

Current Report No. 23/2016

Prepared on: 25 May 2016

Subject: Information on dividend

General legal basis: Article 56.1.2. of the Act on Public Offering - current and periodic information

Contents:

The Management Board of Lubelski Węgiel Bogdanka S.A. with registered office in Bogdanka (“Company”) hereby informs you that on 25 May 2016, considering that net loss was disclosed in the separate financial statements for 2015, it adopted resolution according to which dividend payment for shareholders for the accounting year 2015 is not recommended.

The net loss of operations for the financial year 2015 was a result of impairment charges made to the financial result, in the amount of PLN 624.8 million, for the non-current assets and intangible assets which reflect the Issuer’s expectations as to the generated free flow from the existing assets in the horizon of several years.

The decision of the Issuer’s Management Board on recommending that the dividend for 2015 is not paid, was triggered by the need to ensure stable financial situation for the LW Bogdanka Group and to meet the shareholders’ long-term expectations. The Management Board is aware of the risk of further falls in coal prices and limited possibilities of placing it on the market.

The non-payment of dividend in the current year will materially influence the availability of cash at a level ensuring safe conduct of operations, maintaining the debt at a declared level (interest-bearing debt and long-term employee liabilities / EBITDA) < 1.5.

The Management Board moved to the Company’s Supervisory Board to assess the recommendation.

Legal basis: Article 38.1.11 of the Regulation of the Minister of Finance on the Stock Exchange