

Information on derecognition of the provision for VAT settlements in the consolidated financial statements for Q3 2019

Current Report No. 47/2019 of 16 September 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 today the Management Board of PKP CARGO CONNECT Sp. z o.o. (“PKP CC”) made a decision to derecognize the provision for liabilities on account of VAT settlements for the period from April 2013 to July 2013 in the amount of PLN 24.4 million, which will be reflected in PKP CC’s profit or loss for Q3 2019.

The decision on derecognizing the provision was made on the basis of the inspection results issued by the Mazowiecki Customs and Tax Office in Warsaw.

The derecognition of the provision will have a positive direct impact on the PKP CARGO Group’s profit or loss for Q3 2019 in the amount of approx. PLN 24.4 million. Due to the non-cash nature of the event, it will have no impact on PKP CARGO Group’s liquidity position.

The figures presented above are estimates and as such are subject to change. The final figures will be presented in the consolidated financial statements for Q3 2019 which are scheduled for publication on 21 November 2019.

Legal basis:

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