

Q 1

2025



Quarterly Condensed Consolidated Financial Statements

**of the PKP CARGO S.A.
under restructuring Capital Group**

for the period of 3 months
ended 31 March 2025
prepared in accordance under EU IFRS



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QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended 31 March 2025	3 months ended 31 March 2024	
Revenues from contracts with customers	927.9	1,180.7	Note 2.1
Consumption of electricity and traction fuel	(136.6)	(165.4)	Note 2.2
Infrastructure access services	(89.8)	(102.7)	
Transport services	(50.8)	(61.9)	
Other services	(93.4)	(100.4)	Note 2.2
Employee benefits	(409.4)	(521.3)	Note 2.2
Other expenses	(73.4)	(92.1)	Note 2.2
Other operating revenue (and expenses)	0.3	(14.5)	Note 2.3
Operating profit before depreciation and amortization (EBITDA)	74.8	122.4	
Depreciation, amortization and impairment losses	(95.2)	(219.2)	Note 2.2
Profit / (loss) on operating activities (EBIT)	(20.4)	(96.8)	
Financial revenue (and expenses)	(36.1)	(48.0)	Note 2.4
Share in the profit / (loss) of entities accounted for under the equity method	(0.2)	2.0	Note 5.3
Profit / (loss) before tax	(56.7)	(142.8)	
Income tax	8.1	24.7	Note 3.1
NET PROFIT / (LOSS)	(48.6)	(118.1)	
OTHER COMPREHENSIVE INCOME			
Measurement of hedging instruments	8.8	4.1	Note 6.1
Income tax	(1.7)	(0.8)	Note 3.1
Exchange differences resulting from conversion of financial statements of foreign operations	(7.7)	(22.6)	
Total other comprehensive income subject to reclassification to profit or loss	(0.6)	(19.3)	
Actuarial gains / (losses) on employee benefits	(0.1)	(0.3)	
Income tax	-	0.1	Note 3.1
Total other comprehensive income is not subject to reclassification to profit or loss	(0.1)	(0.2)	
Total other comprehensive income	(0.7)	(19.5)	
TOTAL COMPREHENSIVE INCOME	(49.3)	(137.6)	
Net profit / (loss) attributable:			
Net profit / (loss) attributable to the owners of the parent company	(48.6)	(118.1)	
Total other comprehensive income attributable:			
Total other comprehensive income attributable to shareholders of the parent company	(49.3)	(137.6)	
Earnings / (losses) per share (PLN per share)			
Weighted average number of common shares	44,786,917	44,786,917	
Earnings / (losses) per share	(1.09)	(2.64)	
Diluted earnings / (losses) per share	(1.09)	(2.64)	

In the periods covered by these Quarterly Condensed Consolidated Financial Statements, there was no non-controlling interest.

QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2025	31 December 2024	
ASSETS			
Rolling stock	2,157.3	2,138.8	Note 5.1
Other property, plant and equipment	728.9	733.5	Note 5.1
Right-of-use assets	1,359.6	1,371.3	Note 5.2
Investments in entities accounted for under the equity method	14.8	18.5	Note 5.3
Trade receivables	1.2	0.2	Note 5.5
Lease receivables	10.7	11.3	
Other assets	43.7	46.1	Note 5.6
Deferred tax assets	685.3	676.6	Note 3.1
Total non-current assets	5,001.5	4,996.3	
Inventories	149.5	157.7	Note 5.4
Trade receivables	502.4	558.3	Note 5.5
Lease receivables	1.5	1.0	
Other assets	123.2	136.9	Note 5.6
Cash and cash equivalents	556.4	589.1	Note 4.3
Total current assets	1,333.0	1,443.0	
Non-current assets classified as held for sale	-	0.3	
TOTAL ASSETS	6,334.5	6,439.6	
EQUITY AND LIABILITIES			
Share capital	2,239.3	2,239.3	Note 4.2
Supplementary capital	874.1	874.1	
Other items of equity	(124.7)	(131.7)	
Exchange differences resulting from conversion of financial statements of foreign operations	78.8	86.5	
Retained earnings / (Accumulated losses)	(2,370.6)	(2,322.0)	
Total equity	696.9	746.2	
Debt liabilities	1,712.0	1,791.5	Note 4.1
Trade payables	2.2	2.1	Note 5.7
Investment commitments	1.0	2.8	Note 5.8
Provisions for employee benefits	479.9	485.1	Note 5.9
Other provisions	14.0	15.0	Note 5.10
Deferred tax liability	78.9	82.0	Note 3.1
Other liabilities	0.2	0.2	Note 5.11
Total non-current liabilities	2,288.2	2,378.7	
Debt liabilities	1,103.8	1,041.1	Note 4.1
Trade payables	1,197.0	1,220.0	Note 5.7
Investment commitments	151.1	142.9	Note 5.8
Provisions for employee benefits	125.0	115.0	Note 5.9
Other provisions	40.8	42.7	Note 5.10
Other liabilities	731.7	753.0	Note 5.11
Total current liabilities	3,349.4	3,314.7	
Total liabilities	5,637.6	5,693.4	
TOTAL EQUITY AND LIABILITIES	6,334.5	6,439.6	

QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Other items of equity			FX differences resulting from translation of financial statements of foreign operations	Retained earnings / (accumulated losses)	Total equity
			Profits / (losses) on measurement of equity instruments at fair value	Actuarial gains / (losses) on employee benefits	Measurement of hedging instruments			
1 January 2025	2,239.3	874.1	(9.1)	(135.0)	12.4	86.5	(2,322.0)	746.2
Net result for the period	-	-	-	-	-	-	(48.6)	(48.6)
Other comprehensive income for the period (net)	-	-	-	(0.1)	7.1	(7.7)	-	(0.7)
Total comprehensive income	-	-	-	(0.1)	7.1	(7.7)	(48.6)	(49.3)
31 March 2025	2,239.3	874.1	(9.1)	(135.1)	19.5	78.8	(2,370.6)	696.9
1 January 2024	2,239.3	797.1	(9.1)	(109.3)	7.3	109.6	167.6	3,202.5
Net result for the period	-	-	-	-	-	-	(118.1)	(118.1)
Other comprehensive income for the period (net)	-	-	-	(0.2)	3.3	(22.6)	-	(19.5)
Total comprehensive income	-	-	-	(0.2)	3.3	(22.6)	(118.1)	(137.6)
31 March 2024	2,239.3	797.1	(9.1)	(109.5)	10.6	87.0	49.5	3,064.9

QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 March 2025	3 months ended 31 March 2024	
Cash flows from operating activities			
Profit / (loss) before tax	(56.7)	(142.8)	
Adjustments			
Depreciation, amortization and impairment losses	95.2	219.2	Note 2.2
(Profits) / losses on interest, dividends	27.7	40.5	
Interest received / (paid)	0.2	0.3	
Income tax received / (paid)	(3.6)	(3.5)	
Movement in working capital	28.4	133.6	
Other adjustments	(0.4)	(5.4)	
Net cash from operating activities	90.8	241.9	
Cash flows from investing activities			
Expenditures on the acquisition of non-financial non-current assets	(64.6)	(201.7)	
Proceeds from the sale of non-financial non-current assets	0.9	7.3	
Proceeds from dividends received	2.7	-	
Other proceeds from investing activities	4.4	1.7	
Net cash from investing activities	(56.6)	(192.7)	
Cash flows from financing activities			
Expenditures on leases	(46.7)	(41.6)	Note 4.1
Proceeds from drawn down loans	-	29.6	Note 4.1
Receipt of funds from the Guaranteed Employee Benefits Fund	10.2	-	Note 4.1
Repayment of loans/ credit facilities	(7.2)	(104.3)	Note 4.1
Interest paid on leases and loans	(19.9)	(37.8)	Note 4.1
Subsidies received	-	20.3	
Other expenditures concerning financing activities	(0.1)	(0.4)	
Net cash from financing activities	(63.7)	(134.2)	
Net increase / (decrease) in cash and cash equivalents	(29.5)	(85.0)	
Cash and cash equivalents at the beginning of the reporting period	589.1	263.7	
Impact exerted by FX rate movements on the cash balance in foreign currencies	(3.2)	(2.1)	
Cash and cash equivalents at the end of the reporting period including:	556.4	176.6	
<i>restricted cash</i>	27.2	41.0	



1. General information

1.1 Key information about the Group's business

Information about the Parent Company

PKP CARGO S.A. ("Company", "Parent Company") was established pursuant to a Notary Deed of 29 June 2001 (Rep. A No. 1287/2001). Key information about the Parent Company is presented in the table below.

Key information about the Parent Company	
Name	PKP CARGO S.A. under restructuring
Registered office	Poland
Address of the Parent Company's registered office	ul. Grójecka 17, 02-021 Warsaw
KRS	0000027702 – District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, Poland
REGON	277586360
NIP	954-23-81-960

On 25 July 2024 the District Court for the capital city of Warsaw in Warsaw, 18th Commercial Division issued a decision to open remedial proceedings towards PKP CARGO S.A. Pursuant to Article 66 sec. 2 of the Restructuring Law Act, after a court has issued a decision to open restructuring proceedings, a trader operates on the market under its previous business name with the addition of the words "w restrukturyzacji" (under restructuring). Therefore, as of 25 July 2024, the full name of the company is: PKP CARGO S.A. under restructuring.

In Q1 2025, the Parent Company did not change its name or other identification details.

The financial year of the Parent Company and the companies from the PKP CARGO under restructuring Group (hereinafter referred to as the "Group") is a calendar year.

The composition of the Parent Company's management and supervisory bodies and the Parent Company's shareholding structure as at 31 March 2025 are presented in the Additional Information to the Consolidated Quarterly Report of the PKP CARGO under restructuring Group for Q1 2025 in [Sections 2.1](#) and [2.3](#), respectively.

Information about the Group

The Group's core business is rail freight transport. In addition to rail freight transport services, the Group also provides additional services:

- intermodal services,
- freight forwarding (domestic and international),
- terminal services,
- siding and traction services,
- repairs and periodic inspections of rolling stock,
- land reclamation services.

As at the balance sheet date, the PKP CARGO under restructuring Group consisted of PKP CARGO S.A. under restructuring as its parent company and 20 subsidiaries. In addition, the Group held stakes in 2 associated entities and 1 joint venture.

The term of the activities of the individual Group companies is not limited, with the exception of PKP CARGOTABOR USŁUGI Sp. z o.o. in liquidation, which went into liquidation as of 25 April 2024. PKP CARGOTABOR USŁUGI Sp. z o.o. w likwidacji does not carry out any significant business activities.

1.1 Key information about the Group's business (cont'd)

Name	Type	Registered office	% of shares held	
			31 March 2025	31 December 2024
Centralny Terminal Multimodalny Sp. z o.o.	other subsidiary	Warsaw	100%	100%
PKP CARGO SERVICE Sp. z o.o.	subsidiary – consolidated by the full method	Katowice	100%	100%
PKP CARGO TERMINALE Sp. z o.o.	subsidiary – consolidated by the full method	Żurawica	100%	100%
PKP CARGOTABOR Sp. z o.o. under restructuring	subsidiary – consolidated by the full method	Warsaw	100%	100%
CARGOTOR Sp. z o.o.	subsidiary – consolidated by the full method	Warsaw	100%	100%
PKP CARGOTABOR USŁUGI Sp. z o.o. In liquidation	subsidiary – consolidated by the full method	Warsaw	100%	100%
PKP Linia Chełmska Szerokotorowa Sp. z o.o.	other subsidiary	Warsaw	100%	100%
ONECARGO CONNECT Sp. z o.o.	other subsidiary	Warsaw	100%	100%
COSCO Shipping Lines (POLAND) Sp. z o.o.	associate	Gdynia	20%	20%
PKP CARGO CONNECT Sp. z o.o.	subsidiary – consolidated by the full method	Warsaw	100%	100%
Transgaz S.A.	other subsidiary	Zalesie near Małaszewicze	64%	64%
Cargosped Terminal Braniewo Sp. z o.o.	subsidiary – consolidated by the full method	Braniewo	100%	100%
PKP CARGO CONNECT GmbH	other subsidiary	Hamburg	100%	100%
Terminale Przeładunkowe Sławków Medyka Sp. z o.o.	interests in joint ventures	Sławków	50%	50%
PKP CARGO INTERNATIONAL a.s.	subsidiary – consolidated by the full method	Ostrava	100%	100%
PKP CARGO INTERNATIONAL HU Zrt.	subsidiary – consolidated by the full method	Budapest	100%	100%
AWT ROSCO a.s.	subsidiary – consolidated by the full method	Ostrava	100%	100%
AWT CFT a.s.	subsidiary – consolidated by the full method	Ostrava	100%	100%
AWT Rekultivace a.s.	subsidiary – consolidated by the full method	Petřvald	100%	100%
DEPOS Horní Suchá a.s.	associate	Horní Suchá	20.6%	20.6%
PKP CARGO INTERNATIONAL SK a.s. ¹⁾	other subsidiary	Bratislava	100%	100%
AWT DLT s.r.o.	other subsidiary	Kladno	100%	100%
PKP CARGO INTERNATIONAL SI d.o.o.	other subsidiary	Grčarevec	80%	80%

¹⁾ Effective as of 5 April 2025, the legal form of PKP CARGO INTERNATIONAL SK a.s., previously operating as a joint stock company, changed to a limited company operating under the name of PKP CARGO INTERNATIONAL SK s.r.o.

Other subsidiaries are not consolidated by the full method due to the materiality criterion adopted by the Group. The companies are valued using the equity method, which is presented in [Note 5.3](#) to these Quarterly Condensed Consolidated Financial Statements or presented as other assets.

1.2 Basis for preparation of the Quarterly Condensed Consolidated Financial Statements

These Quarterly Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard No. 34 Interim Financial Reporting as endorsed by the European Union.

These Quarterly Condensed Consolidated Financial Statements should be read together with the audited Consolidated Financial Statements of the PKP CARGO under restructuring Group for the year ended 31 December 2024 prepared according to EU IFRS. The accounting policy used to prepare these Quarterly Condensed Consolidated Financial Statements is consistent with the one used to prepare the Consolidated Financial Statements for the for the financial year ended 31 December 2024.

These Quarterly Condensed Consolidated Financial Statements have been prepared in accordance with the historic cost principle, except for derivatives measured at fair value and investments in equity instruments.

Within the year, the Group's business does not show any material seasonal or cyclical trends.

These Quarterly Condensed Consolidated Financial Statements consist of the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and selected notes.

These Quarterly Condensed Consolidated Financial Statements have been prepared in Polish zloty (PLN). The data in the financial statements are presented in millions of PLN.

Transactions in foreign currencies are translated to the functional currency at the exchange rate from the date of the transaction or measurement when the items are restated. As at the balance sheet date, cash assets and liabilities denominated in foreign currencies are restated according to the average NBP exchange rate binding on that date. Foreign exchange gains and losses obtained as a result of settlements of those transactions and balance sheet valuation of assets and liabilities denominated in foreign currencies are recorded in the result, provided they are not deferred in other comprehensive income when they are eligible for recognition as security for cash flows. Non-cash items carried at historical cost expressed in a foreign currency are translated using the exchange rate from the transaction date.

The financial data of foreign entities have been translated into the Polish currency for consolidation purposes in the following manner:

- a) assets and liabilities items at the exchange rate at the end of the reporting period,
- b) items of the statement of profit or loss and other comprehensive income and of the statement of cash flows at the average exchange rate in the reporting period calculated as the arithmetic mean of the exchange rates prevailing on the last day of each month in a given period.

FX differences from the above translations are presented in the equity as FX differences from translation of financial statements of foreign operations.

In these Quarterly Condensed Consolidated Financial Statements, for the needs of valuation of the financial statements of foreign operations subject to consolidation, the following exchange rates were applied by the Group:

Currency	Items of the statement of financial position		Items of the statement of profit or loss and other comprehensive income and the cash flow statement	
	31 March 2025	31 December 2024	3 months ended 31 March 2025	3 months ended 31 March 2024
EUR	4.1839	4.2730	4.1848	4.3211
CZK	0.1677	0.1699	0.1671	0.1719

These Quarterly Condensed Consolidated Financial Statements have not been audited by a statutory auditor. The line items of the consolidated statement of financial position as at 31 December 2024 were audited by a statutory auditor during the audit of the Consolidated Financial Statements of the PKP CARGO under restructuring Group for the year ended 31 December 2024 prepared according to EU IFRS.

These Quarterly Condensed Consolidated Financial Statements were approved for publication by the Administrator of PKP CARGO S.A. under restructuring on 30 May 2025.

1.3 Going concern basis

Going concern risk of the Parent Company

These Quarterly Condensed Consolidated Financial Statements for the period of 3 months ended 31 March 2025 have been prepared based on the going concern assumption and accordingly do not include adjustments for differences in the measurement and classification of assets and liabilities that would be required if the Group's going concern assumption proved to be invalid.

In 2024, demand for the Parent Company's services decreased significantly, which affected financial position and liquidity of the Parent Company and PKP CARGO under restructuring Group and its ability to pay its current liabilities. The deterioration of the Parent Company's position was caused by:

- activities of the Parent Company in 2022-2023 focused on moving coal from seaports to energy industry customers, which limited its ability to compete in the most profitable freight categories and resulted in the loss of some customers;
- impacts of the ongoing war in Ukraine and the energy crisis in Europe (including increased energy prices), which had a significant impact on businesses and results in relatively low freight volumes;
- high inflation that persisted in 2023 caused an increase in prices for purchased commodities, materials and services, while putting strong upward pressure on raising employee wages;
- expansionary investment policy, mainly for rolling stock.

The deterioration of the financial standing led to the violation of the covenants specified in the loan agreements concluded by the Parent Company.

As the Parent Company's Management Board identified and analyzed the above risks, on 27 June 2024 it decided to file a petition with the court to open the remedial proceedings. On 25 July 2024, the Parent Company received from the District Court for the City of Warsaw in Warsaw a "Notice of Decision to Open Restructuring Proceedings". In the opinion of the Parent Company's Management Board, the purpose of opening the restructuring proceedings is to improve the Group's financial and liquidity position.

The following key actions were carried out as part of the Parent Company's restructuring proceedings up to the date of publication of these Quarterly Condensed Consolidated Financial Statements:

- on 7 November 2024, the creditor board was established in the Parent Company's remedial proceedings.
- on 28 February 2025, the Parent Company's Administrator presented a list of creditors to the District Court for the City of Warsaw.
- due to the systemic limitations of the National Register of Debtors, the list of assets is submitted by the Administrator of the Parent Company gradually, in parts.

As at the date of preparation of these Quarterly Condensed Consolidated Financial Statements, the Parent Company is in the process of preparing a Restructuring Plan. On 28 February 2025, the Administrator of the Company's remedial estate obtained the approval of the Commissioner Judge to extend the deadline for submitting the Restructuring Plan until 30 June 2025.

The restructuring actions undertaken so far were focused on the following areas:

- workforce reduction through mass layoffs,
- termination of some of the leases for assets that are not essential to the business activity,
- identification of the assets that are not intended for further use,
- reduction of capital expenditures and alignment with transportation needs,
- reorganization of the organizational structure of the Parent Company and the Group,
- withdrawing from contracts that generate unnecessary costs.

During the preparation phase of the restructuring plan, work is underway on:

- improving operational efficiency through reorganization and automation of operational processes, while maintaining cost discipline,
- implementing a new sales strategy that allows the terms of cooperation with customers to be adapted to current market needs, which would enable flexible response to the changing business environment and improve customer satisfaction,
- concentrating resources and adapting processes to growth in promising market segments, such as specialized and intermodal transport, while reducing activity and divesting in declining or low-margin areas,
- introducing mechanisms to enable investments in new technologies and rolling stock,
- implementing a remuneration system that is based on contribution to the results and value creation of the Parent Company and its Group,
- adjusting rolling stock resources to demand by optimizing their use and divesting unnecessary assets,
- improving the efficiency of real estate management, which includes disposal of unnecessary properties.

According to the Parent Company's Management Board, all of the above activities are aimed at optimizing the cost structure, increasing operational efficiency, improving the quality of services and increasing competitiveness on the market, which will allow the Company to obtain new orders, increase revenues and improve the liquidity position of the Parent Company.

1.3 Going concern basis (cont'd)

The assumption adopted as at 31 March 2025 that the Group would continue as a going concern for at least 12 months, is based on current financial projections.

The Parent Company conducts a cyclical ongoing analysis and review in terms of execution and forecasting of monthly cash flows for a 12-month period. Scenario analysis takes into account the cash flow from the Parent Company's operating activities, as well as the cash flow from the divestment of non-current assets that can be sold without an adverse effect on the Parent Company's operations.

Analyses and projections of the Parent Company's cash flows are prepared and updated both in view of the ongoing financial reporting process and in view of the parallel process of preparing a restructuring plan, which should be prepared and submitted by 30 June 2025 as part of the ongoing remedial proceedings against the Company. As part of the above cash flow projections, the Parent Company utilizes both its own resources and the services of an external financial advisor employed in connection with the pending remedial proceedings and the preparation of the restructuring plan and composition proposals. The projections are updated on an ongoing basis in specified intervals using a liquidity model built and approved by an external financial advisor.

Current cash flow projections indicate that the Parent Company will have sufficient funds generated from current operations to cover current liabilities (without the liabilities included in the composition) maturing in the next 12 months without the need for additional external liquidity financing sources (due to the pending remedial proceedings, the Parent Company's capacity to raise such external financing is limited). At the same time, if actual cash flows fall short of current projections, the steps the Parent Company has taken to prepare for the fixed asset divestment process should give it the capacity to cover the resulting financial shortfall.

At the same time, the Parent Company is taking a number of steps related to the divestment of non-current assets, including the identification of assets that could be sold within the next 12 months. At this stage, the Parent Company's Management Board has made a number of decisions to designate certain non-current assets for divestment, however the full list of such divestments (and the related decisions of the Parent Company's corporate bodies) will be confirmed only at the stage of completion of work on the Parent Company's ultimate restructuring plan.

The above cash flow projections are based on the assumption that the remedial proceedings currently pending against the Parent Company will not be legally concluded within 12 months after the end of the relevant reporting period. The Parent Company believes this assumption reasonable, based on publicly available data on the typical duration of restructuring proceedings from the date of initiation to final legal completion.

At the same time, the Parent Company assumes that if the remedial proceedings are legally concluded, this will result from the adoption of a composition agreement with the Parent Company's creditors on terms aligned with its currently assumed and projected financial capacity. However, the Parent Company emphasizes that it is extremely difficult to assess the likelihood of this assumption at the current stage. This is because it depends not only on the final form of the restructuring plan currently being prepared, but also on the intentions and willingness of the Parent Company's creditors (both at the creditors' meeting and within the creditors' board in the remedial proceedings) to accept the proposed restructuring plan and composition proposals. In the Parent Company's opinion, based on an assessment of its current financial and asset position, creditor satisfaction under the remedial proceedings (on the terms of the accepted composition) should be greater than in a bankruptcy scenario. Therefore, the Parent Company believes that the assumption that the composition will be adopted on terms consistent with the Parent Company's current financial projections is reasonable – however it cannot be deemed probable to a greater extent at this early stage of the ongoing remedial proceedings.

The Parent Company emphasizes that, under either of the above scenarios, it assumes that its liabilities subject to the remedial proceedings will not be repaid in full – or in substantial part – within the next 12 months.

The Parent Company believes that deferring the repayment of liabilities incurred before the commencement of the restructuring proceedings, combined with the actions it has taken, will allow it to maintain liquidity at a level sufficient to pay its current liabilities for at least the next 12 months from the balance sheet date, thereby minimizing the risk to its going concern status.

On 20 May 2025, the Management Board of the Parent Company adopted a resolution to submit a motion to the Ordinary Shareholder Meeting of PKP CARGO S.A. under restructuring to adopt a resolution on the continuation of the company under the business name of „PKP CARGO S.A. w restrukturyzacji”.

Going concern risk of the subsidiary PKP CARGOTABOR Sp. z o.o. under restructuring

The deterioration of the financial and liquidity position of the Parent Company has had a significant impact on the operations of its subsidiary, PKP CARGOTABOR Sp. z o.o. (hereinafter referred to as “PKP CARGOTABOR”). Due to the strong business ties between the Parent Company and PKP CARGOTABOR, the significant reduction in capital expenditures by the Parent Company since Q2 2024 surpassed PKP CARGOTABOR's ability to adapt the scale of its operations to the Parent Company's current needs, which caused a deterioration of PKP CARGOTABOR's liquidity position. On 26 July 2024, the Management Board of PKP CARGOTABOR filed a petition with the court to open remedial proceedings and a petition to open bankruptcy proceedings.

1.3 Going concern basis (cont'd)

In a letter to the court dated 28 August 2024, the Management Board of PKP CARGOTABOR upheld its petition to open remedial proceedings. On 2 September 2024, the subsidiary received a "Notice of Decision to Open Restructuring Proceedings" from the District Court for the City of Warsaw in Warsaw.

On 6 December 2024, the Administrator of PKP CARGOTABOR presented the list of assets and the list of creditors' claims to the District Court for the City of Warsaw. On 14 March 2025, the subsidiary PKP CARGOTABOR filed a restructuring plan with the District Court for the City of Warsaw.

The Restructuring Plan of PKP CARGOTABOR provides for the implementation of restructuring measures aimed to restore its profitability and the capacity to repay its debts. The indicated measures include both the scenario of continuing operations and a possible sale of assets, with the final path of restructuring depending on the further course of the process, including the results of negotiations with a potential investor.

The ongoing concern strategy of PKP CARGOTABOR assumes as follows:

- a) limiting operations to 12 rolling stock repair sections,
- b) selling property not essential to core operations,
- c) diversifying revenue sources of PKP CARGOTABOR by expanding the range of services offered and increasing the customer base.

The plan identifies two main groups of restructuring measures:

1. Strategic measures, which include two potential restructuring scenarios:
 - a) continuing operations while implementing optimization measures and generating funds to repay liabilities from operating profits over the coming years.
 - b) acquiring an investor and increasing share capital, or selling the enterprise or an organized part of the enterprise, if such a solution proves more economically viable and aligned with creditors' interests.
2. Supporting measures, including:
 - a) selling off sections and units with low profitability,
 - b) reducing headcount,
 - c) leasing or selling selected assets,
 - d) streamlining the management structure,
 - e) renegotiating contract terms, diversifying revenue sources, and aligning staff competencies with market needs,
 - f) securing support from the Guaranteed Employee Benefits Fund obtaining a VAT refund, and concluding a composition agreement with creditors.

In the period of 3 months ended 31 March 2025, PKP CARGOTABOR received cash from the Guaranteed Employee Benefits Fund in the amount of PLN 10.2 million in order to finance part of the unpaid employee benefits in accordance with the provisions of the Act of 13 July 2006 on the protection of employees' claims in the event of the employer's insolvency.

The creditors' meeting to vote on the composition agreement is expected to take place in Q1 2026.

In the opinion of the Parent Company's Management Board, all restructuring activities are aimed at reducing existing risks and improving the earnings and liquidity position of the Parent Company and PKP CARGOTABOR, as well as ensuring the operational continuity of both companies.

1.4 Liquidity position of the Group and liquidity risk management

The opening of the restructuring proceedings has protected the Parent Company from the possibility of terminating major contracts with customers, suppliers and financial institutions, and all liabilities incurred before the opening date of the restructuring proceedings on the terms and conditions set forth in the restructuring law, will be covered by the composition. The Parent Company expects these liabilities to be repaid in future periods under a composition agreement with creditors in accordance with the principles of the Restructuring Law.

Liabilities incurred after the start of the restructuring proceedings are paid by the Parent Company on an ongoing basis, with the exception of a portion of amounts due to employees and liabilities that the Parent Company considers to be in dispute. Due to the difficult financial situation of PKP CARGO S.A. under restructuring, the Management Board of the Parent Company has decided not to pay part of employee benefits, such as retirement severance pays and jubilee awards, when due.

1.4 Liquidity position of the Group and liquidity risk management (cont'd)

Below we present the liabilities of the Parent Company and PKP CARGOTABOR that arose before the opening dates of the relevant restructuring proceedings under the lists of creditors' claims of both companies presented to the Court, also including the creditors' claims against the companies covered by these Quarterly Condensed Consolidated Financial Statements, which are eliminated as part of consolidation adjustments.

Creditors' claims against the Parent Company and PKP CARGOTABOR included in the composition

	Parent Company	PKP CARGOTABOR	Total before consolidation adjustments	Consolidation adjustments	Total after consolidation adjustments
Debt liabilities	1,344.7	42.9	1,387.6	-	1,387.6
Trade payables and investment commitments	1,142.7	102.3	1,245.0	(197.5)	1,047.5
Other financial liabilities	111.0	-	111.0	(96.7)	14.3
Other liabilities	303.1	47.6	350.7	(0.2)	350.5
Bank guarantees and sureties	24.6	50.0	74.6	(50.0)	24.6
Total	2,926.1	242.8	3,168.9	(344.4)	2,824.5

The maturities of the Group's financial liabilities are presented below. The data as at 31 March 2025 do not include liabilities incurred before the commencement of the restructuring proceedings, as these are subject to the composition and cannot be repaid until the court approves the composition with creditors pursuant to Article 252 of the Restructuring Law. The financial liabilities presented below do not include liabilities arising from cash received from the Guaranteed Employee Benefits Fund, because the Group is currently determining the rules for their settlement.

Maturity of the Group's financial liabilities as at the balance sheet date by maturity date based on contractual undiscounted payments (together with interest payable in the future):

31 March 2025	Contractual maturities from the end of the reporting period				Total (no discount)	Carrying amount
	Below 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years		
Debt liabilities	100.6	223.8	952.3	425.9	1,702.6	1,396.7
Trade payables	238.3	1.6	1.9	0.3	242.1	242.1
Investment commitments	23.2	-	-	-	23.2	23.2
Total	362.1	225.4	954.2	426.2	1,967.9	1,662.0

31 December 2024	Contractual maturities from the end of the reporting period				Total (no discount)	Carrying amount
	Below 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years		
Debt liabilities	99.3	220.6	960.2	465.0	1,745.1	1426.2
Trade payables	261.6	1.3	1.9	0.2	265.0	265.0
Investment commitments	16.9	-	-	-	16.9	16.9
Total	377.8	221.9	962.1	465.2	2,027.0	1,708.1

Age structure of trade payables and investment commitments

	31 March 2025			31 December 2024		
	Trade payables	Investment commitments	Total	Trade payables	Investment commitments	Total
Not past due	230.3	23.1	253.4	250.7	16.8	267.5
Past due						
up to 30 days	6.4	0.1	6.5	6.3	0.1	6.4
31 - 90 days	2.2	-	2.2	2.8	-	2.8
91 - 180 days	1.6	-	1.6	2.7	-	2.7
181 - 365 days	0.8	-	0.8	1.8	-	1.8
over 365 days	0.8	-	0.8	0.7	-	0.7
Total	242.1	23.2	265.3	265.0	16.9	281.9

1.4 Liquidity position of the Group and liquidity risk management (cont'd)

Age analysis of trade receivables

	31 March 2025			31 December 2024		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
Not past due	454.0	-	454.0	492.0	(1.0)	491.0
Past due						
up to 30 days	16.1	(0.7)	15.4	34.5	(1.3)	33.2
31 - 90 days	8.5	(2.3)	6.2	17.0	(3.4)	13.6
91 - 180 days	16.0	(5.2)	10.8	13.9	(2.5)	11.4
181 - 365 days	11.1	(1.2)	9.9	4.8	(2.1)	2.7
over 365 days	136.7	(129.4)	7.3	137.6	(131.0)	6.6
Total	642.4	(138.8)	503.6	699.8	(141.3)	558.5

1.5 Material values based on professional judgment and estimates

In the period of 3 months ended 31 March 2025, no changes were made to the assumptions adopted by the Parent Company's Management Board for the calculation of estimates that would have a material impact on the current period or any future periods.

In connection with the impairment losses on the Group's non-current assets recognized as at 31 December 2024, the basis for calculating depreciation charges decreased. This caused a reduction of depreciation costs by approximately PLN 114 million in the 3-month period ended 31 March 2025.

1.6 Applied International Financial Reporting Standards platform

Standards and interpretations adopted by the IASB and EU which have entered into effect

When approving these Quarterly Condensed Consolidated Financial Statements, the Group applied the following amendments to the standards and interpretations issued by the International Accounting Standards Board for application by the EU:

Standard / Interpretation	Effective date
Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability	1 January 2025

The above standards and interpretations had no material impact on the Group's financial statements.

Standards and interpretations adopted by the IASB and not endorsed by the EU

IFRS as approved by the EU do not currently differ materially from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, their amendments and interpretations, which have not yet been approved by the EU and have not entered into effect. The Management Board of the Parent Company believes that the approval of the standards mentioned below by the EU will not result in any major changes to the Group's financial statements in the successive reporting periods, except for the changes arising from IFRS 18 "Presentation and Disclosure in Financial Statements". As at the date of approval of these Quarterly Condensed Consolidated Financial Statements, the Group was still analyzing the changes arising from IFRS 18 and therefore the impact of this standard on the Group's financial statements cannot be assessed.

Standard / Interpretation	Effective date
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRSs – vol. 11	1 January 2026
IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027
IFRS 19 "Subsidiaries without Public Accountability": Disclosure	1 January 2027

2. Notes to the statement of profit or loss and other comprehensive income

2.1 Revenues from contracts with customers

Structure of revenues from contracts with customers

The Group conducts its business within one segment only, i.e. domestic and international cargo freight and provision of comprehensive logistics services related to rail freight.

The Parent Company's Management Board does not evaluate the Group's performance and does not make decisions concerning allocation of resources to groups of services provided on account of being taken of the structure of revenues from contracts with customers, as presented below. Therefore, the specific service groups may not be treated as the Group's operating segments.

3 months ended 31 March 2025	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	0.2	238.8	490.0	729.0
Revenue from other transportation activity	-	-	26.9	26.9
Revenue from siding and traction services	2.5	46.3	38.1	86.9
Revenue from transshipment services	-	0.9	24.4	25.3
Revenue from reclamation services	1.7	-	13.8	15.5
Revenue from sales of goods and materials	-	-	7.3	7.3
Other revenues	2.7	3.1	31.2	37.0
Total	7.1	289.1	631.7	927.9
Revenue recognition date				
At a specific time	0.5	-	7.5	8.0
Over a period	6.6	289.1	624.2	919.9
Total	7.1	289.1	631.7	927.9

3 months ended 31 March 2024	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	1.3	309.9	645.1	956.3
Revenue from other transportation activity	-	-	24.6	24.6
Revenue from siding and traction services	3.9	46.7	41.1	91.7
Revenue from transshipment services	-	3.8	27.7	31.5
Revenue from reclamation services	0.3	-	8.3	8.6
Revenue from sales of goods and materials	-	-	27.6	27.6
Other revenues	5.8	3.0	31.6	40.4
Total	11.3	363.4	806.0	1,180.7
Revenue recognition date				
At a specific time	0.2	-	28.3	28.5
Over a period	11.1	363.4	777.7	1,152.2
Total	11.3	363.4	806.0	1,180.7

2.1 Revenues from contracts with customers (cont'd)

Geography

The Group defines the geographical territory of business as the location of the registered office of the service recipient, and not as the country of the service provision. Poland is the key geographic area of the Group's activity. Revenues from contracts with customers of the Group broken down by their country of incorporation are presented below:

	3 months ended 31 March 2025	3 months ended 31 March 2024
Poland	686.0	875.3
Czech Republic	114.6	109.1
Germany	48.2	73.5
Italy	14.2	20.1
Slovakia	9.5	14.0
Ukraine	8.3	19.6
Other countries	47.1	69.1
Total	927.9	1,180.7

Non-current assets net of financial instruments and deferred tax assets, by location

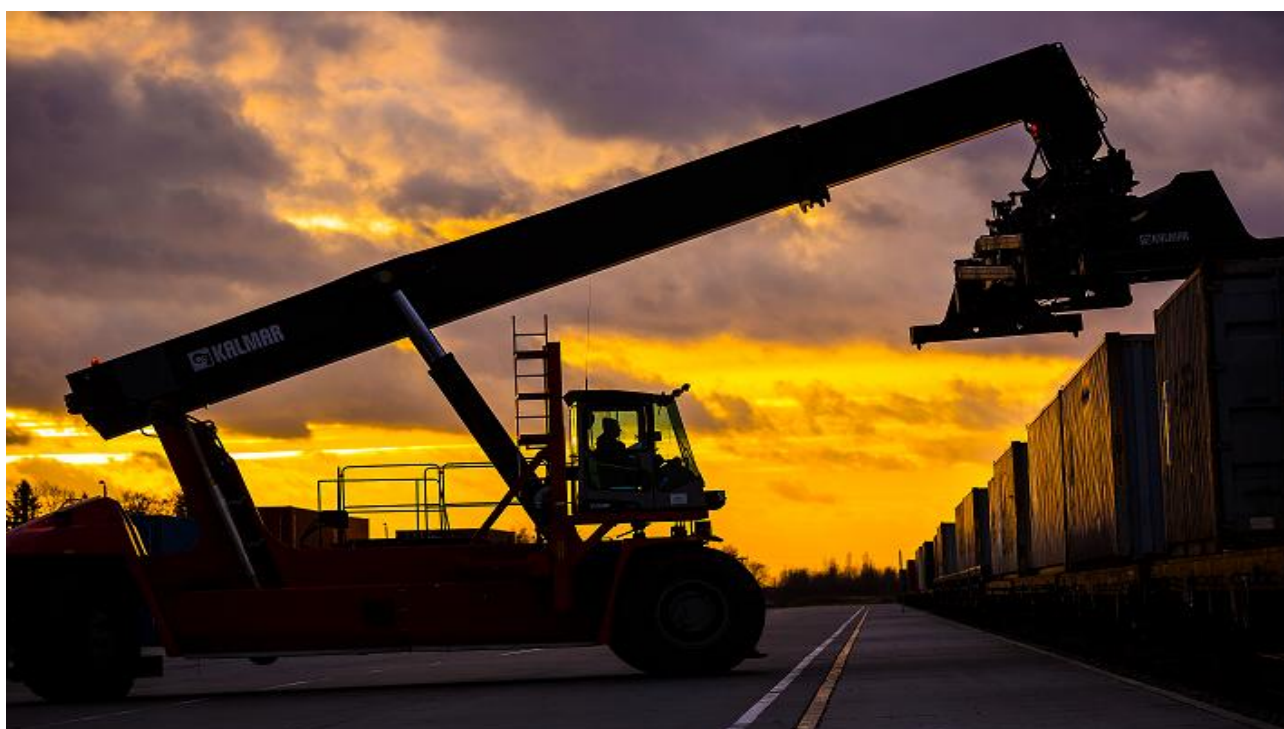
	31 March 2025	31 December 2024
Poland	3,720.4	3,704.0
Czech Republic	566.8	583.5
Other countries	7.6	11.2
Total	4,294.8	4,298.7

Information on key customers

In the period of 3 months ended 31 March 2025 and 31 March 2024, revenue from no single customer of the Group exceeded 10% of the total revenues from contracts with customers.

Assets from contracts with customers

	31 March 2025	31 March 2024
As at the beginning of the reporting period	19.2	35.7
Recognition of revenue before the sales document is issued	21.0	34.2
Reclassification to receivables	(18.2)	(34.9)
FX differences from valuation	(0.1)	(0.3)
As at the end of the reporting period	21.9	34.7



2.2 Operating expenses

Consumption of electricity and traction fuel

	3 months ended 31 March 2025	3 months ended 31 March 2024
Consumption of traction fuel	(22.6)	(30.5)
Consumption of traction energy	(114.0)	(134.9)
Total	(136.6)	(165.4)

Other services

	3 months ended 31 March 2025	3 months ended 31 March 2024
Renovation and maintenance services for non-current assets	(18.9)	(21.1)
Rent and fees for the use of property and rolling stock	(19.0)	(27.3)
Telecommunications services	(1.5)	(1.7)
Legal, consulting and similar services	(3.1)	(3.0)
IT services	(14.9)	(15.6)
Transshipment services	(4.7)	(6.5)
Land reclamation services	(9.0)	(6.0)
Shunting, traction and inspection services	(10.0)	(10.9)
Other services	(12.3)	(8.3)
Total	(93.4)	(100.4)

Employee benefits

	3 months ended 31 March 2025	3 months ended 31 March 2024
Remuneration	(306.3)	(389.3)
Social security costs	(64.3)	(80.9)
Expenses for contributions to the Company Social Benefits Fund	(8.9)	(10.8)
Other employee benefits during employment	(9.3)	(14.9)
Post-employment benefits	(2.1)	(5.3)
Movement in provisions for employee benefits	(18.5)	(20.1)
Total	(409.4)	(521.3)

Other expenses

	3 months ended 31 March 2025	3 months ended 31 March 2024
Consumption of non-traction fuel	(5.5)	(6.9)
Consumption of electricity, gas and water	(18.2)	(22.1)
Consumption of materials	(20.7)	(20.0)
Taxes and charges	(9.3)	(10.2)
Cost of goods and materials sold	(5.5)	(15.8)
Business trips	(7.1)	(8.5)
Other	(7.1)	(8.6)
Total	(73.4)	(92.1)

Depreciation, amortization and impairment losses

	3 months ended 31 March 2025	3 months ended 31 March 2024
Depreciation of rolling stock	(48.3)	(166.6)
Depreciation of other property, plant and equipment	(12.2)	(16.7)
Depreciation of right-of-use assets	(32.8)	(33.6)
Amortization of intangible assets	(1.9)	(2.2)
(Recognized) / reversed impairment losses:		
Other property, plant and equipment	-	(0.1)
Total	(95.2)	(219.2)

2.3 Other operating revenue (and expenses)

Other operating revenue (and expenses)

	3 months ended 31 March 2025	3 months ended 31 March 2024
Profit on sales of non-financial non-current assets	0.6	0.6
Reversed impairment losses for trade receivables	1.2	0.6
Penalties and compensations	4.3	2.5
Reversal of other provisions	3.6	0.5
Interest on trade and other receivables	0.9	1.0
Net result on foreign exchange differences on trade receivables and trade payables	-	0.8
Subsidies	0.8	1.4
Other	0.3	1.4
Total other operating revenue	11.7	8.8
Recognized impairment losses for trade receivables	(2.1)	(1.2)
Penalties and compensations	(2.2)	(3.3)
Costs of liquidation of non-current and current assets	(0.1)	(2.9)
Other provisions established	(1.1)	(0.8)
Interest on trade and other payables	(3.9)	(13.9)
Net result on foreign exchange differences on trade receivables and trade payables	(0.6)	-
Other	(1.4)	(1.2)
Total other operating expenses	(11.4)	(23.3)
Other operating revenue (and expenses)	0.3	(14.5)

2.4 Financial revenue (and expenses)

Financial revenue (and expenses)

	3 months ended 31 March 2025	3 months ended 31 March 2024
Interest income	4.2	1.4
Net result on foreign exchange differences	-	0.3
Total financial revenue	4.2	1.7
Interest expenses	(31.9)	(41.6)
Settlement of the discount on provisions for employee benefits	(7.0)	(7.7)
Net result on foreign exchange differences	(1.3)	-
Other	(0.1)	(0.4)
Total financial expenses	(40.3)	(49.7)
Financial revenue (and expenses)	(36.1)	(48.0)

3. Notes on taxation

3.1 Income tax

Income tax recognized in profit / loss

	3 months ended 31 March 2025	3 months ended 31 March 2024
Current income tax		
Current tax liability	(4.0)	(5.5)
Adjustments posted in the current year relating to tax from previous years	(0.4)	(0.7)
Deferred tax		
Deferred income tax of the reporting period	12.5	30.9
Income tax recognized in profit / loss	8.1	24.7

The corporate income tax rates in effect in the PKP CARGO under restructuring Group in the years 2024-2025 were: 19% in Poland, 21% in the Czech Republic and 9% in Hungary.

According to the legal provisions in effect, no differentiation of rates is expected in the future periods. Frequent differences of opinions as to legal interpretation of the tax regulations, both within the State bodies, and between the State bodies and enterprises, entail lack of certainty and give rise to conflicts. Therefore, the tax risk in Poland is much higher than usually observed in the countries with better developed tax systems. Tax returns may be subject to control for a period of five years, starting from the end of the year of the tax payment. As a result of such controls, the Group's tax settlements may be increased by additional tax liabilities.

Deferred income tax captured in other comprehensive income

	3 months ended 31 March 2025	3 months ended 31 March 2024
Deferred tax on the measurement of hedging instruments	(1.7)	(0.8)
Deferred tax on actuarial gains / (losses) on employee benefits	-	0.1
FX differences from translation of deferred tax balance recognized in other comprehensive income ¹⁾	1.0	3.3
Deferred income tax captured in other comprehensive income	(0.7)	2.6

¹⁾ This item is presented in equity as FX differences from translation of financial statements of foreign operations.

Balance of deferred tax assets and liabilities

Deferred tax assets and liabilities are offset at the level of the financial statements of each Group company. Accordingly, the following values are presented in these Quarterly Condensed Consolidated Financial Statements:

	31 March 2025	31 December 2024
Deferred tax assets	685.3	676.6
Deferred tax liabilities	(78.9)	(82.0)
Total	606.4	594.6

3.1 Income tax (cont'd)

Table of movements in deferred tax before the set-off

3 months ended 31 March 2025	1 January 2025	Recognized in profit or loss	Recognized in other comprehensive income	FX differences from translation of deferred tax balance	31 March 2025
Temporary differences relating to deferred tax (liabilities) / assets:					
Non-financial non-current assets	329.2	(14.1)	-	1.1	316.2
Right-of-use assets and lease liabilities	(5.1)	(4.4)	-	(0.1)	(9.6)
Other provisions and liabilities	66.7	1.1	-	-	67.8
Inventories	(5.2)	(0.1)	-	-	(5.3)
Lease receivables	(2.3)	-	-	-	(2.3)
Trade receivables	3.1	(1.0)	-	-	2.1
Provisions for employee benefits	114.2	0.3	-	-	114.5
Other	30.2	3.9	(1.7)	-	32.4
Unused tax losses	63.8	26.8	-	-	90.6
Total	594.6	12.5	(1.7)	1.0	606.4

3 months ended 31 March 2024	1 January 2024	Recognized in profit or loss	Recognized in other comprehensive income	FX differences from translation of deferred tax balance	31 March 2024
Temporary differences relating to deferred tax (liabilities) / assets:					
Non-financial non-current assets	(89.7)	2.0	-	3.1	(84.6)
Right-of-use assets and lease liabilities	(2.0)	(2.8)	-	0.2	(4.6)
Other provisions and liabilities	25.0	2.7	-	-	27.7
Inventories	(7.5)	1.0	-	-	(6.5)
Lease receivables	(1.9)	(0.2)	-	-	(2.1)
Trade receivables	(1.1)	(1.5)	-	-	(2.6)
Provisions for employee benefits	142.6	(1.0)	0.1	(0.1)	141.6
Other	8.4	15.8	(0.8)	0.1	23.5
Unused tax losses	24.5	14.9	-	-	39.4
Total	98.3	30.9	(0.7)	3.3	131.8

Maturity analysis of deferred tax assets from tax losses

Expiration dates of the tax losses to which deferred tax assets were applied as at 31 March 2025

Year	2027	2028	2029	2030	Total
Unused tax losses	5.7	167.8	232.6	70.9	477.0

Expiration dates of the tax losses to which deferred tax assets were applied as at 31 December 2024

Year	2027	2028	2029	2030	Total
Unused tax losses	5.7	167.8	162.1	-	335.6

Tax loss not captured in calculation of deferred tax assets

The amount of tax losses not included in the calculation of deferred tax asset results from tax losses generated by the following companies:

	31 March 2025	31 December 2024
PKP CARGO S.A. under restructuring	115.5	115.5
PKP CARGO TERMINALE Sp. z o.o.	18.5	11.3
AWT CFT a.s.	3.6	3.7
PKP CARGOTABOR USŁUGI Sp. z o.o. w likwidacji	3.6	3.6
PKP CARGO INTERNATIONAL HU Zrt.	0.1	0.1
Total	141.3	134.2

3.1 Income tax (cont'd)

The expiration dates of the tax losses to which deferred tax assets were not applied as at 31 March 2025 were as follows:

Year	2025	2026	2027	2028	2029	2030	Total
Unused tax losses	72.7	46.5	1.6	7.5	9.4	3.6	141.3
Borrowing costs	-	10.5	-	-	-	-	10.5

Expiration dates of the tax losses to which deferred tax assets were not applied as at 31 December 2024

Year	2025	2026	2027	2028	2029	Total
Unused tax losses	72.7	46.5	1.6	7.5	5.9	134.2
Borrowing costs	-	10.5	-	-	-	10.5

4. Notes on debt

4.1 Reconciliation of debt liabilities

The Group's debt liabilities consist of the following two main categories: bank loans and leases. Loan agreements were signed mainly to finance current activity, finance and refinance the investment plan and acquisitions. Liabilities contracted under the signed loan agreements are repaid in PLN and EUR.

Lease agreements are signed in PLN, CZK and EUR and pertain mainly to property and rolling stock.

In its debt liabilities line item, the Group also presents the funds received from the Guaranteed Employee Benefits Fund designated for the payment of severance pays and other benefits for employees affected by mass layoffs.

The Parent Company has a registered pledge on wagons securing the repayment of liabilities under a bank loan with an outstanding liabilities of PLN 77.0 million as at 31 March 2025. Liabilities under this loan are repaid on a regular basis. Liabilities under the remaining bank loans concluded by the Parent Company and PKP CARGOTABOR are not secured on assets and cannot be currently repaid by the Company, as they are included in the composition.

Items in foreign currencies

31 March 2025	In functional currency PLN	In foreign currency			Total
		EUR	CZK	HUF	
Bank loans and borrowings	935.9	437.9	-	-	1,373.8
Liabilities under funds received from the Guaranteed Employee Benefits Fund	83.9	-	-	-	83.9
Leases	1,302.0	35.5	20.3	0.3	1,358.1
Total	2,321.8	473.4	20.3	0.3	2,815.8

31 December 2024	In functional currency PLN	In foreign currency			Total
		EUR	CZK	HUF	
Bank loans and borrowings	934.6	446.0	-	-	1,380.6
Liabilities under funds received from the Guaranteed Employee Benefits Fund	71.8	-	-	-	71.8
Leases	1,319.2	38.2	22.5	0.3	1,380.2
Total	2,325.6	484.2	22.5	0.3	2,832.6

4.1 Reconciliation of debt liabilities (cont'd)

Reconciliation of debt liabilities

3 months ended 31 March 2025	Bank loans and borrowings	Liabilities under funds received from the Guaranteed Employee Benefits Fund	Leases	Total
1 January 2025	1,380.6	71.8	1,380.2	2,832.6
New liabilities contracted	-	10.2	-	10.2
Modifications of existing agreements	-	-	26.4	26.4
Accrual of interest	11.0	2.0	18.9	31.9
Payments under debt, including:				
Repayments of the principal	(7.2)	(0.1)	(46.7)	(54.0)
Interest paid	(1.5)	-	(18.4)	(19.9)
Set off	-	-	(1.0)	(1.0)
FX differences recognized in profit or loss and other comprehensive income	(8.8)	-	(0.6)	(9.4)
FX translation differences	(0.3)	-	(0.7)	(1.0)
31 March 2025	1,373.8	83.9	1,358.1	2,815.8
Non-current	625.3	-	1,086.7	1,712.0
Current	748.5	83.9	271.4	1,103.8
Total	1,373.8	83.9	1,358.1	2,815.8

3 months ended 31 March 2024	Bank loans and borrowings	Leases	Total
1 January 2024	1,480.3	1,413.5	2,893.8
New liabilities contracted	29.6	58.1	87.7
Modifications of existing agreements	-	56.0	56.0
Sale and leaseback	-	6.2	6.2
Transaction costs	0.3	-	0.3
Accrual of interest	20.3	21.1	41.4
Payments under debt, including:			
Repayments of the principal	(104.3)	(41.6)	(145.9)
Interest paid	(21.4)	(16.4)	(37.8)
Transaction costs	(0.3)	-	(0.3)
Other	-	(0.1)	(0.1)
FX differences recognized in profit or loss and other comprehensive income	(5.0)	(0.5)	(5.5)
FX translation differences	(0.3)	(0.1)	(0.4)
31 March 2024	1,399.2	1,496.2	2,895.4
Non-current	825.8	1,269.8	2,095.6
Current	573.4	226.4	799.8
Total	1,399.2	1,496.2	2,895.4

Other amounts under leases recognized in the statement of profit or loss and other comprehensive income:

	Presentation in the statement of profit or loss and other comprehensive income	31 March 2025	31 March 2024
Revenues from operating leases	Revenues from contracts with customers	11.4	15.7
Costs of short-term leases	Other services	(10.5)	(11.0)

Terms and conditions of loan agreements

Contracts signed with banks impose legal and financial obligations on the Group that are standard in such transactions. The key ratios measured in such obligations set forth in loan agreements signed by the Group include: the Net Debt/EBITDA ratio and the total debt ratio.

The above ratios are calculated on the basis of data contained in both the Consolidated Financial Statements of the PKP CARGO under restructuring Group and the PKP CARGO INTERNATIONAL Group.

4.1 Reconciliation of debt liabilities (cont'd)

According to the provisions of the agreements signed by the Group, compliance with the terms and conditions of loan agreements is reviewed on a quarterly basis, on a semi-annual basis and at the end of each financial year.

The Net Debt/EBITDA is the level of financial debt less cash to the generated EBITDA and is calculated excluding the impact of IFRS 16. The maximum permitted level of the Net Debt/EBITDA ratio, depending on the contract, is set within the range of 2.25-4.5. For selected agreements, there is also an obligation to satisfy the Net Debt/EBITDA ratio and total debt ratio calculated on the basis of forecast figures.

The total debt ratio is defined in loan agreements as the ratio of total liabilities (excluding the impact of IFRS 16) to total balance sheet amount (excluding the impact of IFRS 16) and its level cannot exceed 60%.

As at 31 March 2025, the covenants in the Parent Company's loan agreements were not satisfied. As a result of the opening of remedial proceedings against PKP CARGO S.A. under restructuring on 25 July 2024, the failure to meet these financial covenants does not result in the termination of the relevant loan agreements.

Unused credit and lease facilities

Type of loan	Bank Name	Period of availability	Contract currency	31 March 2025	31 December 2024
Overdraft	ING Bank N.V.	22 November 2028	EUR	12.6	12.8
Total				12.6	12.8

4.2 Equity

Share capital

	31 March 2025	31 December 2024
The share capital consists of:		
Ordinary shares – fully paid up and registered	2,239.3	2,239.3

As at 31 March 2025 and as at 31 December 2024, the share capital consisted of ordinary shares with a par value of PLN 50 each. Fully paid up ordinary shares with a par value of PLN 50 are equivalent to one vote at the shareholder meeting and carry the right to a dividend.

PKP S.A. is the parent company of PKP CARGO S.A. under restructuring. Pursuant to articles of association of the Parent Company, PKP S.A. holds special personal rights to appoint and dismiss Supervisory Board Members of the Parent Company in a number equal to half the composition of the Supervisory Board plus one. PKP S.A. has a personal right to appoint the Supervisory Board Chairperson and to determine the number of Supervisory Board Members. Additionally, in the event that PKP S.A.'s share in the Company's share capital is 50% or less, PKP S.A. will have an exclusive personal right to propose candidates for the President of the Parent Company's Management Board. The personal rights of PKP S.A. shall be vested always when PKP S.A. holds at least 25% of the Parent Company's share capital.

In the period of 3 months ended 31 March 2025 and 31 March 2024, there were no movements in the share capital and supplementary capital of the Parent Company.

4.3 Cash and cash equivalents

Structure of cash and cash equivalents

	31 March 2025	31 December 2024
Cash on hand and on bank accounts	120.9	151.9
Bank deposits up to 3 months	435.5	433.7
Other cash	-	3.5
Total	556.4	589.1
<i>including restricted cash</i>	<i>27.2</i>	<i>29.4</i>

Restricted cash included mostly cash accumulated on VAT accounts and bank accounts kept for tender deposits and guarantees.

5. Notes to the statement of financial position

5.1 Rolling stock and other property, plant and equipment

Movement in rolling stock and other property, plant and equipment

3 months ended 31 March 2025	Rolling stock	Other property, plant and equipment					Total
		Property	Technical machinery & equipment	Means of transport	Other fixed assets	Fixed assets under construction	
<i>Gross value</i>							
1 January 2025	7,929.0	1,044.1	499.3	122.4	47.1	92.0	1,804.9
<i>Increases / (decreases):</i>							
Periodic repairs of rolling stock	-	-	-	-	-	66.4	66.4
Other acquisitions	-	-	-	-	-	8.6	8.6
Settlement of fixed assets under construction	71.4	0.1	0.3	-	-	(71.8)	(71.4)
Sales	-	-	(0.1)	(0.5)	-	-	(0.6)
Liquidation	(36.9)	(0.2)	(0.6)	-	-	-	(0.8)
FX translation differences	(10.7)	(2.3)	(0.7)	(0.6)	-	(0.2)	(3.8)
31 March 2025	7,952.8	1,041.7	498.2	121.3	47.1	95.0	1,803.3
<i>Accumulated depreciation</i>							
1 January 2025	(3,608.1)	(412.5)	(407.3)	(100.1)	(41.8)	-	(961.7)
<i>(Increases) / decreases:</i>							
Depreciation expenses	(48.3)	(7.0)	(3.8)	(1.3)	(0.1)	-	(12.2)
Sales	-	-	0.1	0.5	-	-	0.6
Liquidation	36.8	0.1	0.6	-	-	-	0.7
FX translation differences	4.2	0.8	0.4	0.5	-	-	1.7
Other	-	0.4	1.0	0.1	0.1	-	1.6
31 March 2025	(3,615.4)	(418.2)	(409.0)	(100.3)	(41.8)	-	(969.3)
<i>Accumulated impairment</i>							
1 January 2025	(2,182.1)	(58.5)	(41.6)	(3.7)	(3.6)	(2.3)	(109.7)
<i>(Increases) / decreases:</i>							
Other	-	10.0	(0.7)	-	-	(4.7)	4.6
FX translation differences	2.0	-	-	-	-	-	-
31 March 2025	(2,180.1)	(48.5)	(42.3)	(3.7)	(3.6)	(7.0)	(105.1)
<i>Net value</i>							
1 January 2025	2,138.8	573.1	50.4	18.6	1.7	89.7	733.5
31 March 2025	2,157.3	575.0	46.9	17.3	1.7	88.0	728.9

5.1 Rolling stock and other property, plant and equipment (cont'd)

3 months ended 31 March 2024	Rolling stock	Other property, plant and equipment					Total
		Property	Technical machinery & equipment	Means of transport	Other fixed assets	Fixed assets under construction	
<i>Gross value</i>							
1 January 2024	7,777.0	1,056.8	504.4	105.8	49.0	66.1	1,782.1
<i>Increases / (decreases):</i>							
Periodic repairs of rolling stock	-	-	-	-	-	203.4	203.4
Other acquisitions	-	-	-	-	-	4.9	4.9
Purchase of leased items	-	-	-	0.8	-	-	0.8
Settlement of fixed assets under construction	200.1	5.9	6.8	2.7	0.7	(216.2)	(200.1)
Subsidy for non-current assets	(10.5)	-	-	-	-	-	-
Sales	(2.6)	-	(6.4)	(0.8)	-	-	(7.2)
Liquidation	(92.7)	-	(2.5)	-	(0.5)	(0.1)	(3.1)
FX translation differences	(28.0)	(6.0)	(1.7)	(1.6)	(0.1)	(0.4)	(9.8)
31 March 2024	7,843.3	1,056.7	500.6	106.9	49.1	57.7	1,771.0
<i>Accumulated depreciation</i>							
1 January 2024	(3,169.6)	(390.0)	(399.3)	(88.3)	(42.7)	-	(920.3)
<i>(Increases) / decreases:</i>							
Depreciation expenses	(166.6)	(8.3)	(6.6)	(1.2)	(0.6)	-	(16.7)
Purchase of leased items	-	-	-	(0.3)	-	-	(0.3)
Sales	2.1	-	0.1	0.8	-	-	0.9
Liquidation	92.6	-	1.5	-	0.4	-	1.9
FX translation differences	11.6	2.0	1.2	1.2	0.1	-	4.5
Other	-	(0.1)	(0.5)	(0.1)	(0.1)	-	(0.8)
31 March 2024	(3,229.9)	(396.4)	(403.6)	(87.9)	(42.9)	-	(930.8)
<i>Accumulated impairment</i>							
1 January 2024	(167.1)	(0.8)	(1.7)	-	-	(1.6)	(4.1)
<i>(Increases) / decreases:</i>							
Impairment loss allowance recognized	-	-	(0.1)	-	-	-	(0.1)
Impairment loss allowance utilized	-	-	0.1	-	-	-	0.1
FX translation differences	1.5	-	0.1	-	-	-	0.1
31 March 2024	(165.6)	(0.8)	(1.6)	-	-	(1.6)	(4.0)
<i>Net value</i>							
1 January 2024	4,440.3	666.0	103.4	17.5	6.3	64.5	857.7
31 March 2024	4,447.8	659.5	95.4	19.0	6.2	56.1	836.2

5.2 Right-of-use assets

Movement in right-of-use assets

3 months ended 31 March 2025	Rolling stock	Property	Technical machinery & equipment	Means of transport	Other fixed assets	Total
Gross value						
1 January 2025	814.3	909.3	67.9	24.1	2.3	1,817.9
<i>Increases / (decreases):</i>						
Modifications of agreements	-	22.1	4.3	-	-	26.4
Periodic repairs of rolling stock	0.2	-	-	-	-	0.2
Return of leased items	-	(0.7)	-	(0.2)	-	(0.9)
Other	-	(0.2)	-	-	-	(0.2)
FX translation differences	(0.2)	(0.4)	(0.2)	(0.1)	-	(0.9)
31 March 2025	814.3	930.1	72.0	23.8	2.3	1,842.5
Accumulated depreciation						
1 January 2025	(84.5)	(319.5)	(20.1)	(9.5)	(1.9)	(435.5)
<i>(Increases) / decreases:</i>						
Depreciation expenses	(11.1)	(18.4)	(2.3)	(0.9)	(0.1)	(32.8)
Return of leased items	-	0.7	-	0.2	-	0.9
FX translation differences	-	0.1	0.1	-	-	0.2
31 March 2025	(95.6)	(337.1)	(22.3)	(10.2)	(2.0)	(467.2)
Accumulated impairment						
1 January 2025	-	(11.1)	-	-	-	(11.1)
<i>(Increases) / decreases:</i>						
Other	-	(4.6)	-	-	-	(4.6)
31 March 2025	-	(15.7)	-	-	-	(15.7)
Net value						
1 January 2025	729.8	578.7	47.8	14.6	0.4	1,371.3
31 March 2025	718.7	577.3	49.7	13.6	0.3	1,359.6

3 months ended 31 March 2024	Rolling stock	Property	Technical machinery & equipment	Means of transport	Other fixed assets	Total
Gross value						
1 January 2024	847.0	926.4	72.2	31.3	2.0	1,878.9
<i>Increases / (decreases):</i>						
New leases	50.7	5.1	0.5	1.8	-	58.1
Modifications of agreements	0.1	55.4	0.4	0.1	-	56.0
Sale and leaseback	-	-	6.2	-	-	6.2
Periodic repairs of rolling stock	0.2	-	-	-	-	0.2
Return of leased items	-	(2.1)	-	(2.0)	-	(4.1)
Purchase of leased items	-	-	-	(0.8)	-	(0.8)
Other	-	(0.4)	-	-	-	(0.4)
FX translation differences	(3.1)	(1.6)	(0.9)	(0.4)	-	(6.0)
31 March 2024	894.9	982.8	78.4	30.0	2.0	1,988.1
Accumulated depreciation						
1 January 2024	(112.9)	(284.8)	(22.6)	(20.9)	(1.6)	(442.8)
<i>(Increases) / decreases:</i>						
Depreciation expenses	(11.2)	(18.9)	(2.4)	(1.0)	(0.1)	(33.6)
Return of leased items	-	2.1	-	2.0	-	4.1
Purchase of leased items	-	-	-	0.3	-	0.3
FX translation differences	2.2	0.9	0.4	0.1	-	3.6
31 March 2024	(121.9)	(300.7)	(24.6)	(19.5)	(1.7)	(468.4)
Net value						
1 January 2024	734.1	641.6	49.6	10.4	0.4	1,436.1
31 March 2024	773.0	682.1	53.8	10.5	0.3	1,519.7

5.3 Investments in entities accounted for under the equity method

Investments in entities accounted for under the equity method

	Carrying amount	
	31 March 2025	31 December 2024
COSCO Shipping Lines (POLAND) Sp. z o.o.	0.8	0.5
Terminale Przeładunkowe Sławków - Medyka Sp. z o.o.	-	-
Transgaz S.A.	6.8	7.4
PKP CARGO CONNECT GmbH	2.8	3.0
PKP CARGO INTERNATIONAL SK a.s.	2.3	2.3
PKP CARGO INTERNATIONAL SI d.o.o.	1.6	4.8
Centralny Terminal Multimodalny Sp. z o.o.	0.5	0.5
Total	14.8	18.5

5.4 Inventories

Structure of inventories

	31 March 2025	31 December 2024
Strategic inventories	32.7	34.6
Rolling stock designated for spare parts	8.0	8.0
Other inventories	111.2	119.0
Impairment losses	(2.4)	(3.9)
Total	149.5	157.7

5.5 Trade receivables

Structure of trade receivables

	31 March 2025	31 December 2024
Trade receivables	642.4	699.8
Impairment losses for receivables	(138.8)	(141.3)
Total	503.6	558.5
Non-current assets	1.2	0.2
Current assets	502.4	558.3
Total	503.6	558.5



5.6 Other assets

Structure of other assets

	31 March 2025	31 December 2024
Financial assets		
Shares in unlisted companies	9.5	9.5
Non-financial assets		
Costs settled over time		
Prepayments for purchase of electricity	19.8	23.0
Insurance	6.5	8.8
IT services	6.6	7.7
Other costs settled over time	12.7	7.9
Investment property	4.9	5.0
Prepayments for purchase of non-financial non-current assets	0.6	0.6
Other	4.3	4.8
Other receivables		
VAT settlements	42.5	59.2
Collateral settlements (security deposits, bid deposits, guarantees)	20.6	19.8
Income tax receivables	6.3	5.7
Receivables from the sale of shares	1.0	1.4
Dividend receivables	1.4	0.7
Other	4.4	1.7
Intangible assets		
Licenses	17.8	17.4
Other intangible assets	0.7	0.7
Intangible assets during adjustment	7.3	9.1
Total	166.9	183.0
Non-current assets	43.7	46.1
Current assets	123.2	136.9
Total	166.9	183.0

5.7 Trade payables

Structure of trade payables

	31 March 2025	31 December 2024
Trade payables	1,060.1	1,099.5
Interest payable	91.1	91.0
Prepayments and accruals	48.0	31.6
Total	1,199.2	1,222.1
Non-current liabilities	2.2	2.1
Current liabilities	1,197.0	1,220.0
Total	1,199.2	1,222.1

5.8 Investment commitments

Structure of investment commitments

	31 March 2025	31 December 2024
Investment commitments related to rolling stock	142.0	132.7
Investment commitments related to property	0.3	1.4
Other	9.8	11.6
Total	152.1	145.7
Non-current liabilities	1.0	2.8
Current liabilities	151.1	142.9
Total	152.1	145.7

5.9 Provisions for employee benefits

Structure of provisions for employee benefits

	31 March 2025	31 December 2024
Post-employment defined benefit plans		
Retirement and disability severance pays	151.7	158.5
Charges to ZFŚS for old-age and disability pensioners	180.0	178.7
Transportation benefits	23.3	23.2
Post-mortem benefits	4.3	4.5
Other employee benefits		
Jubilee awards	191.6	193.2
Other employee benefits (unused vacation time/bonuses)	54.0	42.0
Total	604.9	600.1
Long-term provisions	479.9	485.1
Short-term provisions	125.0	115.0
Total	604.9	600.1

5.10 Other provisions

Structure of other provisions

	31 March 2025	31 December 2024
Provision for land reclamation	3.2	3.3
Restructuring provision	20.6	23.5
Other provisions	31.0	30.9
Total	54.8	57.7
Long-term provisions	14.0	15.0
Short-term provisions	40.8	42.7
Total	54.8	57.7

5.11 Other liabilities

Structure of other liabilities

	31 March 2025	31 December 2024
Financial liabilities		
Cash pool	14.3	14.3
Other liabilities		
Liabilities arising out of collateral (security deposits, bid deposits, guarantees)	39.4	38.3
Public law liabilities	204.4	224.8
Settlements with employees	150.1	167.1
VAT settlements	240.6	236.2
Current tax liabilities	7.6	6.4
Other settlements	75.5	66.1
Total	731.9	753.2
Non-current liabilities	0.2	0.2
Current liabilities	731.7	753.0
Total	731.9	753.2

6. Financial instruments

6.1 Financial instruments

Categories and classes of financial instruments

Financial assets by categories and classes	Note	31 March 2025	31 December 2024
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	Note 5.6	9.5	9.5
Financial assets carried at amortized cost			
Trade receivables	Note 5.5	503.6	558.5
Receivables from the sale of shares	Note 5.6	1.0	1.4
Cash and cash equivalents	Note 4.3	556.4	589.1
Financial assets excluded from the scope of IFRS 9		12.2	12.3
Total		1,082.7	1,170.8

Financial liabilities by categories and classes	Note	31 March 2025	31 December 2024
Hedging financial instruments			
Bank loans and borrowings	Note 4.1	423.8	434.6
Financial liabilities carried at amortized cost			
Bank loans	Note 4.1	950.0	946.0
Liabilities under funds received from the Guaranteed Employee Benefits Fund	Note 4.1	83.9	71.8
Trade payables	Note 5.7	1,199.2	1,222.1
Investment commitments	Note 5.8	152.1	145.7
Cash pool	Note 5.11	14.3	14.3
Financial liabilities excluded from the scope of IFRS 9	Note 4.1	1,358.1	1,380.2
Total		4,181.4	4,214.7

Impairment losses on trade receivables are presented in [Note 1.4](#) to these Quarterly Condensed Consolidated Financial Statements.

Hedge accounting

In the period from 1 January 2025 to 31 March 2025, the Group applied cash flow hedging accounting. The purpose of the hedging activity was to mitigate the impact of the FX risk within the EUR/PLN currency pair on future cash flows. The hedged item is a highly likely cash flow denominated in EUR.

As at 31 March 2025, the Group has established the following hedging instruments:

- investment loans denominated in EUR. The hedged cash flows will be realized until January 2035. As at 31 March 2025, the nominal amount of the hedging instrument was EUR 101.3 million, which is an equivalent of PLN 423.8 million.



6.1 Financial instruments (cont'd)

Fair value hierarchy

As at 31 March 2025 and 31 December 2024, financial instruments measured at fair value were investments in equity instruments.

	31 March 2025		31 December 2024	
	Level 2	Level 3	Level 2	Level 3
Assets				
Investments in equity instruments - shares in unlisted companies	-	9.5	-	9.5

Measurement methods for financial instruments carried at fair value

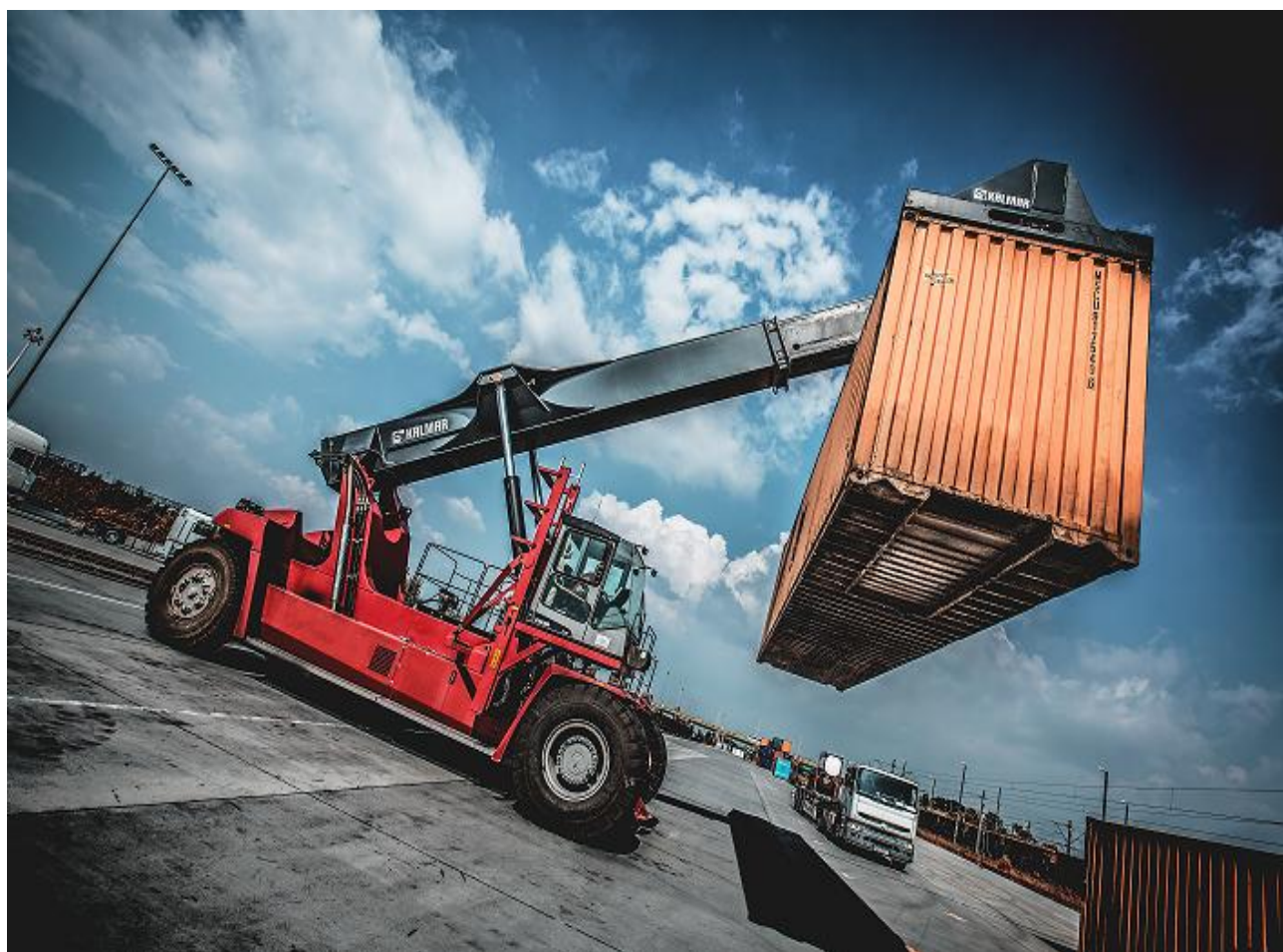
a) Investments in financial instruments

This line item includes predominantly an equity stake in Euroterminal Sławków Sp. z o.o. worth PLN 8.7 million, the value of which was measured by an independent adviser using the modified Swiss method. The Swiss method is a mixed measurement method as it combines the asset value aspect with the ability to generate future cash flows. According to the Swiss method, the value of the enterprise is calculated as the weighted average of the values determined by the asset-based approach and the income-based approach. This method attaches a greater weight (twice as large) to the value determined by the income-based approach. The adoption of the Swiss method is justified on the grounds that Euroterminal Sławków Sp. z o.o. has a moderate ability to generate profits in the future but owns material assets in the form of land plots and property.

b) Other financial instruments

For the category of financial instruments which are not carried at fair value as at the balance sheet date, the Group does not disclose fair value because the fair values of these financial instruments as at 31 March 2025 and 31 December 2024 were not materially different from their values presented in the statement of financial position.

In the period of 3 months ended 31 March 2025 and 31 March 2024, there were no transfers between level 2 and level 3 of the fair value hierarchy.



6.1 Financial instruments (cont'd)

Revenues, costs, profits and losses in the consolidated statement of profit or loss and other comprehensive income by categories of financial instruments

3 months ended 31 March 2025	Hedging financial instruments	Financial assets carried at amortized cost	Financial assets excluded from the scope of IFRS 9	Financial liabilities carried at amortized cost	Total financial liabilities excluded from the scope of IFRS 9	Total
Interest income / (expense)	(2.8)	4.9	0.2	(10.7)	(18.9)	(27.3)
FX differences	-	(3.3)	0.2	0.9	0.3	(1.9)
Impairment losses / remeasurement	-	(0.9)	-	-	-	(0.9)
Effect of settlement of cash flow hedge accounting	(0.1)	-	-	-	-	(0.1)
Pre-tax profit / (loss)	(2.9)	0.7	0.4	(9.8)	(18.6)	(30.2)
Revaluation	8.8	-	-	-	-	8.8
Other comprehensive income	8.8	-	-	-	-	8.8

In the period of 3 months ended 31 March 2025, the effect of settling cash flow hedge accounting adjusted the value of revenues from contracts with customers in the amount of PLN (0.1) million. In the period of 3 months ended 31 March 2025, the change in the measurement of hedging financial instruments recognized in other comprehensive income included a change in the measurement of bank loans in the amount of PLN 8.8 million that are designated for hedge accounting applied by the Group.

3 months ended 31 March 2024	Hedging financial instruments	Financial assets carried at amortized cost	Financial assets excluded from the scope of IFRS 9	Financial liabilities carried at amortized cost	Total financial liabilities excluded from the scope of IFRS 9	Total
Interest income / (expense)	(4.7)	2.3	0.1	(29.6)	(21.1)	(53.0)
FX differences	-	0.7	(0.3)	0.5	0.2	1.1
Impairment losses / remeasurement	-	(0.6)	-	-	-	(0.6)
Transaction costs related to loans	-	-	-	(0.3)	-	(0.3)
Pre-tax profit / (loss)	(4.7)	2.4	(0.2)	(29.4)	(20.9)	(52.8)
Revaluation	4.1	-	-	-	-	4.1
Other comprehensive income	4.1	-	-	-	-	4.1

In the period of 3 months ended 31 March 2024, the change in the measurement of hedging financial instruments recognized in other comprehensive income included a change in the measurement of bank loans in the amount of PLN 4.6 million and lease liabilities in the amount of PLN (0.5) million, recognized as part of the hedge accounting applied by the Group.

7. Other notes

7.1 Related party transactions

Transactions with the State Treasury and other parties related to the State Treasury

In the period of 3 months ended 31 March 2025 and 31 March 2024, the State Treasury was a higher-level parent entity of the PKP CARGO Group. Accordingly, all companies owned by the State Treasury (directly or indirectly) are the Group's related parties and are presented separately as PKP Group related parties and other State Treasury related parties. In these Quarterly Condensed Consolidated Financial Statements, the Parent Company's Management Board has disclosed transactions with material related parties identified as such according to the best knowledge of the Management Board.

In the period of 3 months ended 31 March 2025 and 31 March 2024, there were no transactions effected between the PKP CARGO Group and the State Treasury or other entities related to the State Treasury which would be significant due to a non-standard scope and amount. In the periods covered by these Quarterly Condensed Consolidated Financial Statements, the Group's most important clients among other parties related to the State Treasury were members of the following groups: PGE, PKN Orlen, ENEA and JSW. In the period of 3 months ended 31 March 2025, the Group's most important suppliers related to the State Treasury were PGE Group entities.

Transactions with PKP Group related parties

In the periods covered by these Quarterly Condensed Consolidated Financial Statements, the Group entered into the following commercial transactions with PKP Group related parties:

	3 months ended 31 March 2025		31 March 2025	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent Company	0.3	22.2	0.4	619.2
Subsidiaries/co-subsidiaries – unconsolidated	0.7	4.2	1.1	1.7
Associates	2.1	0.7	2.1	0.3
Other PKP Group related parties	4.0	89.6	2.6	429.2

	3 months ended 31 March 2024		31 December 2024	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent Company	0.2	25.3	1.4	600.5
Subsidiaries/co-subsidiaries – unconsolidated	1.4	7.7	0.3	1.4
Associates	1.3	0.6	2.0	-
Other PKP Group related parties	8.4	110.9	2.8	429.9

Purchase transactions with the Parent Company (PKP S.A.) pertained in particular to lease and rental agreements treated as leasing contracts, the supply of utilities, costs of fees for membership in international railway organizations and occupational medicine services.

Sales transactions within the PKP Group included freight transport services, lease of equipment and sub-lease of real estate. Purchase transactions comprised, among others, maintenance and repair of rolling stock, freight forwarding services, transshipment services and intermodal transport.

Sales transactions with other PKP Group related parties comprised, among others, train traction services, lease and operation of locomotives, services related to financial settlements with foreign rail freight companies, rolling stock maintenance services and sub-lease of property. Purchase transactions comprised, among others, access to rail infrastructure, lease of property, supply of utilities, maintenance of rail traffic facilities, purchase of network maintenance services, operation of IT systems.

In addition to commercial transactions, the Group had dividend receivables disclosed in [Note 5.6](#) and cash pooling liabilities disclosed in [Note 5.11](#) of these Quarterly Condensed Consolidated Financial Statements.

7.1 Related party transactions (cont'd)

Compensation of key management personnel

Compensation of key management personnel presented in this note includes the amounts of benefits disbursed in the relevant period.

Compensation of Management Board members	Parent Company		Subsidiaries	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Short-term benefits	0.6	0.5	1.3	1.7
Post-employment benefits	-	-	0.4	-
Termination benefits	0.1	-	0.1	-
Total	0.7	0.5	1.8	1.7

Compensation of Supervisory Board Members	Parent Company		Subsidiaries	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Short-term benefits	0.2	0.5	0.3	0.3
Total	0.2	0.5	0.3	0.3

Compensation of other members of key management personnel	Parent Company		Subsidiaries	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Short-term benefits	1.7	1.9	5.3	5.5
Termination benefits	0.1	0.1	-	0.1
Total	1.8	2.0	5.3	5.6

In the period of 3 months ended 31 March 2025 and 31 March 2024, members of the key management personnel of the Parent Company and the PKP CARGO Group subsidiaries did not enter into any loan or guarantee transactions with the Group.

All related party transactions were effected on an arm's length basis.

7.2 Liabilities to incur expenditures for non-financial non-current assets

Structure of liabilities to incur expenditures for non-financial non-current assets

	31 March 2025	31 December 2024
Contractual liabilities on account of purchase and repairs of rolling stock and other property, plant and equipment	76.1	104.8
Total	76.1	104.8

The values of contractual liabilities presented represent the maximum levels possible under the concluded agreements.

7.3 Contingent liabilities

Structure of contingent liabilities

	31 March 2025	31 December 2024
Guarantees issued on the Group's order	94.3	114.6
Other contingent liabilities	196.5	171.9
Total	290.8	286.5

Guarantees issued on the Group's order

As at 31 March 2025, the Group included in contingent liabilities guarantees issued by banks and insurance companies at the request of companies belonging to the PKP CARGO under restructuring Group. This line item comprises mainly commercial contract performance bonds, customs guarantees and excise tax guarantees.

7.3 Contingent liabilities (cont'd)

Other contingent liabilities

This line item comprises the claims made against the Group in court proceedings in the case of which the probability of outflow of cash is assessed as low, and claims in the case of which it is not possible to make a reliable estimate of the payment amount in the future by the Group. The amounts presented in this note correspond to the value of the full claims reported by external entities. Assessment of the estimates may change in subsequent periods as a result of future events.

Under other contingent liabilities, the Group also presents interest accrued on some of the liabilities covered by the composition, calculated for the period from the opening date of the remedial proceedings to 31 March 2025. The Group believes that, in connection with the opening of the restructuring proceedings, the likelihood of a cash outflow due to the need to pay these interest amounts is lower than the likelihood that no payment will be required.

7.4 Events after the balance sheet date

On 19 April 2025, the Commissioner Judge issued a Decision pursuant to Article 298 sec. 1, 2 and 3 of the Restructuring Law Act, accepting fully the Administrator's petition and granting consent for the Administrator to withdraw from the mutual agreement, i.e. the Agreement on mutual obligations of the Parties to Company Collective Bargaining Agreement for Employees of PKP CARGO S.A. under restructuring Units of 14 February 2005 (the "Valentine's Day Agreement"), with subsequent annexes to the Agreement. In accordance with the above Decision, the Commissioner Judge granted his consent for the Administrator to withdraw from the Valentine's Day Agreement effective from the opening date of the Company's remedial proceedings, i.e. from 27 July 2024. The Decision is not legally binding.

On 29 April 2025, the Management Board of the Parent Company approved the sale of 10,360 freight cars that were no longer in use. The sale of these assets requires separate approvals from the relevant corporate bodies of the Company, the Administrator of remedial estate of PKP CARGO S.A. under restructuring, and the Commissioner Judge.

On 16 May 2025, the Management Board of PKP CARGO S.A. under restructuring agreed to take directional steps aimed at preparing the sale of all, i.e. 340,000 shares held in the subsidiary Euroterminal Sławków Sp. z o.o. in Sławków, with a total par value of PLN 17.0 million, representing 9.316% of the company's share capital. The Parent Company is currently negotiating with Agencja Rozwoju Przemysłu S.A. (Industrial Development Agency) on the sale of shares in Euroterminal Sławków Sp. z o.o.

At the same time, the subsidiary PKP CARGO CONNECT Sp. z o.o. decided to sell its 21,407 shares in Terminale Przeładunkowe Sławków-Medyka Sp. z o.o. in Sławków, with a total par value of PLN 21.4 million, representing 50% of the company's share capital.

The two companies affected by the decisions to sell shares are related in terms of business, function, and capital. The sale of shares by the Parent Company requires separate corporate approvals from the relevant corporate bodies and the Administrator of the remedial estate of PKP CARGO S.A. under restructuring.

Other events occurring after the balance sheet date were presented in [Note 1.1](#), [Note 1.3](#) to these Quarterly Condensed Consolidated Financial Statements.

7.5 Approval of the financial statements

These Quarterly Condensed Consolidated Financial Statements were approved for publication by the Administrator of PKP CARGO S.A. under restructuring on 30 May 2025.

Administrator of PKP CARGO S.A. under restructuring

Izabela Skonieczna-Powałka
Administrator of PKP CARGO S.A. under restructuring
(license no. 772)

Warsaw, 30 May 2025