 (down by 10.4%).

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

In Q2 2026, the total costs of products, goods and materials sold as well as selling and administrative expenses amounted to PLN 628,420,000 and were lower by PLN 57,760,000 compared with Q2 2025, when they stood at PLN 686,180,000.

In H1 2026, the costs of products, goods and materials sold as well as selling and administrative expenses decreased compared with H1 of the previous year from PLN 1,355,949,000 to PLN 1,351,650,000, i.e. by 0.3%.

Profit (loss) on sales

In Q2 2026, profit on sales amounted to PLN 33,186,000 compared with loss on sales of PLN 32,484,000 recorded in the corresponding period of 2025.

In H1 2026, the Group generated profit on sales in the amount of PLN 12,583 thousand vs. PLN 166,638 thousand in the corresponding period of 2025.

Other revenues

This item records, among others:

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

Other revenues in H1 2026 amounted to PLN 2,246,000 compared with PLN 148,697,000 in the previous year.

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 records, among others:

- donations
- enforcement fees and penalties
- compensations paid.

Other costs in H1 2026 amounted to PLN 2,275,000 compared with PLN 1,930,000 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 Q2 2026, other net losses amounted to PLN 365 thousand, compared to the net loss of PLN 1,412 thousand in Q2 2025.

In H1 2026, other net losses amounted to PLN 5,340,000 compared with PLN 2,426,000 in H1 2025.

Impairment loss on tangible fixed assets

In H1 2026, an impairment write-down of PLN 26,000 was made in respect of the value of buildings and structures. In H1 2025, the write-down amounted to PLN 143 thousand and related to land bought back as part of mining damages.

EBIT

Operating profit in Q2 2026 amounted to PLN 32,014,000 compared with operating loss of PLN 32,866,000 in Q2 2025. The EBIT margin in Q2 2026 was 4.8%, whereas in Q2 of the previous year it was it was negative and amounted to -5.0%.

EBIT margin in H1 2026 was 19.9 p.p. lower than in H1 2025 and amounted to 0.5%. In H1 2026, EBIT amounted to PLN 7,188,000 compared with PLN 310,836,000 in the H1 2025.

Reported EBITDA

EBITDA in Q2 2026 increased by 74,217,000 compared to Q2 2025 and amounted to PLN 87,846,000. EBITDA margin in Q2 2026 was 11.2 p.p. higher than in the corresponding period of 2025 and amounted to 13.3%.

In H1 2026, the Group reached EBITDA margin of 8.3%, i.e. 18.5 p.p. lower than in the corresponding period of 2025 (EBITDA fell by 72.3% in the period analysed). In H1 2026, EBITDA amounted to PLN 113,042 thousand, compared to PLN 408,605 thousand in H1 2025.

Financial income

Financial income in Q2 2026 amounted to PLN 6,988 thousand compared to PLN 14,118 thousand in Q2 2025.

In H1 2026, financial revenues amounted to PLN 15,288 thousand, compared to PLN 28,136 thousand in the previous year. Financial income in the analysed period of 2026 consists almost entirely of income on interests from bank deposits. The decrease is due to the lower average level of cash held and invested by the Group.

Financial expenses

In both periods under review, the dominant items were interest costs arising from the valuation of employee benefits and the settlement of the discount relating to the provision for FLK and land reclamation. Financial costs in Q2 2026 were 10.5% lower than the costs in the corresponding period of 2025, and amounted to PLN 5,652,000. Financial costs in H1 2026 amounted to PLN 13,197,000 and were lower than in the corresponding period of 2025. As at 30 June 2026, the Group had no interest-bearing debt.

Pre-tax profit/(loss)

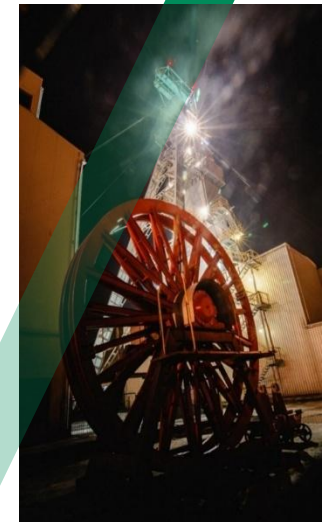
In Q2 2026, the Group recorded pre-tax profit of PLN 33,350,000 compared with pre-tax loss of PLN 25,060,000 in Q2 2025.

Pre-tax profit in H1 2026 amounted to PLN 9,279,000 compared with PLN 324,166,000 in the corresponding period of 2025.

Net profit/(loss) for the period

In Q2 2026, the Group recorded net profit of PLN 27,164,000, compared with net loss of PLN 19,228,000 in Q2 2025.

The Group's net profit in H1 2026 amounted to PLN 5,089,000 compared with PLN 264,685,000 in the corresponding period of the previous financial year.





2.4 Balance sheet of the LW Bogdanka Group

Balance sheet

	31 December 2025	30 June 2026	Change
[PLN thousand]			
Total assets	3,676,863	3,733,578	1.5%
Return on assets (ROA)*	-4.2%	-11.3%	-7.1 p.p.
Non-current assets	2,124,881	2,363,023	11.2%
Current Assets	1,551,982	1,370,555	-11.7%
Equity	2,544,457	2,559,914	0.6%
Return on equity (ROE)*	-6.1%	-16.4%	-10.3 p.p.
Provisions and liabilities	1,132,406	1,173,664	3.6%

* the calculation takes into account the net result for the last four quarters and the average level of assets and equity (as at 30 June 2026 + as at 31 December 2025)/2.

Assets

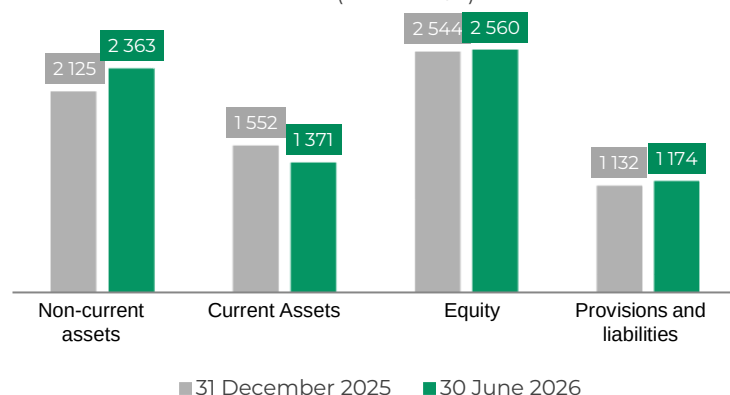
Total assets as at 30 June 2026 in relation to the value as at 31 December 2025 increased by PLN 56,715,000 and amounted to PLN 3,733,578,000, with non-current assets up by PLN 238,142,000 and current assets down by PLN 181,427,000. Among fixed assets, the most significant change is an increase in property, plant and equipment by PLN 239,790 thousand. Among current assets, the main decreases were in trade receivables and other receivables by PLN 70,929,000, overpaid income tax by PLN 76,971,000, and other short-term investments and cash and cash equivalents by PLN 140,582,000. This was accompanied by an increase in inventories by PLN 107,055,000. Other short-term investments consist of bank deposits set up by the Parent Company with original maturity of more than 3 months. As at 30 June 2026, the return on assets (ROA) was -11.3%, compared to -4.2% at the end of 2025.

Equity and liabilities

Equity increased by 0.6%. This is mainly due to the inclusion of the total net income for H1 2026. Provisions and liabilities increased by 3.6% compared with the value as at 31 December 2025, with short-term liabilities rising by 9.1% (mainly due to an increase in trade liabilities and provisions for employee benefits), and long-term liabilities falling by 3.1% (mainly as a result of a decrease in provisions for employee benefits, trade liabilities and other liabilities), accompanied by an increase in lease liabilities.

As at 30 June 2026, return on equity decreased by 10.3 p.p. compared with the end of 2025. The value of the ratio as at 30 June 2026 stood at -16.4% compared with -6.1% as at 31 December 2025.

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





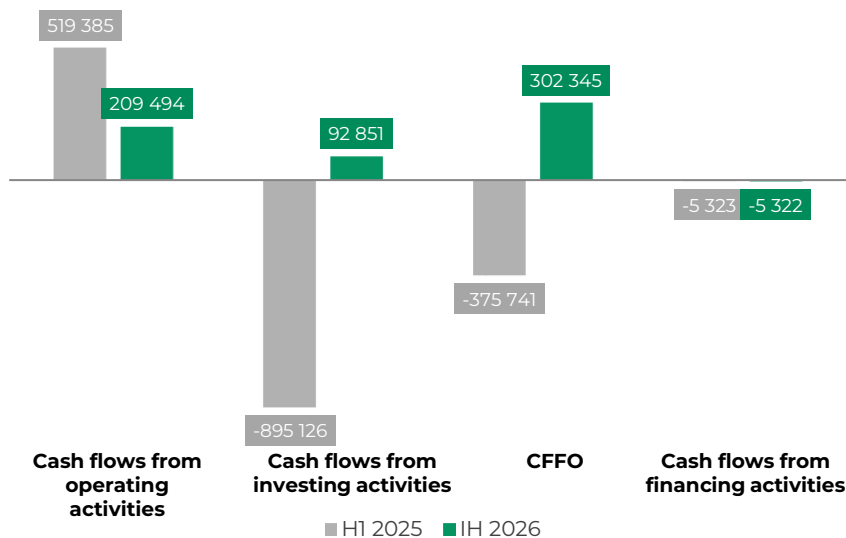
2.5 Cash flows of the LW Bogdanka Group

Cash position

[PLN thousand]	Q2 2025	Q2 2026	Change	IH 2025	IH 2026	Change
Cash flows from operating activities	164,587	116,947	-28.9%	519,385	209,494	-59.7%
Cash flows from investing activities	-562,393	50,406	-	-895,126	92,851	-
CFFO*	-397,806	167,353	-	-375,741	302,345	-
Cash flow from financing activities	-2,640	-2,709	2.6%	-5,323	-5,322	0.0%

*total operating and investment flows

Cash flow analysis (PLN thousand)



Cash position

Cash flows from operating activities

In Q2 2026, the Group's net cash flows from operating activities were 28.9% lower than in Q2 2025 - in Q2 2026, they amounted to PLN 116,947,000 compared with PLN 164,587,000 a year earlier. In H1 2026, the LW Bogdanka Group generated cash flows of PLN 209,494,000 from operating activities (-59.7% y/y). The recorded decrease results mainly from the lower net result achieved in H1 2026 compared with H1 2025. Furthermore, in H1 2025, higher operating cash flows were influenced by the Parent Company receiving compensation for damage to underground assets amounting to PLN 144.8 million.

Cash flows from financing activities

In Q2 2026, the Group recorded negative cash flows from financing activities in the amount of PLN 2,709 thousand.

In H1 2026, the Group recorded negative cash flows from financing activities of - PLN 5,322,000 relating primarily to payments of liabilities arising from lease agreements.

Cash flows from investing activities

In Q1 2026, cash flows from investing activities were positive and amounted to PLN 50,406,000, whereas in the corresponding period of the previous year, cash flows from investing activities were negative and amounted to - PLN 562,393,000. In H1 2026, cash flows from investing activities were also positive and amounted to PLN 92,851,000, whereas in the corresponding period of the previous year, cash flows from investing activities were negative and amounted to - PLN 895,126,000. In H1 2026, deposits were made with maturity of more than 3 months totalling PLN 80,000,000; at the same time, funds (including interest) were returned in the amount of PLN 520,648,000 (with original maturity of more than 3 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	30 June 2026	Change
Total debt ratio	30.8%	31.4%	0.6 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.65	1.53	135.4%
Net debt/EBITDA ratio**	-1.57	-2.87	82.8%
Debt to equity ratio	44.5%	45.8%	1.3 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	135.4%	121.7%	-13.7 p.p.
Short-term debt ratio (current liabilities/liabilities)	17.1%	18.3%	1.2 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	13.7%	13.1%	-0.6 p.p.

* debt = long-term liabilities due to bonds issued + long-term loans and borrowings + short-term loans and borrowings

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

	31 December 2025	30 June 2026	Change
Current liquidity ratio	2.53	2.05	-19.0%
Quick liquidity ratio	2.24	1.62	-27.7%

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

Total debt ratio

Total debt ratio as at 30 June 2026 increased by 0.6 p.p. compared to the status as at 31 December 2025 and amounted to 31.4%. In the period under review, there was an increase in both the value of liabilities and the balance sheet total.

As at 30 June 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 Q2 2026 rose compared with the figure recognised at the end of 2025 and stood at 1.53. Comparing the figures as at 30 June 2026 against 31 December 2025, a higher nominal increase in EBITDA was recorded (calculated on a rolling basis for the last four quarters), compared with 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 -2.87 as at 30 June 2026. Net debt decreased and amounted to PLN -710.9 million accompanied by a decline in EBITDA by approx. PLN 295 million (EBITDA calculated on a rolling basis for the last four quarters).

Debt to equity ratio

The debt to equity ratio as at 30 June 2026 increased by 1.3 p.p. compared to the status as at 31 December 2025 and amounted to 45.8% - the liabilities increased by approx. PLN 41 million while equity by approx. PLN 15 million.

Fixed capital to non-current assets ratio

The ratio of coverage of non-current assets by fixed capital reached 121.7% (as at 30 June 2026) compared with 135.4% (as at 31 December 2025) - in the period under review, the value of non-current assets increased by approx. PLN 238 million, and the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) by approximately PLN 0.8 million.



2.6 Turnover of receivables and liabilities in the LW Bogdanka Group

Turnover ratios

[PLN thousand]			31 December 2025	30 June 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	35	12.9%
2. Receivables turnover ratio*	$\frac{\text{average balance of receivables}}{\text{sales revenues}} \times$	number of days in the period	65	54	-16.9%
3. Liabilities turnover ratio**	$\frac{\text{average balance of liabilities}}{\text{cost of goods, products and materials sold}} \times$	number of days in the period	84	80	-4.8%
4. Operating cycle	1+2		96	89	-7.3%
5 Cash conversion cycle	4-3		12	9	-25.0%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 30 June 2026 was longer in relation to the status as at 31 December 2025 and amounts to 35 days. On average, it takes 4 days longer to liquidate inventory.

Receivables turnover ratio

The receivables turnover ratio (calculated on the basis of the balance sheet item "Trade and other receivables") was 54 days (as at 30 June 2026) compared to 65 days (as at 31 December 2025). In the period under review, both a lower average level of receivables and a lower average level of revenue were recorded.

Liabilities turnover ratio

The liabilities turnover ratio (calculated on the basis of the balance sheet item "Trade and other liabilities") was 4 days shorter in the corresponding period and amounted to 80 days.

Operating cycle

The operating cycle of current assets (the sum of the inventory and trade receivables turnover ratios) increased by 7 days in the period under review and amounted to 89 days. On average, the Group's current assets are liquidated after 89 days.

Cash conversion cycle

The result of the trends described above was to achieve a cash conversion cycle of 9 days as at 30 June 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



2.7 Provisions of the LW Bogdanka Group

Balance sheet provisions [PLN thousand]	As at 30 June 2025	As at 31 December 2025	As at 30 June 2026	Change 30.06.2026/ 31 December 2025	Change 30.06.2026/ 30 June 2025
Employee provisions	364,587	351,935	378,554	7.6%	3.8%
Provision for mine decommissioning and land reclamation costs	174,599	173,781	174,493	0.4%	-0.1%
Mining damage	9,509	7,480	6,983	-6.6%	-26.6%
Other	8,376	7,346	8,213	11.8%	-1.9%
Total	557,071	540,542	568,243	5.1%	2.0%

The total balance of provisions as at 30 June 2026 amounted to PLN 568.2 million, which means an increase by 5.1% compared with the balance as at 31 December 2025.

Change in provisions [PLN thousand]	Change Q2 2025	Change Q2 2026	Change Q2 2026/ Q2 2025	Change in H1 2025	Change in H1 2026	Change H1 2026/ H1 2025
Employee provisions	-62,186	12,599	-	18,967	26,619	40.3%
Provision for mine decommissioning and land reclamation costs	1,202	396	-67.1%	1,149	712	-38.0%
Mining damage	-992	-254	-74.4%	-1,259	-497	-60.5%
Other	-1,331	-1,004	-24.6%	-7	867	-
Total	-63,307	11,737	-	18,850	27,701	47.0%

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

[PLN thousand]	Change in provisions in H1 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 Comprehensive Income	Change recognised only in Other the balance sheet - use of the provision
Employee provisions	26,619	72,910	6,675	-	-13,524	-39,442
Provision for mine decommissioning and land reclamation costs	712	625	3,973	-3,886	-	-
Mining damage	-497	-	-	-	-	-497
Other	867	1,299	-	-	-	-432
Total	27,701	74,834	10,648	-3,886	-13,524	-40,371

[PLN thousand]	Change in provisions in Q2 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 Comprehensive Income	Change recognised only in Other the balance sheet - use of the provision
Employee provisions	12,599	44,412	3,348	-	-13,524	-21,637
Provision for mine decommissioning and land reclamation costs	396	300	1,987	-1,891	-	-
Mining damage	-254	-	-	-	-	-254
Other	-1,004	-572	-	-	-	-432
Total	11,737	44,140	5,335	-1,891	-13,524	-22,323



2.8 Costs of LW Bogdanka S.A.

Costs by type

[PLN thousand]	Q2 2025	Q2 2026	Change	IH 2025	IH 2026	Change
Net production [thousand t].	1,220	2,345	92.2%	3,872	4,381	13.1%
Sales [thousand t]	1,765	1,973	11.8%	4,002	4,055	1.3%
Amortization and depreciation	42,979	53,175	23.7%	91,051	100,170	10.0%
Consumption of materials and energy	211,110	243,182	15.2%	442,617	499,793	12.9%
External services	183,860	188,311	2.4%	368,737	382,603	3.8%
Employee benefits	243,600	272,407	11.8%	497,047	525,765	5.8%
Representation and advertising costs	2,488	4,352	74.9%	6,834	6,958	1.8%
Taxes and charges	11,616	17,317	49.1%	30,980	36,741	18.6%
Other costs	973	988	1.5%	2,333	1,839	-21.2%
Total costs by type	696,626	779,732	11.9%	1,439,599	1,553,869	7.9%
Manufacturing cost of products for internal purposes	-115,524	-130,800	13.2%	-211,376	-253,577	20.0%
Accruals	50,656	62,328	23.0%	83,210	103,365	24.2%
Provisions and other presentation adjustments between expenses by nature and by function	-69,064	21,721	-131.5%	563	33,228	5802.0%
Total production costs	562,694	732,981	30.3%	1,311,996	1,436,885	9.5%
Change in products	122,466	-104,971	-185.7%	43,443	-90,183	-307.6%
Value of goods and materials sold	3,816	3,688	-3.4%	7,620	7,374	-3.2%
Own cost of production sold, including:	688,976	631,698	-8.3%	1,363,059	1,354,076	-0.7%
Cost of products, goods and materials sold	635,507	565,155	-11.1%	1,244,483	1,226,217	-1.5%
Selling costs	14,114	12,717	-9.9%	26,784	25,039	-6.5%
Administrative costs	39,355	53,826	36.8%	91,792	102,820	12.0%

Q2 2026

Costs by type

In Q2 2026, LW Bogdanka S.A. incurred costs by type in the amount of PLN 779,732,000 (+ PLN 83,106,000 y/y), i.e. 11.9% higher than in Q2 2025. The increase in costs in Q2 2026 was mainly affected by higher costs of material and energy consumption as well as an increase in costs of employee benefits.

Amortisation

Depreciation and amortisation increased by 23.7% (to PLN 53,175,000). First and foremost, the value of natural depreciation increased, whilst depreciation of fixed assets fell.

Costs of consumed materials and energy

The value of the cost of materials and energy consumed during Q2 2026 in relation to Q2 2025 increased by 15.2% and amounted to PLN 243,182,000.

In the period under review, there was an increase in both electricity consumption (due to higher production volumes) and the price of electricity, as well as in the value of materials used (primarily due to the greater scope of preparatory work).

Third-party services

The value of costs of third-party services increased by 2.4% compared to Q2 2025 and amounted to PLN 188,311 thousand. In the period under review, the Company incurred, above all, higher costs relating to ancillary work, day labour and waste management.

Employee benefits

The value of employee benefits in Q2 2026 amounted to PLN 272,407,000 and was 11.8% higher than in Q2 2025. In the period under review, there was an increase in both wage costs and employee benefits, whilst the average employment was lower.

Representation and advertising costs

The increase in the value of representation and advertising costs by PLN 1.9 million results from the implementation of the current payment schedule under sponsorship agreements.

Taxes and fees

The increase in taxes and charges by approximately PLN 5.7 million is mainly due to a higher maintenance charge (more commercial coal was produced in Q2 2026) and an increase in property tax rates.

Other costs

Other costs in Q2 2026 amounted to PLN 988,000 and were almost exactly the same as in the corresponding period of the previous year.



2.8 Costs of LW Bogdanka S.A.

H1 2026

Costs by type

In H1 2026, LW Bogdanka S.A. incurred costs by type in the amount of PLN 1,553,869,000, i.e. 7.9% (+PLN 114,270,000) higher than in the corresponding period of 2025. The increase in costs in the analysed period was mainly affected by the recorded increase in the costs of material and energy consumption, employee benefits and third party services.

Amortisation

Depreciation and amortisation increased by 10.0% (to PLN 100,170,000) – the value of natural depreciation increased (by approx. PLN 16 million), while depreciation of fixed assets fell (by approx. PLN 7 million).

Costs of consumed materials and energy

The total value of the cost of materials and energy consumed increased by 12.9% compared with H1 2025 and amounted to PLN 499.793,000.

Due to the increased scope of preparatory work, the cost of materials consumed rose; at the same time, there was an increase in both consumption (due to higher production levels) and the price of electricity.

Third-party services

The value of third-party services in H1 2026 increased from PLN 368,737,000 to PLN 382,603,000 (+3.8%) compared with the corresponding period of 2025. In the period under review, the Company incurred higher costs for work carried out at weekends, ancillary work and refurbishments.

Employee benefits

In H1 2026, the value of employee benefits increased by PLN 28,718,000 compared to the corresponding period of 2025.

In the period under review, there was an increase in wage costs, accompanied by a decrease in employee benefits (a fall in other benefits and contributions to the Company Social Benefits Fund).

Representation and advertising costs

The increase in the value of representation and advertising costs by PLN 124 thousand results from the implementation of the current payment schedule under sponsorship agreements. The costs amounted to PLN 6,958,000 and remained at a similar level to that in H1 2025.

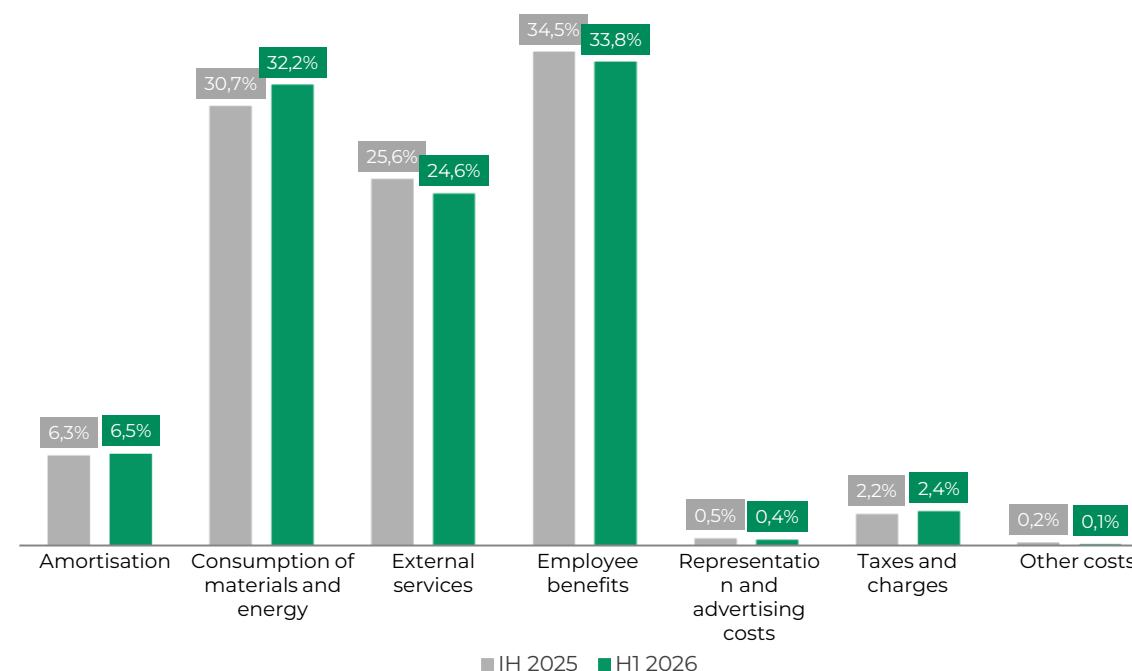
Taxes and fees

The increase in taxes and charges by approx. PLN 5.8 million is mainly due to a rise in the mining levy (higher coal production coupled with an increase in the levy rate), contributions to PFRON and property tax.

Other costs

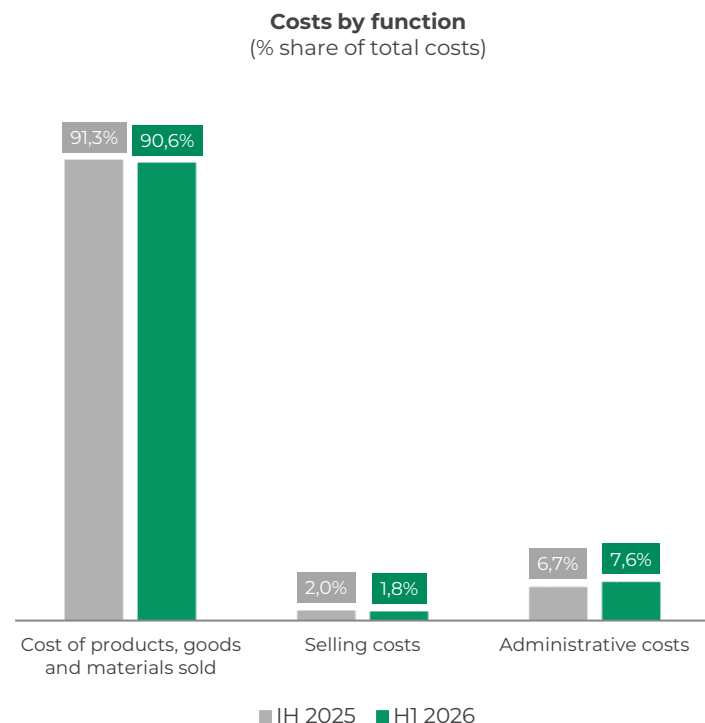
Other costs in H1 2026 amounted to PLN 1,839,000 compared with PLN 2,333,000 in H1 2025. Lower insurance costs were recorded.

Costs by type
(% share of total costs)





2.8 Costs of LW Bogdanka S.A.



Costs by function

The cost of goods sold (by function) in Q2 2026 amounted to PLN 631,698 thousand, while in the corresponding period of the previous year it amounted to PLN 688,976 thousand.

Own cost of production sold (by function) in H1 2026 amounted to PLN 1,354,076,000 and was 0.7% lower (- PLN 8,983,000) than the cost incurred in the corresponding period of 2025.

[PLN thousand]	Q2 2025	Q2 2026	Change	IH 2025	IH 2026	Change
Cost of products, goods and materials sold	635,507	565,155	-11.1%	1,244,483	1,226,217	-1.5%
Selling costs	14,114	12,717	-9.9%	26,784	25,039	-6.5%
Administrative costs	39,355	53,826	36.8%	91,792	102,820	12.0%
Costs of goods sold	688,976	631,698	-8.3%	1,363,059	1,354,076	-0.7%



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

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

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

Suppliers

The awarding of contracts by hard coal mining companies for the purpose of carrying out these activities is subject to sectoral public procurement regulations. In the LW Bogdanka Group, all procurement orders above the thresholds defined in accordance with the Public Procurement Law are awarded based on the rules stipulated in the aforementioned Act. Other contracts are awarded on the basis of the Group's internal procedures. The main suppliers for the LW Bogdanka Group are companies offering services and products specific to the mining industry (excavation and reconstruction of roadways, haulage of winnings, as well as supply of roadway supports, specialist mining machinery and equipment), as well as companies supplying electricity.

In the period from 1 January to 30 June 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 June 2026 amounted to PLN 819,242,000, of which:

- an amount of PLN 188,412 thousand was recognised in non-current assets
- an amount of PLN 630,830 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 630,830 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 reported other short-term investments of PLN 80,062,000 at the end of Q2 2026.

In accordance with the adopted standards, the Group maintains the level of available cash in the amount of at least the value of average monthly sales revenues (1/12 of planned annual sales revenues). The funds accumulated in the Parent Company as at 30 June 2026 amounted to PLN 555,147,000, while those in subsidiaries amounted to PLN 75,683,000 (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 no. 27 to the Interim Condensed Consolidated Financial Statements for the period from 1 January to 30 June 2026.

Evaluation of factors and unusual events affecting the operating result

In H1 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 30 June 2026, the Group had no open derivative transactions.

Bonds

As at 30 June 2026, the Group:

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

Assessment of the opportunities to raise bank financing

In view of the market conditions affecting financing of the hard coal sector, the Parent Company recognises the constraints associated with securing such financing.

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

LW Bogdanka S.A. did not publish any financial result forecasts for 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 consideration. The Parent Company is currently awaiting the 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 H1 2026, the Group did not take out or grant any loans or terminate any loan agreements.

Information on sureties and guarantees granted and received

In H1 2026, the Group did not issue (or receive) any sureties.

Transactions with related parties

In H1 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 29 of the Interim Condensed Consolidated Financial Statements for the period from 1 January to 30 June 2026.

Guarantees extended by LW Bogdanka S.A.

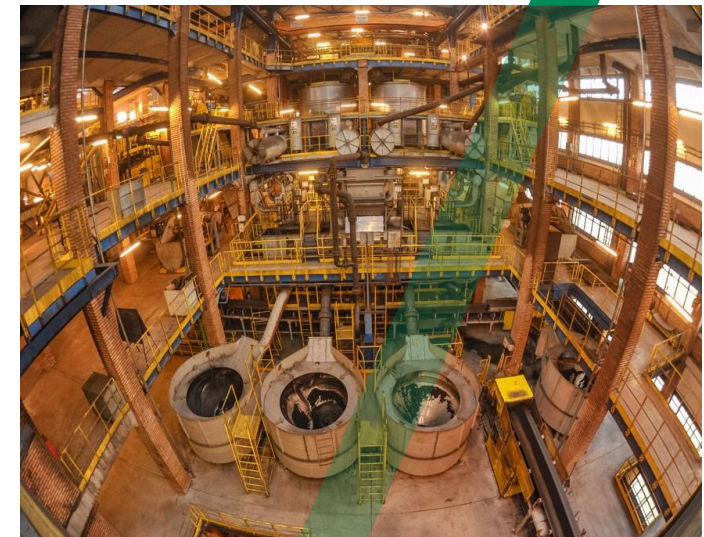
In H1 2026, the Parent Company did not instruct banks to issue any guarantees.

Loans taken

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

Agreements relating to loans and borrowings of subsidiaries

In H1 2026, the subsidiaries, EkoTrans Bogdanka sp. z o.o., RG Bogdanka sp. z o.o., MR Bogdanka sp. z o.o. did not grant, conclude or terminate any loan or credit agreements or grant guarantees.



3. Governing bodies

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

3.2 President of the Management Board of LW Bogdanka S.A.

3.3 The Supervisory Board of LW Bogdanka S.A.





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 30 June 2026:

In H1 2026, there were no changes in the composition of the Management Board.

- 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

In Q2 2026, the Company's Supervisory Board adopted resolutions appointing the current members of the Management Board to a new joint term of office, with effect from the day following the date on which the Company's financial statements for 2025 are approved.

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

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

Composition of the Supervisory Board as at 1 January and 30 June 2026:

In H1 2026, there were no changes in the composition of the Supervisory Board.

- 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 in the composition of the Supervisory Board of LW Bogdanka S.A. after the balance sheet date.





3.2 Membership of the Management Board of LW Bogdanka S.A. as at 10 September 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 strategy of LW Bogdanka S.A. and long-term plans of the Company and the implementation of strategic management and project management in the Company,
- Market analysis,
- Communication policy and cooperation with the media,
- Corporate social responsibility, sustainability and ESG projects,
- Activities related to maintaining and improving the compliance system,
- Organisation of the enterprise,
- Service of the Company bodies,
- Human resources and personnel policy,
- Payroll and insurance policies,
- Legal services for the Company,
- Promotion and marketing activities,
- Risk management,
- Internal audit in the Company,
- occupational health and safety issues,
- The Company's security policy, protection and security of critical information
- Defence matters
- Company Archives and General Registry,
- Administrative and economic policy,
- Cooperation with trade union organisations,
- Protection of classified information

- Cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans.



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

Education

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 delivering efficiency and transformation projects at 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 Vice-President 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 10 September 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,



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

Education

He graduated from the Faculty of Law at the Catholic University of Lublin, and completed postgraduate studies at the Warsaw School of Economics (SGH), the University of Commerce and Services (WSHUI) in Poznań (Executive MBA) and the University of Social Sciences (SAN) in Łódź (doctoral seminar). He has experience as a university lecturer. He is writing 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 the Vice-President of the Management Board for Development, with responsibility for sales, procurement and investment. He is involved, among others, in the development of the railway and projects of new business line development.

Earlier, he gained management experience in public companies, as well as 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 director's and management positions at, among others, Enea S.A. in the areas of communication, marketing and public 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. as at 10 September 2026

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 activities in the field of district heating projects and products.

Since 1 March 2024, he has served as a Member of the Management Board for Commercial Affairs 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. From 2016 to 2017, member of the management board, chief financial officer of the Ożarów Group, and since 2017, managing director, member of the management board of Kirchhoff Automotive Poland, responsible for the overall company activities.

On 19 December 2025, the Supervisory Board adopted a resolution appointing Mr Paweł Cygan as 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 Postgraduate 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. as at 10 September 2026

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 Member of the Supervisory Board of LW Bogdanka S.A. 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 Member of the Supervisory Board of LW Bogdanka S.A. in May 2024.

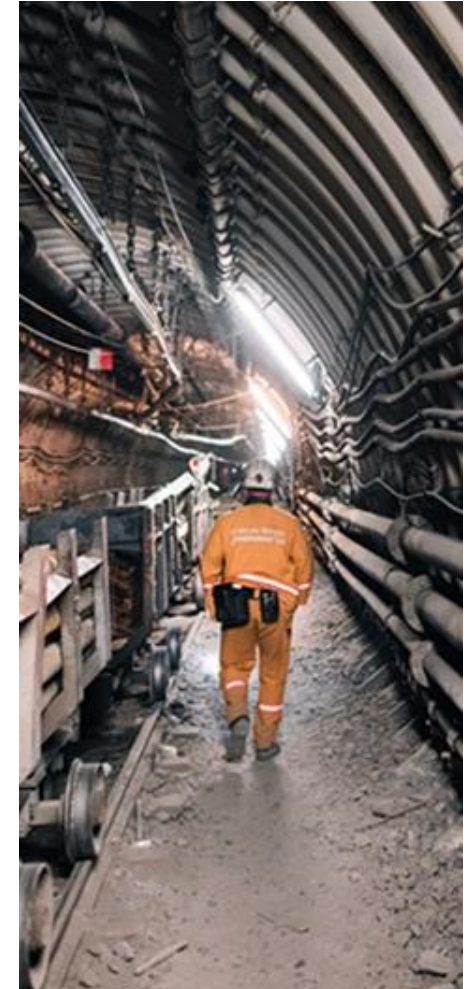
Grzegorz Czornik - Member of the Supervisory Board (dependent member)

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 his PhD in Economics from the University of Economics in Kraków and his first-cycle 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.

4.2 Prices of LW Bogdanka S.A. shares at the WSE and analyst recommendations

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





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 H1 2026, LW Bogdanka S.A. or its subsidiaries did not purchase any own shares.

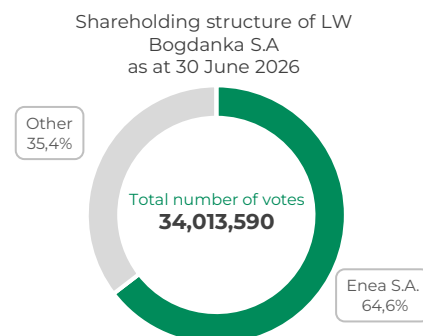
Decision on dividend distribution in LW Bogdanka S.A. for 2025

In 2026, LW Bogdanka S.A. did not pay a dividend. The decision was linked to the net loss of PLN 160.6 million reported by the Company for 2025, resulting mainly from an impairment loss recognised in respect of the permanent impairment of assets.

On 27 May 2026, the General Meeting of Shareholders took the final decision on this matter by passing a resolution to cover the net loss for 2025 in full from the reserve fund.

Changes in shareholder structure up to the date of the report

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the Report for Q1 2026, to the date of publication of the report for H1 2026, there were no changes in the ownership structure of significant shareholdings.



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

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

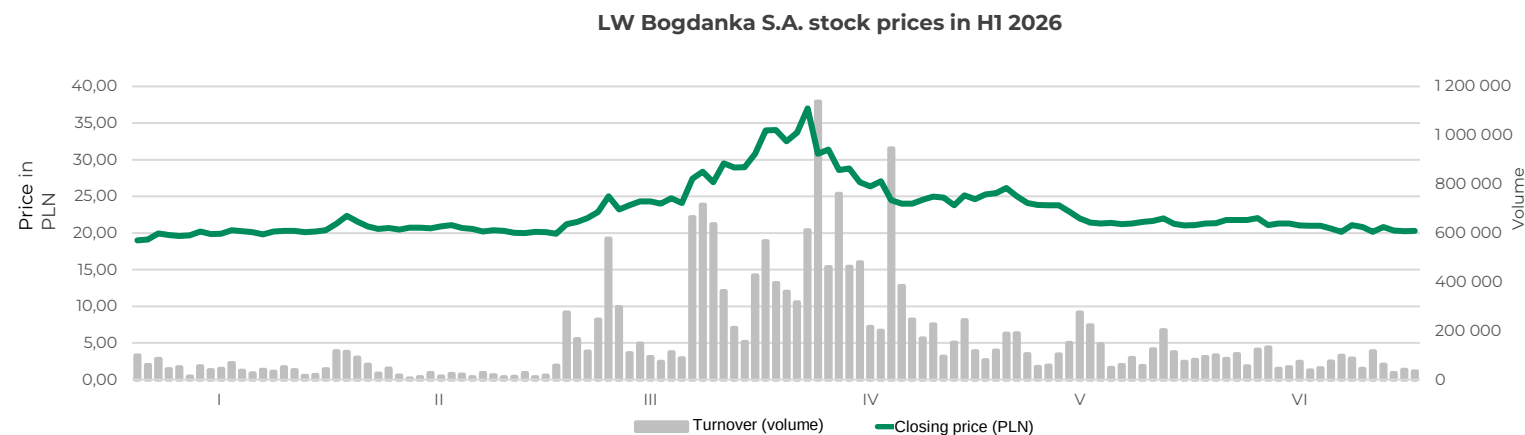
At the end of H1 2026, LW Bogdanka S.A. was included in the following stock exchange indices:

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



Key data on shares

	IH 2025	IH 2026
Maximum price [PLN]	25.20	37.00
Minimum price [PLN]	19.98	19.00
Last price [PLN]	23.45	20.30
Average price [PLN]	22.65	22.97
Capitalisation at the end of the period [PLN million]	797.6	690.5
Carrying amount [PLN million]	2,935.4	2,531.5
P/E [market capitalisation/net profit]	2.99	0.14
P/BV [market capitalisation/book value]	0.27	0.27
% of profit allocated for dividend payment	-	-
Average trading value per session [PLN 000]	1,183.5	4,196.5
Average volume per session	52,505	160,238
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
27 February 2026	Noble Securities	Sell	PLN 13.97	PLN 20.15
4 May 2026	BM Pekao	Sell	PLN 18.12	PLN 25.25
11 June 2026	BM Pekao	Sell	PLN 18.92	PLN 21.10

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 Shareholdings in LW Bogdanka S.A. by members of the Company's governing bodies

Shares in related parties of the Company

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

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

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the report for Q1 2026, to the date of publication of the report for H1 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 agreements concluded including agreements concluded after the balance sheet date, which may result in future changes in the proportions of shares held by existing shareholders.

Employee share scheme

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

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

MANAGEMENT BOARD					
Full name	Number of Company shares as at	Par value per share (PLN)	Number of Company shares as at	Par value per share (PLN)	Number of shares in Subsidiaries
	10 September 2026		20 May 2026		
Zbigniew Stopa	0	0	0	0	0
Bartosz Rożnawski	43	215	43	215	0
Sławomir Krenczyk	0	0	0	0	0
Artur Wasilewski	0	0	0	0	0
SUPERVISORY BOARD					
Full name	Number of Company shares as at	Par value per share (PLN)	Number of Company shares as at	Par value per share (PLN)	Number of shares in Subsidiaries
	10 September 2026		20 May 2026		
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	Number of the Company's shares as at 10 September 2026	Par value per share (PLN)	Number of the Company's shares as at 20 May 2026	Par value per share (PLN)	Number of shares in subsidiaries
	43		43		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
- **WFOŚiGW** - Voivodeship Fund for Environmental Protection and Water Management
- **Total debt ratio** - total liabilities to total assets
- **Debt to equity ratio** - total liabilities to equity
- **Fixed assets to fixed assets ratio** - sum of equity, non-current liabilities and non-current accruals to non-current assets
- **Current debt ratio** - short-term debt to total assets
- **Non-current debt ratio** - non-current liabilities to equity
- **Current ratio** - current assets to current liabilities
- **Quick ratio** - measure of the company's ability to pay its current liabilities with its most liquid assets
- **APMs** - alternative performance measures

Signatures of all Management Board members

Zbigniew Stopa

President of the Management Board

.....

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,
Economic and Financial Affairs

.....

Bogdanka, 10 September 2026



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