

Current Report No. 23/2018

Date of preparation: 11 September 2018

Subject: Conclusion of an Annex to the Long-term Agreement with ENEA Wytwarzanie Sp. z o.o.

General legal basis: Article 17.1 of the MAR Regulation - Inside Information.

Content:

The Management Board of LW BOGDANKA S.A. (the “Company” or the “Seller”) hereby informs you that on 11 September 2018 it concluded an Annex to Long-Term Agreement No. UW/LW/01/2012 (“Long-Term Agreement”) with ENEA Wytwarzanie Sp. z o.o. with registered office in Świerże Górne, Aleja Józefa Zielińskiego 1, 26-900 Kozienice 1.

The Long-Term Agreement was the subject of Current Reports Nos. 3/2012 of 23 January 2012 and 36/2016 of 29 September 2016.

The Annex specifies the conditions of thermal coal supplies (volume and price) in 2019 to ENEA Wytwarzanie sp. z o.o. - generative source Elektrownia Kozienice.

As a result of concluding the Annex, the net value of the entire Long-Term Agreement effective between 2017 and 2036 will amount to PLN 16,439 million, i.e. 17.7% more than reported in Current Report No. 36/2016, however in the period 2017-2025 the net value of Long-Term Agreement will be PLN 10,459 million, i.e. 16.9% more than reported in Current Report No. 36/2016 of 29 September 2016.

Liquidated damages set forth in the Long-term Agreement were referred to by the Company in Current Report No. 3/2012 of 23 January 2012.

Other terms and conditions of Long-Term Agreement remain unchanged and do not differ from the market standards applied in such agreements.

The Management Board treats the above information as significant given the level of importance of the changes in the Long-Term Agreement affecting the Company’s operations.