

Current Report No. 25/2017

Date of preparation: 17 October 2017

Subject: Signing an agreement on payment of coal allowances

Legal basis: Article 17.1 of the MAR Regulation - Inside Information

Content:

The Management Board of Lubelski Węgiel BOGDANKA S.A. (the “Company”) hereby informs you that on 17 October 2017 it signed with trade union organisations active at the Company, an agreement changing the provisions of the existing Collective Bargaining Agreement (the “Agreement”), with respect to the payments of coal allowances to the Company’s retirees and pensioners.

As a result of the Agreement, the balance of provisions held by the Company will change, which will result in a one-off positive impact on the operating profit in the fourth quarter 2017 in the amount of PLN approx. PLN 110 million.

An ultimate change in the balance of provisions, as referred to above, will be estimated by the actuary and presented in a periodic report for 2017.

The Management Board deems the information on signing the Agreement significant, due to its significant impact on the Company’s financial result.