

## **Current Report No. 2/2019**

Date of preparation: 18 January 2019

### **Subject: Information on preliminary financial results for 2018.**

Legal basis: Article 17.1 of the MAR – Inside Information

#### **Content:**

The Management Board of Lubelski Węgiel Bogdanka S.A. (the “Company”) announces that on 18 January 2019 it was informed of the Company’s preliminary financial results for the year 2018 and decided to make it public:

Consolidated financial results of the LW BOGDANKA Group for 2018:

Net revenue from sales: PLN 1,756.7 million

EBITDA: PLN 465.3 million

EBIT: PLN 58.3 million

Net profit: PLN 50.8 million

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

Net revenue from sales: PLN 1,754.9 million

EBITDA: PLN 451.7 million

EBIT: PLN 53.5 million

Net profit: PLN 48.6 million

The production of commercial coal in the period under discussion amounted to 9.01 million tonnes, and sales – 8.94 million tonnes.

The financial results of the entire 2018 were affected by the following: financial results from Q4 2018 related to lower than planned production and sales of commercial coal (lower sales revenue), gross production higher by about 1 million tonnes when compared to year-to-year production of commercial coal (low yield at 60.5% when compared to the 64.7% in 2017), carrying out of a record number of preparatory works (37 km compared to 30.7 km in 2017) related to the planned increase of production in the upcoming years, in accordance with the current Company Strategy, as well as the general increase in costs related to current market situation (including increase of labour costs, external services, material consumption). Moreover, the value of EBIT and net profit were affected by increased depreciation due to reversal of tangible fixed

asset impairment loss, as disclosed in the financial statements as at 31 December 2017.

The Management Board finds this piece of information significant given that the level of financial results achieved in 2018 is different than the results generated by the Company in previous years.

The final results will be presented in the financial statements of LW Bogdanka S.A. and the consolidated financial statements of the LW Bogdanka Group for 2018.