

Justification of draft resolutions of Extraordinary General Meeting of Trakcja PRKił S.A. convened for 30 November 2018

The Management Board of Trakcja PRKił S.A. ("Company", "Issuer") informs that on October 26, 2018, it adopted resolutions on the intention to sell selected real property.

The justification for adoption of the resolutions is the use of funds obtained from the sale to optimize the structure of external financing by financing the demand for working capital to a larger extent with own funds.

The planned sale of real property will not affect operations in the core areas of the Issuer's activity.

The real property to which the resolutions relate are as follows:

1. Right of perpetual usufruct in a real property situated at 100 Lotnicza Street in Wrocław constituting a plot of land no. 3/5 with an area of 13,1540 ha, a plot of land no. 3/3 with an area of 0,0006 ha, a plot of land no. 3/4 with an area of 0,2546 ha, including the ownership of the buildings and installations located on plot of land no. 3/5 constituting a separate real estate, for which the District Court for Wrocław - Krzyków in Wrocław, IV Land and Mortgage Register Department keeps the land and mortgage register number WR1K/00103043/5.

The above property is collateral in the form of a revolving loan mortgage, as reported by the Company in current report no. 15/2015. The obtained proceeds from the sale of this property will be used in the first instance to repay the loan and, as a consequence, the mortgage will be removed.

The minimum sale price of the property has been set at PLN 53,000,000 (fifty three million) net.

2. Right of perpetual usufruct in a real property situated in Warsaw, district Targówek, at 11 Oliwska Street in Warsaw, constituting a plot of land no. 83/5 with an area of 2,0655 ha, from are 4-08-21, for which the District Court Warsaw-Mokotów in Warsaw, IX Land and Mortgage Register Department keeps the land and mortgage register number WA3M/00170938/4.

The obtained proceeds from the sale of this property will be used to finance the operations of the Company.

The minimum sale price of the property has been set at PLN 14,000,000 (fourteen million) net.

3. Right of perpetual usufruct in a real property consists of lots No: no. 1/1 with an area of 1,3747 ha, 2/1 with an area of 5,7172 ha, area – Bieńkowice, of a total area of 7,0919 ha, including the ownership of the buildings, constructions and installations a separate from the land, for which the District Court for Wrocław - Krzyków in Wrocław, IV Land and Mortgage Register Department keeps the land and mortgage register number WR1K/00299630/7.

The Issuer's Management Board plans to sell this property under the leaseback mechanism.

Possible funds obtained under the lease-back mechanism will be used to finance the operations of the Company.

The minimum sale price of the property has been set at PLN 40,000,000 (forty million) net.