

Signing of a letter of intent with PKP PLK S.A. regarding the purchase of shares in CARGOTOR Sp. z o.o.

Current Report No. 27/2024 of 12 June 2024

Legal basis (selected in ESPI):

Article 17(1) of MAR – inside information.

The Management Board of PKP CARGO S.A. (“PKP CARGO”) hereby reports that, earlier today, it signed a letter of intent (“Letter of Intent”) with PKP Polskie Linie Kolejowe S.A. (“PKP PLK”) whereby PKP CARGO and PKP PLK expressed their continued interest in taking steps aimed at the acquisition by PKP PLK from PKP CARGO of a 100% stake in CARGOTOR Sp. z o.o. (“CARGOTOR”).

The Parties declared that their execution of the Letter of Intent puts in motion their concerted efforts aimed at the fulfillment of their intent with the anticipated completion date of 31 December 2024 at the latest.

This endeavor is part of a broader effort by the PKP CARGO S.A. Management Board focused on optimizing the Group’s structure and resources in terms of current activities and upcoming business challenges, primarily through simplification aimed at enabling an efficient handling of complex transport projects.

In the Management Board’s perception, the business of CARGOTOR as a rail infrastructure manager do not fit directly into the Group’s value chain. The Management Board currently sees the need to focus on activities related to PKP CARGO S.A.’s core business, namely the provision of rail freight operator services in Poland and the European Union.

In parallel, in light of the Company's temporary financial difficulties and curtailment of operations, the Management Board is taking all possible steps to improve business efficiency, streamline processes and optimize costs. Any further decisions in this regard will be announced by the Company in the form of a current report.

The business of CARGOTOR Sp. z o.o. consists of the management of track and service infrastructure and the provision of infrastructure to rail carriers on a commercial basis. In view of the current intensification of activities related to infrastructural investments carried out in the Malaszewicze Transshipment Zone for the purpose of improving rail connections via the Polish-Ukrainian border crossing in Malaszewicze, in which both CARGOTOR and PKP PLK are involved, the Parties expect that the potential acquisition of the stake in CARGOTOR by PKP PLK will generate synergies between them triggered by the execution of the said investments.

The Letter of Intent does not constitute a legally binding commitment of any of the parties.

Legal basis:

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