

## **Current Report No. 10/2018**

Date of preparation: 13 April 2018

### **Subject: Information on preliminary Q1 2018 financial results**

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

#### **Content:**

The Management Board of Lubelski Węgiel BOGDANKA S.A. (the “Company”) announces that on 13 April 2018 it was informed of the Company’s preliminary financial results for the first quarter (Q1 2018) and decided to make it public:

Separate financial results of LW Bogdanka S.A. for Q1 2018:

Net revenue: PLN 397,897,000

EBITDA: PLN 122,339,000

EBIT: PLN 25,591,000

Net profit: PLN 20,903,000

The production of commercial coal in the period under discussion amounted to 2,095,000 tonnes, and sales – 1,967,000 tonnes.

The volume of production in Q1 2018, lower than assumed, was affected primarily by difficulties of geological and hydrogeological nature, which resulted in lower production of commercial coal. These difficulties were removed at the end of February and the production was pursued in March as per the plan, however an average yield of three months was 57%, which had a material impact on the level of production and sales, and therefore – financial results of the whole quarter.

In addition to the technical factors described above, the Q1 2018 financial result was also affected by recognising in the Company’s books of the final settlement between the Company and the consortium of Mostostal Warszawa S.A. and Acciona Infraestructuras, which had a positive impact, amounting to approx. PLN 25,449,000, on the net result.

The Company sustains its declared production plan for the whole 2018 at a level not lower than 9 million tonnes.

The Management Board finds this piece of information material given that the level of financial result achieved in Q1 2018 is different than results generated by the Company in analogous periods of previous years, and departs from market expectations.

The results in their final version will be presented in the Consolidated Quarterly Report of the LW Bogdanka Group for the first quarter of 2018, to be published on 24 May 2018.