

Current Report No. 31/2019

Date of preparation: 31 December 2019

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

General legal basis: Article 17.1 MAR – Inside Information.

Content:

The Management Board of LW BOGDANKA S.A. (the “Company” or the “Seller”) hereby informs you that on 31 December 2019 it concluded an Annex to Long-Term Agreement No. UW/LW/01/2012 (the “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, 36/2016 of 29 September 2016, and 23/2018 of 11 September 2018.

The aforementioned Annex specifies the conditions of thermal coal supplies, including updated quantitative volumes for 2020-2025 as well as the price of coal for 2020 to ENEA Wytwarzanie sp. z o.o. – Kozienice Power Station generating source.

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 17,221 million, i.e. 4.8% more than reported in Current Report No. 23/2018, however in the period 2020-2036 the net value of Long-Term Agreement will be PLN 14,036 million.

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 to the parameters of the Long-Term Agreement affecting the Company’s operating results.