

Execution of contracts by the subsidiary PKP CARGO Terminale sp. z o.o. to carry out an infrastructural project in Zduńska Wola-Karsznice

Current Report No. 32/2021 of 29 July 2022

Legal basis (selected in ESPI):

Article 17(1) of MAR – confidential information.

The Management Board of PKP CARGO S.A. (“PKP CARGO”) hereby reports execution of a contract by the subsidiary PKP CARGO Terminale sp. z o.o. on 29 July 2022 with ZUE S.A. with its registered office in Kraków to carry out an investment project entitled Performance of construction work to carry out an investment project entitled “Construction of a multimodal terminal in Zduńska Wola-Karsznice”. The estimated value of the contract is PLN 100 million (gross value of PLN 123 million). Performance deadline: by 31 October 2023. Under the subject of the agreement PKP CARGO Terminale sp. z o.o. will build a cargo transshipment location including tracks and turnouts, the terminal grounds including a parking lot and roads. This contract contemplates the possibility of PKP CARGO Terminale sp. z o.o. paying contractual damages, where failing to perform the foregoing construction work on schedule may cause the company to reimburse EU funds. The other terms and conditions of the contract do not deviate from the standard terms and conditions for construction contracts of this type.

In addition, on 29 July 2022 PKP CARGO Terminale sp. z o.o. entered into the following contracts:

- a contract with ECM GROUP POLSKA S.A. with its registered office in Warsaw to render investor supervision services for the construction work under the investment project entitled “Construction of a multimodal terminal in Zduńska Wola-Karsznice”. The net value of the contract is PLN 1,050,000.00 (the gross value is PLN 1,291,500.00). This contract will be performed from the date of its execution until the day when the client signs the final post-guarantee acceptance report of this terminal with the construction work contractor.

On 28 July 2022 it signed a contract

- with Polskie Koleje Państwowe S.A. to lease land in Zduńska Wola - Karsznice for part of plots no. 1/31 and 1/53 with a total area of 116,786 m² for PKP CARGO Terminale sp. z o.o. to carry out an investment involving the “Construction of a multimodal terminal in Zduńska Wola-Karsznice”. The estimated net value of this land lease contract is PLN 10,791,026.40 (the gross value is PLN 13,272,962.47). The contemplated duration of the lease is 10 years with an option to extend for another period. Under the executed contract PKP CARGO Terminale sp. z o.o. has been obligated to pay the tax on structures and buildings and conduct an appraisal of the real estate once every three years with both parties being jointly and severally responsible for paying for that appraisal. The lease fee will be subject to annual restatement.

The subject matter of the Project is to build and launch a multimodal transshipment terminal on this site where tracks at the Zduńska Wola-Karsznice rail siding station were liquidated. This terminal is to connect and handle rail and road transport and combined transport. During the first stage of the construction the terminal will occupy an area of roughly 12 ha (116,786 m²). The investment in Zduńska Wola-Karsznice is to strengthen the PKP CARGO Group’s position in the terminal services segment by providing cargo handling on the New Silk Road and in connections with Polish and international ports. The transshipment capabilities in Zduńska Wola-Karsznice will ultimately grow to 220 thousand TEU per annum, while the storage capacity will be 4,500 TEU. This will be the largest facility of its type in central Poland.

Legal basis:

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