

Execution of a contract with PKP Energetyka S.A.

Current Report No. 29/2018 of 11 October 2018

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information

The Management Board of PKP CARGO S.A. reports that on 11 October 2018 an Electricity Sales and Distribution Service Agreement (“Agreement”) was signed by and between PKP CARGO S.A. with its registered office in Warsaw (“Client”, “Company”) and PKP Energetyka S.A. with its registered office in Warsaw (“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 energy contracted in the settlement period and the forecast consumption of Traction Energy.

This Agreement has been signed for the period from 1 January 2019 to 31 December 2020.

The net expected value of the Agreement during its term of validity will total PLN 987,080,000 (with a gross value of PLN 1,214,108,400).

The price of electricity sold to the Client is calculated in accordance with the formula established for 2019-2020. 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.