<u>Response to questions submitted by a shareholder pursuant to Article 428 §6 of the Commercial Company Code</u>

Shareholder's question - original spelling*

<u>4 June 2024</u>

1. When will dividends be paid for the years 2021, 2022 and 2023 in accordance with JSW S.A.'s dividend policy?*

   Decisions regarding the distribution of profit for 2021 and 2022 were made by the JSW S.A. Ordinary Shareholder Meeting, respectively:
   - on 1 July 2022 - the JSW S.A. Ordinary Shareholder Meeting (Resolution No. 11) resolved to allocate JSW S.A.'s net profit for the financial year ended 31 December 2021 of PLN 329,843,152.53 (three hundred and twenty-nine million, eight hundred and forty-three thousand, one hundred and fifty-two Polish zloty and 53/100) for the Company's supplementary capital,
   - on 16 June 2023 - the JSW S.A. Ordinary Shareholder Meeting (Resolution No. 7) resolved to allocate JSW S.A.'s net profit for the financial year ended 31 December 2022 in the amount of PLN 7,115,810,065.95 (seven billion one hundred fifteen million eight hundred ten thousand sixty-five Polish zloty and 95/100) in its entirety to the Company's supplementary capital.

   In accordance with Resolution No. 290/XI/2024 of 14 May 2024, the JSW S.A. Management Board moved to the JSW S.A. Shareholder Meeting to allocate the net profit of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2023 in the amount of PLN 1,387,200,450.44 (in words: one billion three hundred eighty-seven million two hundred thousand four hundred fifty zloty and 44/100s) to the following:
   - to cover the net loss arisen in "Other comprehensive income" in the amount of PLN 63,406,411.00,
   - to be contributed to the supplementary capital of Jastrzębska Spółka Węglowa S.A in the amount of PLN 1,323,794,039.44.
   The final decision on the distribution of JSW's profit for the 2023 financial year will be made by the JSW S.A. Shareholder Meeting. The JSW S.A. Ordinary Shareholder Meeting has been convened for 24 June 2024.

2. Will the Management Board announce the conclusion of a settlement in the case before the Regional Court in Gliwice, file ref. no. X GC 334/23, at the suit of shareholder … based on the dividend policy? When?*

   In accordance with applicable laws, JSW S.A. carries out the reporting duties imposed on public companies.
   In the court case referred to in the question, JSW S.A. reported in the content of Current Report No. 20/2023 that, in the Company's opinion, the lawsuit is unfounded. The Company's position has not changed.

3. Specify in what form retained earnings of PLN 13,255.3 billion are held. The periodic report does not break down this amount.*

   JSW S.A.'s retained earnings as at 31 March 2024, reported in the standalone financial statements in the total amount of PLN 13,255.3 million, include:
   - reserve capital to finance JSW's investment program in the amount of PLN 1,140.5 million
   - supplementary capital, in the amount of PLN 10,526.8 million
   - other retained earnings of PLN 1,588.0 million (including mainly undistributed net profit for 2023 in the amount of PLN 1,387.2 million and net profit for Q1 2024 in the amount of PLN 147.4 million).

4. For 2023, specify how much JSW S.A. spent on financing activities unrelated to the company, i.e. sports sponsorship, cultural sponsorship, fetes, anniversaries, galas, promotion of the referendum on the 15 October 2023 election day, donations, promotions, grants.*

   Information in this regard is published on the Company's corporate website at: https://www.jsw.pl/relacje-inwestorskie/lad-korporacyjny/dobre-praktyki and in Item 9 of the Management Board Report on the Activity of JSW S.A. and the JSW S.A. Group for 2023.

5 June 2024

1. Why did the Management Board, in the Current Reports (No. 9/2023, 4/2023, 6/2023) pertaining to the SLL loan, **conceal** information about the unfavorable provisions for shareholders providing for not recommending the payment of dividends with disbursements from FIZ?*

   The Company conducts reliable and transparent communication.

   In Current Report No. 9/2023, dated 12 April 2023, regarding the execution of a Syndicated Loan Agreement for Sustainability-Linked Loan financing, the Company reported that "The agreement provides for standard restrictions for this type of financing, including permitted transactions, permitted disposal, permitted debt and collateral. The provisions regarding not recommending dividend payments for a certain period following a disbursement from the FIZ are standard for JSW S.A. and have also been used in other financing agreements entered into in the past. The Issuer does not present all provisions of concluded agreements in its current reports, because then the reports would become unreadable to market participants due to the voluminousness of the concluded financing agreements.

   The Issuer informed the market about the SLL agreement provision in question in Current Report No. 28/2024 dated 4 June 2024, as it was only on that date, after the JSW S.A. Management Board decided to redeem the FIZ certificates, that the provision became relevant to the evaluation of JSW S.A.'s securities.

2. Why was the SLL loan agreement for PLN 1.65 billion signed, blocking the company, so to speak, from disbursing its own FIZ funds in the amount of PLN 5.13 billion (data from the Q1 2023 report)?*

   The SLL Formula Financing Agreement of PLN 1.65 billion does not block the disbursement of funds from the FIZ. The Company may redeem investment certificates in accordance with FIZ regulations. The purpose for which the funds can be used and how they are "liquidated" is regulated by internal procedures.

3. <u>Is the interest rate on the SLL loan greater than the interest generated on the FIZ investment certificates?</u> Does JSW S.A. incur <u>fixed costs (fees) for funds made available but not used</u>? If so, why does the Management Board act to the detriment of the Company and does not repay the SLL loan debt of PLN 356.1 million (according to the Q1 2024 report)?*

   The Management Board does not act to the detriment of the Company. Decisions made regarding the disbursement of the financing or withdrawal of funds from the FIZ are based on economic analyses. The high profitability of the funds accumulated in the FIZ also influenced the decision to disburse the financing.

4. At the time the loan agreement was signed, JSW S.A. had cash of PLN 4.2 billion and funds in the FIZ of PLN 5.12 billion. With such huge funds, why did they sign (contrary to the Company's dividend policy) the SLL loan agreement with such unfavorable dividend provisions for shareholders?*

   The basic economic terms of the SLL financing agreement, in terms of the level of commissions and fees, the term of financing, as well as covenants, obtained in the negotiations are within market levels and ranges, and should be assessed as the best possible terms available to the Company. These terms do not deviate negatively from market standards.

In addition, securing long-term asset financing is one of the JSW Group's strategic goals, and having a long-term source of financing contributes to this goal by building a secure asset and capital structure. The signing of such an agreement was s in the Company's best interest, taking into account both the ability to finance major investments (including environmental investments) and to ensure the maintenance of financial liquidity at a time when the overall market situation is deteriorating.
In addition, we emphasize that the agreement does not prohibit the payment of dividends if the borrower's financial standing is good and the conditions for recommending the payment of dividends have been met.

5. The PFR loan formally blocking the dividend will be repaid in September 2024. Now the Management Board will block dividend payments with the provisions of the SLL loan. The amount of dividends that the Company should pay for the years 2021, 2022 and 2023, according to the dividend policy, is many times greater. Is it the intention of the Management Board and Supervisory Board to continually block dividend payments and cheat the Company's own shareholders?*

   In accordance with the dividend policy defined in the JSW prospectus of 2011, it is the intention of the JSW Management Board to recommend to the Shareholder Meeting to pay a dividend in the amount of at least 30% of the consolidated net profit for the given financial year. The dividend policy must take into account the JSW Group's development plans, in particular its investment plans aimed at ensuring stable development of the Group and profitable ongoing operations. The dividend policy depends on current business performance, cash flows, financial standing and capital requirements, general economic conditions as well as legal, tax, regulatory and contractual restrictions pertaining to dividend payments and on other factors the Management Board considers important, and will be subject to change to align it to the above factors. The Management Board's current recommendation (as well as the recommendations issued in 2021, 2022 and 2023) took the above issues into account, so in the Management Board's opinion, the recommendations issued were correct. The Management Board upholds the provisions of the Dividend Policy and hopes to be able to make a different recommendation in this regard in the future. However, it should be borne in mind that the final decision on this subject remains within the exclusive powers of the Shareholder Meeting.

6. Are the dividend blocking provisions of the SLL loan **consistent with JSW S.A.'s dividend policy**? In my opinion, they aren't. **Why doesn't the Supervisory Board defend the interests of shareholders?***

   In the opinion of the JSW S.A. Management Board, the provisions of the Sustainability-Linked Loan agreement are not inconsistent with JSW S.A.'s dividend policy. We emphasize that the agreement does not prohibit the payment of dividends if the borrower's financial standing is good and the conditions for recommending the payment of dividends have been met.