

Adjustment to PKP CARGO S.A.'s and PKP CARGO Group's forecasts of selected financials in 2018

Current Report No. 26/2018 of 21 August 2018

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information.

In reference to Current Reports No. 4/2018 of 16 March 2018, "Publication of PKP CARGO S.A.'s forecast of selected financials in 2018" and No. 13/2018 of 7 May 2018, "PKP CARGO Group publishes forecasts of selected data for 2018", the Management Board of PKP CARGO S.A. ("Company", "PKP CARGO"), having analyzed the Company's financial performance for H1 2018 and the situation on the rail freight market, hereby publishes an adjustment of its forecast of selected standalone financial and operating data on PKP CARGO's business in 2018:

- the operating revenue of PKP CARGO will be PLN 3,914.5 million, i.e. PLN 1.6 million (+0.04%) higher than in the previous forecast,
- PKP CARGO's EBITDA will amount to PLN 781.3 million, i.e. PLN 117.7 million (+17.7%) higher than in the previous forecast,
- PKP CARGO's EBIT will be PLN 337.3 million, i.e. PLN 133.3 million (+65.3%) higher than in the previous forecast,
- PKP CARGO's net profit will be PLN 269.9 million, i.e. PLN 109.1 million (+67.8%) higher than in the previous forecast,
- the capital expenditures will be PLN 878.5 million, i.e. PLN 139.1 million (-13.7%) less than in the previous forecast.

Also, after the forecast for the Company has been adjusted, selected data of the PKP CARGO Group for 2018 will also be updated, as follows:

- PKP CARGO Group's EBITDA will amount to PLN 904.8 million, increasing by PLN 126.1 million (+16.2%) compared to the previous forecast,
- freight volume will be 121.8 million tons, or 4.1 million tons less (-3.2%) than in the previous forecast,
- share in the Polish freight market, by freight turnover, will be 49.7%, which constitutes a 4.2 p.p. (-7.9%) decline compared to the previous forecast.

If the level of any of the measures diverges materially from the forecasts published above, the Company's Management Board will adopt a decision to adjust the forecast.

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