

Letter of intent between PKP CARGO S.A. and the Industrial Development Agency

Current Report No. 20/2019 of 25 April 2019

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information

Today, the Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) and Agencja Rozwoju Przemysłu Spółka Akcyjna (Industrial Development Agency, “ARP”) with its registered office in Warsaw signed a letter of intent (“Letter of Intent”) declaring the Parties’ interest in the execution of a joint investment venture involving the launch of business consisting of the production and repairs of wagons for the transportation of freight for the needs of PKP CARGO (“Joint Venture”). The Parties will now take steps to select the location of the Joint Venture in the south-eastern region of Poland.

The Joint Venture will be executed either through a special purpose vehicle which may be established for this purpose or through an existing company which does not run any operating business as at the date of the Letter of Intent. Prior to this, a business plan will be developed with a view to ascertaining the feasibility and profitability of the Joint Venture.

The Letter of Intent will remain valid until the Parties sign a contract for the execution of the Joint Venture or until 31 December 2019, whichever is earlier.

The Letter of Intent constitutes nothing more than an expression of the Parties’ intent to undertake cooperation and does not give rise to any obligations.

Today, the Letter of Intent was signed by PKP CARGO and ARP. Talks are underway on a possible accession of Wagony Świdnica Sp. z o.o. to the Joint Venture.

The Company will publish updates in the form of separate current reports about the next significant steps related to the Joint Venture.

Specific legal basis:

Article 17 Section 1 of MAR – confidential information