

Current Report No. 10/2020

Date of preparation: 29 May 2020

Subject: Concluding an Annex with Enea Elektrownia Połaniec S.A.

General legal basis: Article 17.1 MAR – Inside Information.

Content:

The Management Board of LW Bogdanka S.A. with registered office in Bogdanka (the “Company”, the “Seller”) hereby announces that on 29 May 2020 it concluded an Annex to Agreement No. 3/W/2012 on the sale of thermal coal (the “Agreement”) between the Company and Enea Elektrownia Połaniec S.A. (the “Buyer”) with registered office in Zawada 26, 28-230 Połaniec. The Long-Term Agreement was addressed in the following Current Reports: No. 41/2012 of 12 July 2012, No. 31/2013 of 30 August 2013, No. 38/2013 of 31 October 2013, 40/2013 of 18 November 2013, No. 21/2014 of 17 December 2014, No. 50/2015 of 7 December 2015, No. 35/2016 of 30 August 2016, No. 37/2016 of 30 September 2016, No. 30/2018 of 19 December 2018, No. 7/2019 of 30 April 2019, and No. 32/2019 of 31 December 2019.

As a result of concluding the Amendment, the term of the Agreement is extended until 31 December 2023 (previously 31 December 2021), and, therefore, the Agreement now covers thermal coal supplies in the period 2013–2023. The Amendment also specifies the volumes and terms and conditions of these supplies (including prices) for each year during the term of the Agreement.

The value of the entire Agreement for 2013–2023 after the Amendment has been concluded amounts to estimated PLN 4.203 billion (net). The amount specified in the previous sentence includes additional volume options estimated at PLN 266 million, to be used by the Parties between 2020 and 2023.

In the years 2020-2023 alone the Agreement has a net value of PLN 1.719 billion, including the abovementioned additional options.

Other terms and conditions of the 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 changes to the parameters of the Agreement affecting one of the Company’s key clients.