

Revaluation of the residual value of rolling stock and reversal of part of the impairment loss on rolling stock components

Current Report No. 3/2018 of 07 February 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 reports that, following an increase in the market prices of scrap metal as at 31 December 2017, compared to the prices adopted by the Company for valuation of the residual value of rolling stock in previous periods, the Company’s Management Board, having analyzed the impact of this change on the 2017 standalone and consolidated financial statements, decided to revalue the residual value of rolling stock and reverse part of the impairment loss (“loss”) of the rolling stock in the amount of PLN 27,414 thousand.

Reversal of the aforementioned loss will improve the Company’s financial result for 2017 in the amount of PLN 22,205 thousand, which includes the effect of tax. The revaluation of the loss is a non-cash item and has no effect on PKP CARGO’s liquidity position.

The figures presented above are estimates and as such are subject to change. The Company’s final results will be presented in the 2017 standalone and consolidated financial statements, which are scheduled for publication on 16 March 2018.

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