

Submission of a restructuring plan

Current Report No. 51/2025 of June 30, 2025

Legal basis (selected in ESPI):

Article 17 of MAR

The Management Board of PKP CARGO S.A. in restructuring (the "Company", "Issuer") hereby announces that on 30 June 2025, the Administrator of the Issuer's restructuring estate submitted to the competent court a restructuring plan (the "Restructuring Plan") prepared in accordance with Art. 10 of the Restructuring Law (Journal of Laws of 2022, item 2309, as amended). The Restructuring Plan provides for the implementation of restructuring measures aimed at restoring the Company's profitability, ensuring its long-term development and regaining full capacity to settle liabilities.

The plan assumes in particular:

- stabilization of the financial situation in the short term through actions aimed at optimizing cash flows, renegotiating financial liabilities, reducing costs and increasing revenues, including through the development of cooperation with key customers,
- carrying out comprehensive restructuring activities covering the period until 2031,
- further development of the core business, i.e. rail transport, while limiting the presence on declining markets, including through the gradual phasing out of activities in the coal transport segment,
- concentration on the intermodal and specialized transport segment, characterized by higher margins and less susceptibility to economic fluctuations.

The plan includes, among others, restructuring of:

- key operational processes affecting the unit costs of providing services and their profitability,
- the organizational structure of the Company,
- the division of responsibilities between the Company and subsidiaries in the PKP CARGO Capital Group,
- fixed assets,
- sales activities.

The planned horizon for the implementation of key restructuring initiatives covers the period from July 2025 to December 2026.

In accordance with the assumptions adopted in the Restructuring Plan, in the event of effective implementation of the planned actions:

- in 2031 it will be possible to achieve an EBITDA profit of approx. PLN 1,296 million,
- the share of employee benefits costs in the total cost structure may be reduced from approx. 45% to approx. 31%,
- the revenue structure will change, among others through a decrease in the share of revenue from hard coal transport to 13% and an increase in the share of intermodal transport to 19% in 2031.

One of the restructuring measures indicated in the Restructuring Plan are employment-related measures, in their scope the Company's Management Board is in the process of talks with the social side in connection with the implementation of a new remuneration system, which will enable the Company to achieve comparable savings effects as the group layoffs planned for 2025. The implementation of this restructuring measure depends on the signing of a statement between the parties to Company's Collective Labor Agreement on the shortening of the notice period from 11.06.2026 to 31.10.2025. If this document is not signed by 31.07.2025, the previously communicated restructuring measure of group layoffs will be implemented.

The Restructuring Plan indicates that the main shareholder of PKP CARGO S.A. under restructuring is considering the possibility of granting a loan of up to PLN 500 million for operating activities. The funds from the potential debt financing will not enter into the resources allocated for the repayment of creditors.

The Company points out that an obligatory element of the restructuring plan are assumptions as to future financial results, but the Issuer stipulates that the data provided do not constitute a forecast of the Issuer's financial results.

The Restructuring Plan was made available to the Company's creditors through the teleinformatics system of the National Debt Register (KRZ), maintained by the Minister of Justice.

Legal basis: Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC