

Giving consent to incur a liability by accepting the proposal of PKP Energetyka S.A. and entering into an agreement in this regard

Current Report No. 2/2020 of 17 February 2020

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information

The Management Board of PKP CARGO S.A. (“Company”, “Client”) hereby reports that on 17 February 2020 the PKP CARGO S.A. Supervisory Board gave its consent to incur a liability by accepting the proposal and entering into an electricity sales and distribution service agreement (“Agreement”) by and between PKP CARGO S.A. and PKP Energetyka S.A. (“Supplier”).

The agreement pertains to the sale of electricity (“Traction Energy”) and provision of Traction Energy distribution services for the needs of the transport services rendered using electrical traction with trains owned by the Client and for the needs of trains run by other operators using the Client’s electric locomotives that are not charged for the electricity they consume under separate agreements. The agreement defines the level of power contracted in the settlement period and the forecast consumption of Traction Energy.

The Agreement will be signed for the period from 1 January 2021 to 31 December 2022.

The net expected value of the Agreement during its term of validity will total PLN 902,549,893.24 (with a gross value of PLN 1,110,136,368.68).

The price of electricity sold to the Client is calculated in accordance with the formula established for 2021-2022. The electricity sales offer forming an integral part of the Agreement specifies the model for setting the price of energy in force in the various years.

The Agreement stipulates that if the regulations in force on the date of submitting the offer change, then the price of electricity will be adjusted according to the principles prescribed by the Agreement.

Legal basis:

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