

Current Report No. 11/2018

Date of preparation: 16 May 2018

Subject: Recommendation of the Management Board regarding the allocation of profit for 2017 to the Company's reserve capital

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

Content:

The Management Board of Lubelski Węgiel BOGDANKA S.A. (“Company”) with registered office in Bogdanka, hereby announces that on 16 May 2018 it adopted a resolution on a motion to be submitted to the General Shareholders Meeting regarding the distribution of net profit for the financial year 2017 in the amount of **PLN 673,281,183.53** (six hundred seventy-three million two hundred eighty-one thousand one hundred and eighty-three zlotys 53/100) and **allocating it in full to the Company's reserve capital**.

The Management Board submitted a relevant motion to the Company's Supervisory Board for opinion.

A final decision regarding distribution of the 2017 profit will be made by the Annual General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A.

The Management Board's motion along with substantiation is attached to this Current Report.