

## **Signing of a cooperation agreement**

Current Report No. 28/2018 of 19 September 2018

*Legal basis (selected in ESPI):*

*Article 17 Section 1 of MAR – confidential information*

In reference to Current Report No. 16/2018 of 21 May 2018, the Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 19 September 2018 it signed a cooperation agreement with Pojazdy Szynowe PESA Bydgoszcz S.A. with its registered office in Bydgoszcz (“PESA”) and Instytut Pojazdów Szynowych “TABOR” with its registered office in Poznań (“IPS”) to conduct research and development work within the framework of a project to construct an autonomous dual mode locomotive (“Agreement”, “Locomotive”).

The cooperation between the parties will include the following activities: (i) preparation by PKP CARGO and PESA of technical objectives for the locomotive to be designed along with its proposed configuration. IPS’s assessment and verification these documents and their subsequent submission to PKP CARGO and PESA with comments for approval, (ii) commencement of design and research works based on a jointly agreed schedule, (iii) launch of the Locomotive construction process with necessary documentation to obtain a permit for placing it in service as a TSI-compliant vehicle, (iv) operation of the Locomotive at PKP CARGO – to be conducted during the first 12 months from its production date and commencement of operation by PKP CARGO, ongoing execution of correction requests and validation of full vehicle documentation by the parties to the Agreement in compliance with current legal requirements.

Given the fact that the project to construct a dual mode locomotive entitled “Locomotive platform with advanced electro-diesel (multi-system) propulsion systems” was submitted by PESA to a contest for funding innovative projects under the Innotabor program announced by the National Center for Research and Development and received a positive evaluation and recommendation of co-funding, the parties to the Agreement have considered it purposeful to establish cooperation in order to ensure the proper use of the obtained funds in keeping with the principle of effectiveness.

For the avoidance of doubt, the Company’s Management Board clarifies that PKP CARGO will not be required to purchase the Locomotive.

Legal basis:

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