

**Memorandum of Agreement executed by parties to the Company Collective Bargaining Agreement for Employees Hired by PKP CARGO S.A. Units**

**Current Report no. 17/2019 of 05 April 2019**

*Legal basis (selected in ESPI):*

*Article 17 Section 1 of MAR – confidential information*

The Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 05 April 2019 a Memorandum of Agreement was executed between the Parties to the Company Collective Bargaining Agreement for Employees Hired by PKP CARGO S.A. Units (“Memorandum of Agreement”), (“Parties”).

By the power of the Memorandum of Agreement, the Parties have resolved that a non-recurring bonus will be paid in the Company having regard for PKP CARGO’s 2018 results and the employees’ commitment to achieving their targets, which facilitated the attainment of these results.

The Company has estimated that the cost of this bonus in PKP CARGO S.A. will be approximately PLN 13.9 million.

In the event that the recommendation of paying a non-recurring bonus in the PKP CARGO Group’s companies is applied (justified by their economic position), the estimated cost to the PKP CARGO Group in 2019 would be approximately PLN 17.5 million.

At the same time, the Company’s Management Board reports that the projected level of the PKP CARGO Group’s EBITDA in 2019 published under current report no. 15/2019 on 20 March 2019 will not change.

*Legal basis:*

Article 17 Section 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse