

Minezit SE's intention to exercise the put option

Current Report No. 11/2017 of 4 May 2017

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 on 4 May 2017 it received a letter from Minezit SE (“**MSE**”), company holding a 20% stake in the share capital of Advanced World Transport B.V. with its registered office in Amsterdam (“**AWT**”).

In accordance with the letter, MSE has exercised its right to demand that the Company repurchase of all the shares in AWT owned by MSE (“**Put Option**”). MSE is entitled to the above right under the Shareholder Agreement concluded between PKP CARGO, MSE and AWT on 30 December 2014 (“**Shareholder Agreement**”).

In accordance with the Shareholder Agreement, the total purchase price for the 15,000 shares, constituting 20% of all shares in AWT's share capital AWT, is EUR 27,000,000.

The Company reported the conclusion of the agreement on the purchase of 80% of the shares in AWT by PKP CARGO and conclusion of the Shareholder Agreement in Current Report No. 72/2014 of 31 December 2014.

Considering the good cooperation with MSE to date, the PKP CARGO Management Board is considering alternative solutions regarding the form of payment for the exercise of the Put Option. Having carried out an analysis the PKP CARGO Management Board will make a decision regarding the most favorable settlement of the Put Option from the standpoint of the Company's interests. In addition, the PKP CARGO Management Board reports that the Company has secured funds for exercising the Put Option.

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