

Current Report No. 4/2021

Date of preparation: 22 January 2021

Subject: Concluding an Amendment 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 22 January 2021 it concluded an Amendment 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 aforementioned Agreement was referred to in current reports published from 2012 to 2020, with the most recent information concerning amendments thereto having been made public in Report No. 10/2020 published on 29 May 2020.

As a result of concluding the Amendment, the term of the Agreement was extended until 31 December 2024 (previously 31 December 2023), and, in consequence, the Agreement now covers thermal coal supplies in the period 2013–2024.

As a result of concluding the Amendment, the volume of undelivered supplies estimated at PLN 150 million was transferred from 2020 to 2021. This transfer of undelivered supplies worth the amount specified above from 2020 to 2021 comes as a result of the unprecedented circumstances faced in 2020, such as the challenging business environment which affected the Parties to the Agreement due to the Covid-19 pandemic as well as certain mining and geological issues encountered during coal extraction. The Company had already mentioned this in Current Report No. 25/2020, along with its updated production plan for 2020. The concluded Amendment will allow performance of 2020 obligations under the Agreement in 2021.

The estimated value of the entire Agreement in the years 2013–2024 after the conclusion of the aforementioned Amendment amounts to PLN 4,231 million net and is 0.67% higher than the amount published in Report No. 10/2020 of 29 May 2020. The amount specified in the previous sentence includes additional volume options of about PLN 285 million to be used by the Parties between 2021 and 2024.

In the years 2021–2024 alone the Agreement has a net value of PLN 1,550 million, 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 conclusion of the Agreement and the terms and conditions of its performance were announced by the Company in Current Report No. 41/2012 of 12 July 2012.

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.