



Current Report No. 27/2023

Date of preparation: 29 December 2023

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 29 December 2023 it executed with Enea Elektrownia Połaniec S.A. (hereinafter "Buyer" or "Party") with its registered office in Zawada 26, 28-230 Połaniec, Annexes 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. 20/2021, No. 24/2021, No. 27/2021, No. 6/2022, and No. 26/2022 published on 09 July 2021, 04 October 2021, 16 December 2021, 26 May 2022 and 30 December 2022, respectively.

The subject of the Multi-Year Agreement is the sale of steam coal by the Company to Enea Elektrownia Połaniec S.A.

In the concluded Annexes to the Multi-Year Agreement, the Parties set new dates for the performance of deferred deliveries from 2023, which the Company reported in Current Reports No. 26/2022, dated 30 December 2022, and No. 17/2023, dated 17 July 2023. Accordingly, the Parties redefined the volumes of deliveries in 2024-2028, including the deferred deliveries mentioned in the previous sentence. In addition, the Parties agreed on the price of coal deliveries in 2024 and decided to extend the term of the Multi-Year Agreement by one year, i.e. until the end of 2029.

The value of the entire Multi-Year Agreement in the years 2013-2029 after the execution of the Annexes is estimated at PLN 9,223 million net, and is 8.4% lower than the value published in Report No. 26/2022 dated 30 December 2022. The value specified in the preceding sentence includes additional volume options to be exercised by the Parties in 2024-2029 with an estimated value of approximately PLN 828 million. The value of the Multi-Year Agreement in 2023-2028 together with the value of additional options amounts to PLN 5,155 million net, which is 24.6% lower than the value reported for this period in Report No. 26/2022. The value of the Multi-Year Agreement in 2024-2029, in turn, amounts to PLN 5,390 million net in total with the above value of additional options and takes into account an increase in the volume of deliveries by approx. 32% during that period.

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.