



Current Report No. 26/2022

Date of preparation: 30 December 2022

Subject: Execution of an Annex to the Agreement with Enea Elektrownia Połaniec S.A.

General legal basis: Article 17(1) of MAR – confidential information

Content:

The Management Board of Lubelski Węgiel "Bogdanka" S.A. with its registered office in Bogdanka (hereinafter "Company" or "Party") hereby reports that on 30 December 2022 it executed with Enea Elektrownia Połaniec S.A. (hereinafter "Buyer" or "Party") with its registered office in Zawada 26, 28-230 Połaniec, Annex to the Steam Coal Sales Agreement No. 3/W/2012 dated 12 July 2012 (hereinafter "Multi-Year Agreement").

The Multi-Year Agreement was the subject of current reports published in the period from 2012 to 2022. The most recent information on amendments to the agreement was made public by Reports No. 4/2021, No. 20/2021, No. 24/2021, No. 27/2021, and No. 6/2022 published on 22 January 2021, 09 July 2021, 04 October 2021, 16 December 2021, and 26 May 2022, respectively.

The subject of the Agreement is the sale of steam coal to Enea Elektrownia Połaniec S.A.

As a result of the execution of the Annex:

- the term of the Multi-Year Agreement has been extended to 31 December 2028 (it was previously in effect until 31 December 2027), and consequently the Agreement covers steam coal supply from 2013 to 2028,
- the volume of coal sales for 2028 has been defined,
- the terms of steam coal supply in 2022 (price and volume) have been updated,
- the deadline for collection of the 2022 volume has been extended to 15 May 2023,
- the terms of coal supply (price and volume) in 2023 have been defined.

In addition, due to the occurrence of circumstances fulfilling the characteristics of force majeure resulting in reduction of deliveries in 2022-2023, as announced by the Company in Current Reports No. 19/2022 of 14 September 2022 and No. 21/2022 of 27 September 2022, the Parties have decided in the Annex to postpone the execution of the remaining deliveries not realized on this account (2023), so the unrealized volume will be delivered to Enea Elektrownia Połaniec S.A. no later than in 2026.

The value of the entire Multi-Year Agreement in the years 2013-2028 after the execution of the Annex is estimated at PLN 10,071 million net, and is 71.4% higher than the value published in Report No. 6/2022 dated 26 May 2022.

The value specified in the preceding sentence includes additional volume options to be exercised by the Parties in 2023-2028 with an estimated value of approximately PLN 1,097 million.

The value of the Multi-Year Agreement for 2023-2028 only, in turn, amounts to PLN 6,839 million net, including the above value of additional options.

The remaining terms of the Multi-Year Agreement remain unchanged and do not deviate from the market standards used in agreements of this type.

The Management Board considers the above information important due to the dominant share of the customer in the Company's delivery portfolio.