

Information on recognition of the impairment loss on redundant rolling stock assets owned by the AWT Group in the interim consolidated financial statements

Current report no. 23/2018 of 24 July 2018

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 announces that as part of the optimization processes in the AWT Group an analysis has been carried out as a result of which redundant rolling stock assets have been identified. In accordance with the PKP CARGO’s Accounting Policy, the value of cash flows recoverable as a result of disposal of the above assets has been estimated.

Having conducted the aforementioned analysis and taking into account the effects of the optimization processes, the Company’s Management Board has made a decision do recognize an impairment loss on the redundant rolling stock assets in the amount of PLN 18.1 million. The impact of the recognized impairment loss on the consolidated net profit, taking into account the deferred tax effect, is PLN 14.6 million.

The impairment loss is a non-cash item and has no effect on PKP CARGO Group’s liquidity position.

The figures presented above are estimates and as such are subject to change.

The final results will be presented in the consolidated financial statements for H1 2018 to be published on 28 August 2018.

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