

Elapse of the deadline to reach an agreement on establishing a joint-venture with Minezit SE
Current report no. 26/2017 of 30 September 2017

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information.

In reference to current report no. 18/2017 of 20 June 2017 on entering into an agreement with Minezit SE (“MSE”) (“Agreement with MSE”), the Management Board of PKP CARGO S.A. (“PKP CARGO”) (“Company”) hereby reports on the elapse of the deadline for reaching a consensus on setting up a joint-venture with MSE.

According to the provisions of the Agreement with MSE, by 30 September 2017, the Company and MSE were: (i) to have completed the negotiations of the conditional shareholder agreement, (ii) to have agreed on the non-cash contribution (contribution-in-kind) to the joint venture to be made by PKP CARGO and (iii) to have completed the negotiation of the conditional sale and leaseback agreement that was to supposed to have been executed between the joint venture company and PKP CARGO (together referred to as “Project Execution”).

In connection with the failure to complete Project Execution by the deadline contemplated by the Agreement with MSE, i.e. by 30 September 2017, both PKP CARGO and MSE have the right as of 1 October 2017 to withdraw from the Agreement with MSE, which may lead to PKP CARGO having an obligation to pay to MSE the price of the put option for 15,000 shares representing 20% of all the shares in the share capital of Advanced World Transport B.V (“AWT”) totaling EUR 27,000,000 (say: twenty-seven million Euro) within 20 business days from the date of withdrawal by either of the parties.

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