

Carrying out collective layoffs at the Plants and Headquarters of PKP CARGO S.A.

Current Report No. 51/2024 of 24 July 2024

Legal basis (selected in ESPI):

Art. 17 MAR

Management Board of PKP CARGO S.A. (the "Company") informs that today, in a resolution, it decided to carry out group layoffs by the Plants and Headquarters of PKP CARGO S.A. pursuant to the Act of March 13, 2003 on special rules for terminating employment relationships with employees for reasons not attributable to employees ("Act").

The consequence of adopting the above-mentioned resolution, in accordance with the Act, will be the signing of agreements on the implementation of group layoffs or the issuance of regulations for group layoffs at the Plants and Headquarters of PKP CARGO S.A.

Group layoffs will cover up to 30% of the Company's employees (up to 4,142 employees) in various professional groups, within the deadline specified in the agreements or regulations.

In connection with the termination of the employment relationship as part of group layoffs, employees will be entitled to a severance payment depending on the period of employment.

The estimated amount of the provision related to the restructuring of employment in the Company's plants and headquarters will be approximately PLN 249 million. PLN, and the expected annual savings in personnel costs resulting from group layoffs will amount to approximately PLN 423.4 million. If a positive decision of the Court to open restructuring proceedings is obtained, the Company will be able to finance the costs of group layoffs with funds from the Guarantee Fund.

The process of collective layoffs will be preceded by an analysis of all positions, taking into account, among others, effectiveness, importance for key operations and potential for adaptation in new organizational structures. The priority of the process will be to minimize the negative impact on key areas of PKP CARGO S.A.'s operations.