

Current Report No. 6/2022

Date of preparation: 26 May 2022

Subject: Conclusion an Annex to the Agreement 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 26 May 2022 it concluded an Annex to the Agreement for sale of thermal coal No. 3/W/2012 dated 12 July 2012 (the “Long-Term Agreement”) with Enea Elektrownia Połaniec S.A. (the “Buyer”) with registered office at the address: Zawada 26, 28-230 Połaniec.

The Long-Term Agreement was referred to in current reports published from 2012 to 2021, with the most recent information concerning amendments thereto having been made public in Report No. 4/2021 published on 22 January 2021, Report No. 20/2021 published on 9 July 2021, Report No. 24/2021 published on 4 October 2021 and Report No. 27/2021 published on 16 December 2021.

As a result of concluding the Annex, the terms of supply of thermal coal (including prices) in 2022 and part of 2023 (i.e. the first half of the year) are updated for the Buyer, which comes into force on the date of its conclusion. Moreover, the term of the Long-Term Agreement is extended until 31 December 2027 (previously it was in force until 31 December 2026), therefore it covers the period of power coal supply in the years 2013-2027. In the market and macroeconomic environment of the Company, which occurred in the first quarter of 2022, which the Parties could not foresee at the time of determining the terms of supply for 2022, communicated in the current report No. 27/2021 of 16/12/2021.

The value of the entire Long-term Agreement in 2013-2027 after the conclusion of the Annex is estimated at PLN 5,876 million, while in the period 2022-2027 the value of the Long-term Agreement will be PLN 3,038 million and is higher by PLN 680 million, i.e. by 28.82% on the value given in the report 27/2021 for the remaining term of the Agreement. The value specified in the preceding sentence includes additional volume options to be used by the Parties in the years 2022 - 2027 with an estimated value of approximately PLN 444 million.

Other terms and conditions of the 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 material due to the dominant share of the recipient in the Company’s supply portfolio.