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w Lublinie z siedzibą w Świdniku, VI Wydział Gospodarczy Krajowego Rejestru Sądowego  
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Bogdanka, 19 May 2021

### Annual General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A.

#### MOTION ON THE DISTRIBUTION OF NET PROFIT FOR 2020

The Management Board of Lubelski Węgiel Bogdanka S.A. (hereinafter: LW Bogdanka) hereby submits a motion along with a substantiation therefor adopted on 19 May 2021 by virtue of Resolution No. 554/X/2021 regarding the proposed distribution of net profit generated by the Company in 2020.

Acting under Article 396.4 of the Commercial Companies Code and considering Article 12.1.2 of LW Bogdanka's Articles of Association, the Management Board requests the Annual General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. in Bogdanka to allocate the net profit for 2020 in the amount of PLN 70,049,565.74 (seventy million forty-nine thousand five hundred and sixty-five zlotys 74/100) in whole to the Company's reserve capital.

#### Substantiation

According to the Development Strategy of LW Bogdanka S.A. from the Mining Area of the ENEA Group until 2030 (under the 2040 framework) adopted in December 2020, in the medium and long run, LW Bogdanka S.A. wants to remain a dividend-paying company, and in future the Management Board of LW Bogdanka S.A. intends to ask the General Shareholders Meeting for approval of dividends of up to 50% of the net profits shown in the Company's separate financial statements, prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.

Given the current situation of the Company, the level of the Company's planned investment tasks for 2021 (of almost PLN 600 million) and the uncertain market situation related to Poland's energy transition aiming at limiting the production of electric energy from coal, including deepening decarbonization policy and reluctance of financial institutions to provide financing to coal mining companies, as well as related to the economic slowdown due to the ongoing pandemic of SARS-CoV-2, the Management Board recommends that 100% of the net profit generated by LW Bogdanka S.A. in 2020 be allocated to the reserve capital.

The market situation faced by the Company in 2020 rendered it necessary to significantly limit the originally assumed coal production and sales levels, which was reflected in the drop in revenue levels by PLN 336 million (-15.6%) compared to the previous year. To ensure flexible operations of LW Bogdanka S.A. and adjust it to the evolving National Energy Policy, the Company's Management Board decided to update the existing Development Strategy. The Company's new Strategy is a response to market expectations and challenges posed by Poland's 2040 Energy Policy. Its main focus lies with maintaining production capacity and high profitability ratios as well as respect for the environment. Diversification of revenue through an extension of the areas of business activity as well as identification, recognition and documentation of new coking coal (type 35) resources should allow the Company to continue to develop even in a difficult economic environment.

It is a priority for the Management Board to ensure financial and liquidity security for the Company. Operating in difficult market conditions resulting from temporary oversupply of coal on the market is further complicated by continued epidemic threats. By implementing the adopted Development Strategy, LW Bogdanka S.A. must be aware of the necessity to finance the vast majority of tasks with its own resources, hence it is necessary to ensure a proper level of cash in the Company.

In the light of the above, due to the risks related to our mining operations, the Management Board submits a motion as presented above.