

Information on the intention to carry out collective layoffs

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Legal basis (selected in ESPI): Article 17(1) of MAR – inside information.

Management Board of PKP CARGO S.A. under restructuring ("Company") informs that today, by resolution, it decided to carry out group layoffs by the respective units of the Company and the Company's Head Office 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 Management Board of PKP CARGO S.A. under restructuring submitted to the Administrator of the restructuring estate of PKP CARGO S.A. in restructuring a request to perform an action exceeding the scope of ordinary management, consisting in initiating consultations with the trade unions on the intention to carry out collective layoffs, and such consent was obtained.

The Board is of the opinion that despite the corrective and restructuring measures implemented to date in the area of employment, the Company's situation requires further action. The process initiated is an important element of the Restructuring Plan, the details of which will be presented by the Company by the end of June 2025.

The consequence of adopting the above-mentioned resolution and obtaining the consent of the Administrator of the sanitation estate, in accordance with the Act, is the commencement of consultations on the intention to carry out collective redundancies with the trade union organizations operating in the units of the Company and the Company's Head Office. After the consultations are completed, agreements on collective redundancies will be signed or collective redundancy regulations will be issued at the units of the Company and the Company's Head Office. The condition for carrying out collective redundancies will be the lack of objections from the Judge-Commissioner supervising the sanitation proceedings of PKP CARGO S.A. under restructuring pursuant to Article 317 in connection with Article 300 and 314 of the Act of 15 May 2015 – Restructuring Law (i.e. Dz. U. of 2024, item 1428, as amended).

The group layoffs would cover up to 1,041 employees in 2025 and up to 1,388 in 2026 in various professional groups. The planned layoff activities will be implemented in the period until 30 September 2026, with the group layoffs planned for the current year to be implemented by the end of July 2025 at the latest.

Employees whose employment will be terminated as part of a group layoff are entitled to a severance payment based on their employment period. The estimated amount of the provision related to employment restructuring in the units of the Company and the Company's Head Office and information on the impact of employment restructuring on financial results will be determined after the consultations are completed.

The commencement of consultations with trade unions regarding the intention to carry out group layoffs will enable the Company to submit the Restructuring Plan by the deadline set by the Judge Commissioner.