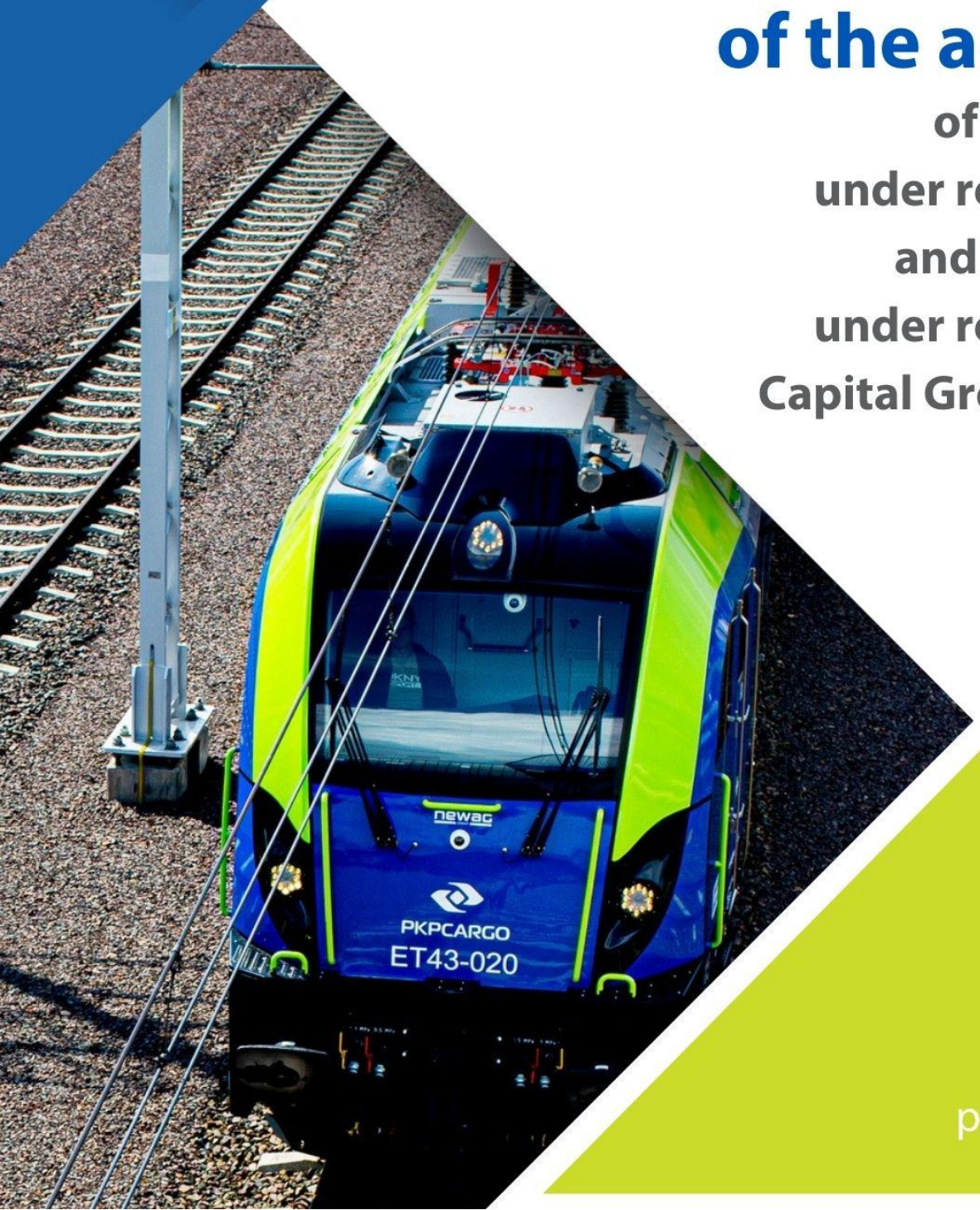
PKPCARGO

2025

Management Board's Report of the activities

of PKP CARGO under restructuring and PKP CARGO under restructuring Capital Group for 2025



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Management Board Report on the Activity of PKP CARGO S.A. under restructuring and the PKP CARGO under restructuring Group for the financial year 2025

PKP CARGO S.A. under restructuring, with its registered office in Warsaw at ul. Grójecka 17, 02-021 Warsaw, entered in the Register of Commercial Undertakings kept by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division – National Court Register, under KRS number 0000027702, NIP: 954-23-81-960, REGON: 277586360, BDO: 000000758, with the share capital of PLN 44,786,917.00, paid up in full.

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1. Letter from the Restructuring Administrator to the Shareholders

Dear Shareholders,

For PKP CARGO S.A. under restructuring and the PKP CARGO S.A. under restructuring Group, 2025 was a year of intense corrective measures pursued amid ongoing macroeconomic and geopolitical uncertainty as well as structural challenges in the rail freight market. The market environment remained challenging, while fluctuations in demand for transport services affected the scale of the Company's and the Group's operations.

For PKP CARGO S.A. under restructuring, 2025 was the first full year of the Company's operations under the terms of the restructuring law – as part of the remedial proceedings. During that period, the Company's Management Board and the Restructuring Administrator focused on stabilizing operations, improving current financial liquidity and preparing and implementing restructuring measures focused on a sustainable improvement in the operational efficiency of both the Company and the Group.

The optimization measures carried out covered the organizational structure, staffing, asset management and operational processes. Particular attention was paid to rationalizing fixed costs, streamlining the asset portfolio and concentrating operations in areas with the greatest market potential. It should be emphasized that these measures were carried out while simultaneously ensuring the continuity of key contracts and maintaining the Company's operational capacity.

The outcomes of these endeavors may be evaluated by analyzing the financial data. In 2025, the PKP CARGO Group recorded a positive net financial result of PLN 39.4 million, which is a significant improvement compared to the previous year, when a negative financial result was reported.

During the first 12 months of 2025, EBIT reached PLN 173.3 million, marking an improvement compared to the corresponding period of 2024 by PLN 2,691.4 million.

In 2025, the PKP CARGO Group's financial results were affected by external factors, including limited demand for freight transport, the situation in European industry and the consequences of the armed conflict in Ukraine. These conditions exerted a direct impact on the Group's freight volumes and revenues. At the same time, the financial results reflect the consequences of restructuring measures, including improved cost control and the gradual stabilization of selected business areas.

PLN 3,785.9 million

REVENUES FROM CONTRACTS WITH CUSTOMERS

PLN 39.4 million

NET RESULT

PLN 409.7 million

EBITDA

EBITDA margin of 10.6%

2025 was also a year of intense work on the Restructuring Plan, which has been submitted; its aim is to restore the long-term ability of PKP CARGO S.A. under restructuring and, by extension, of the Group, to compete in the rail freight market. The Restructuring Plan's objectives include both short-term measures aimed at improving liquidity and operational efficiency as well as medium and long-term initiatives aimed at rebuilding the market position and adapting the Group's business model to changing market conditions.

Working hand in hand with the PKP CARGO S.A. under restructuring Management Board, we will continue efforts aimed at protecting the interests of creditors and shareholders, while striving to ensure a sustainable foundation for the operation of PKP CARGO S. A. under restructuring and the Group. The information presented in this Report reflects the current status of these activities and serves as the basis for further decisions in the ongoing restructuring process.

Best regards,

Restructuring Administrator – qualified restructuring advisor (license no. 657) Paweł Głodek

2. Organization of the PKP CARGO under restructuring Group

2.1. Highlights on the Company and the PKP CARGO Group[1]

The PKP CARGO Group, as a rail freight operator, offers comprehensive logistics services in Poland and European Union countries. The Group offers complementary transport-related services, i.e.: intermodal services, freight forwarding (domestic and international), terminal services, siding and traction services, rolling stock repair and maintenance and reclamation services. Moreover, the Group holds licenses to carry out rail freight operations in the following 9 European Union (EU) countries: Lithuania, Slovakia, Slovenia, Austria, Czechia, Germany, the Netherlands, Hungary and Poland. The second largest freight operator in the PKP CARGO Group is PKP CARGO International a.s., a provider of transport services mainly in the Czech market. Poland and the Czech Republic are significant players in European and global trade as well as a major link in the international supply chain.

By integrating such a broad range of activities, the PKP CARGO Group has operational capacity to provide its customers with comprehensive rail logistics services on its own. It also has its own terminal resources in the form of transshipment terminals (conventional, container and conventional-container). As part of its operational activities, the Group has the capability to repair and maintain its rolling stock independently. This provides significant autonomy in transshipment capabilities and reduces reliance on external entities specializing in rolling stock repairs.

The PKP CARGO Group conducts business within one main segment, namely domestic and international cargo freight and provision of comprehensive logistics services related to rail freight. The Group also provides rolling stock repair, infrastructure maintenance and land reclamation services, which are not currently treated as distinct operating segments. As part of developing an effective business model for the Group's operations, further work is underway to segment business lines with the aim of increasing operational efficiency, improving process productivity, leveraging synergies and reducing operating costs.

2.2. Information on capital ties of PKP CARGO

[1] Whenever this Report refers to:
- the Company, the Parent Company, PKP CARGO or PKP CARGO S.A., this should be construed as PKP CARGO S.A. under restructuring,
- the PKP CARGO Group or the Group, this should be construed as PKP CARGO S.A. under restructuring and all its subsidiaries.

As at 31 December 2025, the PKP CARGO under restructuring Group consisted of the following entities besides PKP CARGO S.A. under restructuring:

a) 20 subsidiaries of PKP CARGO, controlled directly or indirectly (by entities controlled by PKP CARGO), including:

- 10 subsidiaries controlled directly by PKP CARGO,
- 10 subsidiaries controlled directly by companies directly controlled by PKP CARGO (and indirectly controlled by PKP CARGO), including 3 companies directly controlled by PKP CARGO CONNECT sp. z o.o. and 7 companies directly controlled by PKP CARGO INTERNATIONAL a.s.;

b) 1 jointly controlled subsidiary (in which a member of the PKP CARGO Group holds a 50% stake in the share capital), specifically:

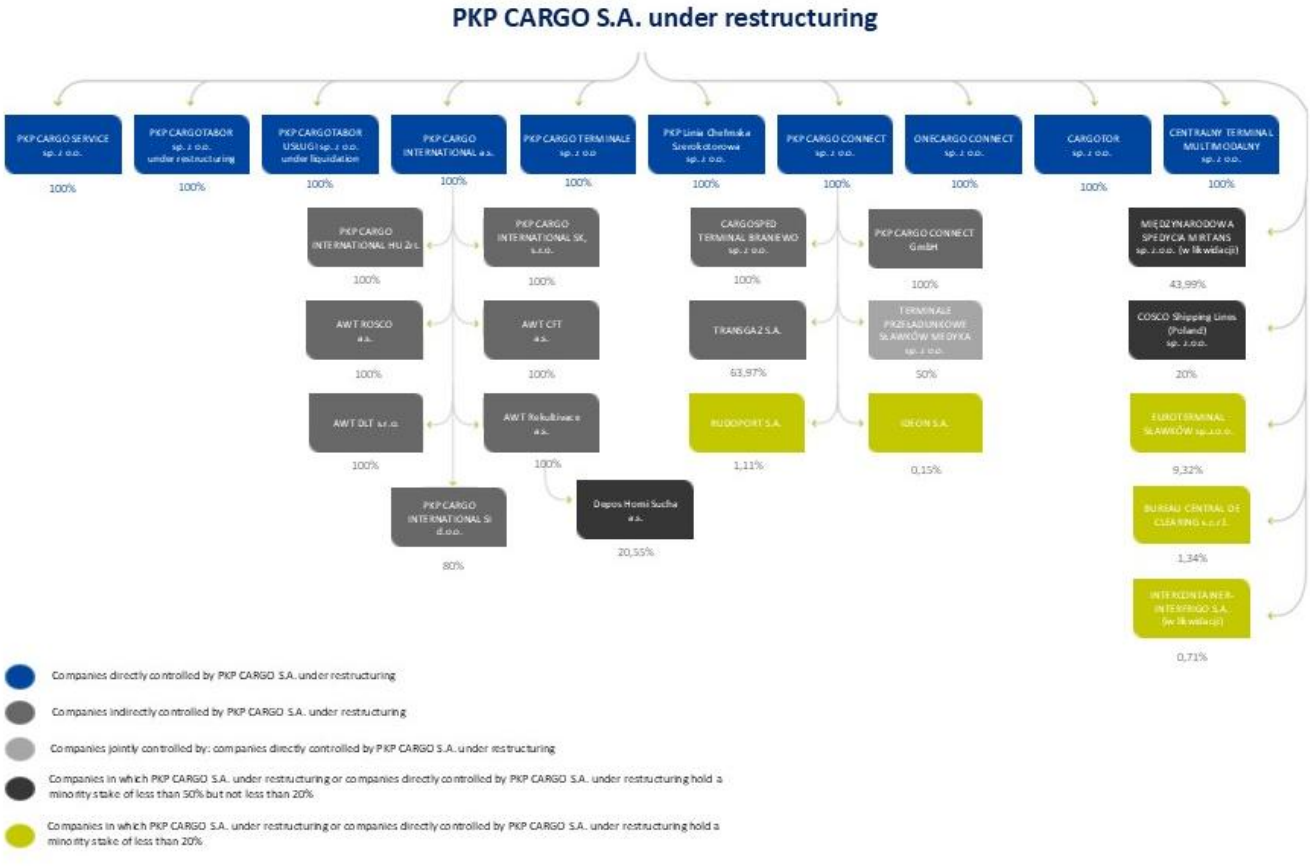
- 1 company jointly controlled by PKP CARGO CONNECT sp. z o.o., holding a 50% stake in its share capital (under an indirect joint control of PKP CARGO): TERMINALE PRZEŁADUNKOWE SŁAWKÓW MEDYKA sp. z o.o.

Moreover, as at 31 December 2025, PKP CARGO or PKP CARGO's (direct or indirect) subsidiaries held shares in 8 companies that were not controlled or jointly controlled by PKP CARGO or PKP CARGO's subsidiaries, including:

- 5 companies in which PKP CARGO directly holds a minority stake,
- 2 companies in which PKP CARGO CONNECT sp. z o.o., a company directly controlled by PKP CARGO, holds a minority stake in the share capital in a manner that does not make it possible to exercise control or joint control,
- 1 company related to the PKP CARGO INTERNATIONAL Group in which a company indirectly controlled by PKP CARGO holds a minority stake in the share capital in a manner that does not make it possible to exercise control or joint control.

The chart below presents the structure of capital links with companies in which PKP CARGO S.A. under restructuring or its subsidiaries hold an equity stake – as at 31 December 2025:

Figure 1 Structure of capital ties with companies in which PKP CARGO or its subsidiaries hold shares as at 31 December 2025.



Source: Proprietary material

The percentage share of PKP CARGO and its (direct or indirect) subsidiaries in the share capital of the PKP CARGO Group companies specified in the above chart corresponds to the percentage of votes at the General Meeting or Shareholder Meeting of each company.

Information on dividends paid or payable to PKP CARGO in 2025 and until the date of approval of this report:

- The Ordinary Shareholder Meeting of COSCO SHIPPING Lines (Poland) Sp. z o.o. with its registered office in Gdynia, held on 27 May 2025, adopted Resolution No. 7/ZW/25 whereby it decided to allocate the company's net profit for the financial year 2024 of PLN 1,319,894.04 in full to the payment of dividends to the shareholders, pro rata to their stakes in the company's share capital. The dividend payable to PKP CARGO of PLN 263,978.81 was transferred to the Company's bank account on 4 June 2025.

- The Ordinary Shareholder Meeting of PKP CARGO SERVICE sp. z o.o. with its registered office in Katowice, by Resolution No. 13/2025 of 30 June 2025, decided to allocate the net profit of PLN 4,138,340.24 generated by the company in the financial year 2024 as follows: 50% of the net profit to be allocated to the dividend for the sole shareholder and 50% of the net profit to be allocated to increase the supplementary capital of PKP CARGO SERVICE sp. z o.o. to finance the company's capital expenditures. The dividend due in the amount of PLN 2,069,170.12 was credited to PKP CARGO's bank account on 9 July 2025.

2.3. Consolidated entities

The Consolidated Financial Statements for the financial year ended 31 December 2025 encompass PKP CARGO as the Parent Company and 12 subsidiaries consolidated by the full method:

Table 1 Subsidiaries consolidated by the full method

Company name	Core business
PKP CARGO SERVICE Sp. z o.o. ("PKP CARGO SERVICE")	Comprehensive handling of rail sidings, rail freight and maintenance of rail infrastructure.
PKP CARGOTABOR Sp. z o.o. under restructuring ("PKP CARGOTABOR")	Repair and maintenance of rolling stock and physical liquidation of rail cars and locomotives, repairs of electrical machinery and wheel sets as well as weighing and adjustment of rolling stock.
PKP CARGOTABOR USŁUGI Sp. z o.o. under liquidation ("PKP CARGOTABOR USŁUGI under liquidation")	As at the date of approval of the financial statements, the company is not conducting any operational activities.
PKP CARGO TERMINALE Sp. z o.o. ("PKP CARGO TERMINALE")	Transshipment, storage, segregation, packaging, crushing and a variety of other border services. The company owns terminals that facilitate the transshipment of bulk and unit cargo, including containers. The company has the ability to offer rail gauge switching services and as the only company on the country's eastern border has a 6-chamber thaw room.
CARGOSPED TERMINAL BRANIEWO Sp. z o.o. ("CARGOSPED TERMINAL BRANIEWO")	Cargo handling, wholesale and retail sale of coal.
CARGOTOR Sp. z o.o. ("CARGOTOR")	Managing track and service infrastructure (rail sidings and track systems) along with the requisite plant and buildings, making infrastructure available to rail operators on commercial terms. As at 16 January 2026, the company is no longer part of the PKP CARGO Group.
PKP CARGO CONNECT Sp. z o.o. ("PKP CARGO CONNECT")	Freight forwarding and logistics services in Poland and abroad. The company provides comprehensive logistics services using rail and vehicle, marine and inland water transportation by organizing transport, transshipment, storage, warehousing, packaging and distribution. Customs clearance services to customers of the PKP CARGO Group.
PKP CARGO INTERNATIONAL a.s. ("PKP CARGO INTERNATIONAL")	Comprehensive handling of rail freight (the Czech Republic, Slovakia and Poland), rail freight forwarder in the whole Central and Eastern European region, manages an intermodal terminal located in the community of Paskov. Comprehensive services related to deliveries and pick-ups by road transport ("last mile"). Rolling stock management in the PKP CARGO INTERNATIONAL Group.
AWT ROSCO a.s. ("AWT Rosco")	Cleaning of rail and automobile cisterns.
AWT CFT a.s. ("AWT CFT")	International freight forwarding services. As at the date of approval of the financial statements, the company is not conducting any operational activities.
AWT Rekultivace a.s. ("AWT Rekultivace")	Construction engineering business, including management and revitalization of post-industrial areas (including mining areas), demolition works, management of waste treatment facilities, elimination of underground mining pits, decontamination of soil, etc.
PKP CARGO INTERNATIONAL HU Zrt. ("PKP CARGO INTERNATIONAL HU")	Rail transport services and rail siding handling services in Hungary on the basis of its own rail operator's license.

Additionally, the Consolidated Financial Statements for the financial year ended 31 December 2025 include PKP CARGO as the Parent Company and 7 subsidiaries consolidated using the equity method:

Table 2 Entities accounted for under the equity method

Company name	Core business
Centralny Terminal Multimodalny Sp. z o.o.	As at the date of approval of the financial statements, the company is not conducting any operational activities.
COSCO Shipping Lines (POLAND) Sp. z o.o.	Shipments carried out using the company's own fleet (container ships, bulk carriers, tankers, multi-purpose and specialized ships, including semi-submersible ships) and leased fleet, maintenance and sale of ships and spare parts, provision of warehouse and terminal services (also at Cosco's own terminals).
Transshipment Terminals Sławków – Medyka Sp. z o.o.	Core lines of business: transshipment operations, storage in storage yards, railway transport, freight forwarding by road, freight forwarding services.
Transgaz S.A.	Transshipment of a broad range of liquefied gases, including propane, butane, propane-butane, propylene, isobutane, etc., and petrochemicals that require heating, including: paraffins, waxes, slack paraffins, certain oils.
PKP CARGO CONNECT GmbH	An international logistics company providing comprehensive transport, transshipment, warehousing and customs services. The company specializes in the transportation and handling of containers, especially in the port of Hamburg and at railway terminals in Germany.
PKP CARGO INTERNATIONAL SK s.r.o.	Comprehensive rail transport services in Slovakia.
PKP CARGO INTERNATIONAL Sl d.o.o.	Comprehensive rail transport services in Slovenia.

2.4. Organizational structure of PKP CARGO S.A.

The PKP CARGO S.A. under restructuring Management Board performs its tasks with the aid of subordinate organizational units and organizational cells making them up. As at 31 December 2025, the Company's organizational structure was as follows:

President of the PKP CARGO S.A. under restructuring Management Board

- Management, Promotion and Investor Relations Department,
- Legal Department,
- Information and Communication (ICT) Department,
- Business Process Management Department,
- Internal Audit Department,
- Compliance Department,
- Occupational Safety and Health Division.

Vice-President – Management Board Member in charge of Restructuring at PKP CARGO S.A. under restructuring

- Infrastructure Department, including: Northern Region, Southern Region, Eastern Region, Western Region, comprising local Infrastructure Maintenance Sections (9),
- Safety and Control Department,
- Group Department,
- Restructuring Projects Department,
- Transport Management Department, including: Central Region, Southern Region, Northern Region, Eastern Region, Western Region, comprising local Transport and Operations Sections (22).

Management Board Member in charge of Finance at PKP CARGO S.A. under restructuring

- Accounting and Tax Department,
- Settlement Department,
- Finance Department,
- Controlling Department,
- Procurement Department.

Management Board Member in charge of Commerce at PKP CARGO S.A. under restructuring

- Trade Policy and Sales Support Department,
- Commercial Department – Fuel and Chemicals Transport Market,
- Commercial Department – Construction Materials Transport Market,
- Commercial Department – Metallurgical Products Transport Market,
- Commercial Department – Regional Market,
- Commercial Department – Intermodal and Automotive,
- Agricultural and Timber Transportation Department,
- International Transportation and Special Shipments Department.

Management Board Member in charge of Operations at PKP CARGO S.A. under restructuring

- Rolling Stock Department, including local Rolling Stock Maintenance Sections (14),
- Railway Traffic Safety Department.

Management Board Member in charge of Human Resources at PKP CARGO S.A. under restructuring *

- Human Resources Management Department.

* Due to the vacancy in the position of Management Board Member in charge of Human Resources at PKP CARGO S.A. under restructuring, temporary supervision of the organizational units and matters falling within his purview remained the responsibility of the President of the PKP CARGO S.A. under restructuring Management Board (Resolutions of the PKP CARGO S.A. under restructuring Management Board: No. 198/2025 of 1 August 2025 and No. 332/ 2025 of 30 December 2025).

Furthermore, as at 31 December 2025, the Company's structure included a Management Board Representative for Operations and a Management Board Representative for Restructuring (Resolution No. 163/2025 of the PKP CARGO S.A. under restructuring Management Board of 4 July 2025 and Resolution No. 225/2025 of the PKP CARGO S.A. under restructuring Management Board of 4 September 2025, respectively).

2.5. Changes in key principles of managing the enterprise of PKP CARGO S.A. and its Group

In 2025, major changes were made to the underlying principles of the Company's management in order to adapt the Company to a model of management focused on restructuring and improving management efficiency.

As at 1 January 2025, in accordance with the Organizational Bylaws of PKP CARGO S.A. under restructuring, approved by Resolution No. 305/2024 of the PKP CARGO S.A. under restructuring Management Board of 28 August 2024, as amended, the Company had a structure based on the Company's Head Office and 7 Company units:

- PKP CARGO S.A. Central Unit of the Company,
- PKP CARGO S.A. Lower Silesian Unit of the Company,
- PKP CARGO S.A. Southern Unit of the Company,
- PKP CARGO S.A. Northern Unit of the Company,
- PKP CARGO S.A. Silesian Unit of the Company,
- PKP CARGO S.A. Eastern Unit of the Company,
- PKP CARGO S.A. Western Unit of the Company,

At the same time, temporary supervision over the matters and organizational units of the Company's Head Office falling within the competence of the Management Board Member in charge of Commerce at PKP CARGO S.A. under restructuring and the Management Board Member in charge of Human Resources at PKP CARGO S.A. under restructuring was exercised by the acting

President of the PKP CARGO S.A. under restructuring Management Board, who at that time served as the Management Board Member in charge of Restructuring at PKP CARGO S.A. under restructuring and subsequently as Vice-President – Management Board Member in charge of Restructuring at PKP CARGO S.A. under restructuring (Resolution No. 3/2025 of the PKP CARGO S.A. under restructuring Management Board of 7 January 2025 and Resolution No. 10/2025 of the PKP CARGO S.A. under restructuring Management Board of 21 January 2025).

During 2025, numerous organizational changes were implemented, including – in the first half of the year – changes primarily related to the centralization and optimization of structures (centralization of ICT services provided within the Company and the liquidation of the ICT Departments at the Company's facilities) as well as the specialization of sales structures (creation of new commercial structures responsible for sales and customer service, thereby replacing the two existing sales-focused offices).

As at 31 July 2025, the Company's structure was as follows:

- Company's Head Office:

President of the Management Board:

- Management, Promotion and Investor Relations Department,
- Legal Department,
- Information and Communication (ICT) Department,
- Internal Audit Department,
- Compliance Department,
- Occupational Health and Safety Team.

Vice-President – Management Board Member in charge of Restructuring:

- Real Estate and Administrative-Economic Department,
- Safety and Control Department,
- PKP CARGO Group Office,
- Restructuring Projects Department,
- Operational Supervision Department.

Management Board Member in charge of Finance:

- Accounting and Tax Department,
- Settlement Department,
- Finance Department,
- Controlling Department,
- Procurement Department.

Management Board Member in charge of Commerce.

- Trade Policy and Sales Support Department,
- Commercial Department – Fuel and Chemicals Transportation Market,
- Commercial Department – Construction Materials Transportation Market,
- Commercial Department – Steel Products Transport Market,
- Commercial Department – Regional Market,
- Commercial Department – Intermodal and Automotive,
- Agricultural and Timber Transportation Department,
- International Transportation and Special Shipments Department.

Management Board Member in charge of Operations:

- Rolling Stock and Technical Support Department,
- Railway Traffic Safety Department of.

Management Board Member in charge of Human Resources:

- Human Resources Management Department.

- Company Units:

- PKP CARGO S.A. Central Unit of the Company,
- PKP CARGO S.A. Lower Silesian Unit of the Company,
- PKP CARGO S.A. Southern Unit of the Company,
- PKP CARGO S.A. Northern Unit of the Company,
- PKP CARGO S.A. Silesian Unit of the Company,
- PKP CARGO S.A. Eastern Unit of the Company,
- PKP CARGO S.A. Western Unit of the Company,

whose general structure was as follows:

Unit Director:
- Human Resources Department,
- Purchasing Department,
- Real Estate Maintenance Department,
- Controlling Department,
- Occupational Health and Safety Division,
- Classified Information and Defense Affairs Division,
- Integrated Management System Division,
- Administrative Office,
- Archives,
- Deputy Director of the Unit:
- Transport and Transport-Related Services Quality Team,
- Rolling Stock Maintenance Team,
- Environmental Protection Unit,
- Fire Protection Unit,
- Transport and Operations Sections,
- Maintenance Sections.

A fundamental change in the Company's operations, also in the context of its entire history, was the implementation of the new Organizational Bylaws of PKP CARGO S.A. under restructuring as at 1 August 2025, pursuant to which the Company currently operates as a single employer, without a plant structure – Resolution No. 152/2025 of the PKP CARGO S.A. under restructuring Management Board of 27 June 2025 and Resolution No. 153/2025 of the PKP CARGO S.A. under restructuring Management Board of 27 June 2025, regarding the organizational chart of PKP CARGO S.A. under restructuring, as amended: (1) Resolution No. 165/2025 of 4 July 2025, (2) Resolution No. 175/2025 of 15 July 2025, (3) Resolution No. 194/2025 of 29 July 2025, (4) Resolution No. 196/2025 of 30 July 2025

The new, uniform and more integrated organizational structure consists of organizational units directly subordinate to the Members of the Company's Management Board, within which executive sections operate: transport, rolling stock maintenance and infrastructure maintenance, organized into regional operational areas (the specific responsibilities of the Company's organizational units and their internal structures are defined by the organizational regulations of those units).

As at 1 August 2025, the Company's structure was as follows:

President of the PKP CARGO S.A. under restructuring Management Board:
- Management, Promotion and Investor Relations Department,
- Legal Department,
- Information and Communication (ICT) Department,
- Internal Audit Department,
- Compliance Department,
- Occupational Safety and Health Team.

Vice-President – Management Board Member in charge of Restructuring at PKP CARGO S.A. under restructuring:

- Infrastructure Department, including: Northern Region, Southern Region, Eastern Region, Western Region, comprising local Infrastructure Maintenance Sections (9),
- Safety and Control Department,
- Group Department,

- Restructuring Projects Department,
- Transport Management Department, including: Central Region, Southern Region, Northern Region, Eastern Region, Western Region, comprising local Transport and Operations Sections (22).

Management Board Member in charge of Finance at PKP CARGO S.A. under restructuring:
- Accounting and Tax Department,
- Settlement Department,
- Finance Department,
- Controlling Department,
- Procurement Department.

Management Board Member in charge of Commerce at PKP CARGO S.A. under restructuring:
- Trade Policy and Sales Support Department,
- Commercial Department – Fuel and Chemicals Transport Market,
- Commercial Department – Construction Materials Transport Market,
- Commercial Department – Metallurgical Products Transport Market,
- Commercial Department – Regional Market,
- Commercial Department – Intermodal and Automotive,
- Agricultural and Timber Transportation Department,
- International Transportation and Special Shipments Department.

Management Board Member in charge of Operations at PKP CARGO S.A. under restructuring:
- Rolling Stock Department, including local Rolling Stock Maintenance Sections (14),
- Railway Traffic Safety Department.

Management Board Member in charge of Human Resources at PKP CARGO S.A. under restructuring:
- Human Resources Management Department.

Subsequently, further organizational changes were introduced:

– By Resolution No. 224/2025 of the PKP CARGO S.A. under restructuring Management Board of 4 September 2025, regarding the organizational structure of PKP CARGO S.A. under restructuring:

- the Occupational Safety and Health Department was established to replace the existing Occupational Safety and Health Team,
- the Business Process Management Department was established,
- the Security and Control Department was split into the Security Department and the Control Department, implementation suspended.

– By Resolution No. 255/2025 of the PKP CARGO S.A. under restructuring Management Board of 27 October 2025, regarding Amendment No. 1 to the Organizational Structure of PKP CARGO S.A. under restructuring:

- the split of the Safety and Control Department into the Safety Department and the Control Department – thus, the Safety and Control Department continues to operate.

The organizational change involving the centralization of structures (liquidation of units) and the creation of a single employer in place of many has resulted in the integration of management processes and the unification of numerous procedures. The implementation of a reduced number of management levels, strengthening IT processes and promoting optimized and more flexible methods of task execution are measures aimed at effectively improving work efficiency in key operational and business areas. A process has been launched to review the procedures set forth in numerous internal regulations. These regulations are systematically standardized, simplified where possible and assigned to the relevant organizational units, with the designation of a responsible officer.

The entirety of the organizational and structural changes that occurred in 2025, including those related to management processes, were part of the Company's restructuring as outlined in the Restructuring Plan.

2.6. Description of changes in the Group's organization

With regard to the structure of capital ties, the following changes occurred in 2025 and up to the date of approval of this report:

- On 5 April 2025, the legal form of PKP CARGO INTERNATIONAL SK a.s. with its registered office in Bratislava, Slovakia, a sole subsidiary of PKP CARGO INTERNATIONAL a.s. with its registered office in Ostrava, Czechia, was changed, as a result of which the company, which had previously operated as a joint-stock company, has been operating since 5 April 2025 as a limited liability company under the business name of PKP CARGO INTERNATIONAL SK s.r.o.
- On 22 December 2025, an Extraordinary Shareholder Meeting of Międzynarodowa Spedycja MIRTRANS Sp. z o.o. under liquidation, with its registered office in Gdynia (in which PKP CARGO S.A. holds 245 shares representing 43.99% of the share capital), during which, among other things:
  - "Liquidator's Report on the Activities of Międzynarodowa Spedycja MIRTRANS w likwidacji," covering the period from 1 January 2025 to 21 December 2025, was accepted,
  - financial statements (liquidation report) of the company prepared as at 21 December 2025, that is the day preceding the distribution among the shareholders of the assets remaining after the satisfaction or securing of the creditors of the company in liquidation,
  - the company's Liquidator was granted a discharge for his actions covering the period from 1 January 2025, to 21 December 2025.

  Next, the Liquidator filed a motion to remove the company in liquidation from the National Court Register. On 23 January 2026, an entry was made in the National Court Register – the company was removed from the register of commercial undertakings. The entry became final on 31 January 2026, as a result of which Międzynarodowa Spedycja MIRTRANS Sp. z o.o. w likwidacji ceased to exist as a legal entity and ceased to be an entity affiliated with PKP CARGO S.A. under restructuring.
- On 16 January 2026, PKP CARGO S.A. under restructuring sold all 20,181 shares held in CARGOTOR sp. z o.o., with its registered office in Warsaw, with a total par value of PLN 20,181,000.00, representing 100% of the share capital of CARGOTOR sp. z o.o., for a price of PLN 28.8 million to PKP Polskie Linie Kolejowe S.A. with its registered office in Warsaw, through the conclusion of a Purchase Agreement between PKP CARGO and PKP Polskie Linie Kolejowe S.A. The transfer of ownership of the shares to PKP Polskie Linie Kolejowe S.A. took place on the date the price was credited to PKP CARGO's bank account, that is on 16 January 2026.
- On 2 April 2026, between PKP CARGO CONNECT Sp. z o.o. (a direct subsidiary of PKP CARGO, in which PKP CARGO holds 100% of the shares in the share capital) and EUROTEMINAL SŁAWKÓW Sp. z o.o. with its registered office in Sławków, a Purchase Agreement was concluded, pursuant to which PKP CARGO CONNECT Sp. z o.o. sold all 21,407 shares it held in Terminale Przeładunkowe Sławków – Medyka Sp. z o.o., with its registered office in Sławków (representing 50% of the shares in the share capital of Terminale Przeładunkowe Sławków – Medyka Sp. z o.o.) to "EUROTEMINAL SŁAWKÓW" Sp. z o.o., for a total price of PLN 11.5 million.

In 2025 and until the date of approval of this report, apart from the events enumerated above, no other changes were made to the Group's organization resulting from a merger, obtaining or losing control over subsidiaries or long-term investments, or a demerger, restructuring or discontinuation of business.

None of the member companies of the PKP CARGO Group has a limited term of operation, with the exception of PKP CARGOTABOR USŁUGI Sp. z o.o., which went into liquidation on 25 April 2024.
PKP CARGOTABOR USŁUGI Sp. z o.o. does not carry out any significant business activities.

3. Company's and PKP CARGO Group's development policy

3.1. Restructuring Plan

3.1.1. Court-Supervised Restructuring of PKP CARGO S.A. under restructuring

On 25 July 2024, the District Court for the Capital City of Warsaw in Warsaw, 18th Commercial Division, decided to open remedial proceedings of PKP CARGO, pursuant to Article 288(3) of the Restructuring Law, permitting the Company to exercise management over the entire enterprise to an extent not exceeding the scope of ordinary management, and to appoint an administrator, Ms. Izabela Skonieczna-Powałka (license no. 772).

On 28 February 2025, the Company's Restructuring Administrator presented a list of creditors to the District Court for the Capital City of Warsaw in Warsaw, 18th Commercial Division.

On 28 February 2025, the Restructuring Administrator obtained the approval of the Judge-Commissioner to extend the deadline for submitting the Company's Restructuring Plan to the case file until 30 June 2025.

On 17 April 2025, a notice was published on the National List of Debtors about the date of filing a list of Creditors' claims a list of disputed Creditors' claims.

On 19 April 2025, the Judge-Commissioner issued a Decision pursuant to Article 298 sec. 1, 2 and 3 of the Restructuring Law, accepting fully the Administrator's petition and granting consent for the Restructuring 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. Units of 14 February 2005 (the "Valentine's Day Agreement"), with subsequent annexes to the Agreement, with effect from the date of commencement of remedial proceedings with respect to the Company, i.e. from 25 July 2024. On 28 October 2025, the District Court for the Capital City of Warsaw in Warsaw, 17th Commercial Division, issued a Notice amending the Order of the Judge-Commissioner dated 19 April 2025, dismissing the motion of the Company's Restructuring Administrator.

On 30 June 2025, the Company's Restructuring Administrator filed the Restructuring Plan and Composition Proposals with the case file.

On 2 October 2025, the Council of Creditors of PKP CARGO S.A. under restructuring adopted a resolution regarding the replacement of the Company's Restructuring Administrator appointed in the Company's remedial proceedings.

On 18 November 2025, the Restructuring Administrator of PKP CARGO S.A. filed with the National Debt Register, addressed to the District Court for the Capital City of Warsaw in Warsaw, a resignation from the position of administrator, along with a motion, based on Article 28(1)(1) of the Restructuring Law, to replace the Administrator of PKP CARGO S.A. under restructuring.

On 8 December 2025, the District Court for the Capital City of Warsaw in Warsaw, 18th Commercial Division, pursuant to Article 28(1)(1) and (4) of the Restructuring Law, issued a ruling to change the administrator of PKP CARGO such that, effective 8 December 2025, it dismissed Ms. Izabela Skonieczna-Powałka (license no. 722) from the position of administrator and appointed Mr. Paweł Andrzej Głodek (license no. 657).

On 2 February 2026, the Council of Creditors adopted Resolution No. 11, in which it stated that, at this stage, it refrained from expressing an unequivocally positive or negative opinion on the Restructuring Plan, while simultaneously raising an objection to its content and requesting the Judge-Commissioner to require the Company's Administrator to supplement it.

On 17 March 2026, the Council of Creditors of PKP CARGO S.A. under restructuring adopted Resolution No. 14, expressing the following position regarding the Restructuring Plan:

- it upheld the position expressed in Resolution No. 11 of the Council of Creditors, according to which the submitted Restructuring Plan should be amended and further detailed,
- noted that the assumptions adopted in the submitted Restructuring Plan entail a significant risk of failing to achieve the projected results during the term of the composition and carry a high risk of its non-implementation,
- upheld the position that any funds obtained by the Company as compensation for the so-called "coal decision" and from divestments should, first and foremost and to a large extent, be allocated to the repayment of liabilities to composition creditors.

At the same time, the Council of Creditors announced that its intention is to efficiently continue the ongoing remedial proceedings; therefore, in its view, it is advisable to begin discussions on the content of the composition proposals, in order to develop a final proposal acceptable to all creditors.

On 18 March 2026, the Company received a ruling from the Judge-Commissioner, who, pursuant to Article 315(1) 1 of the Restructuring Law of 15 May 2015, approved the Company's Restructuring Plan submitted to the Court by the Administrator on 30 June 2025.

3.1.2. Restructuring Plan of PKP CARGO S.A. under restructuring

The PKP CARGO Restructuring Plan submitted on 30 June 2025 provides for the implementation of restructuring measures aimed at restore the Company's profitability, ensure its long-term development and restore its full ability to meet its obligations. These measures are also aimed at increasing operational efficiency and creating conditions for future financing of development investments, through which the objectives of the remedial proceedings should be achieved.

As part of the restructuring measures and initiatives planned for their implementation, the Plan provides for 7 types of restructuring measures:

1. restructuring in the sales area through sales stimulation (implementation cost approx. PLN 13 million, implementation period: July 2025 – December 2026), foreign expansion (effect of the initiative not included in the financial forecast, implementation period: June 2025 – June 2026) and the development of transport services in the specialized and intermodal segments (no costs are projected);
2. restructuring in the area of operations by increasing operational efficiency (implementation cost approx. PLN 325 million – severance costs, average salary increases and costs of digitization and process automation; implementation period: June 2025 – March 2026);
3. workforce restructuring through optimization of administrative staffing (implementation cost approx. PLN 41 million – severance costs, implementation period: June 2025 – September 2026) and in production positions (implementation cost approx. PLN 297 million – severance pay and salary increase costs, implementation period: June 2025 – November 2026);
4. restructuring in the area of information management through information management (implementation costs approx. PLN 134 million – costs of implementing CRM and BI systems, costs of process automation and digitization and costs of bringing the Company into compliance with regulatory requirements in the IT area, implementation period: July 2025 – October 2026);
5. restructuring in the asset management area through the sale of non-operational rolling stock (implementation cost approx. PLN 41 million (8% of the sale value)), non-operational real estate (implementation cost approx. PLN 13 million (5% of the sale value)) and shares in selected subsidiaries (no costs projected), implementation period: July 2025 – June 2026;
6. restructuring in the organizational area through the reorganization of the Group (implementation period: July 2025 – June 2026), the integration of PKP CARGOTABOR into PKP CARGO (implementation period: October 2025 – October 2026) and the merger of PKP CARGO Connect and PKP CARGO Terminale (implementation period: January 2026 – December 2026) (effects of initiatives not included in the financial forecast – additional potential);
7. oversight of strategy implementation through the Process and Project Management Office (PMO) (a qualitative initiative, a prerequisite for the effective implementation of the other initiatives, implementation period: June 2025 – December 2026).

The Restructuring Plan outlines the actions the Company intends to take to implement the specified Initiatives and identifies the associated risks:

1. Sales stimulation aimed at increasing revenue and freight margins.

Key actions:

- improving sales efficiency – to increase the effectiveness of customer acquisition, PKP CARGO will take steps to automate sales processes using AI tools, introduce a market-based compensation and bonus system and evaluate sales staff based on results and operational efficiency;
- increasing sales volumes – the sales stimulation efforts will focus on improving service for key clients, regaining former clients, and developing a long-term sales strategy;
- improving client retention – PKP CARGO will take steps to strengthen customer loyalty and improve experience through customer satisfaction monitoring and the introduction of high-quality after-sales service;
- improving contract pricing – PKP CARGO will take steps to optimize commercial terms and contract profitability management. Key actions include an improvement of the pricing model and analysis of unprofitable contracts;
- adapting the organization to market and sales needs;
- improving organizational efficiency in supporting sales activities.

Risks:

- sales results depend on the organization's ability and willingness to adapt in terms of resource needs and financial resources for the purchase and modernization of rolling stock;
- sales results also depend on the overall market situation. In the event of an economic downturn and a lack of new volume in the rail transport market, the targeted results may not be achieved despite the implementation of the planned tasks;
- internal organizational difficulties in implementing a modern compensation system in the sales area.

2. International expansion aimed at developing sales in foreign markets.

As part of this initiative, it is planned to utilize all of PKP CARGO's existing resources and market advantages in the provision of freight services in foreign markets. The goal is to increase revenue from foreign and international freight by developing international connections and foreign sales branches. International freight, on long routes, have market prices favorable to carriers, which allows for relatively high margins and effectively increases operating profit. Economic growth in CEE is increasing demand for international transport and the structure of the PKP CARGO Group allows for its efficient execution. Increasing international transport does not require significant investments beyond the development of sales structures in relevant markets.

Risks:

- difficulties in organizing sales and transport at the interface between PKP CARGO S.A., PKP CARGO International a.s. and PKP CARGO CONNECT Sp. z o.o.;
- insufficient sales resources with experience in acquiring customers for international transport from both the Polish and foreign sides;
- potential expenditures related to rolling stock adaptation.

3. Increasing operational efficiency, aimed at improving operational effectiveness through OPEX/CAPEX optimization.

PKP CARGO will undertake a series of measures aimed, among other things, at minimizing turnaround time and improving transport efficiency. The Company will conduct a thorough operational analysis of the functioning of all Rolling Stock Maintenance Centers with a view to cost optimization, particularly regarding staffing levels and labor utilization. Key actions will include increasing the effective working time of transport staff, reducing empty runs, minimizing empty runs for internal needs and maximizing the utilization of line parameters.

Risks:

- organizational resistance to the changes being introduced;
- attempts to undermine the proposed solutions by referring to past experiences;
  problems with obtaining relevant information to monitor key performance indicators;
- artificially prolonging the change process and task implementation.

4. Optimization of staffing in the administrative area, aimed at reducing the costs of providing support services within the PKP CARGO Group.

In the first phase of the initiative's implementation, operational processes will be subject to change; after mapping, these processes will undergo optimization and automation. In the second phase of the initiative's implementation, a center shared services center will be established, which will gradually centralize the processes optimized in the first stage in order to provide them also to entities within the PKP CARGO Group. The initiative will cover services in the areas of: HR and payroll, accounting, IT, legal services, real estate and vehicle fleet management, warehouse management and others to be identified during the implementation work.

Risks:

- prolonged implementation of necessary IT tools;
- resistance from entities identified for optimization;
- resistance from the workforce.

5. Information management, aimed at integrating IT systems in the PKP CARGO Group and implementing tools that enable scalability of operations without increasing headcount in selected areas.

Information is the basis for management decision-making. PKP CARGO currently has many non-integrated IT systems. Moreover, the level of process automation does not allow for flexible scalability of operations (in many operational and support areas, an increase in freight volume or freight turnover necessitates an increase in staffing). The implementation of many initiatives under the Restructuring Plan requires increasing the level of automation and system integration, including the implementation of new tools in the areas of sales planning and customer relationship management (CRM, BI), planning and monitoring of transport routes and operational work (GenAI), optimization of support processes (workflow), etc. As a large-scale company facing significant operational inefficiencies, PKP CARGO must have top-tier IT systems that provide the most precise and up-to-date information. Implementing this initiative is essential for achieving improvements in operational and cost efficiency.

Risks:

- resistance from within the organization – defense of existing solutions;
- prolonged implementation process;
- resistance from the workforce.

6. Asset optimization, aimed at obtaining additional funds by reducing fixed assets, including real properties and rolling stock, to the minimum level necessary to conduct operations.

The initiative will be implemented primarily through the following tasks:

- optimization of Rolling Stock Maintenance Points (PUT), including the return of leased and rented properties and the sale of surplus real estate – this action involves continuing the already initiated process of optimizing the number of PUTs; to date, the number of PUTs has been reduced from 35 to 17. An analysis of the demand for PUT locations should be repeated after one year, in 2026, in connection with the implementation of process optimization and, consequently, the demand for rolling stock;
- optimization of non-operational (non-PUT) – PKP CARGO will take steps to analyze the need for its real estate holdings and the sales process;
- optimization of rolling stock assets – this includes the priority sale of unused assets and adjusting the number of locomotives and wagons to transportation needs in connection with process optimization, followed by the further sale of surplus rolling stock.

Risks:

- incomplete implementation of the “Increasing Operational Efficiency” initiative will limit the potential for reducing the rolling stock fleet, the need for which decreases as transport processes become more efficient;
- the risk of obtaining unsatisfactory prices from the sale of assets.

7. Optimization of staffing in the operational area, aimed at aligning PKP CARGO’s staffing levels with market standards appropriate to the volume of transport services provided.

The main measures to align PKP CARGO’s staffing levels with market standards include:

- in-depth analysis of work processes in the transport chain;
- introduction of an effective piecework and incentive system for employees (primarily frontline staff);
- significant reduction in the number of independent train dispatcher positions;
- further workforce reductions as part of a gradual optimization of staffing to reach market levels;
- new work rules following the expiration of the Collective Labor Agreement.

Risks:

- resistance from the organization, resistance from labor unions;
- insufficient implementation of the initiative “Increasing operational efficiency” may result in the inability to implement workforce reductions commensurate with needs.

8. Restructuring of the Group, aimed at streamlining business competencies within the PKP CARGO Group.

The objective of this initiative is to reorganize and assign business competencies to specific entities within the Group. Systematizing business activities will enhance operational, cost and revenue efficiency. Key activities under this initiative include:

- sale of shares in subsidiaries (not included in the financial forecast, due to the early stage of the process, which makes it difficult to estimate the likelihood of the transaction's success and its potential impact) – PKP CARGO will take steps to sell some or all of the shares it holds in the following entities: CARGOTOR Sp. z o.o., Euroterminale Sławków Sp. z o.o., Terminale Przeładunkowe Sławków-Medyka Sp. z o.o. (indirect stake via PKP CARGO CONNECT);
- streamlining the sales function within the Group – PKP CARGO will take steps to clarify the scope of sales responsibilities and coordinate activities between PKP CARGO S.A., PKP CARGO INTERNATIONAL and PKP CARGO CONNECT. The Company will also take steps to streamline the transfer pricing policy within the Group;
- streamlining and consolidation of the terminal operations within the Group – PKP CARGO will take steps to review the fragmented ownership of terminals within the Group and carry out their full consolidation under PKP CARGO TERMINALE through a merger or capital consolidation.

Risks:

- lack of consent from all involved entities to implement the process of streamlining competencies and business resources within the Group;
- actions against the reorganization of competencies, superficial actions and feigned engagement in the process by the interested parties.

9. Incorporation of PKP CARGOTABOR into PKP CARGO, aimed at integrating rolling stock repair activities within PKP CARGO S.A. under restructuring.

Key activities under this initiative include:

- operational and legal merger of PKP CARGOTABOR with PKP CARGO S.A., either directly or indirectly;
- integration of rolling stock repair planning and management systems (ERP, CMMS, scheduling);
- transfer of human and technical resources to PKP CARGO's structures;
- standardization of repair and maintenance processes;
- elimination of the need for transfer pricing and transfer pricing documentation;
- increased flexibility in margin and cost planning;
- optimization of the use of in-house workshop resources;
- faster response to operational needs (e.g., breakdowns, inspections);
- simplification of reporting and financial consolidation.

Risks:

- resistance from employees of the integrated subsidiary;
- possible dispersion of key competencies and the risk of insufficient resource optimization within the merger;
- system incompatibilities with the integrated structure.

10. Merger of PKP CARGO Connect and PKP CARGO TERMINALE, aimed at integrating logistics, freight forwarding and terminal services within the PKP CARGO Group.

Key activities under this initiative include:

- legal and organizational merger of both companies;
- standardization of the commercial offering and sales channels;
- integration of IT and CRM systems (customer, order and terminal management);
- optimization of the terminal network and operational resources;
- elimination of internal competition and duplication of services;
- joint planning of investments and infrastructure development;
- standardization of pricing and margin policies;
- strengthening market position through a consistent brand and communication.

Risks:

- resistance from employees of the integrated subsidiaries;

- possible dispersion of key competencies and the risk of insufficient resource optimization within the merger;
- incompatibility of systems with the integrated structure.

11. Establishment of the Project and Process Management Office (PMO), the purpose of which is to operationalize the strategy and establish a PMO unit to oversee the implementation of restructuring initiatives within the PKP CARGO Group.

This initiative is crucial for the implementation of the strategy at PKP CARGO. Its main tasks include: overseeing the proper and timely of restructuring initiatives as well as overseeing the development and management of the operational process framework. The PMO will report directly to the Company's President and will be responsible for ensuring consistency in project management across the entire PKP CARGO Group. Key to the successful implementation of restructuring initiatives is their operationalization, which involves developing detailed implementation plans, monitoring their progress and establishing a method for reporting them to the Company's Management Board.

Risks:

- reluctance of the organization to cooperate with individuals acting on behalf of the Company's Management Board, who are tasked with overseeing their implementation;
- difficulty in obtaining objective information by the PMO team for monitoring purposes.

According to the financial model adopted in the Restructuring Plan, which serves as the foundation for financial forecasts for 2025-2031, following the effective implementation of the restructuring measures described above, PKP CARGO will achieve profitability at the net profit level starting in 2026. Furthermore, in accordance with the assumptions adopted therein, in the event of the successful implementation of the planned measures:

- in 2031, it will be possible to achieve EBITDA of approximately PLN 1,296 million;
- the share of employee benefits in the total cost structure may be reduced from approximately 45% to approximately 31%;
- the revenue structure will change, including 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.

The foregoing assumptions regarding future financial results do not constitute financial forecasts.

The Restructuring Plan contains a description of the preliminary assumptions of the Company's new Strategy, which focuses on financial stabilization through the optimization of cash flows and the strengthening of revenues. Key actions include improved management of receivables and liabilities, renegotiation of financial terms, cost reduction and increased sales through the development of cooperation with customers and adjustment of the pricing strategy. Its key assumptions include:

- withdrawing from declining business areas, in particular the gradual phasing out of the coal transport segment;
- focusing development on intermodal and specialized transport segments, which offer higher margins, more stable demand, and greater resilience to business cycles;
- expanding sales capabilities, which includes strengthening the sales team and introducing tools for active management of customer relationships;
- improving operational processes, which includes optimization of management of the transport process through more efficient planning in order to boost efficiency;
- consolidating and centralizing support functions to reduce overhead costs and increase management transparency.

The following sources of financing have been identified as part of the Restructuring Plan:

- proceeds from the Company's ongoing operations in 2025-2031 totaling PLN 25,303 million, to be used to finance current operating costs and repay creditors under the composition;
- proceeds from the sale of assets, specifically:

  1) sale of non-operational rolling stock and real estate in 2025-2030 in the amount of PLN 762 million, to be used to cover current liabilities and/or repay creditors under the composition;

  2) sale of shares in selected subsidiaries in 2025-2026 in the amount of approximately PLN 60 million, to be used to cover current liabilities;

- other sources of financing generated through the implementation of restructuring measures in 2025-2031 in the amount of PLN 2,907 million, to be used to finance current operating costs and repay creditors under the composition.

The foregoing assumptions regarding future financial results do not constitute financial forecasts.

The Restructuring Plan also identifies the restructuring measures undertaken and implemented as at 30 June 2025, which are described in section 3.1.5 of this report, taking into account also the restructuring measures implemented up to the date of approval of this report.

The administrator of the PKP CARGO reorganization estate simultaneously indicates that the Company's Restructuring Plan, prepared as at 30 June 2025 and filed on the same date with the competent court, constitutes a document prepared in accordance with the provisions of the Restructuring Law of 15 May 2015 and is subject to the procedure prescribed for remedial proceedings, including review by the Council of Creditors, supervision by the Judge-Commissioner and further actions in the course of the remedial proceedings. The Plan is not a final or binding document with respect to its full content and may be subject to additions, modifications or updates during the proceedings, in particular in connection with the actions of the restructuring authorities and the process of the composition by the Restructuring Court.

3.1.3. Composition Proposals for Creditors of PKP CARGO S.A. under restructuring

On 30 June 2025, the Company filed preliminary Composition Proposals with the competent court, setting out the terms of the debt restructuring, including the split of creditors into groups and the terms of their satisfaction.

As at that date, the total debt covered by the composition amounted to PLN 2,937.75 million, with a proposed satisfaction level of PLN 2,647 million.

On 27 February 2026, a motion was filed with the Judge-Commissioner presiding over the proceedings to extend the deadline for submitting the final text of the Composition Proposals until 30 April 2026. On 24 March 2026, the Judge-Commissioner issued an Order, granting the Company's aforementioned motion regarding the final extension of the deadline for PKP CARGO and the entities specified in Article 155(2) of the Restructuring Law of 15 May 2025, to submit the final text of the Composition Proposals, which will be put to a vote, by 30 April 2026. Work is currently underway to further refine the Composition Proposals and agree on their terms with the Creditors.

In accordance with the procedure, after the Company presents the final Composition Proposals, the creditors will vote on the Composition. A majority of at least two-thirds of the total claims and a majority of the Creditors (half plus one vote) is required. The court will then determine whether the composition is enforceable and whether it would be unfair to any of the parties. The composition agreement may therefore be concluded by the end of 2026.

On 23 April 2026, an application was submitted to the Judge-Commissioner to extend, until 30 June 2026, the deadline for filing the final wording of the Composition Proposals. On 25 April 2026, the Judge-Commissioner, in response to the said motion by the Company's Administrator, issued an Order setting a deadline for the Council of Creditors and its individual members to submit any justified objections to the Administrator's and the Company's motion by 5 May 2026. If the Creditors raise no such objections, the Judge-Commissioner will consider that they do not oppose the request to set a new deadline for filing the Composition Proposals at 30 June 2026. After the expiry of the above deadline for the Creditors, the Judge-Commissioner, taking into account any objections raised, will either order a further extension of the deadline in line with the applications mentioned above or take procedural and supervisory measures to proceed without delay to a vote on the composition.

3.1.4. Employment-related activities at PKP CARGO

In 2025, the Company continued its cost optimization efforts aimed at ensuring financial stability and improving profitability.

On 18 September 2025, a decision was made and the layoff process was initiated pursuant to the Act of 13 March 2003 on Special Rules for Terminating Employment Relationships with Employees for Reasons not Attributable to Employees. This decision was driven by the Company's ongoing financial difficulties and a decline in freight volumes, which resulted in a reduced labor demand. The layoffs carried out in 2025 ultimately affected a smaller number of employees than initially anticipated and the final number employees whose employment was terminated as part of this process was 450.

The servicing of the costs incurred by PKP CARGO S.A. under restructuring in connection with the loan received from the Guaranteed Employee Benefits Fund for the purposes of the mass layoffs carried out in 2024 constituted a financial burden on the Company during the reporting period.

On 6 October 2025, the Company's Management Board decided to repay, by 8 October 2025, the final outstanding employee benefits totaling PLN 57.73 million, including: retirement and disability severance pay, long-service awards and compensation for unused vacation time. These benefits were paid at the principal amount, without interest.

All these decisions and measures were aimed at ensuring the Company's financial stability, continued growth and regaining its strong market position.

3.1.5. The most significant restructuring measures implemented

The most significant restructuring measures implemented to improve the Company's economic and financial situation:

- reduction of employment – carrying out mass layoffs in 2024 and 2025,
- change of organizational structure, including in particular the reorganization of the transport division, reorganization of the commercial division and implementation of the single employer concept,
- continuation of the Dispatch Reform, which completely changed the approach to the planning and supervision of transport,
- sale of the subsidiary CARGOTOR Sp. z o.o.,
- sale by PKP CARGO CONNECT of its shares in the company Terminale Przeładunkowe Sławków-Medyka Sp. z o.o.,
- optimization of real estate assets used for day-to-day operations, including, among other things, reduction of real estate lease and rental costs, optimization of the use of owned real estate and optimization of property tax,
- optimization of the rolling stock (wagons and locomotives), optimization measures in the area of rolling stock maintenance – including, among others: reduction of Rolling Stock Maintenance Points (PUT) within PKP CARGO's structure, reorganization of maintenance structures and optimization of costs related to the storage of idle rolling stock.

3.1.6. Court-supervised restructuring of the subsidiary PKP CARGOTABOR

On 2 September 2024, the District Court for the Capital City of Warsaw in Warsaw, 18th Commercial Division, decided to open remedial proceedings of PKP CARGOTABOR Sp. z o.o., pursuant to Article 288(3) of the Restructuring Law, permitting the subsidiary to exercise management over the entire enterprise to an extent not exceeding the scope of ordinary management, and to appoint an administrator, Geromin Lewandowski Restrukturyzacje Sp. z o.o. (KRS number 0000998859).

On 14 March 2025, PKP CARGOTABOR filed at the District Court for the Capital City of Warsaw in Warsaw, a restructuring plan drawn up for the needs of the remedial proceedings carried out with regard to the Subsidiary, file ref. no. WA1M/GRs/8/2024.

The Restructuring Plan of PKP CARGOTABOR Sp. z o.o. under restructuring 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 going concern strategy of the Subsidiary assumes:

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

As part of the Restructuring Plan, two main groups of restructuring measures were identified:

1. Strategic measures, which include two potential restructuring scenarios:

- continuing operations while implementing optimization measures and generating funds to repay liabilities from operating profits over the coming years;
- 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 the restructuring of:

- repair units and sections (selling off sections and units with low profitability);
- headcount (job cuts);
- assets (leasing or selling selected assets);
- organization (streamlining the management structure);
- operations (renegotiating contract terms, diversifying revenue sources, and aligning staff competencies with market needs);
- finances (securing support from the Guaranteed Employee Benefits Fund, obtaining a VAT refund, and concluding a composition agreement with creditors).

On 3 April 2025, a meeting was held between the Management Board of PKP CARGOTABOR Sp. z o.o. under restructuring and the Trade Unions, during which an Agreement was signed along with the Company's Employee Bonus Bylaws.

On 21 May 2025, the PKP CARGOTABOR Council of Creditors adopted a resolution in which it issued a positive opinion on the Restructuring Plan prepared in the remedial proceedings pending against the company.

On 11 June 2025, the Judge-Commissioner approved the Restructuring Plan of PKP CARGOTABOR Sp. z o.o. under restructuring.

In 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. In accordance with the schedule approved by the Director of the Voivodeship Labor Office in Warsaw, the liability will be fully repaid in ten installments by 20 August 2026.

On 24 March 2026, PKP CARGOTABOR filed with the District Court for the Capital City of Warsaw in Warsaw Composition Proposals for the remedial proceedings under case number WA1M/GRs/8/2024.

As part of the Composition Proposals covering all Creditors, a split into 6 groups of creditors was provided for, adopting a split that takes into account specific categories of interest, namely:

- Group 1 – Creditors holding public claims separated pursuant to the provisions of Article 160(1) of the Bankruptcy Law, namely: Social Insurance Institution (ZUS);
- Group 2 – Creditors whose claims arise from lease agreements;
- Group 3 – Creditors holding claims whose amount is equal to or less than PLN 10,000, not qualifying for other groups;
- Group 4 – Creditors holding claims in an amount equal to or greater than PLN 10,000.01 but not exceeding PLN 70,000.00, not qualifying for other groups;
- Group 5 – Creditors holding claims equal to or greater than PLN 70,000.01, not qualifying for other groups;
- Group 6 – Creditors in close relations with the Debtor, as referred to in Article 116 of the Restructuring Law.

For creditors classified in Group 5, an additional satisfaction mechanism (cash sweep), consisting of the possibility of making additional payments to creditors in this group, in accordance with the following rules:

- the cash sweep mechanism covers the financial years 2027-2036,
- in each financial year covered by the cash sweep mechanism, if the Debtor generates a net profit exceeding PLN 12,000,000.00, the net profit in excess of this amount is allocated to additional satisfaction of Creditors classified in Group 5, provided that the amount allocated in the respective financial year for additional satisfaction of creditors under the cash sweep mechanism may not exceed PLN 4,000,000.00;
- funds allocated for the additional satisfaction of Creditors under the cash sweep mechanism shall be distributed in proportion to the amount of the principal claim covered by the composition attributable to the respective Creditor, relation to the total amount of principal claims covered by the composition and due to Group 5 Creditors,

- the payment of funds due to Creditors under the cash sweep mechanism shall be made by 30 September of the year following the financial year to which the additional satisfaction relates,
- the total amount of benefits received by the respective Creditor under the composition, including both the installment payments provided for in Section 6 and additional payments made to that Creditor under the cash sweep mechanism, may not exceed 100% of the nominal amount of that Creditor's principal claim covered by the composition,
- if the application of the cash sweep mechanism would result in exceeding the limit referred to in subparagraph (e), the amount due to that Creditor shall be reduced accordingly and the unused portion shall be distributed proportionally among the remaining Creditors entitled to participate in the cash sweep mechanism;
- if, in the respective financial year, net profit does not exceed the amount referred to in subparagraph (b), the Debtor shall not be obligated to make any additional payments under the cash sweep mechanism.

The repayment plan for the Creditors of PKP CARGOTABOR Sp. z o.o. under restructuring is to be structured as follows:

- Group 1 – repayment of 100% of the principal claim, together with ancillary claims due, including interest, both for the period before and after the opening of the restructuring proceedings, in 40 quarterly installments, calculated based on the amount of the claim covered by the composition.
- Group 2 – repayment of 100% of the principal claim, payable in a single installment by the last day of the first full calendar quarter following the calendar quarter in which the finality of the decision approving the composition is announced, but not earlier than 31 December 2026; full write-off of ancillary claims.
- Group 3 – creditors whose claims arise from lease agreements: repayment of 100% of the principal claim, payable in a single installment by the last day of the first full calendar quarter following the calendar quarter in which the finality of the decision approving the composition is announced, but not earlier than 31 December 2026; full write-off of ancillary claims.
- Group 4 – repayment of 75.80% of the principal claim, payable in a single installment by the last day of the first full calendar quarter following the calendar quarter in which the finality of the decision approving the composition is announced, but not earlier than 31 December 2026; write-off of the remaining principal amount, full write-off of ancillary claims.
- Group 5 – repayment of 75.80% of the principal claim in 40 installments; write-off of the remaining principal amount and full write-off of ancillary claims; creditors in this group may be eligible for additional satisfaction through a cash sweep.
- Group 6 – repayment of 5% of the principal claim, payable in a single installment by the last day of the forty-first full calendar quarter following the calendar quarter in which the finality of the decision approving the composition is announced, and not earlier than after repayment of creditors in all other Groups; write-off of the remaining principal amount and full write-off of ancillary claims.

As at 24 March 2026, that is as at the date of submission of the Composition Proposals, the total amount of claims included in the list of claims of PKP CARGOTABOR filed with the court was PLN 243,012,123.65.

On 22 April 2026, the Council of Creditors of PKP CARGOTABOR Sp. z o.o. under restructuring submitted to the case files of the remedial proceedings a letter setting out the approach to the restructuring of the debtor's liabilities.

Under the proposals presented by the Board, six creditor groups are provided for, with a split based on specific categories of interest (the composition is not a partial composition), i.e.:

- Group 1: creditors holding public-law claims separated pursuant to the provisions of Article 160(1) of the Bankruptcy Law, i.e.: Social Insurance Institution (ZUS);
- Group 2: creditors whose claims arise from lease agreements;
- Group 3: creditors holding claims the amount of which is equal to or less than PLN 10,000.00, not qualifying for other groups;
- Group 4: creditors holding claims whose amount is equal to or greater than PLN 10,000.01 but not greater than PLN 70,000.00, not qualifying for other groups;
- Group 5: creditors holding claims the amount of which is equal to or greater than PLN 70,000.01, not qualifying for other groups;
- Group 6: creditors who have close ties with the Debtor, as referred to in Article 116 of the Bankruptcy Law.

For creditors classified in Group 5, an additional satisfaction mechanism (cash sweep), consisting of the possibility of making additional payments to creditors in this group, in accordance with the following rules:

- the cash sweep mechanism covers the next 10 financial years following the entry into force of the decision approving the composition, with 2027 being the first year forming the basis for calculating the cash sweep mechanism and the final payment under the cash sweep will be made in 2037 (for 2036);
- each financial year covered by the cash sweep mechanism, if the Debtor generates a net profit exceeding PLN 12,282,348.83 (representing the minimum value of the basic composition installments under these composition proposals, with said PLN 12,282,348.83 to be allocated to the repayment of the basic composition installments), 75% of the net profit in excess of this amount shall be allocated to the additional satisfaction of creditors classified in Group 5, provided that the amount allocated in the respective financial year for additional satisfaction of creditors under the cash sweep mechanism may not exceed PLN 8,000,000.00;
- funds allocated for additional satisfaction of creditors under the cash sweep mechanism are distributed in proportion to the amount of the principal debt covered by the composition attributable to the respective creditor, relative to the total amount of principal claims covered by the composition and due to Group 5 creditors;
- the payment of funds due to creditors under the cash sweep mechanism shall be made by 30 September of the year following the financial year to which the additional satisfaction relates;
- if, in the respective financial year, net profit does not exceed the amount referred to in subparagraph (b), the Debtor shall not be obligated to make any additional payments under the cash sweep mechanism.

The total amount of the first payment (authentication installment – “0” installment) for creditors in Groups 1-5 will be PLN 30,000,000.00 (thirty million Polish zloty) and will be distributed according to the following rules:

- creditors in Group 2, Group 3 and Group 4 are allocated the portion of the amount designated for a one-time payment, in the amount specified in item 5 of the composition proposals;
- the remaining portion will be allocated to creditors from Group 1 and Group 5 and distributed proportionately to the amount of claims covered by the composition attributable to individual creditors in those Groups relative to the total amount of claims of those Groups;
- for creditors in Group 1 and Group 5, further payments are made in equal composition installments (basic composition installments) numbered 1-40.

Notwithstanding the mechanism referred to in item 2, a separate, additional satisfaction mechanism is provided for creditors classified in Group 5, consisting of allocating to them the funds obtained by the Debtor in performance of the composition concluded by PKP CARGO S.A. in accordance with the following rules:

- the mechanism covers all funds actually received by the Debtor from PKP CARGO as satisfaction of the claim held by the Debtor against PKP CARGO, covered by the composition concluded by PKP CARGO, regardless of the legal basis for their payment (in particular composition installments, additional payments or other benefits provided by the composition),
- the funds referred to in subparagraph (a) shall be allocated in full to the additional satisfaction of creditors classified in Group 5,
- the distribution of funds shall be proportional to the amount of the principal claim covered by the composition to which the respective creditor from Group 5 is entitled, relative to the total sum of principal claims covered by the composition to which creditors of that Group are entitled,
- funds are transferred to creditors by the last day of the month following the month in which such funds were credited to the Debtor’s account;
- the mechanism covers funds credited to the Debtor’s account up to the date of the final payment to creditors in Group 5,
- the total amount of payments received by the respective creditor under the composition, including both the installment payments provided for in item 5 of the composition proposals as well as additional payments made to that creditor under the mechanism specified in this item and in item 2, may not exceed 100% of the nominal amount of that creditor’s principal claim covered by the composition,
- if the application of the mechanism would result in exceeding the limit referred to in subparagraph (f), the amount due to that creditor shall be reduced accordingly and the unused portion shall be distributed proportionally among the remaining creditors in Group 5,
- the Debtor’s failure to obtain the funds referred to in subparagraph (a), including in particular as a result of the non-approval, revocation or non-performance of the composition entered into by PKP CARGO, shall not give rise to any obligation on the part of the Debtor to make any payments under this mechanism.

The repayment plan is to be structured as follows:

- Group 1: repayment of 100% of the principal amount of the claim together with any incidental claims, including interest for both the period before and after the opening of the remedial proceedings, in 40 equal quarterly principal installments (installments 1-40), calculated based on the amount of the claim due to the creditor within the scope covered by the composition, plus the payment resulting from the validation installment ("Installment 0") described in item 3
- Group 2: Repayment of 100% of the principal amount payable in a single installment as part of the validation installment (installment "0") described in item 3. Full write-off of ancillary claims.
- Group 3: Repayment of 100% of the principal claim amount, payable in a single installment as part of the validation installment (installment "0") described in item 3. Full write-off of ancillary claims.
- Group 4: Repayment of 75.80% of the principal amount, payable in a single installment as part of the verification installment (installment "0") described in item 3. Write-off of the remaining portion of the principal debt. Full write-off of ancillary claims.
- Group 5: Repayment of at least 75.80% of the principal debt in 40 equal, basic installments (installments 1–40) and additionally a payment resulting from the authentication installment (installment "0") described in item 3. Creditors in this Group will be subject to additional satisfaction under the mechanisms specified in items 2 and 4. The remaining portion of the principal debt, to the extent not repaid under all payments resulting from these composition proposals and all ancillary claims will be discharged at the end of the composition period, following the payments provided for herein.
- Group 6: Repayment of 5% of the principal debt amount, payable in a single installment by the last day of the full calendar quarter following the payment to Group 5 of funds under the cash sweep mechanism described in item 2 and at the same time no earlier than after the repayment of creditors from all other Groups. Write-off of the remaining portion of the principal debt. Full write-off of ancillary claims.

To secure the claims of Creditors belonging to Group 1 and Group 5, the proposals include:

- the establishment of a joint contractual mortgage on the perpetual usufruct rights to three properties:
  – located at ul. Kolejowa 6 in Zduńska Wola,
  – located at ul. Kolejowa 1 in Kluczbork,
  – located at ul. Dworcowa 17 in Gorzów Wielkopolski,
  for a period until the date of the composition's execution, up to a maximum security amount of PLN 243,018,326.89.

- registered pledge on a collection of movable property and rights belonging to the Debtor, that is on the Debtor's movable equipment and in particular on machinery, devices, means of transport and other technical equipment used by the Debtor to conduct business operations, up to a maximum security amount of PLN 243,018,326.89.

On 23 April 2026, the Council of Creditors of PKP CARGOTABOR Sp. z o.o. under restructuring submitted to the case files of the remedial proceedings a letter amending the proposals setting out the approach to the restructuring of liabilities. The correction concerned the removal of movable property and rights pertaining to one of the real estate properties from the list of movable property and rights belonging to the debtor. Furthermore, it was clarified that the subject of the registered pledge will be the set of movable property and rights current as at the date the decision approving the composition becomes final.

3.2. Description of external and internal factors of relevance for the development of the Company and the PKP CARGO Group

3.2.1. Armed conflict in Ukraine

The war in Ukraine and its repercussions are one of the elements affecting the level of rail freight in Poland and neighboring countries, which also translates into the performance of PKP CARGO in terms of transport and financial results. Bilateral restrictions by Western countries, as well as Russia and Belarus, are adversely affecting the level of international trade, as reflected in lower exploitation of production capacities. In addition, consequences of the energy crisis in Europe are having a negative impact on the scale of production of many industries that must compete with cheap imports from the East.

Compared to the pre-war period in Ukraine, trade with the Russian Federation and the Republic of Belarus is severely limited, while trade with Ukraine has noticeably increased, despite restrictions on the transport of, among other things, grain (but also other products).

Opportunities for growth in trade between Poland and Ukraine should be seen in the supply of goods to the Ukrainian armed forces, the opening of EU markets to numerous groups of goods exported from Ukraine as well as the supply of goods necessary for the functioning of the economy and daily life in this war-torn country.

The Company currently sees no particularly significant risks to the entity's operations as a result of the war in Ukraine or the impact of the macroeconomic environment. Because of a high volatility of the international situation, it is necessary perform constant monitoring and take regular adaptation measures.

3.2.2. Conflict in the Middle East

PKP CARGO continuously monitors and analyzes the impact of the political and economic situation in the Middle East on the operations of the Company and the Group as a whole, as well as on its financial performance over subsequent reporting periods. The scale of the actual and potential effects of this crisis on the company's operations is being assessed, including restrictions or difficulties in conducting business, disruptions in supply continuity, rising raw material prices, etc. The greatest concerns regarding the impact of the conflict in the Middle East relate to disruptions in global energy and fuel supply chains and a potential slowdown in economic growth. A prolonged conflict combined with high volatility in energy and fuel prices would have an adverse effect on the global economy. More expensive energy and fuel translate into higher production, transport and living costs, which in turn lead to slower economic growth in many regions of the world.

It should also be noted that any restriction of raw material supplies from the Middle East will trigger intense competition for cargo available from alternative directions, leading to significant changes in supply chains. Economists point out that even if commodity prices fall in the future, they are unlikely to return to pre-conflict levels, which may turn out to cause an additional premium to reflect political risk and regional instability.

Currently, following US and Israeli strikes on Iran and the closure of the Strait of Hormuz, global oil and gas markets are seeing a sharp rise in prices. This situation is a major source of uncertainty for the world economy. The conflict has already prompted downward revisions to global macroeconomic forecasts (weaker expectations for economic growth, consumption and investment), with the key drivers of these revisions being higher fuel and energy prices, a delayed interest rate cutting cycle and softer domestic and external demand. This situation already represents a material risk to the operations of transport companies.

On the domestic market, a considerable increase in uncertainty can also be observed in relation to future energy prices, as well as overall inflation and a sharp rise in retail fuel prices for transport. Additional upward pressure on inflation may come from future changes in tariff prices of gas, electricity and district heating. Given the high uncertainty around the geopolitical situation in the Middle East, in particular the duration and intensity of the conflict and the persistence of increased energy prices, it is difficult to formulate at this stage precise scenarios for how the situation in Poland may evolve.

PKP CARGO is closely monitoring developments, because any further escalation of the conflict in the Middle East may lead to a sharp rise in energy commodity prices and a return of inflationary pressures. This would hinder the Company's operations, which are tightly linked to industrial activity in its core markets.

3.2.3. Situation in Poland's key industries in 2025

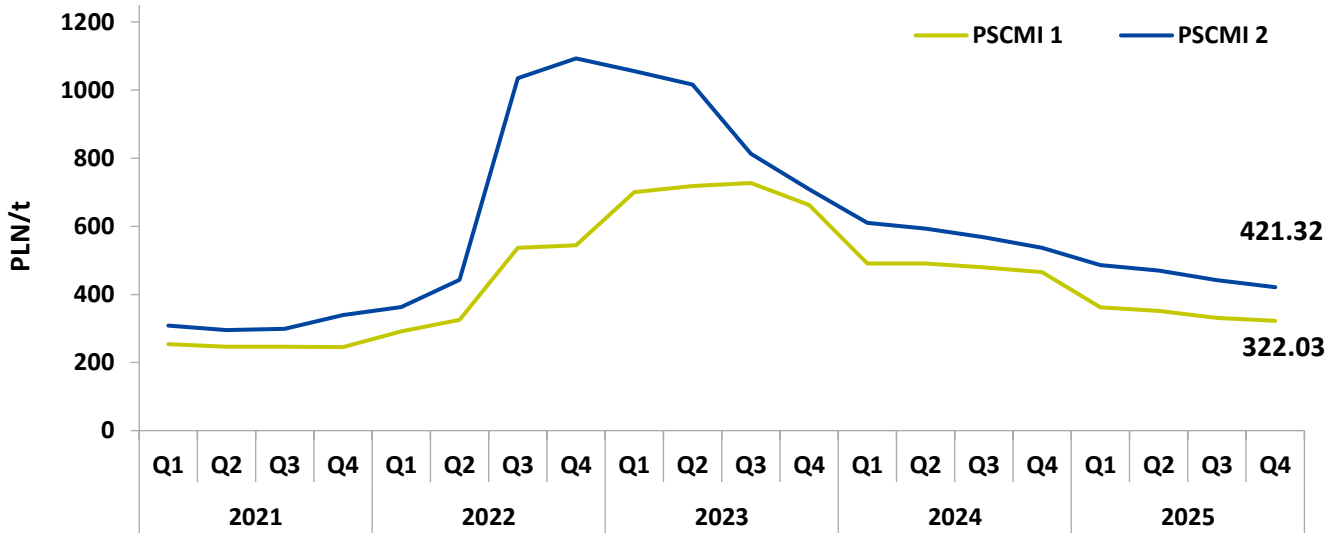
Mining industry

- Decline in hard coal output to 42.8 million tons (-1.2 million tons, or -2.7% yoy).[2]
- Growth in domestic hard coal sales: up to 43.2 million tons (+0.6 million tons yoy, or +1.5% yoy).[3]
- High hard coal stockpiles at mine-head stockpiles: as at the end of December 2025, stockpiles stood at over 4.6 million tons (a decrease of -0.7 million tons compared to the end of 2024, or -13.9% yoy), amid relatively low prices on global markets.[4]
- Decline in hard coal imports (Eurostat data) – imports of the raw material to Poland during 2025 decreased by -8.7% yoy, to 7.5 million tons (that is by -0.7 million tons). The main source of raw material was Kazakhstan (with a volume increase of +30.3% yoy, to 4.2 million tons, which translated into a 56.8% market share). The second largest exporter of coal to Poland was Colombia (decline in volume by -37.1% yoy to nearly 1.5 million tons and a 20.6% market share). These two major suppliers accounted for 77.5% of Poland's coal imports (an increase by +7.7 p.p. yoy)[5]

[2] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/wydobycie-i-sprzedaz-wegla-kamiennego-ogolem
[3] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/wydobycie-i-sprzedaz-wegla-kamiennego-ogolem
[4] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/stan-zapasow-wegla-kamiennego-caly-okres-czasu
[5] Eurostat - European Commission / Eurostat / International Trade (EU trade since 2002 by HS2-4-6 and CN8) - as at 13 February 2026.

- Price declines on the Polish coal market with downward trends in rates halted in international trade: in Q4 2025, the average value of the coal index for the commercial power industry, PSCMI1, was PLN 322.03 per ton (-30.7% yoy and -2.7% qoq), while PSCMI2 for the heating sector reached PLN 421.32 per ton (-20.2% yoy and -4.7 qoq).[6]

Figure 2 Current and historical values of coal price indices on the Polish market: power industry (PSCMI 1) and heating sector (PSCMI 2)



Source: Proprietary material based on the Industrial Development Agency's data

- A gradual decline in rates during the year, followed by significant fluctuations and stabilization in H2 2025 for hard coal prices at ARA ports – last year, there was subdued demand for and consumption of hard coal on a global scale due to a temporary slowdown in the global economy, despite record levels of production and consumption achieved. Those levels were driven by China and India, which clearly prioritized domestic sources of the raw material, resulting in reduced demand on global markets (including a decline of approx. -10% yoy in the raw material exports for the market's leading player, Indonesia) and an overall decline in prices (also at ARA ports).[7] Fluctuations in spot prices (monthly contracts) at ARA ports last year were linked to armed conflicts (particularly periodic escalations of tension in the Middle East) and the resulting potential problems with natural gas deliveries and reactions of markets. After reaching 114.5 USD/t in early January 2025, thermal coal rates fell to around 100.0 USD/t from the end of March to mid-June of last year, only to rise significantly following Israel's attack on Iran, reaching nearly 110.0 USD/t in early July of last year. Following a further easing of tensions, prices fell to around 90.0 USD/t in October last year, and remained below 100.0 USD/t in the subsequent months of 2025.[8] The Industrial Development Agency (ARP) observed a downward trend of prices of high energy coal at ARA ports from December 2024 to March 2025, with a slight improvement in April 2025. Then, in May 2025, the rates decreased again, in June and July last year, the raw material became more expensive only to enter a downward trend once more from August to October last year. The two last months of 2025 saw a slight improvement in and the stabilization of prices of the raw material.[9]
- A small decrease in electricity consumption in Poland, namely by -0.9% yoy to 167.5 TWh.[10]
- In Poland, electricity output went down minimally by -0.3% yoy (to 166.5 TWh). In hard coal-fired power plants, the output decreased by -0.5% yoy (to 68.7 TWh), while lignite-fired power plants – by a -7.0% yoy (to 33.3 TWh). In the same period, gas-fired power generation increased by +13.9% yoy (to 19.1 TWh), in plants powered by other renewable sources the output increased by +10.2% yoy (to 19.1 TWh) and in plants powered by wind production dropped by -5.0% yoy (to 23.6 TWh).[11]
- A slight reduction in the importance of hard coal in the national energy mix: the share of hard coal in total energy output went down to 41.3% (-0.1 p.p. yoy), which resulted from lower availability of energy from wind power plants and replacing the missing capacity with more stable sources, including gas, whose role in Poland's power system is constantly on the rise.[12]

[6] Industrial Development Agency (ARP) - releases (polskirynekwegla.pl/krajowe-indeksy-weglowe-notowanie-z-grudnia-2025-r)
[7] Agencja Rozwoju Przemysłu S.A. (Industrial Development Agency) (polskirynekwegla.pl/miedzynarodowy-rynek-wegla-w-grudniu-2025-r, as well as releases for each month of the previous year)
[8] WNP (wnp.pl/gornictwo/notowania/ceny_wegla/)
[9] Agencja Rozwoju Przemysłu S.A. (Industrial Development Agency) (polskirynekwegla.pl/miedzynarodowy-rynek-wegla-w-grudniu-2025-r, as well as releases for each month of the previous year)
[10] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)
[11] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)
[12] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)

Construction industry

- Increase in construction and assembly output: by +0.7% yoy (vs. a -7.7% yoy decrease in 2024). In this period, there was a slight decline in the output of building construction companies (-2.1% yoy) and, to a little greater extent, of those specializing in civil engineering construction (-3.1% yoy). Production significantly increased in specialized construction companies (+10.4% yoy).[13]
- Decrease in Poland's cement output by -3.2% yoy to 17.1 million tons, with a simultaneous minimal decrease in cement clinker output by +0.5% yoy to 12.6 million tons.[14]

Steel industry

- Minor increase in raw steel production in Poland by +1.1% yoy to 7.2 million tons.[15]
- Significant growth in output of selected steel products in Poland: output of hot-rolled products increased by +6.1% yoy to 8.2 million tons, bars and flat bars by +7.0% yoy to 3.2 million tons, hot-rolled bars and rods by +13.4% yoy to 1.2 million tons, and thin sheets by +14.7% yoy to 1.2 million tons.[16]
- Output of cold-rolled sheets decreased minimally by -0.6% yoy to 1.4 million tons.[17]
- Decline in coke production in Poland by -1.4% yoy to 7.5 million tons.[18]

Chemical industry

- Increase in the production of fertilizers in Poland, including: nitrogen fertilizers (+6.0% yoy to 1.9 million tons), phosphate fertilizers (+9.6% yoy to 0.2 million tons) and potassium fertilizers (+10.9% yoy to 0.3 million tons).[19]
- Slight increase in the production of nitric acid (+5.9% yoy to 2.5 million tons), ammonia (+0.2% yoy to 2.1 million tons) and plastics (+0.1% yoy to 3.2 million tons).[20]
- Decrease in the production of the following chemical products: motor gasoline (-1.6% yoy to 5.4 million tons) diesel fuel (-2.0% yoy to 15.9 million tons) and sulfuric acid (-2.3% yoy to 1.2 million tons).[21]

Automotive sector

- Slight increase in oil imports during the first 11 months of last year by +1.8% yoy to 23.4 million tons (i.e. by +0.4 million tons).[22]
- A high decline in automotive production in Poland, with limited demand in Europe – only 102.4 thousand passenger cars were produced in Poland (compared to 216.2 thousand cars in 2024, which means a serious limitation of production capacities, i.e. by -52.6% yoy). The production of vehicles for public transport of 10 and more passengers dropped to 6.2 thousand (i.e. by -12.2% yoy), trucks and tractors for semi-trailers to 300.1 thousand (by -9.6% yoy) and engines for motor vehicles to 2,173.2 thousand (by -2.5% yoy), which followed from very high results in 2023-2024 and the present economic downturn).[23]

3.2.4. Situation in key industrial branches in the Czech Republic in 2025

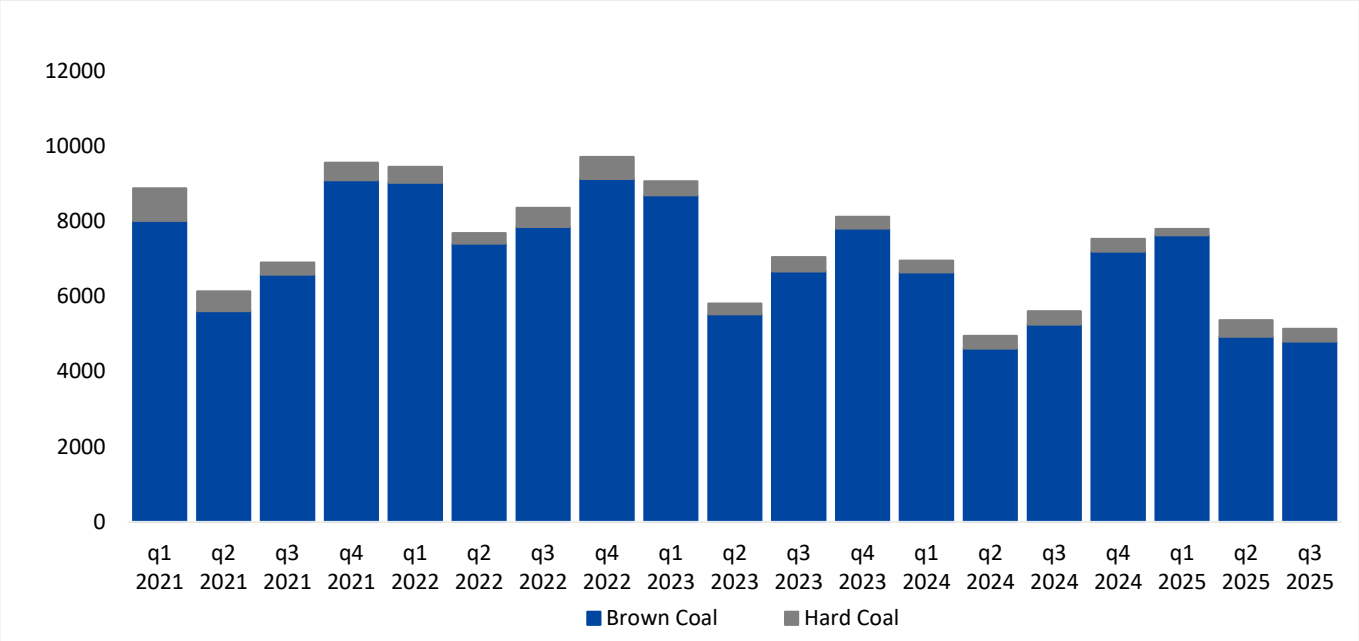
Czech coal sector

- Hard coal mining in 11 months of 2025: the total production of coal was 1.18 million tons (-12.1% yoy), including 0.73 million tons of coking coal (+19.4 % yoy) and 0.45 million tons of thermal coal (-38.4% yoy). Imports saw a very small decline (-1.2% yoy, to 2.58 million tons), while exports significantly decreased (-16.0% yoy, to 1.00 million tons). For the Czech economy, lignite has continued to be of fundamental importance because a significant part of power industry is based on this raw material. In the discussed period, its production rose by +2.7% yoy (up to 21.86 million tons).[24] Hard coal mining in the last OKD mine operating in the Czech Republic, in Stonava near Karviná in the Trans-Olza region, came to an end on 31 January 2026, i.e. after nearly 250 years of mining the raw material in that country.[25]
- A slight decline in coke production during the first 11 months of 2025 by -1.5% yoy to 1.25 million tons. At the same time, a decrease was observed in crude imports (to 0.20 million tons, down -1.4% yoy), with a noticeable increase in

[13] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, in entities with more than 9 employees as of 23 October 2025, p. 76)
[14] Statistics Poland (stat.gov.pl/obszary-tematyczne/przemysl-budownictwo-srodki-trwale/przemysl/produkcja-wazniejszych-wyrobow-przemyslowych-w-grudniu-2025-r-,2,165.html)
[15] As above
[16] As above
[17] As above
[18] As above
[19] As above
[20] As above
[21] As above
[22] Statistics Poland – Statistical Bulletin No. 12/2025 (table 1, column MC)
[23] Polish Automotive Industry Association (PZPM) (pzpm.org.pl/pl/Rynek-motoryzacyjny/Produkcja-pojazdow-samochodowych-i-silnikow-do-pojazdow-mechanicznych-w-Polsce/GRUDZIEN-2025)
[24] Czech Ministry of Industry and Trade (mpo.gov.cz/assets/cz/energetika/statistika/tuha-paliva/2026/1/Mesicni-statistika-uhli-2025.pdf) – updated on 30 January 2026.
[25] https://karvinsky.denik.cz/zpravy_region/dolu-csm-uhli-vyjede-posledni-vozik-okd-tezba-cesko-skoncila-karvinsko-2026.html

exports (to 0.48 million tons, down -12.8% yoy).[26] The results were brought about by the still difficult standing of manufacturers of steel and steel products (also in the Czech Republic), which is associated with relatively high production costs in the UE (a consequence of, among others, perceptibly higher energy costs), in connection with an inflowing wide stream of imports from outside of the European Union

Figure 3 Quarterly output of hard coal and lignite in the Czech Republic in 2021-2025 (in thousands of tons).



Source: Proprietary material based on data from the Czech Ministry of Industry and Trade.

Czech metallurgical sector

The lowest figure on record for crude steel production during the first three quarters of 2025, following record-low production levels in the corresponding period of 2024. Ocelářská unie a.s. published the most recent comprehensive data for the Czech market, where after historically low results last year, results in terms of output of steel deteriorated further a little. The still challenging macroeconomic environment and relatively high energy costs, coupled with strong competition from non-EU players and persistently weak demand, mean that there has been no significant improvement in the low level of production capacity utilization. At the same time, a slight growth was observed in the output of rolled products, which resulted from the renewal of production by the plant of NOVÁ HUŤ in Ostrava. During three quarters of 2025, nearly 1.78 million tons of crude steel were produced, which means a decrease in production by approx. -4.5% yoy. A decline in results was also observed for pig iron (from 1.50 million tons to 1.43 million tons) and flat-rolled products (from 388 thousand tons to 381 thousand tons). On the other hand, increases in output were recorded in the manufacturing of other finished products, with the largest increase seen in the production of pipes (an increase from 166 thousand tons up to 242 thousand tons, i.e. nearly +46% yoy) and also but to a minimal extent for long products and rolled products. At the same time, apparent steel consumption in the economy decreased by about -5.0% (from 4.39 million tons during the first three quarters of 2024 to 4.17 million tons in the corresponding period of 2025). During the first three quarters of 2025, exports of steel and steel products totaled 2.59 million tons (i.e. it grew by approx. +12.2% yoy, i.e. by +0.28 million tons). At the same time, imports to the Czech Republic increased to 5.65 million tons (an increase by approx. +12.3% yoy, i.e. by +0.62 million tons).[27]

Czech automotive sector

Stagnation in the output of the automotive sector in the Czech Republic in 2025: a total of 1,453.5 thousand motor vehicles of various types (passenger, trucks, buses and motorcycles) were manufactured, which means a decrease by -0.4% compared to the corresponding period of 2024. In that period, 1,445.8 thousand passenger cars were manufactured, which means that the production was reduced by -0.5% yoy (with the highest share of the category at the level of 99.5% in the total output of motor vehicles). At the same time, there was also a high decrease in the production of motorcycles (-23.9% yoy to nearly 0.7 thousand) and, on a little lower scale, trucks (-11.4% yoy to over 1.3 thousand). In turn, the production of buses increased (by +25.9% yoy to 5.7 thousand). It should be noted that after the decline in Q1 2025 (-7.1% yoy), a minimal growth in Q2 2025 (+0.3% yoy),

[26] Czech Ministry of Industry and Trade (mpo.gov.cz/assets/cz/energetika/statistika/tuha-paliva/2026/1/Mesicni-statistika-uhli-2025.pdf) – updated on 30 January 2026.
[27] Ocelarskaunie.cz/statistiky/cr/ - Data o výrobě a obchodu s ocelí v ČR, Statistiky za 1. – 3. čtvrtletí roku 2025

there was a significant increase in the output by +6.0% yoy in Q3 2025 (resulting from, among others, the low base in 2024), whereas in Q4 2025, a low increase again (+0.3% yoy). This means that it has been the third consecutive quarter when with no year-over-year decreases but stabilization or a slight increase in the output. The last quarter of 2025 featured an increase for each category of motor vehicles, i.e. growths in the production of: passenger cars (+0.2% yoy, up to 356.4 thousand), trucks (+18.7% yoy), buses (+21.0% yoy) and motorcycles (+45.3% yoy).
The key factors behind the weaker performance of the automotive industry in 2025 were, in particular: car imports from China, limited demand in Europe and the rise in tariff barriers to international trade, which significantly hamper the industry's growth prospects, given its heavy reliance on exports.[28]

Czech chemical sector

Increase in the production of chemical industry in the Czech Republic in Q4 2025 by +4.8% yoy (calendar-adjusted data, current prices, compared to the increase by +2.1% yoy in Q3 2025 and by +0.1% yoy in Q4 2024.[29] Positive results of other sectors supported by the chemical industry, combined with slightly improved expectations and data regarding industrial production and demand in Europe, led to a temporary upturn in the sector's activity (though not enough to make up for the losses incurred in 2022–2023). This does not change the difficult situation of the sector in the European Union with the strong competition, among others, from Asian companies. The protective measures taken are largely inadequate, which may give rise to legitimate concerns about the future of the industry.

Czech construction sector

Construction industry increased in Q4 2025 by +8.8% yoy (calendar- and seasonality-adjusted data, current prices), after its growth by +16.3% yoy in Q3 2025 and by +5.4% yoy in Q4 2024. Entities constructing buildings recorded a high production growth in consecutive quarters of the previous year (by +10.4% yoy, +11.7%, +15.0% yoy and +9.2% yoy, respectively). Slightly higher growths were recorded by engineering and construction contractors (increases by +10.8% yoy, +16.7% yoy, +18.6% yoy and +8.1% yoy, respectively). Both areas of construction production show positive quarterly results yoy as of Q3 2024.[30]

3.2.5. Rail infrastructure

Infrastructural investments in the area of the PKP Network completed in 2025 related to the modernization of rail infrastructure and maintenance and repair plans, were among the significant factors affecting the freight activity of PKP CARGO S.A. under restructuring In 2026, it is expected that disruptions are going to continue to increase as a result of track closures for freight traffic. The aggravation will probably not be as clear as one recorded in 2025 compared to 2024, but it is still observable and the current information about planned infrastructural investments practically exclude the possibility of alleviating the disruptions.

3.2.6. Technical regulations related to rolling stock

The rolling stock used in rail transport must meet appropriate technical standards and requirements, which determine the scale of the Group's modernization and repair activity. Investments in this area are directly related to the current technical condition of the rolling stock owned and the resulting mandatory periodic repairs. The number of periodic repairs and periodic overhauls performed in each period results from the cycles defined in Maintenance System Documentation (DSU) of the rolling stock approved by the Office of Rail Transport.

3.2.7. Description of the growth strategy and prospects and development policy of the Company and the PKP CARGO Group at least in the next financial year

PKP CARGO Group's Restructuring Strategy for 2025-2031

The Restructuring Strategy, approved by the Company's Supervisory Board on 28 April 2026, assumes the Group's systematic development based on strategic initiatives and key projects aimed at regaining financial stability and restoring long-term profitability in its operating activities.

The priority of the Restructuring Strategy is to implement the planned restructuring measures and to successfully execute and complete an composition agreement with the Creditors; the proposed initiatives will serve as a point of departure for negotiations with the Creditors, in particular about the forms, deadlines and amounts of future payments under the settlements to be executed.

In parallel, the Restructuring Strategy focuses on the development of the product offering in prospective market segments, raising cost and process efficiency, and implementing initiatives supporting business transformation and improvement of

[28] AutoSap (https://autosap.cz/en/data-and-statistics/manufacture-and-sale-of-vehicles/ - YTD data for December 2025)
[29] Czech Statistical Office / Industrial production index / Manufacture of chemicals and chemical products – data published on 6 February 2026
[30] Czech Statistical Office / Construction production index – data published on 6 February 2026

liquidity in the entire Group, therefore it defines key optimization, operating and organizational measures aimed at improving the Group's operating effectiveness and competitiveness in the market of freight transports.

Six key pillars of the Restructuring Strategy are:

1. organic growth – gradual improvement in performance through internal reorganization and process optimization, as well as acquisition measures once the financial standing improves,
2. growth and regaining the lost market share – focusing on segments with high growth potential, in particular specialized and intermodal transport,
3. effective rolling stock management – streamlining expenditures for repairs and increasing the accessibility of the rolling stock for operations to improve the operating efficiency,
4. selling non-operating assets – selling superfluous non-operating assets in the form of rolling stock and real properties which are not essential for the Group's core business,
5. cost reduction – increasing work efficiency, improving the use of resources and making operational process more efficient,
6. synergies in the Group – putting roles and functions in the Group in order, development of competence centers and a joint product offering and elimination of internal 'cannibalism' among the Group companies.

The Restructuring Strategy also defines nine strategic initiatives:

- Initiative 1 – Stimulation of sales to improve sales effectiveness of PKP CARGO; strategic objectives – increasing revenues and transport margins;
- Initiative 2 – Foreign expansion – exploiting all the resources owned and competitive advantages of PKP CARGO in the area of providing transport services in foreign markets; strategic objectives – development of sales of transports to foreign markets;
- Initiative 3 – Increasing operating efficiency – improvement of operating efficiency of PKP CARGO in the area of transport processes; strategic objectives – positive impact on the EBITDA result;
- Initiative 4 – Improving efficiency of train crews – adjusting the headcount at PKP CARGO to the market level; strategic objectives – positive impact on the EBITDA result;
- Initiative 5 – Information management – automation and digitalization of operational processes and implementation of an integrated IT system; standardization of management reporting across the Group to allow for obtaining information necessary for management decision-making; strategic objectives – integration and development of IT systems in the direction of Business Intelligence;
- Initiative 6 – Optimization of assets – finding extra funds by selling non-operating assets (real properties and rolling stock); strategic objectives – positive impact on the EBITDA result;
- Initiative 7 – Optimization of administrative personnel – optimization of resources necessary for administrative and business support services; strategic objectives – positive impact on the EBITDA result;
- Initiative 8 – Structuring of the Group – assigning business competencies to specific Group companies; strategic objectives – identification and sale of selected Group companies, putting in order the sales and the intermodal and terminal area in the Group;
- Initiative 9 – Project Management Office - PMO - implementation of strategy operationalization and establishment of a PMO unit to supervise the implementation of the strategy in the organization; strategic objectives – strategy operationalization and monitoring its implementation.

Impact of the strategic initiatives in the Restructuring Strategy on the Group's results:

- revenues of the PKP CARGO Group in 2025-2031 will grow at the average annual rate of CAGR 6.4%;
- as a result of implemented strategic initiatives, the EBITDA margin will rise to 26% in 2031;
- in 2031, it will be possible to achieve EBITDA of approx. PLN 1,507 million,
- As of 2026, the Group recovers profitability at the level of the net result;
- the share of employee benefits in the total cost structure will be reduced from approx. 43% to approx. 32%;
- net profit margin will rapidly increase from 9% in 2027, and then it will steadily rise to approx. 12% in 2031;
- from 2026 onwards, the Group will generate positive cash flows.
- the revenue structure will change, including 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;
- the forecast assumes that PKP CARGO's share of the market will be gradually regained to 32% in 2031.

The Restructuring Strategy assumes key strategic measures, namely:

- expansion of the offering of intermodal and operator services;
- intensification of sales in international corridors in key growth corridors, including Baltic and Adriatic Seas, the New Silk Road, relationships between Poland – CEE;

- optimization of processes and costs in the entire Group – introduction of segment management, optimization of internal processes and centralization of selected functions;
- development of services in terminals and sidings – extension of the offering of terminals by storage, cross-docking, customs services – comprehensive customer service including maneuvers, transports and additional technical services;
- streamlining IT systems for managing resources and relationships with customers, automation of processes;
- execution and effective completion of a composition agreement with the Creditors in PKP CARGO and PKP CARGOTABOR.

Foundations of the development of the PKP CARGO Group:

- human capital and employee engagement – motivation, development of competencies, work security;
- trust of the owners and shareholders – transparency and stability of performance;
- public interest and social responsibility – the role in the transport system and its impact on the economy;
- relationships with customers and business partners – long-term cooperation with suppliers and recipients;
- adaptability and constant improvement – responding to market changes, energy transition, digitization.

The adopted Restructuring Strategy assumes the possibility of overcoming the present barriers and defines directions for repair measures through:

- significant cost cuts and workforce optimization, revisions to the collective bargaining agreement and the implementation of a new incentive system;
- debt reduction and improved liquidity through the conclusion and effective implementation of Composition Proposals, a reduction in capital expenditures, recapitalization or government assistance and the disposal of surplus and unprofitable real estate and rolling stock;
- reorganization of the Group's structure and focusing on its core business, consolidation of repair and logistics operations within the Group, and disposal of certain subsidiaries that are unpromising or not directly related to freight transport;
- investments in digitalization and operational efficiency, automation and integration of transportation planning and execution systems, standardization of IT infrastructure and digitalization of customer services;
- diversification of the market and the offering, a shift away from coal and the development of the intermodal transport segment; rebuilding relationships with lost customers; investments in intermodal infrastructure and equipment will be necessary, along with comprehensive offering for door-to-door and last-mile services;
- strengthening the position of PKP CARGO INTERNATIONAL in foreign markets, cooperation with rail companies in neighboring countries and integration with the logistical ecosystem (sea ports, large land terminals, intermodal operators);
- supporting the owner and the regulatory environment both in Poland and in the EU.

The approved Restructuring Strategy lays the foundation for the future Growth Strategy, expanding the Group's plans with pro-growth initiatives, including capital projects, external financing and potential acquisitions.

PKP CARGO Group's ESG Strategy for 2024-2028

The ESG Strategy of the PKP CARGO Group for 2024-2028 defines sustainability-related objectives related to material services provided. PKP CARGO plans to offer sustainable rail transport based on intermodal options – this segment is being gradually developed within the organization. The ESG Strategy defines eight operational objectives related to sustainability issues:

- integrate the ESG criteria into the rolling stock modernization and procurement process, taking into account the need for decarbonization in the Group's key business areas;
- reduce resource consumption and implement the circular economy principle;
- strengthen human capital by attracting the best talent and creating a safe, comfortable and diverse workplace,
- make efforts to change the energy consumption model towards increasing the share of renewable energy, taking into account the unique requirements of the rail transport market;
- raise awareness of the benefits of sustainable transition both within the organization and in its environment, including in the value chain;
- build a sustainable service offering based on ESG activities;
- deepen dialogue with stakeholders to better address their needs and build partnerships;
- optimize business and transport processes for ESG by using digital tools.

4. Key areas of operation of the Company and PKP CARGO Group

4.1. Macroeconomic environment

According to the January 2026 International Monetary Fund (IMF) projection, global GDP growth in 2026 will be approx. +3.3% yoy, and in 2027, approx. +3.2% yoy (i.e. it will be close to the estimated level for 2025 and the result of 2024, when the growth of the global economy was approx. +3.3% yoy). The stabilization of the rate of global economic growth will result from the compensation for adverse phenomena (including progressing partial deglobalization, higher customs tariffs and trade restrictions) by technological progress, fiscal and monetary support and the private sector's ability to adapt to rapidly changing market conditions. IMF analysts expect inflation to decline from the estimated +4.1% yoy in 2025, through +3.8% yoy in 2026, to +3.4% yoy in 2027. In 2025, the estimated growth rate in rapidly developing Asian economies stands out among results of other economic areas (including +7.3% yoy in India and +5.0% yoy in China). During the next two years, the growth of these countries will be a little slower (adjustment by nearly -1.0 p.p. yoy). In highly developed countries, according to estimates, the growth rate of GDP in 2025 was +1.7% yoy (compared to +1.8% yoy in 2024) and is expected to reach +1.8% yoy and +1.7% yoy in next years, respectively. In 2025, in the United States, the GDP growth was +2.1% yoy, and in the Eurozone +1.4% yoy (in both of these areas, the growth rate should be expected to be similar in 2026-2027). In Germany, GDP increased by approx. 0.2% yoy in 2025, and then, according to forecasts, will be +1.1% yoy in 2026 and +1.5% yoy in 2027, which will be associated with loosening the fiscal policy and should be conducive to Poland's growth rate, because of strong economic connections. The economic growth for Poland should accelerate still this year (+3.5% yoy, against estimated +3.3% yoy in 2025) but as soon as in 2027, according to IMF forecasts, the growth rate should be expected to decrease to +2.7% yoy.[31]

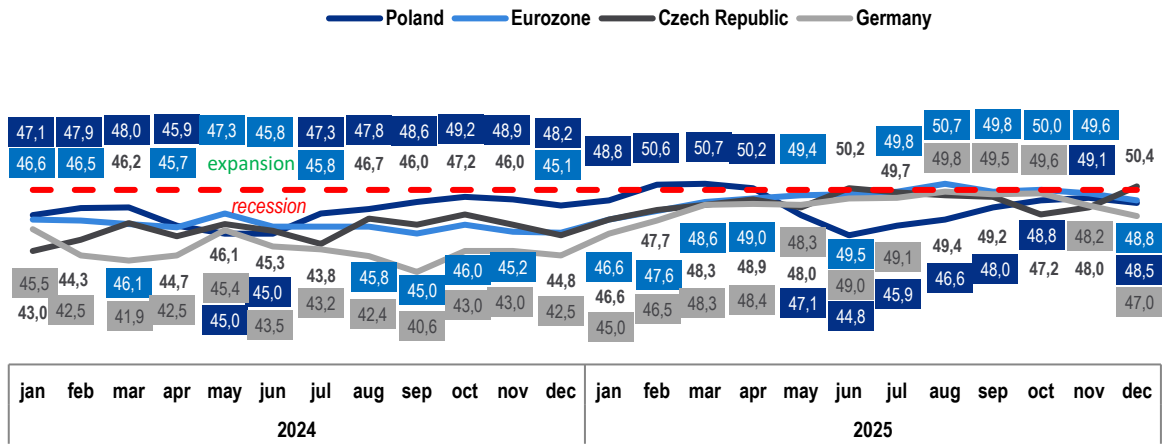
Consumer goods and services prices (HICP) in the European Union in 2025 were +2.5% higher year-on-year (after a +2.6% yoy increase in 2024). Year-on-year price increases were recorded in all EU countries, with the highest rates in Estonia (+4.8% yoy), Hungary and Croatia (+4.4% yoy in both) and Slovakia (+4.2% yoy). In Poland, the rate of GDP growth was +3.3% yoy (compared to +3.7% yoy in 2024). Among the largest EU economies, prices increased the fastest in Spain (+2.7% yoy) and Germany (+2.3% yoy).[32]

Tensions in global markets, the failure to resolve numerous armed conflicts peacefully – including the war in Ukraine – and the confrontational policies of world powers, also toward the European Union, are clearly causing the industrial activity in Europe to decline. The central issue in dispute remains the open conflict between the United States and China, which is exerting a significant impact on other economies worldwide and is also causing numerous disruptions in areas where the two major economic powers have conflicting interests.

Even though there is a noticeable optimism about the growth of the European economy and the readings of the PMI index in 2026, there are still no signs of real recovery in industrial processing, which indicates numerous problems of the sector in Europe. The HCOB Eurozone Manufacturing PMI, a barometer of economic activity in the Eurozone manufacturing sector, lowered to 48.8 points in 2025, which indicates a further deterioration in the Eurozone manufacturing industry (i.e. a result below 50.0 points), after relatively stable results from last year's April (when the index did not go down below 49.0 points). In December 2025, the PMI for the German industrial sector decreased to 47.0 points. Although both indexes clearly improved last year compared to December 2024 (by +3.7 p.p. and +4.5 p.p. respectively), there are serious structural problems in the European economy, which effectively, with a highly hostile international environment, halt the expansion of the industry in the European Union, and consequently reduce the utilization of the production capacities, also for Polish manufacturers.[33]

[31] www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026?cid=bl-com-WEOET2026003
[32] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, p. 122)
[33] IHS Markit (www.pmi.spglobal.com/Public/Release/PressReleases – reports for each month)

Figure 4 PMI for the manufacturing sector (Markit IHS)



Source: Proprietary material based on Markit IHS data

During the first 11 months of 2025, foreign trade turnover (expressed in EUR) was higher than the year before in the vast majority of European Union countries, with exports having improved in twenty-one countries and imports in twenty-three countries of the European Community.[34]

The current stagnation in economic growth, which remains at a relatively low level globally, is the result of numerous restrictions in international trade. The Polish economy, as well as the Czech economy and others, being closely tied to international trade, are significantly affected by the further changes that are narrowing the areas of cooperation (due to the still relatively high share of industry and industrial production in trade). Actions that escalate conflicts and create new areas of contention are not conducive to stabilization and only serve to exacerbate antagonisms. The instability contributes to withholding activities by businesses, which measurably halts the future growth rate. Some fiscal and monetary measures, however, strengthens impulses for expansion, which may lead to a moderate but durable recovery.

4.1.1. Polish industry and economy

Increase in sold industrial output in 2025 by +3.1% yoy (compared to the increase by +0.6% yoy in 2024). The positive result of industrial processing (which accounts for over 4/5 of the sector's revenue), which grew by +3.4% yoy, and that of the water supply, sewage disposal, waste management and reclamation section (up +4.5% yoy), allowed for a discernible growth of the sector's output. Declines, although slight, were recorded by the sections of electricity, gas, steam and hot water supply (-1.8% yoy) and mining and quarrying (-1.5% yoy).[35]

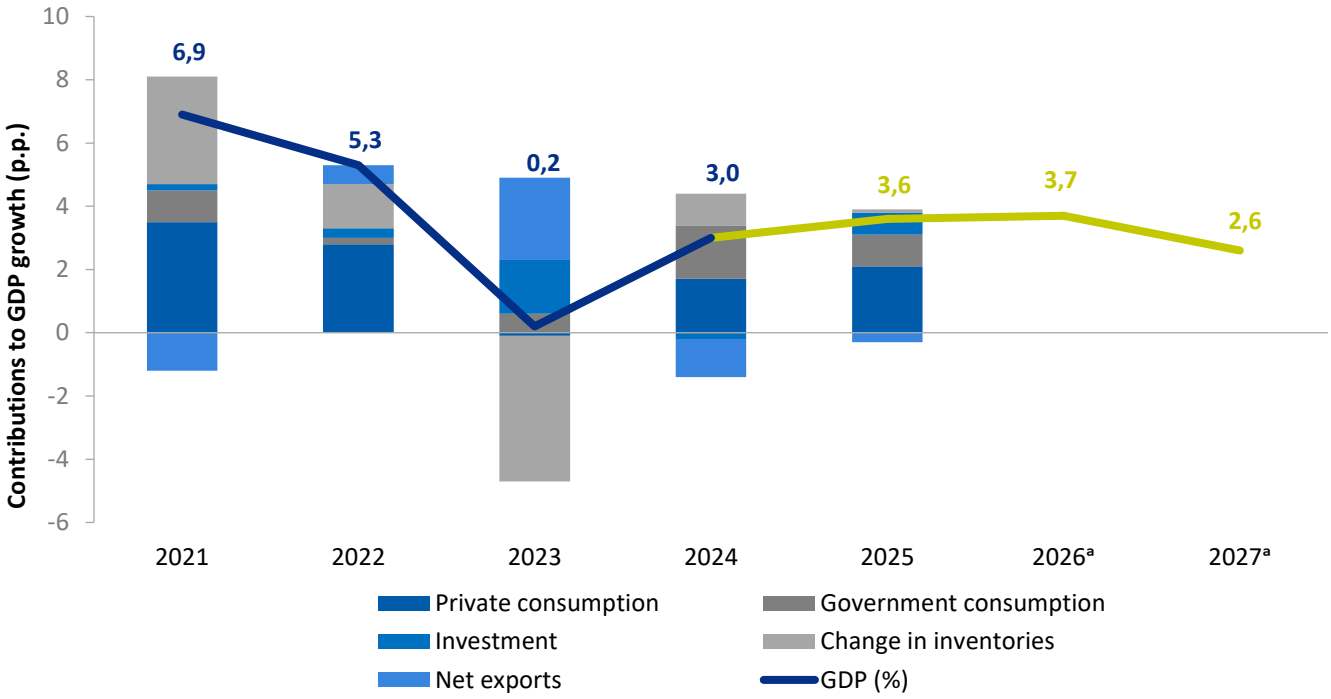
Yoy production growth in 2025 in 23 (out of 34) industrial sectors, including: manufacture of rubber and plastic products (+1.2%), paper and paper products (+1.6%), furniture (+2.3%), motor vehicles, trailers and semi-trailers (+2.9%), wood products (+4.7%), other non-metallic mineral products (+5.9%), metals (+5.9%) and metal products (+6.1%). A year-on-year decline in output was recorded in 11 industry sectors, including one particularly crucial for the PKP CARGO Group, namely chemicals and chemical products (-1.9%). The output declined, however, for the whole mining and quarrying sector (-5.3%), which includes the sections of extraction of hard coal and lignite (down -11.7% yoy).[36]

According to Statistics Poland's preliminary estimates, the rate of GDP growth in 2025 was +3.6% yoy (compared to +3.0% yoy in 2024).[37]

The GDP growth rate for Poland, seasonality-unadjusted, in Q4 2025 reached +4.0% yoy (compared to +3.5% yoy in Q4 2024 and +3.8% yoy in Q3 2025).[38]

[34] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, p. 128)
[35] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf; in entities with more than 9 employees)
[36] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, in entities with more than 9 employees and Statistical Bulletin no. 12/2025 – Table 46)
[37] Statistics Poland (stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe//produkt-krajowy-brutto-w-2025-r-szacunek-wstepny,2,15.html
[38] Statistics Poland (new.stat.gov.pl/portal-publikacje/szybki-szacunek-produktu-krajowego-brutto-za-4-kwartal-2025)

Figure 5 Real GDP growth rate in Poland in 2021-2025, its decomposition and forecasts for 2026-2027 – seasonally unadjusted data.



a – macroeconomic forecasts of the National Bank of Poland for 2026-2027 (November 2025)
Source: Proprietary material based on data published by Statistics Poland and the National Bank of Poland

In 2025, consumer prices increased by +3.6% yoy (no change vs. 2024).[39] At the same time, industrial output prices dropped by -1.6% yoy (compared to a decline by -6.8% yoy in 2024), with an increase in construction and assembly output prices by +3.2% yoy (compared to the growth by +6.0% yoy in 2024).[40]

Considerable fluctuations of readings of the headline manufacturing PMI during 2025 – the PMI index in January 2025 and again in May last year was below the 50.0-point threshold marking the technical border between recovery and recession in the industrial processing sector. From February to April, the index was above the threshold, as after reaching 48.8 points in January, it subsequently recorded 50.6 points, 50.7 points and 50.2 points. However, the results for the consecutive months of 2025 were disappointing, with readings from 44.8 points in June to 49.1 points in November (and ending with a decline to 48.5 points). Industrial processing in Western Europe, unfortunately, was not able to get past the 50-point threshold for good and return to market expansion, and decreases in December, even though not too deep, indicate numerous structural problems for the European industrial processing which have not been overcome so far. The average monthly index on a quarterly basis from the beginning of 2025 was 50.0 points, 47.4 points, 46.8 points and 48.8 points respectively. Although there was a noticeable improvement in results in the last months of the previous year, its scale and rate of changes are too slow. Polish business owners nevertheless are looking into the future with growing optimism, which means that they expect a clear improvement of the economic situation in 2026, as communicated in the surveys in December last year, where "Future Production Index" recorded second highest increase in last five years.[41]

A gradual improvement during the year and deterioration of readings of the manufacturing PMI index (Statistics Poland) in the last quarter of 2025. Index readings improved from -13.0 in December 2024 to -6.2 in April 2025, only to worsen again to -7.7 in June and July, and then improve markedly to -5.6 in August last year (the best result since September 2021), before recording another sharp decline down to -11.6 in December 2025. The average index value for Q1 2025 (-8.0) was clearly improved upon by the average for the second quarter (-6.8) and the third quarter (-6.6); however, in Q4 2025, there was a visible regression (-9.2). This means that the number of businesses expecting a further deterioration of the economic standing in the coming months is gradually increasing in relation to the number of businesses expecting the opposite to occur. Even though the

[39] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, p. 42)
[40] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_społeczno-gospodarcza_kraju_2025.pdf, pp. 51 and 53)
[41] IHS Markit (www.pmi.spglobal.com/Public/Release/PressReleases – reports for each month)

situation has improved slightly since the end of 2024, it remains difficult; the limited number of new orders, combined with weak external demand, is causing economic fluctuations and limited utilization of production capacity.[42]

Forecasts: the National Bank of Poland's November 2025 inflation and growth projection anticipates GDP growth in 2026–2027, with a lower level in 2025. According to NBP analysts' predictions, the GDP growth is expected to be +3.7% yoy in 2026 and +2.6% in 2027. In 2026-2027, inflation should significantly go down, because the central path of the projection predicts that consumer prices will increase: +2.9% yoy in 2026 and +2.5% yoy in 2027.[43]

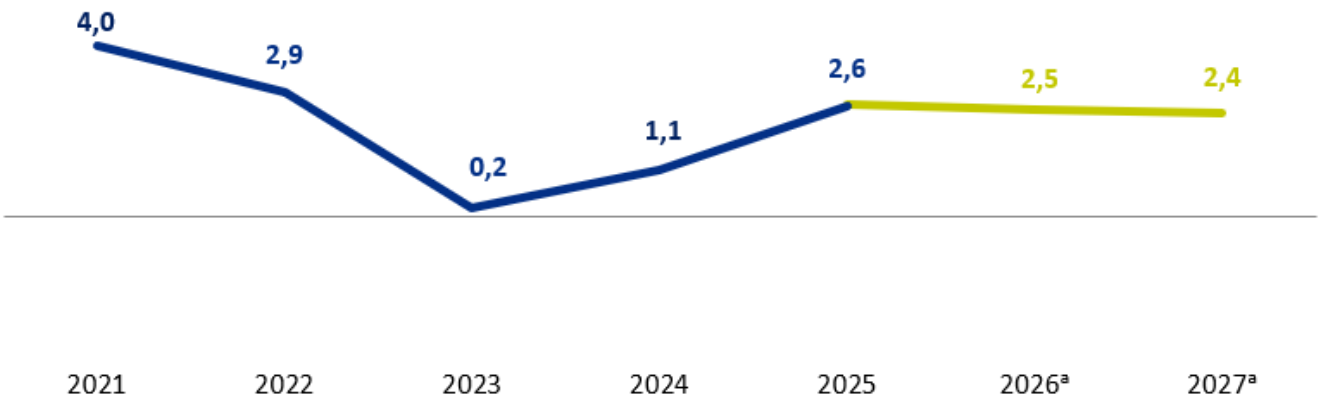
4.1.2. Czech industry and economy

Industrial production sold in the Czech Republic in Q4 2025 decreased by -0.4% yoy (current prices, unadjusted data) after the result went down by -0.1% yoy in Q3 2025 and grew by +0.5% yoy in Q4 2024. In Q4 2025, a noticeable decrease was recorded in hard coal and lignite mining (-21.3% yoy) along with a decline in the output of, among others, paper and paper products (-5.4% yoy) and motor vehicles, trailers and semi-trailers (-2.7% yoy). At the same time, an increase was recorded in the sold output of metals (+1.0% yoy), machinery and equipment (+2.6% yoy), rubber and plastic products (+2.1% yoy), wood and wood products (+5.5% yoy) and metal products (+8.8% yoy).[44]

The value of new orders in Q4 2025 rose by +8.9% yoy (current prices, unadjusted data), following an increase of +2.9% yoy in Q3 2025 and +1.2% yoy in Q4 2024. The increase was driven by a significant rise in the value of foreign orders (+15.4% yoy), which discernibly mitigated the decline in the value of domestic orders (-2.5% yoy).[45] The strong growth in external orders is raising hopes for a gradual recovery in demand in Western Europe, although instability in performance in this region remains still visible. At the same time, it is expected that the Q4 2025 result in the domestic market was merely a one-off event that will not translate into a significant weakening of the previous upward trend.

According to preliminary estimates by the CZSO, GDP growth adjusted for price and seasonal effects in Q4 2025 was +2.4% yoy (that has been the fourth quarter with a change above +2.0% yoy) and +0.5% qoq. Year-on-year GDP growth was supported by household consumption expenditure and external demand, with the simultaneous adverse impact of accumulation.[46]

Figure 6 Real GDP growth rate in the Czech Republic in 2021-2025 and forecasts for 2026-2027 – data adjusted for seasonality



a – Macroeconomic forecasts of the Ministry of Finance of the Czech Republic (January 2026)
Source: Proprietary material based on data from the Czech Statistical Office and the Czech Ministry of Finance

[42] Statistics Poland, Statistical Bulletin, Table 62, column C
[43] National Bank of Poland (nbp.pl/raport-o-inflacji-listopad-2025-r/)
[44] Czech Statistical Office / Sales from industrial activity: unadjusted data – published on 6 February 2026
[45] Czeski Urząd Statystyczny / New industrial orders by selected CZ-NACE divisions: unadjusted data - data published on 6 February 2026
[46] Czech Statistical Office (csu.gov.cz/rychle-informace/gdp-preliminary-estimate-4-quarter-of-2025)

Inflation in Q4 2025 reached +2.2% yoy (after an increase of +2.5% yoy in Q3 2025), which means that for eight quarters now, price growth has remained below the +3.0% yoy threshold.[47]

Forecasts by the Czech Ministry of Finance as updated in January 2026 predict GDP growth (seasonally adjusted and adjusted for the number of business days) of: +2.5% yoy in 2026 and +2.4% yoy in 2027. In this period, consumer inflation as measured by CPI should remain at a level below +2.5% yoy, i.e. close to the inflation target.[48]

An observable increase in readings of the PMI index in the Czech Republic at the end of 2025, in spite of a weak demand in European countries – the index reached 50.4 points in December 2025, so it exceeded the previously recorded maximum level from June, namely 50.2 points. On the other hand, the value of the index in Q4 2025 was 48.5 points (compared to 47.5 points in Q1, 49.0 points in Q2 and 49.4 points in Q3 2025), therefore it was discernibly below expectations, even though indicating results improving every month. That the threshold of 50.0 points was exceeded again after five months, marking a technical border between recovery and recession, means that a further expansion is possible in the event of improvement of the key results for the Czech economy regarding commercial partners from the Eurozone. However, the sharp fluctuations in index readings and demand in Western Europe point to an uncertain situation and a possible return to stagnation in the Czech Republic's industrial processing sector.[49]

4.2. Freight transportation activity

4.2.1. Rail transport market in Poland

3 members of the PKP CARGO Group, namely PKP CARGO S.A. under restructuring, PKP CARGO SERVICE Sp. z o.o. and PKP CARGO International a.s., render rail freight services on the Polish market. According to data from the Office of Rail Transport, at the end of December 2025, 134 companies held an active license for rail freight transport (compared to 132 operators at the end of December 2024).[50]

In 2025, in rail freight transport in Poland, adverse trends in recent years continued to be observable, whereas freight volume has been at the lowest level since 2012. In this period, freight volume on the rail freight market decreased by -5.7 million tons yoy (-2.6% yoy to 217.8 million tons), while freight turnover decreased by -2.0 billion tkm yoy (-3.5% yoy to 56.2 billion tkm).[51] The average haul fell by -1.0% compared to 2024, reaching 258 km.

The worst month for rail transport in 2025 in terms of volume performance was February, when rail operators transported only 16.7 million tons of cargo, and the rate of decline reached -6.4% yoy (or -1.1 million tons yoy). The largest decline in transport was recorded in last year's April (-8.6% yoy), which translated into the largest decrease in volume in year-on-year terms (i.e. by -1.6 million tons). The highest freight volume was recorded in October 2025 (the only month with a result above 20 million tons), when the volume was close to 20.4 million tons), with a positive growth rate of transports (+1.7% yoy) The highest positive year-on-year growth rate (with 18.7 million tons transported) was recorded in September 2025, which caused the result to increase by +4.1% yoy and the highest growth of volume by over 0.7 million tons. This was the first improvement in a monthly result in 2025 compared to the previous year (after 8 consecutive months of declines). The improvement covered both freight volume and freight turnover, which also continued in October and November 2025. In December 2025, there was a drop in the market by -1.0% yoy in terms of volume, while retaining the positive result for freight turnover (an increase by +2.1% yoy)[52]. This raises hopes that, with the expected gradual economic recovery in 2026, the rail freight market will begin to improve its transport results gradually.

Freight transport carried out by the railway industry in 2025 confirmed the sector's difficult situation, which was linked to limited demand for industrial goods in Western Europe, a decline in global trade (due, among other things, to tariff restrictions and quotas), and turbulences in international relations. Other key factors contributing to the decline in freight volumes throughout the year included: the war in Ukraine; level of production costs in Europe relative to competition from Asia and the United States, including uncompetitive electricity rates; and unstable conditions for business activity, which led to a decline in private investments.

[47] vdb.czso.cz / Statistics > Prices, Inflation (Consumer price index according to ECOICOP - year-on-year index) – as at 6 February 2026
[48] https://mf.gov.cz/en/fiscal-policy/macroeconomic-analysis/macroeconomic-forecast/2026/macroeconomic-forecast-january-2026-62669
[49] Markit PMI (www.pmi.spglobal.com/Public/Release/PressReleases)
[50] Office of Rail Transport (dane.utk.gov.pl/sts/rejestry/rejestr-licencjonowanyc/16733,Wykaz-przedsiebiorcow-posiadajacych-licencje-przewoznika-kolejowego-wydana-przez.html – status after the update of 12 December 2025)
[51] Office of Rail Transport
[52] Office of Rail Transport

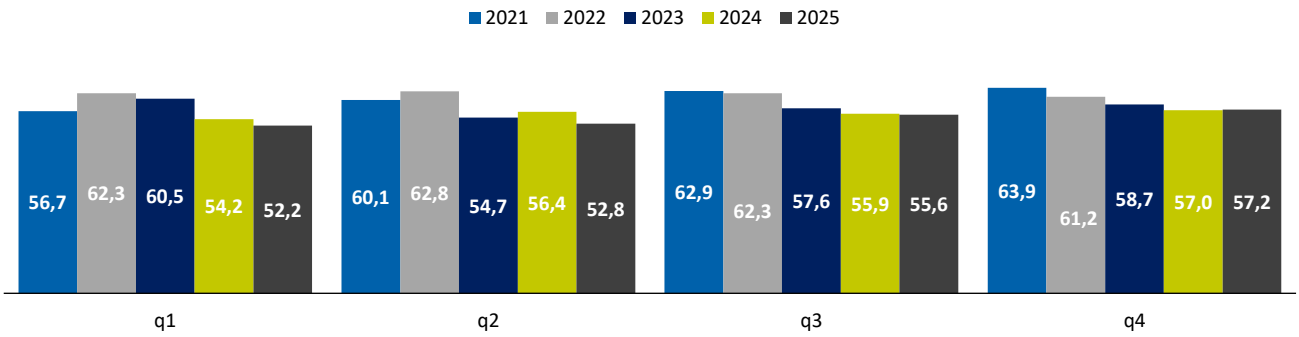
When analyzing the structure of cargo transported by rail in Poland in 2025, it should be noted that hard coal (the share of which in the transport structure is gradually decreasing) was still the largest cargo category[53], accounting for 28.9% of total transports. The following changes in rail transport year-on-year performance were recorded over that period in the largest cargo categories defined by Statistics Poland:[54]

- hard coal (down -0.02% yoy to 62.3 million tons),
- aggregates, stone, sand and gravel (down -5.7% yoy to 50.0 million tons),
- refined petroleum products (down -0.2% yoy to 21 million tons),
- metals and metal products (up +9.8% yoy to 10.5 million tons),
- chemicals, chemical products (down -3.7% yoy to 10.4 million tons),
- coke, briquettes, gases (down -15.0% yoy to 8.7 million tons),
- iron ores (down -10.8% yoy to 5.1 million tons),
- agricultural products (down -27.9% yoy to 4.3 million tons).

The greatest decline in freight volumes transported by rail compared to the results in 2024 was recorded in various categories, including: aggregates, sand and gravel (-3.0 million tons), agricultural products (-1.7 million tons), coke, briquettes and gases (-1.5 million tons), iron ores (-0.6 million tons), other cargo (-0.5 million tons) and, to a lesser degree, chemicals and chemical products (-0.4 million tons). At the same time, in 2025, there was a significant year-on-year increase in rail transport, including in the following categories: metals and metal products (+0.9 million tons) and other construction materials (+0.3 million tons). The remaining cargo categories, i.e. secondary raw materials, scrap, wood and wood products as well as cement, lime and gypsum, recorded already lower increases, about +0.2 million tons on average. Rail transports of hard coal in 2025 remained at a level comparable to the previous year's results.[55]

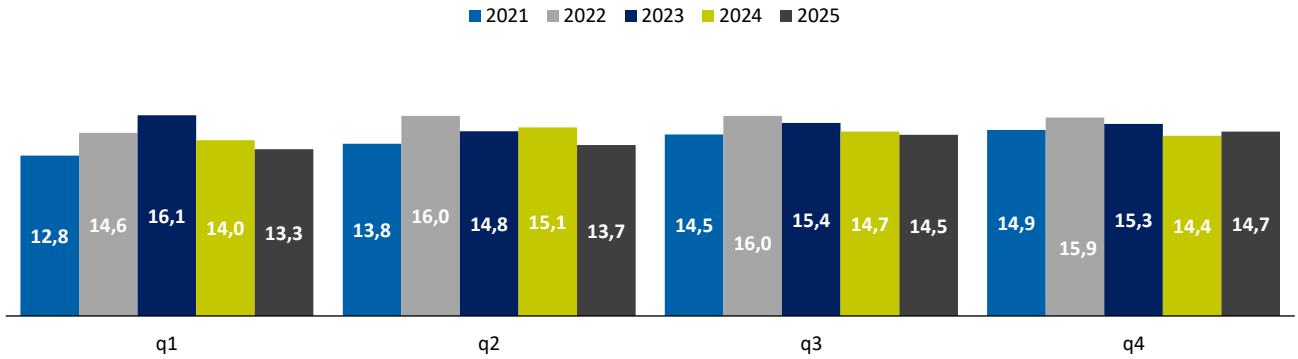
[53] Based on the NST classification – data from Statistics Poland – data for 12 months of 2025
[54] Statistics Poland
[55] Statistics Poland

Figure 6 Rail freight volumes in Poland broken down by quarter in 2021-2025 (million tons)



Source: Proprietary material based on the Office of Rail Transport's data

Figure 7 Rail freight turnover in Poland (in billion tkm), by quarter in 2021-2025 (billion tkm)



Source: Proprietary material based on the Office of Rail Transport's data

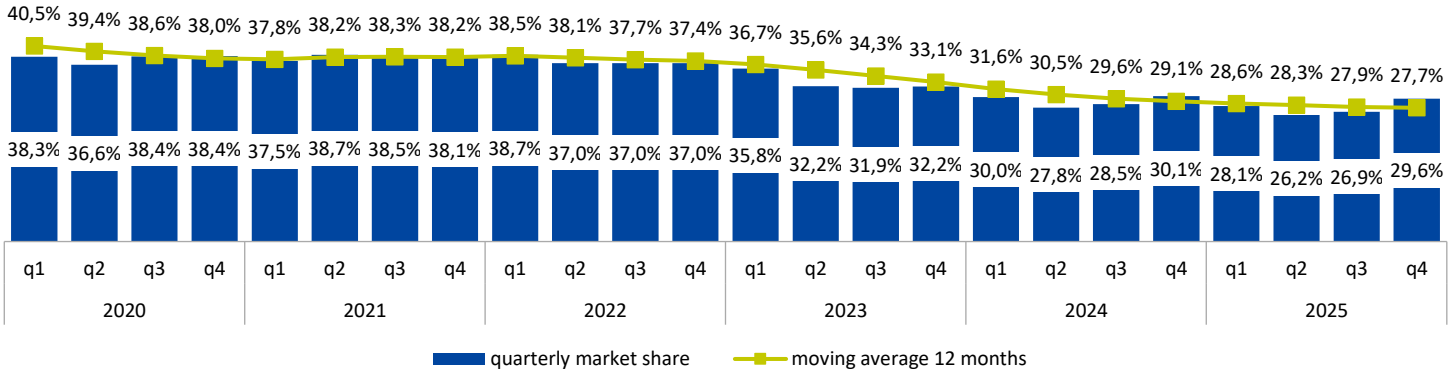
4.2.2. Position of the PKP CARGO Group and the Company in the rail transport market in Poland

In 2025, according to data from the Office of Rail Transport, 34 rail carriers performed transport operations whose market share in terms of freight volume transported exceeded the 0.5% threshold (compared to 32 carriers in 2024). These included two members of the PKP CARGO Group: PKP CARGO S.A. under restructuring and PKP CARGO Service Sp. z o.o.[56]

The PKP CARGO Group[57] is the leader in the rail freight market in Poland both in terms of share in the transported freight volume and generated freight turnover. The market shares of the PKP CARGO Group in 2025 were 27.7% (-1.4 p.p. yoy) in terms of freight volume and 26.6% in terms of freight turnover (-1.5 p.p. yoy).[58] At the same time, the market shares of the PKP CARGO Group's parent company, that is PKP CARGO S.A. under restructuring, were 26.6% (-1.4 p.p. yoy) in terms of freight volume and 26.4% (-1.4 p.p. yoy) in terms of freight turnover.[59]

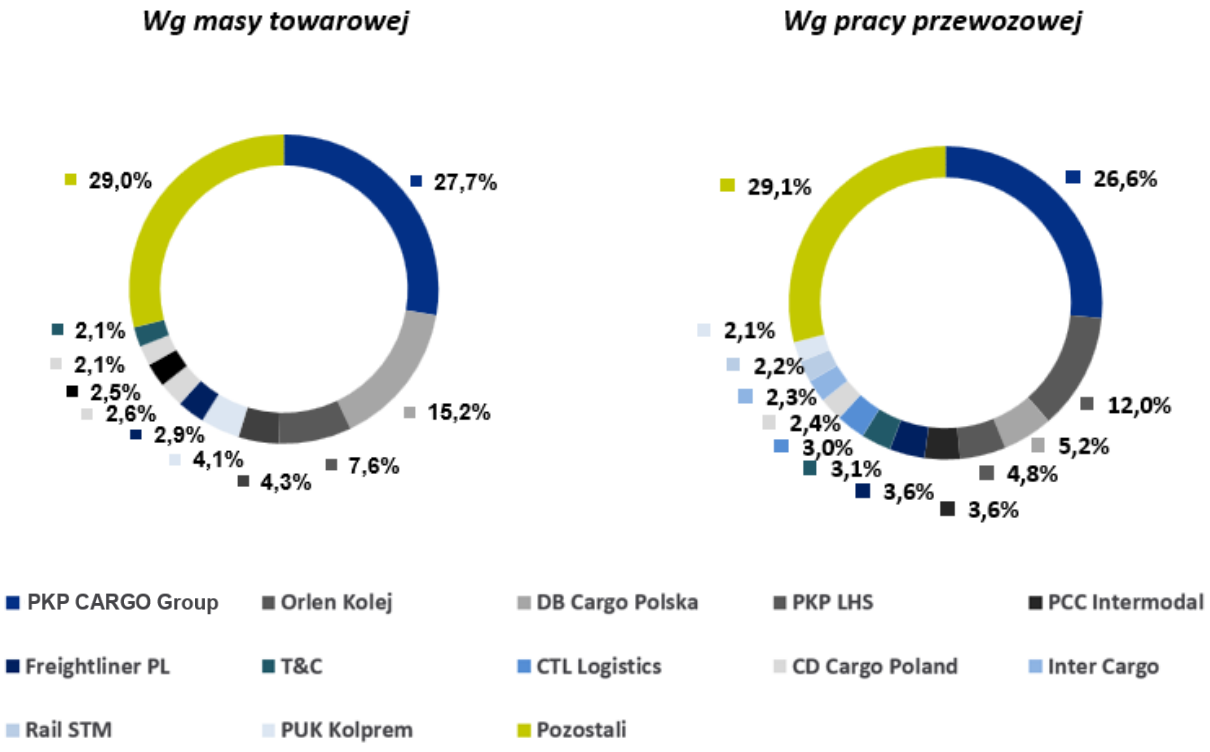
[56] Office of Rail Transport
[57] The PKP CARGO Group's freight volume takes into account cargo transported by PKP CARGO International a.s. in Poland.
[58] PKP CARGO Group and Office of Rail Transport data
[59] Office of Rail Transport

Figure 8 Quarterly shares of the PKP CARGO Group in freight volume in Poland in 2021-2025



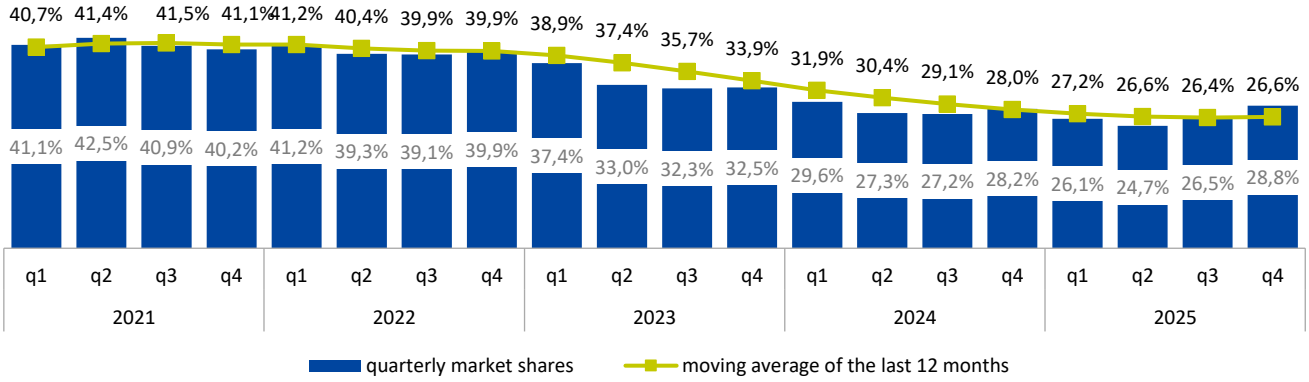
Source: Proprietary material based on the Office of Rail Transport's data

Figure 9 Market shares of the largest rail freight operators in Poland in 2025



Source: Proprietary material based on the Office of Rail Transport's data

Figure 10 Quarterly shares of the PKP CARGO Group in total freight turnover in Poland in 2021-2025



Source: Proprietary material based on the Office of Rail Transport's data

The Group's main competitors on the Polish rail freight market in 2025 in terms of freight volume were the following operators: DB Cargo Polska, Orlen Kolej, PKP LHS, PUK Kolprem, Freightliner PL, CD Cargo Poland, PCC Intermodal, Pol-Miedź Trans and T&C. These are operators with a share of over 2% in the rail freight transport market volume.[60]

In 2025, competing rail carriers transported a total of 157.4 million tons of cargo (-0.7% yoy) on the Polish market. The largest competitor of the Company in terms of volume handled was DB Cargo Polska, with a 15.2% market share and 33.0 million tons transported in 2025 (+1.8 million tons, or +5.7% compared to the volume transported in 2024). In 2025, this carrier gained nearly +1.2 p.p. yoy in market share (this was the largest increase in market share among the PKP CARGO Group's competitors). The largest decline in market share among the competitors in last year was recorded by PKP LHS and T&C (-0.6 p.p. yoy each) with a volume decline of -14.8% yoy and -24.4% yoy respectively.[61]

At the same time, in 2025, freight turnover of PKP CARGO Group's competitors decreased by -1.6% yoy to 41.3 billion tkm. In this respect, the market shares of IGL and PCC Intermodal increased the most in year-on-year terms (+0.5 p.p. each). Significant declines in market shares among competitors were recorded by PKP LHS (-0.9 p.p. yoy) and T&C (-0.7 p.p. yoy).[62]

4.2.3. Rail freight transport market in the Czech Republic

In 9M 2025, a total of 416.4 million tons of cargo was transported in the Czech Republic (+4.6% yoy) and freight turnover stood at 65.9 billion tkm (+3.4% yoy).[63] In that period, a noticeable yoy decline was recorded in water transport (or -20.9% yoy in terms of freight volume and -19.5% yoy in terms of freight turnover), with a moderate increase in road transport by +4.3% yoy in terms of freight volume and +4.9% yoy in terms of freight turnover. On the other hand, rail transport increased in freight volume by +6.9% yoy but decreased in freight turnover by -3.3% yoy.

The average haul of freight transported on the market in 9M 2025 decreased by -1.2% yoy to 158.3 km, with a +0.6% yoy increase in road transport (to 156.0 km) and a +1.8% yoy increase in water transport (to 404.9 km). Only rail transport recorded a significant decline in the average haul of goods carried (-9.6% yoy, down to 169.0 km).[64]

[60] Office of Rail Transport
[61] proprietary material based on Office of Rail Transport data
[62] proprietary material based on Office of Rail Transport data
[63] Ministry of Transport of the Czech Republic, Czech Statistical Office. Data for Q4 2025 will be available at the end of Q1 or the beginning of Q2 2026 (data for rail, road and water transport)
[64] Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)

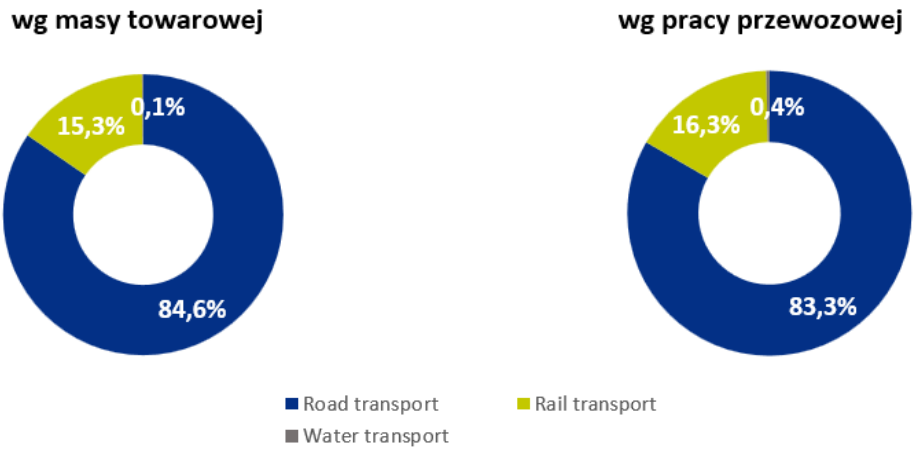
Table 3 Freight transport market in the Czech Republic in 9M 2025

Item	FREIGHT VOLUME			FREIGHT TURNOVER			AVERAGE HAUL		
	Volume (million tons)	Change yoy	Change % yoy	Volume (billion tkm)	Change yoy	Change % yoy	Distance (km)	Change yoy	Change % yoy
Total transport market	416.4	18.5	4.6%	65.9	2.2	3.4%	158.3	-1.9	-1.2%
Road transport	352.2	14.5	4.3%	54.9	2.6	4.9%	156.0	1.0	0.6%
Rail transport	63.6	4.1	6.9%	10.8	-0.4	-3.3%	169.0	-18.0	-9.6%
Waterway transport	0.6	-0.2	-20.9%	0.2	-0.1	-19.5%	404.9	7.1	1.8%

Source: Proprietary material based on data published by the Ministry of Transport of the Czech Republic (data for rail, road and water transport).

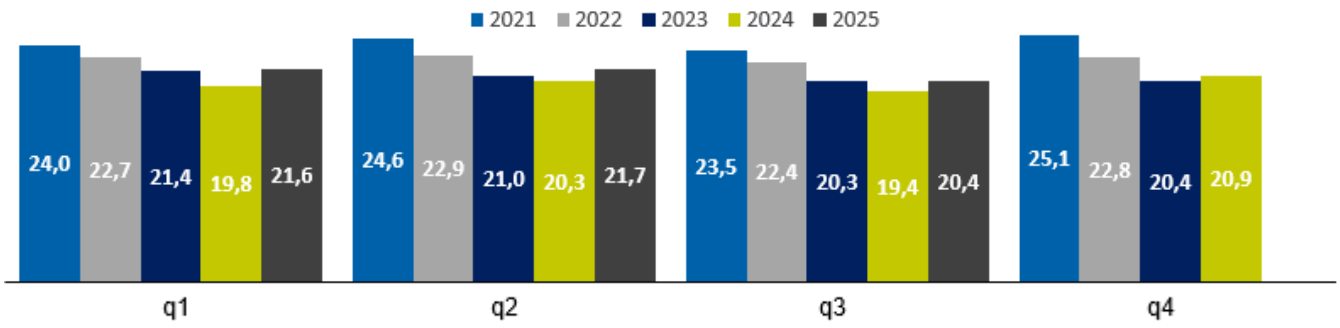
In 9M 2025, rail transport in the Czech Republic recorded a major increase in freight volume to 63.6 million tons (+6.9% yoy) with a simultaneous decrease in freight turnover to 10.8 billion tkm (-3.3% yoy).[65] In the same period, cargo transports carried out by road increased by +4.3% (to 352.2 million tons) in terms of freight volume and by +4.9% (to 54.9 billion tkm) in terms of freight turnover. These results translated into a minor decrease in the share of road transport in terms of freight volume (-0.3 p.p. yoy), with a similar increase in the share of rail transport (+0.3 p.p. yoy). At the same time, rail recorded (because of the decrease in the average haul by -18 km yoy) a decrease in its share in terms of freight turnover (-1.1 p.p. yoy), with a similar increase in the share of road transport (+1.2 p.p. yoy).[66]

Figure 11 Shares of various modes of transport in the transport market in the Czech Republic in 9M 2025



Source: Proprietary material based on data published by the Ministry of Transport of the Czech Republic and the Czech Statistical Office

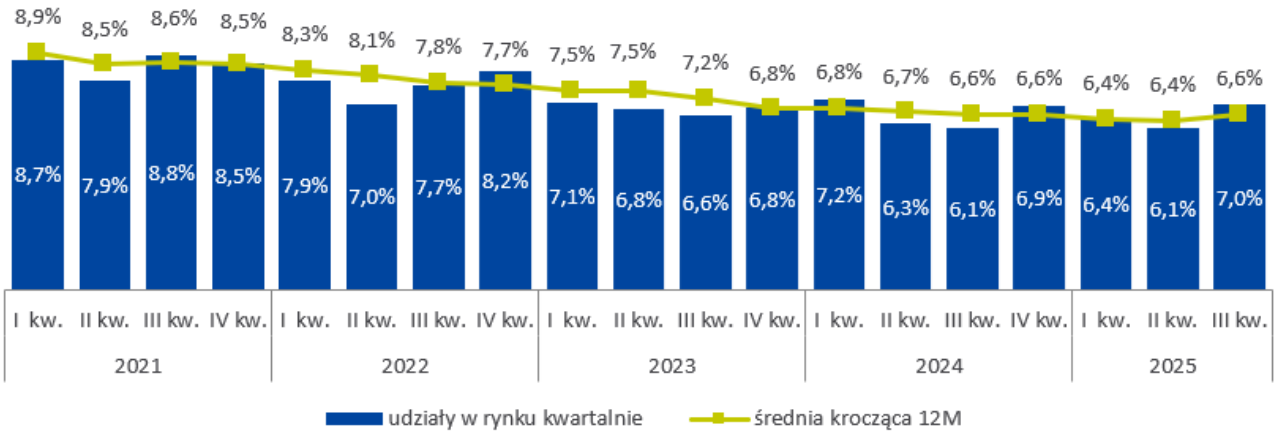
Figure 12 Quarterly rail freight transport in the Czech Republic by freight volume in 2021-2025 (million tons)



Source: Proprietary material based on data published by the Ministry of Transport of the Czech Republic and the Czech Statistical Office

[65] Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)
[66] Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)

Figure 13 Rail freight transport in the Czech Republic by freight turnover broken down by quarter in 2021-2025 (billion tkm)



Source: Proprietary material based on data published by the Ministry of Transport of the Czech Republic and the Czech Statistical Office

4.2.4. Position of PKP CARGO Group companies in the rail transport market in the Czech Republic

According to data from the Czech rail infrastructure manager (SŽDC), in 2025, there were 106 operators licensed to transport cargo on the Czech rail freight market, including 2 PKP CARGO Group companies: PKP CARGO S.A. under restructuring and PKP CARGO International a.s.[67]

In 2025, PKP CARGO International a.s. recorded a several-percent increase in transports, both in terms of freight volume and freight turnover. This increase in activity occurred despite a challenging macroeconomic environment, weak demand in Western Europe and the continued limited number of new orders received by the Czech industry.

In 2025, PKP CARGO International a.s. transported 5.6 million tons of freight (+4.8% yoy) and generated freight turnover of 0.6 billion tkm (+3.6% yoy). At the same time, the Company's average haul decreased to 107.4 km (-1.2% yoy).[68] Solid fuels remained the largest cargo category in terms of freight volume, their share in the Company's transport structure in 2025 having clearly declined from to 48.7%, or -6.1 p.p. yoy. Intermodal transport remained in second place in terms of significance, with its share in the total volume down in 2025 to 16.9% (from 18.6% in 2024).

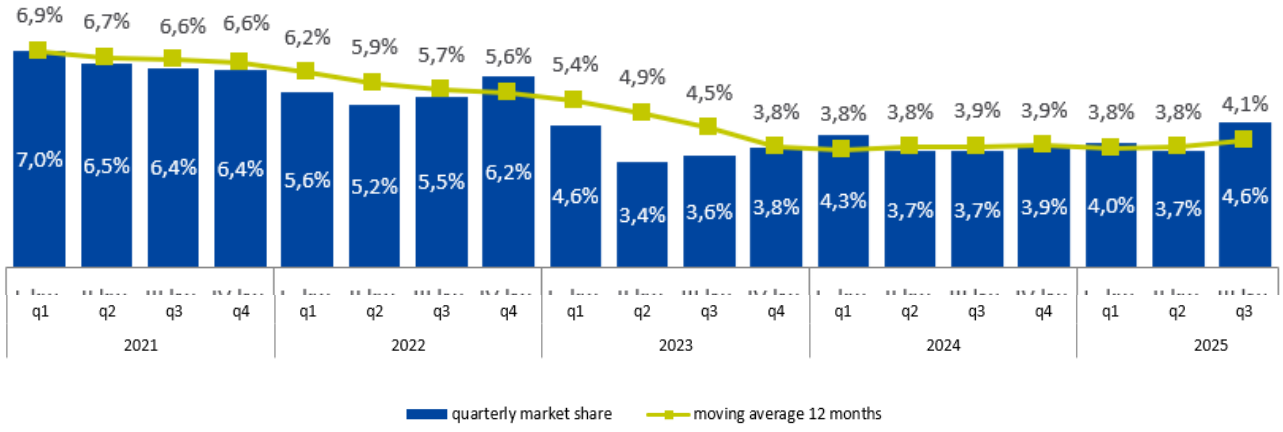
The largest increase in volume in that period was recorded in the transport of metals and ores (+396.1 thousand tons, or +120.0% yoy), chemical products (+57.7 thousand tons, or +15.4% yoy), aggregates and construction materials (+47.3 thousand tons, or +42.5% yoy), and other cargo (+36.0 thousand tons, or +37.9% yoy). In turn, the largest decrease in transported freight volume was recorded in the following segments: solid fuels (-200.4 thousand tons, or -6.9% yoy), liquid fuels (-51.0 thousand tons, or -11.2% yoy) and intermodal transport (-47.2 thousand tons, or -4.8% yoy). It should be noted that in 2025, the Company slightly decreased its hard coal freight turnover (-44.6 thousand tons, or -2.7% yoy) and the share of hard coal in the transport structure accounted for 29.6% of all freight (down -2.3 p.p. yoy). The raw material, despite the fact that it stopped to be mined in the Czech Republic, continued to be the Company's major commodity in terms of freight volumes (other cargo categories do not reach a 20% share in terms of performed transports).[69]

Figure 14 PKP CARGO International's quarterly market shares in total freight volume in the Czech Republic in 2021-2025*

** data for Q4 2025 will be available at the end of Q1 or the beginning of Q2 2026.*
Source: Proprietary material based on data from the Czech Ministry of Transport, the Czech Statistical Office and PKP CARGO International

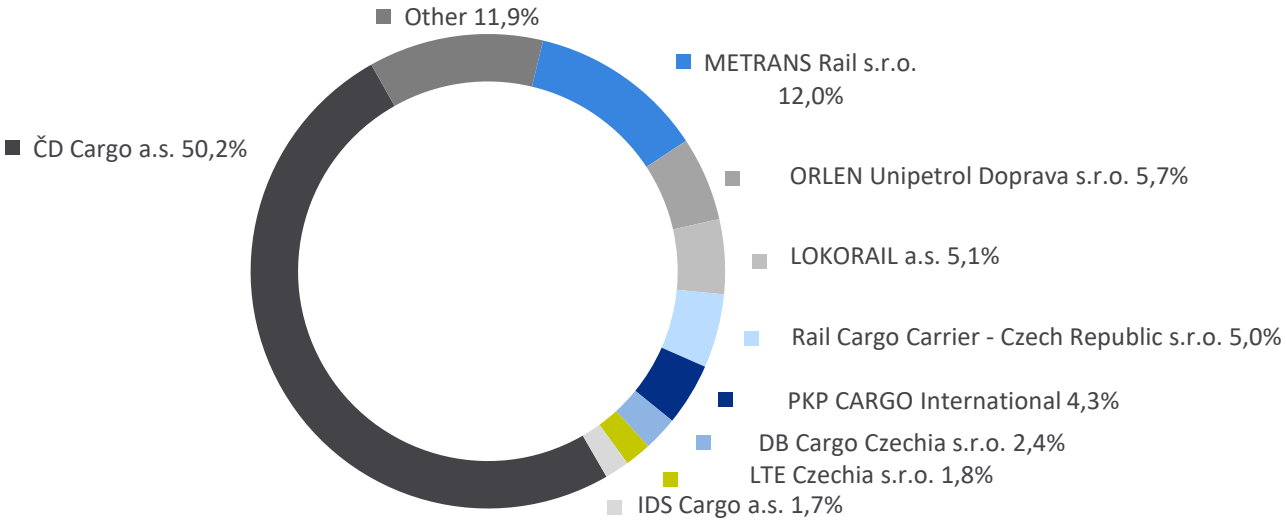
[67] SŽDC (list of carriers on national and regional tracks, on 19 December 2025)
[68] PKP CARGO International's own statistics
[69] PKP CARGO International's own statistics

Figure 15 PKP CARGO International's quarterly market shares in terms of freight turnover completed in the Czech Republic in 2021-2025*



** data for Q4 2025 will be available at the end of Q1 or the beginning of Q2 2026.*
Source: Proprietary material based on data from the Czech Ministry of Transport, the Czech Statistical Office and PKP CARGO International

Figure 16 Market shares of the biggest rail operators by operational freight turnover in the Czech Republic in 2025 (btkm)



Source: SŽDC (Czech rail infrastructure manager)

According to SŽDC data on market shares in rail transport in terms of freight turnover, in 2025, PKP CARGO International recorded a slight year-on-year increase in market share (+0.1 p.p. to 4.3%).[70] The Company maintains sixth position among rail operators on the Czech market, with significant shifts in the performance of individual carriers.

The list of the largest rail operators on the Czech market for 2025, compiled by SŽDC, does not include the performance of PKP CARGO S.A., as it did not exceed the threshold of 1% market share. In 2025, compared to the corresponding period last year, PKP CARGO's transport in the Czech Republic increased slightly. Transit transport of paper and metals increased. Transports of concrete sleepers to Romania and petroleum products to Slovakia were carried out, which did not take place in 2024. In turn, transports of hard coal, wood and coke declined.[71]

[70] SŽDC
[71] PKP CARGO S.A.'s own statistics

4.3. Consolidated data about transport activity in 2025

The data on the transport activity conducted by the PKP CARGO Group in 12 months of 2025 and 2024 contain consolidated data of PKP CARGO S.A. under restructuring, PKP CARGO SERVICE Sp. z o.o. and companies from the PKP CARGO International Group. Transport services are rendered by 6 companies, namely PKP CARGO S.A., PKP CARGO SERVICE Sp. z o.o., PKP CARGO International a.s., PKP CARGO International HU Zrt., PKP CARGO International SK a.s. and PKP CARGO INTERNATIONAL SI d.o.o.

Table 4 PKP CARGO Group's freight turnover in 12 months of 2025 and 2024 and Q4 of 2025 and 2024

Item	2025	2024	Change 2025/2024		2025	2024	Q4 2025	Q4 2024	Change Q4 2025/ Q4 2024	
	(million tkm)			*%*	*percentage of total (%)*		*(million tkm)*			*%*
Solid fuels[1]	5,725	6,258	-532	-8.5%	34%	35%	1,707	1,657	50	3.0%
of which hard coal	4,907	5,104	-197	-3.9%	29%	28%	1,483	1,386	96	6.9%
Aggregates and construction materials[2]	3,587	4,315	-728	-16.9%	22%	24%	924	1,019	-95	-9.4%
Metals and ores[3]	1,526	1,172	354	30.2%	9%	7%	418	301	117	38.9%
Chemicals[4]	1,459	1,707	-248	-14.5%	9%	9%	360	399	-39	-9.8%
Liquid fuels[5]	413	643	-230	-35.7%	2%	4%	126	161	-35	-21.9%
Timber and agricultural produce[6]	574	787	-213	-27.1%	3%	4%	191	197	-6	-2.8%
Intermodal transport	2,797	2,618	179	6.8%	17%	15%	834	612	222	36.2%
Other[7]	560	481	79	16.4%	3%	3%	140	117	23	20.0%
Total	**16,641**	**17,981**	**-1,340**	**-7.5%**	**100%**	**100%**	**4,701**	**4,464**	**237**	**5.3%**

Source: proprietary material; some figures have been rounded, which may result in minor discrepancies in the data presented

Table 5 PKP CARGO Group's freight volume in 12 months of 2025 and 2024 and Q4 of 2025 and 2024

Item	2025	2024	Change 2025/2024		2025	2024	Q4 2025	Q4 2024	Change Q4 2025/ Q4 2024	
	(million tons)			*%*	*percentage of total (%)*		*(million tons)*			*%*
Solid fuels[1]	31.5	33.3	-1.7	-5.2%	48%	47%	9.3	9.6	-0.3	-2.6%
of which hard coal	28.5	29.0	-0.5	-1.7%	43%	41%	8.5	8.6	-0.1	-1.0%
Aggregates and construction materials[2]	12.9	16.1	-3.1	-19.5%	20%	23%	3.2	3.8	-0.5	-13.6%
Metals and ores[3]	5.3	4.5	0.8	17.0%	8%	6%	1.4	1.1	0.2	22.2%
Chemicals[4]	4.2	5.2	-1.0	-18.6%	6%	7%	1.0	1.2	-0.2	-13.8%
Liquid fuels[5]	1.2	2.3	-1.0	-45.5%	2%	3%	0.3	0.6	-0.3	-56.5%
Timber and agricultural produce[6]	1.9	2.1	-0.2	-9.1%	3%	3%	0.6	0.6	0.1	10.2%
Intermodal transport	6.7	6.0	0.7	11.7%	10%	8%	2.0	1.5	0.5	32.1%
Other[7]	1.9	1.5	0.4	26.8%	3%	2%	0.5	0.4	0.1	26.6%
Total	**65.7**	**70.8**	**-5.2**	**-7.3%**	**100%**	**100%**	**18.3**	**18.7**	**-0.4**	**-2.1%**

Source: proprietary material; some figures have been rounded, which may result in minor discrepancies in the data presented

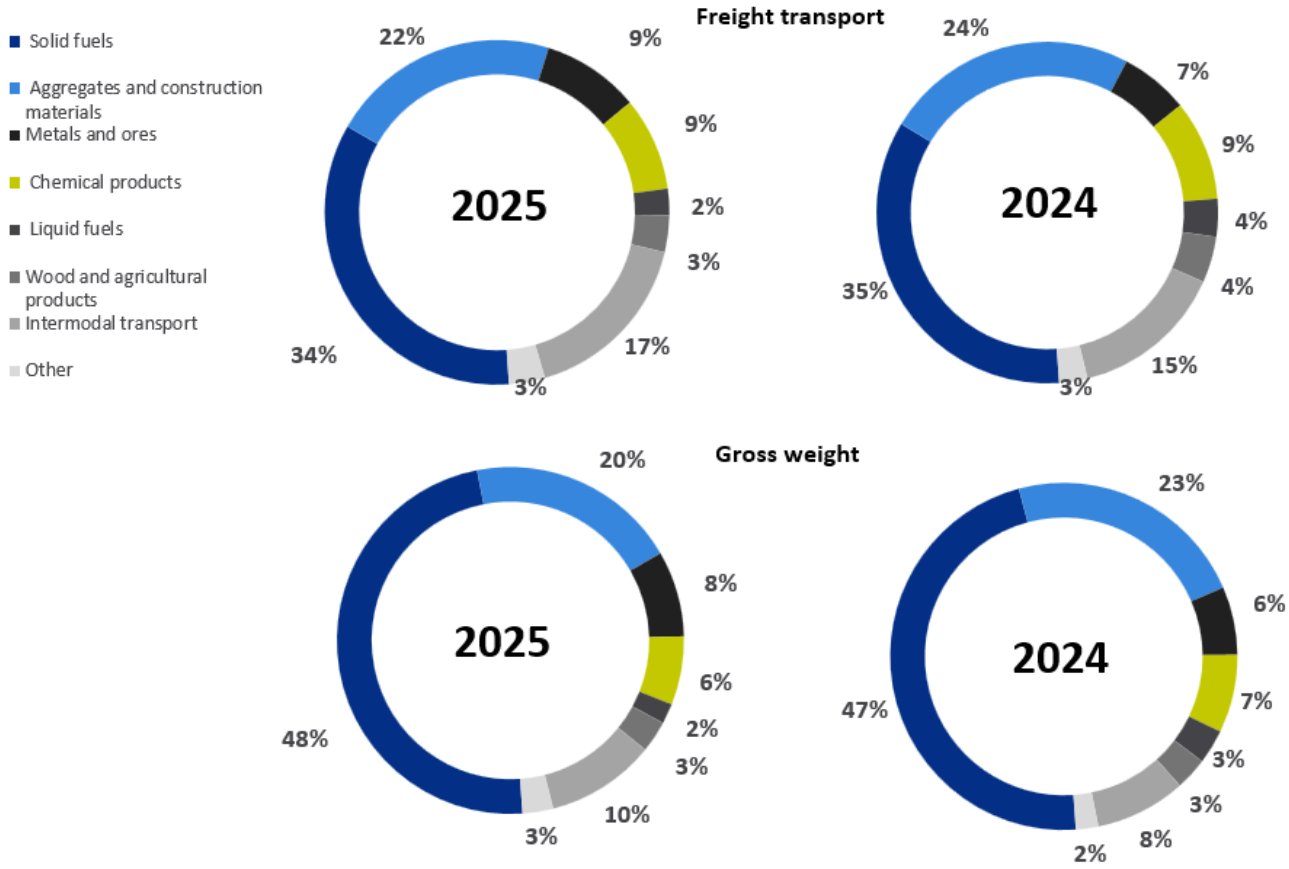
Table 6 PKP CARGO Group's average haul in 12 months of 2025 and 2024 and Q4 of 2025 and 2024

Item	2025	2024	Change 2025/2024		Q4 2025	Q4 2024	Change Q4 2025/ Q4 2024	
	(km)			*%*	*(km)*			*%*
Solid fuels[1]	182	188	-7	-3.5%	183	173	10	5.8%
of which hard coal	172	176	-4	-2.2%	174	161	13	8.0%
Aggregates and construction materials[2]	277	269	9	3.3%	285	272	13	5.0%
Metals and ores[3]	290	261	29	11.3%	309	272	37	13.7%
Chemicals[4]	348	331	17	5.0%	350	334	15	4.6%
Liquid fuels[5]	334	283	51	18.0%	471	263	209	79.6%
Timber and agricultural produce[6]	296	369	-73	-19.8%	299	339	-40	-11.8%
Intermodal transport	418	437	-19	-4.3%	427	414	13	3.1%
Other[7]	298	325	-27	-8.2%	277	292	-15	-5.2%
Total	**253**	**254**	**0**	**-0.2%**	**257**	**239**	**18**	**7.5%**

Source: proprietary material; some figures have been rounded, which may result in minor discrepancies in the data presented

[1] Includes hard coal, coke and lignite.
[2] Includes all kinds of stone, sand, bricks and cement.
[3] Includes ores and pyrites, as well as metals and metal products.
[4] Includes fertilizers and other chemicals.
[5] Includes crude oil and petrochemical products.
[6] Includes grain, potatoes, sugar beets, other produce, wood and wooden products.
[7] Includes other freight.

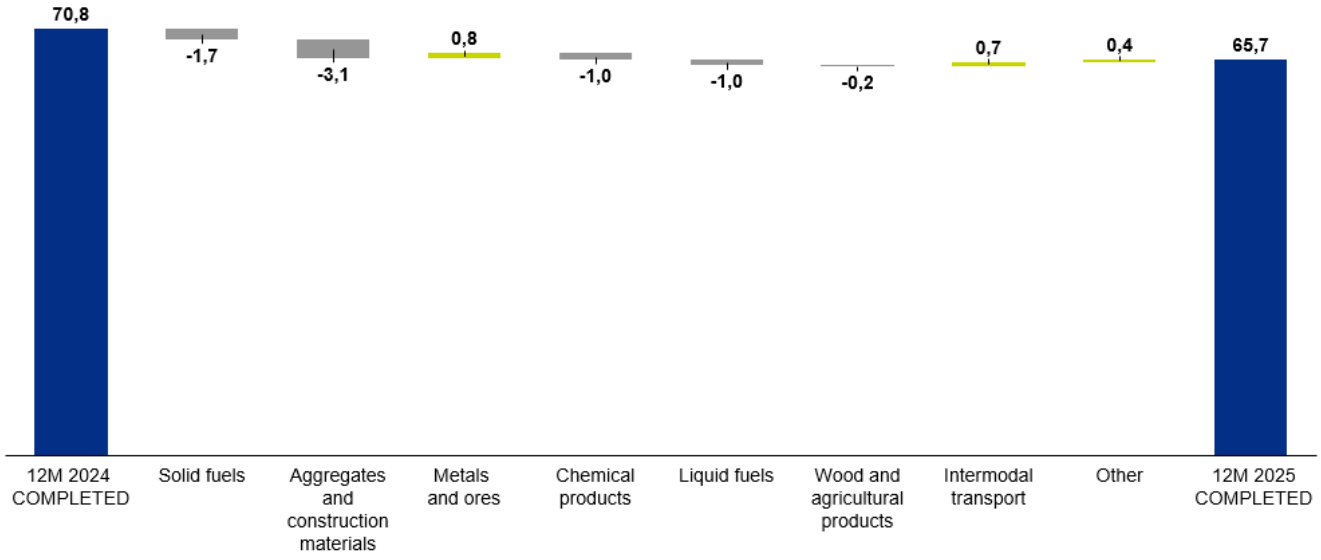
Figure 17 Structure of the PKP CARGO Group's freight turnover and freight volume in 12M of 2025 and 2024



Source: Proprietary material

In 12 months of 2025, the PKP CARGO Group transported a total of 65.7 million tons of cargo.

Figure 18 Freight volume of the PKP CARGO Group in 2025 compared to the corresponding period in 2024 (million tons)



Source: Proprietary material

Intermodal transport

Explanation of key factors that affected freight volume in various cargo categories in during 2025.

Solid fuels

- A decline in demand for hard coal as a fuel due to the adaptation of the economy to climate policy requirements;
- reduced demand for coal for coke production for the metallurgical sector;
- decrease in the average haul of hard coal by 7 km (-3.5%) in connection with the changed structure of freight routes.

Aggregates and construction materials

- Technological and maintenance shutdowns in mineral mines also occurred;
- delays in road construction investments;
- competition from rail carriers with spare capacity due to a decline in demand for transport of coal and road carriers benefiting from greater availability of drivers and means of transport following restrictions on access to eastern markets;
- increase in the average haul by 9 km (+3.3%) due to a change in the structure/directions of deliveries, mainly for the needs of infrastructural investments in various parts of Poland.

Metals and ores

- Increased demand of the steel industry for secondary raw materials as input to production;
- PKP CARGO INTERNATIONAL – greater demand in connection with an increase in the steel production of local manufacturers;
- increase in the average haul by 29 km (+11.3%) – change in the structure of freight routes.

Chemical products

- Reduced hydrocarbon and fertilizer transport operations – limited delivery of shipments from the East due to the embargo in force;
- transport carried out by customers using their own carriers;
- increase in the average haul by 17 km (+5.0%) – decrease in the share of short-distance transport to Ukraine near the border.

Liquid fuels

- Starting fuel transports to Ukraine carried out by a customer using its own carrier;
- reduced volume of orders for petroleum coke to Ukraine;
- the average haul increased by 51 km (+18.0%) – decrease in the share of short-distance transport to Ukraine near the border.

Wood and agricultural products

- Reduced transit shipments of grain from Ukraine to West European countries due to the redirection of grain exports from Ukraine through the port of Odessa and Romanian ports;
- transport of wood carried out by one of the customers under its own license and using its own traction;
- decrease in the average haul by 73 km (-19.8%) as a result of a decrease in the share of transit transport of grain, feed and timber.

Intermodal transport

- Intermodal transport in 12 months of 2025 was higher than in 12 months of the previous year;
- development of new directions and expanding the portfolio of customers;
- development of comprehensive customer service on the entire length of new international freight routes using international licenses of PKP CARGO, in the segment of marine containers, containers transported along the New Silk Road and intermodal trailers and interchangeable bodies;
- increasing transports and acquiring new customers in the segment of transporting intermodal trailers;
- increasing volume in the segment of bulk cargo in specialized containers;
- development of cooperation with PKP CARGO INTERNATIONAL, while carrying out international transports jointly in the direction to the south of Europe;
- decrease in the average haul by 19 km (-4.3%) due to a change in the structure of transport operations.

4.4. Information on selling markets and sources of supply

4.4.1. Key clients

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.

In 2025, the PKP CARGO Group transported 65.7 million tons of freight, compared to 70.8 million tons in 2024. The PKP CARGO Group provides transport services in all segments of the market. The main sector of PKP CARGO S.A.'s freight business is solid fuels, with a 48% share in all PKP CARGO S.A.'s haulage carried out in 2025. In this market sector, transport services were provided for 128 customers, and their major commodity was hard coal. The second segment of transport activity of PKP CARGO is aggregates and construction materials, with the share of 22% in all freight volume carried out by PKP CARGO in 2025. In this segment, transport services were provided to 100 customers. Intermodal transport is another segment of PKP CARGO's business, with a share of 17% in all transport services provided by PKP CARGO in 2025. In this segment, transport services were provided for 56 customers. Another sector of PKP CARGO's freight business is metals and ore, with a 9% share in all PKP CARGO's haulage carried out in 2025. In this market sector, transport services were provided for 67 customers. A similar share, that is 9%, in all of PKP CARGO's transports carried out in 2025 was achieved by the transport of chemicals. In this market sector, transport services were provided for 72 customers. Another sector of PKP CARGO's freight business is agricultural crops, timber and wooden products with a 3% share in all PKP CARGO's haulage carried out in 2025. In this market sector, transport services were provided for 48 customers. The last distinguished cargo category for goods transported by PKP CARGO S.A. in 2025, with a 2% share in all transport operations carried out by PKP CARGO was liquid fuels. In this market sector, transport services were provided for 17 customers. The highest freight volume was provided by customers of large companies and Corporate Groups.

In the financial year ended 31 December 2025, the Group's revenue from any single Group client did not exceed 10% of the total revenues from contracts with customers. 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.

The Group's revenues obtained from external customers by geographic area are presented in **NOTE 2.1 TO THE CONSOLIDATED FINANCIAL STATEMENTS**, while the Company's revenues are presented in **NOTE 2.1 TO THE STANDALONE FINANCIAL STATEMENTS.**

4.4.2. Key suppliers

As they operate on the freight transport market, both the PKP CARGO Group and the Company are dependent on the largest supplier of access services to rail infrastructure in Poland, namely PKP Polskie Linie Kolejowe S.A. (hereinafter also referred to as “PKP PLK”). This company is a domestic infrastructure administrator providing access to most rail infrastructure in Poland in accordance with the price list approved annually by the President of the Office of Rail Transport. This infrastructure is made available for a fee on the same terms to all rail operators offering passenger and cargo rail transport. PKP PLK renders services to the PKP CARGO Group that include the provision of access to rail infrastructure, the provision of access to traction network equipment, the directing and carrying of traffic and access to train handling equipment. In the financial year ended 31 December 2025, the value of procurement with PKP PLK accounted for no more than 10% of total revenues from contracts with customers. Furthermore, the Group’s main supplier for traction fuel and traction energy is PGE Energetyka Kolejowa S.A. This supplier specializes in selling and supplying electricity, selling liquid fuels and providing electrical energy-related services. In the financial year ended 31 December 2025, the value of procurement with PGE EK accounted for more than 10% of total revenues from contracts with customers.

4.5. Headcount

Table 7 Headcount in 2021-2025 in the PKP CARGO Group and PKP CARGO S.A.

Item	Headcount as at:					Change 2025-2024	% change
	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021		
PKP CARGO Group	**12,958**	**14,734**	**19,933**	**20,038**	**20,562**	**-1,776**	**-12.05**
including: PKP CARGO S.A.	*8,376*	*9,786*	*14,062*	*14,267*	*14,728*	*-1,410*	*-14.40*

*Source: Proprietary material – active employees only**

Table 8 Average headcount in FTEs in 2021-2025 in the PKP CARGO Group and PKP CARGO S.A.

Item	Average headcount in FTEs					Change 2025-2024
	12 months	12 months	12 months	12 months	12 months	
	2025	2024	2023	2022	2021	
PKP CARGO Group	**13,889**	**17,519**	**19,854**	**20,196**	**21,210**	**-3,630**
including: PKP CARGO S.A.	*9,252*	*12,178*	*14,071*	*14,464*	*15,351*	*-2,926*

*Source: Proprietary material – active employees only**

Table 9 Average headcount in FTEs in 2021-2025 in the PKP CARGO Group and PKP CARGO S.A.

Item	Average headcount in persons					Change 2025-2024
	12 months	12 months	12 months	12 months	12 months	
	2025	2024	2023	2022	2021	
PKP CARGO Group	**13,939**	**17,767**	**19,910**	**20,242**	**21,254**	**-3,828**
including: PKP CARGO S.A.	*9,272*	*12,200*	*14,095*	*14,478*	*15,360*	*-2,928*

*Source: Proprietary material – active employees only**

Table 10 Headcount structure in 2021-2025 in the PKP CARGO Group and PKP CARGO S.A.

Item	Headcount as at:					Change 2025-2024	Change %
	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021		
White-collar positions – the Group	**3,458**	**3,737**	**4,825**	**4,767**	**4,808**	**-279**	**-7.47**
including: PKP CARGO S.A.	*2,224*	*2,417*	*3,405*	*3,342*	*3,389*	*- 193*	*-7.99*
Blue-collar positions – the Group	**9,500**	**10,997**	**15,108**	**15,271**	**15,754**	**-1,497**	**-13.61**
including: PKP CARGO S.A.	*6,152*	*7,369*	*10,657*	*10,925*	*11,339*	*-1,217*	*-16.51*
Total	**12,958**	**14,734**	**19,933**	**20,038**	**20,562**	**-1,776**	**-12.05**
including: PKP CARGO S.A.	*8,376*	*9,786*	*14,062*	*14,267*	*14,728*	*-1,410*	*-14.40*

*Source: Proprietary material – active employees only**

** Active employees do not include employees on unpaid leave, parental leave or rehabilitation benefits as well as those on furlough.*

A comparison of 2025 with 2024 reveals a significant decline in the PKP CARGO Group's headcount by 1,776 employees (including: PKP CARGO, by 1,410 employees). The decline in headcount as at 31 December 2025 resulted from mass layoffs carried out in PKP CARGO, employees naturally leaving their jobs, with the simultaneous limitations in replacing the FTEs and organizational changes resulting in structural and organizational transformations making up one employer – PKP CARGO S.A. under restructuring.

In Q3 2025, the procedure of mass layoffs was implemented in the Company under the Act of 13 March 2003 on the Detailed Principles for Terminating Employment for Reasons Not Attributable to Employees. The mass layoffs were carried out under the provisions of the said Act and in line with the PKP CARGO S.A. under restructuring Mass Layoff Bylaws of 22 September 2025. The decision to launch the mass layoff procedure was in line with the assumptions of the Company's Restructuring Plan and was preceded by a period of consultations with trade unions. The deadline for implementing the procedure of mass layoffs was set for 30 September 2025. The Company carried it out pursuant to Article 36[1] of the Labor Code, that is with the notice

period shortened to 1 month. According to data as at 31 December 2025, 450 employees terminated their employment under the mass layoff procedure. In connection with the termination of employment as part of group layoffs, employees were entitled to cash severance payments based on the period of employment as well as compensation for the shortened notice period.

Following the completion of mass layoff procedure at the PKP CARGO Group, the employment structure was aligned with the changing market environment without compromising full operational efficiency.

4.6. The Company's and the PKP CARGO Group's investments

4.6.1. Capital expenditures

PKP CARGO S.A.

In 2025, PKP CARGO S.A. incurred capital expenditures of PLN 341.7 million, which is down 30.7% compared to the corresponding period of 2024. These expenditures were spent on the acquisition of property, plant and equipment and intangible assets in the form of procurement, modernization and the overhaul component (periodic repairs of P4 and P5 rolling stock and periodic checkups of P3 rolling stock). Capital expenditures also contain right-of-use assets (mainly locomotive leases and property leases) under IFRS16.

The majority of the capital expenditures in the Company in 2025 were allocated for the execution of investment tasks associated with rolling stock, mainly for periodic repairs and check-ups of rolling stock (the number of periodic repairs and periodic inspections performed in 2025 is derived from the cycles specified in the Maintenance System Documentation (DSU) of the rolling stock approved by the Office of Rail Transport and the quantum of rolling stock maintained as fit for operation as required for the provision of transportation services) and the modernization of locomotives – for a total amount of PLN 327.0 million (i.e. 95.7% of total capital expenditures). Moreover, the Company incurred capital expenditures in the IT area, in particular PLN 2.4 million to purchase computer hardware and intangible assets (software, the purchase of licenses, modifications to IT systems owned and used by the Company), PLN 0.3 million to upgrade buildings and PLN 1.4 million to purchase workshop equipment. Also, the Company incurred expenditures related to right-of-use assets in the amount of PLN 10.6 million covering, among others, long-term lease agreements for real estate and leasing of ICT equipment (PLN 6.2 million) and repairs of leased locomotives (PLN 4.4 million).

Table 11 Capital expenditures in PKP CARGO S.A. in 2021-2025 (PLN million)

Item	2025	2024	2023	2022	2021	Change 2025-2024	Change 2025/2024 in %
Investment construction activity	0.3	2.7	1.7	5.6	27.7	-2.4	-88.9%
Locomotive purchases	0.0	0.0	191.4	0.0	0.4	0.0	-
Locomotive upgrades	0.4	0.0	0.0	0.3	91.2	0.4	-
Wagon purchases	0.0	0.0	1.1	111.8	184.7	0.0	-
Workshop machinery and equipment	1.4	0.1	2.7	0.3	4.3	1.3	-
ICT development	2.4	4.2	17.8	3.2	11.0	-1.8	-42.9%
Other	0.0	3.2	1.1	0.1	0.0	-3.2	-
Components in overhaul, including:	326.6	364.9	1,026.7	494.9	447.7	-38.3	-10.5%
Repairs and periodic inspections of locomotives	*115.0*	*79.2*	*215.9*	*92.3*	*111.5*	*35.8*	*45.2%*
Repairs and periodic inspections of wagons	*211.6*	*285.7*	*810.8*	*402.6*	*336.3*	*-74.1*	*-25.9%*
Right-of-use assets*, including:	10.6	118.0	339.0	45.9	29.5	-107.4	-91.0%
Real properties	*2.9*	*58.5*	*60.9*	*43.2*	*26.6*	*-55.6*	*-95.0%*
Rolling stock	*4.4*	*51.2*	*270.7*	*0.0*	*0.0*	*-46.8*	*-91.4%*
Other rights	*3.3*	*8.3*	*7.4*	*2.7*	*2.9*	*-5.0*	*-60.2%*
Total	**341.7**	**493.1**	**1,581.5**	**662.1**	**796.5**	**-151.4**	**-30.7%**

* Expenditures for right-of-use assets do not include increases resulting from leaseback of locomotives in the amount of PLN 258.9 million for 2023, PLN 13.6 million for 2022 and PLN 84.8 million for 2021.

Source: Proprietary material

PKP CARGO Group

In 2025, the PKP CARGO Group incurred capital expenditures of PLN 424.2 million, which is down 28.2% compared to the to the corresponding period of 2024. These expenditures were spent on the acquisition of property, plant and equipment and intangible assets in the form of procurement, modernization and the overhaul component (periodic repairs of P4 and P5 rolling stock and periodic inspections of P3 rolling stock). Moreover, right-of-use assets as per IFRS 16 (mainly locomotive and real estate leases) were recognized.

The majority of the Group's capital expenditures in 2025 were allocated for the execution of investment tasks associated with rolling stock, mainly for periodic repairs and check-ups of rolling stock (the number of periodic repairs and periodic inspections performed in 2025 is derived from the cycles specified in the Maintenance System Documentation (DSU) of the rolling stock approved by the Office of Rail Transport and the quantum of rolling stock maintained as fit for operation as required for the provision of transportation services) and the modernization of locomotives – for a total amount of PLN 336.1 million (i.e. 79.2% of total capital expenditure). Moreover, the Group incurred expenditures on computerization, i.e. purchases of computer hardware in the form of computers and ICT equipment as well as intangible assets (software, purchase of licenses and modifications of IT systems owned and used by the Group) in the amount of PLN 3.6 million, for investment construction activity in the amount of PLN 10.6 million, chiefly to modernize auxiliary buildings, office buildings and carry out construction works at container terminals, PLN 8.2 million for purchases of machinery, equipment and tools for container terminals and workshop facilities, PLN 0.8 million to purchase vehicles and office equipment, as well as PLN 64.9 million for right-of-use assets, including mainly long-term property lease agreements (PLN 56.5 million) and other leases, mainly regarding the purchase of a tractor, as well as leases of IT hardware and vehicles (PLN 4.0 million) and periodic repairs of leased rolling stock (PLN 4.4 million).

Table 12 Capital expenditures in the PKP CARGO Group in 2021-2025 (PLN million)

Item	2025	2024	2023	2022	2021	Change 2025-2024	Change 2025-2024 %
Investment construction activity	10.6	5.9	92.9	44.4	70.5	4.7	79.7%
Purchase of traction vehicles	0.0	0.0	191.5	0.3	0.4	0.0	-
Locomotive upgrades	49.7	12.4	0.0	12.5	99.4	37.3	300.8%
Wagon purchases	0.0	0.0	1.1	111.8	184.7	0.0	-
Wagon upgrades	0.0	0.0	0.0	0.0	0.0	0.0	-
Workshop machinery and equipment	8.2	10.7	31.6	20.1	32.2	-2.5	-23.4%
ICT development	3.6	5.6	25.5	5.1	12.8	-2.0	-35.7%
Other	0.8	4.7	3.1	3.0	1.5	-3.9	-83.0%
Components in overhaul, including:	286.4	396.3	982.2	511.7	441.3	-109.9	-27.7%
Repairs and periodic inspections of locomotives	*94.0*	*100.8*	*212.1*	*113.1*	*115.9*	*-6.8*	*-6.7%*
Repairs and periodic inspections of wagons	*192.4*	*295.5*	*770.1*	*398.6*	*325.3*	*-103.1*	*-34.9%*
Right-of-use assets, including in terms of:	64.9	154.8	393.5	67.3	65.5	-89.9	-58.1%
Real properties	*56.5*	*70.5*	*92.2*	*54.2*	*44.8*	*-14.0*	*-19.9%*
Rolling stock	*4.4*	*72.0*	*274.5*	*0.3*	*5.8*	*-67.6*	*-93.9%*
Other rights	*4.0*	*12.3*	*26.8*	*12.8*	*14.9*	*-8.3*	*-67.5%*
Total	**424.2**	**590.4**	**1,721.4**	**776.2**	**908.3**	**-166.2**	**-28.2%**

** Expenditures for right-of-use assets do not include increases resulting from leaseback of rolling stock and technical equipment in the amount of PLN 6.2 million for 2024, PLN 260.4 million for 2023, PLN 16.7 million for 2022, and PLN 101.0 million for 2021.*
Source: Proprietary material

4.6.2. Assessment of the capacity to execute investment plans

PKP CARGO Group companies intend to finance capital expenditures using mostly their own funds.

5. Analysis of the financial standing and assets of the Company and the PKP CARGO Group

5.1. Financial highlights of PKP CARGO S.A. and the PKP CARGO Group

Table 13 Financial highlights of PKP CARGO S.A.

PKP CARGO S.A.	in PLN million[72]					in EUR million				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Exchange rates (PLN/EUR)						**4.2372**	**4.3042**	**4.5284**	**4.6883**	**4.5775**
Operating revenue	2,779.5	3,428.4	4,257.9	4,044.8	3,127.0	656.0	796.5	940.3	862.7	683.1
Operating profit / loss	260.8	-2,582.8	192.2	242.2	-235.7	61.6	-600.1	42.4	51.7	-51.5
Profit / loss before tax	110.4	-2,864.2	57.2	126.9	-268.4	26.1	-665.4	12.6	27.1	-58.6
Net profit / loss from continuing operations	73.7	-2,412.7	45.2	102.7	-223.3	17.4	-560.5	10.0	21.9	-48.8
Comprehensive income	49.7	-2,426.9	14.5	110.6	-146.1	11.7	-563.8	3.2	23.6	-31.9
Weighted average number of shares	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Weighted average number of shares used to calculate diluted profit/loss	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Earnings / loss per share (PLN/EUR)	1.64	-53.87	1.01	2.29	-4.99	0.39	-12.5	0.22	0.49	-1.09
Diluted earnings / loss per share (PLN/EUR)	1.64	-53.87	1.01	2.29	-4.99	0.39	-12.5	0.22	0.49	-1.09
Net cash flow from operating activities	147.1	921.9	1,047.6	815.5	500.5	34.7	214.2	231.4	174.0	109.4
Net cash flow from investing activities	-168.3	-353.2	-866.1	-698.9	-558.9	-39.7	-82.1	-191.3	-149.1	-122.1
Net cash flow from financing activities	-209.0	-267.5	-116.5	-202.4	18.9	-49.3	-62.1	-25.7	-43.2	4.1
Movement in cash and cash equivalents	-230.2	301.2	65.0	-85.8	-39.5	-54.3	70.0	14.4	-18.3	-8.6
	31 Dec 2025	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2021**
Exchange rates (PLN/EUR)						**4.2267**	**4.2730**	**4.3480**	**4.6899**	**4.5994**
Non-current assets	4,756.9	4,716.6	6,768.9	5,948.0	6,031.2	1,125.4	1,103.8	1,556.8	1,268.3	1,311.3
Current assets	701.8	995.4	800.0	800.0	681.3	166.0	233.0	184.0	170.6	148.1
Non-current assets classified as held for sale	113.9	0.3	-	0.1	14.9	26.9	0.1	-	-	3.2
Share capital	44.8	2,239.3	2,239.3	2,239.3	2,239.3	10.6	524.1	515.0	477.5	486.9
Equity	560.6	510.9	2,937.8	2,923.3	2,812.7	132.5	119.6	675.7	623.3	611.5
Non-current liabilities	1,613.2	2,046.0	2,417.5	1,985.9	2,442.9	381.7	478.8	556.0	423.4	531.1
Current liabilities	3,398.8	3,155.4	2,213.6	1,838.9	1,471.8	804.1	738.5	509.1	392.2	320.0

Source: Proprietary material

[72] In this Management Board Report on the Activity of PKP CARGO S.A. under restructuring and the PKP CARGO Group for the financial year 2025, to facilitate the reading, some figures have been rounded off, which may result in slight deviations in the presented data. In all cases of possible distortions, the data are presented with greater accuracy.

Table 14 Financial highlights of the PKP CARGO Group

PKP CARGO Group	in PLN million					in EUR million				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Exchange rates (PLN/EUR)						**4.2372**	**4.3042**	**4.5284**	**4.6883**	**4.5775**
Operating revenue	3,875.0	4,519.3	5,552.0	5,448.8	4,326.5	914.5	1,050.0	1,226.0	1,162.2	945.2
Operating profit / loss	173.3	-2,691.4	291.4	333.3	-208.8	40.9	-625.3	64.3	71.1	-45.6
Profit / loss before tax	61.7	-2,884.5	119.0	191.8	-264.4	14.6	-670.2	26.3	40.9	-57.8
Net profit/loss	39.4	-2,412.6	82.1	148.0	-225.3	9.3	-560.5	18.1	31.6	-49.2
Total comprehensive income attributable to the owners of the parent company	30.3	-2,456.3	-30.4	192.3	-103.2	7.2	-570.7	-6.7	41.0	-22.5
Weighted average number of shares	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Weighted average number of shares used to calculate diluted profit/loss	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Earnings / loss per share (PLN/EUR)	0.88	-53.87	1.83	3.31	-5.03	0.21	-12.5	0.40	0.71	-1.10
Diluted earnings / loss per share (PLN/EUR)	0.88	-53.87	1.83	3.31	-5.03	0.21	-12.5	0.40	0.71	-1.10
Net cash flow from operating activities	282.2	1,031.9	1,211.0	1,018.4	699.8	66.6	239.7	267.4	217.2	152.9
Net cash flow from investing activities	-215.6	-420.7	-987.1	-772.9	-645.6	-50.9	-97.7	-217.9	-164.9	-141.0
Net cash flow from financing activities	-227.3	-281.5	-133.4	-319.5	-106.4	-53.6	-65.4	-29.5	-68.1	-23.3
Movement in cash and cash equivalents	-160.7	329.7	90.5	-74.0	-52.2	-37.9	76.6	20.0	-15.8	-11.4
	31 Dec 2025	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2021**
Exchange rates (PLN/EUR)						**4.2267**	**4.2730**	**4.3480**	**4.6899**	**4.5994**
Non-current assets	4,912.0	4,996.3	7,030.6	6,354.1	6,458.7	1,162.1	1,169.2	1,617.0	1,354.8	1,404.3
Current assets	1,226.3	1,443.0	1,289.4	1,305.8	1,139.0	290.1	337.7	296.5	278.4	247.6
Non-current assets classified as held for sale	113.9	0.3	-	0.3	15.7	26.9	0.1	-	0.1	3.4
Share capital	44.8	2,239.3	2,239.3	2,239.3	2,239.3	10.6	524.1	515.0	477.5	486.9
Equity attributable to the owners of the parent company	776.5	746.2	3,202.5	3,232.9	3,040.6	183.7	174.6	736.6	689.3	661.1
Non-current liabilities	1,916.1	2,378.7	2,784.2	2,344.6	2,833.8	453.3	556.7	640.3	499.9	616.1
Current liabilities	3,559.6	3,314.7	2,333.3	2,082.7	1,739.0	842.2	775.7	536.6	444.1	378.1

Source: Proprietary material

The following average PLN to EUR exchange rates set by the National Bank of Poland have been used to translate selected financial data in the periods covered by the Standalone Financial Statements of PKP CARGO S.A. and the Consolidated Financial Statements of the PKP CARGO Group for the financial year ended 31 December 2025:

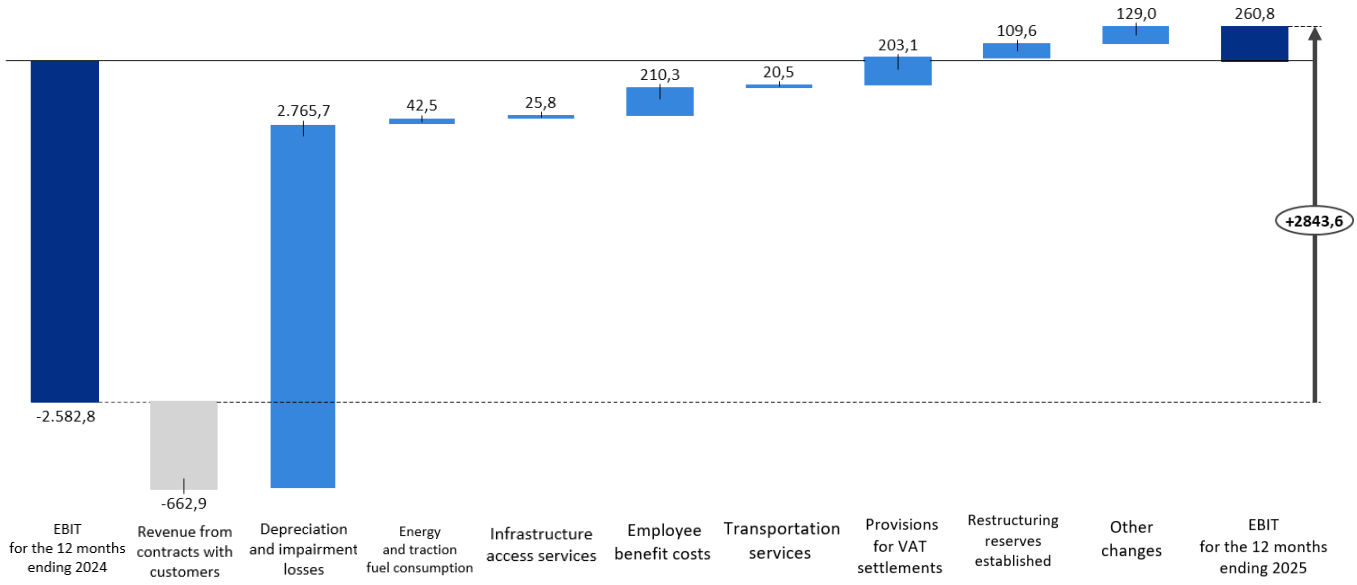
- exchange rate in force on the last day of the reporting period: 31 December 2025: EUR 1 = PLN 4.2267; 31 December 2024: EUR 1 = PLN 4.2730,
- the average exchange rate in the period calculated as the arithmetic mean of the exchange rates prevailing on the last day of each month in a given period: 1 January – 31 December 2025: EUR 1 = PLN 4.2372, 1 January – 31 December 2024: EUR 1 = PLN 4.3042.

5.2. PKP CARGO S.A.'s economic and financial highlights

5.2.1. PKP CARGO S.A.'s statement of comprehensive income

During the first 12 months of 2025, EBIT reached PLN 260.8 million, marking an improvement compared to the corresponding period of 2024 by PLN 2,843.6 million.

Figure 19 Company's EBIT in the 12 months of 2025 as compared to the corresponding period of 2024 (PLN million)



Source: Proprietary material

The most significant drivers of changes affecting EBIT in 12 months of 2025, as compared to 12 months of 2024, are described below:

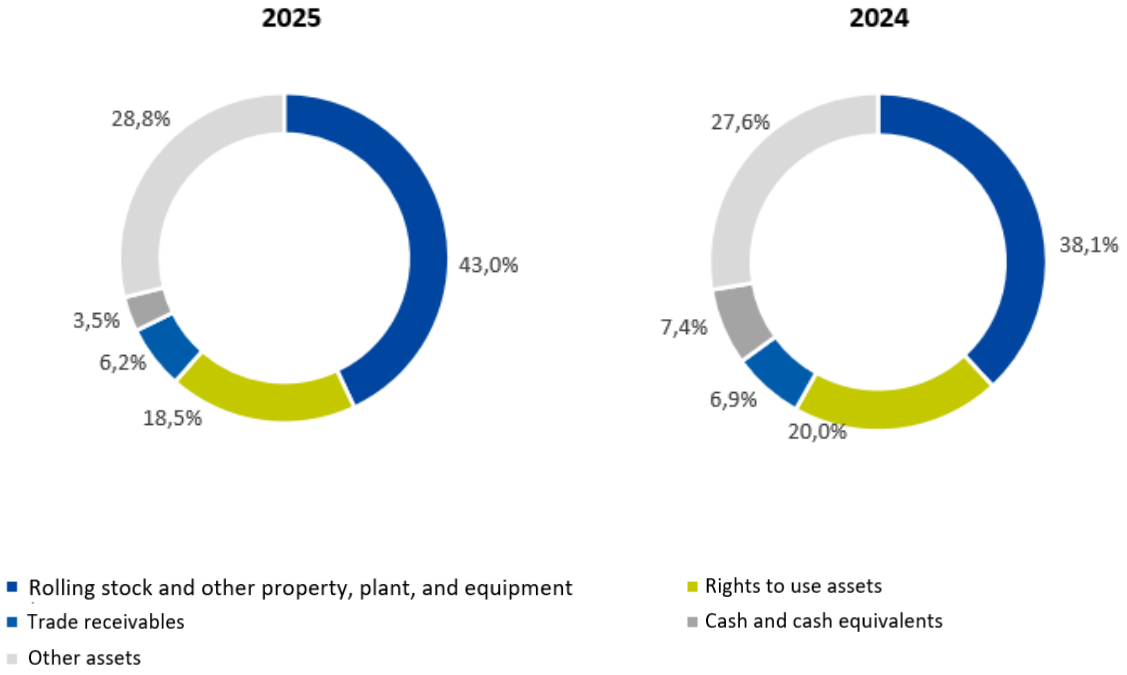
- increase in revenues from contracts with customers (including predominantly revenues from transport and freight forwarding services) as a direct consequence of the decrease in freight volume and unit freight rates;
- decrease in depreciation and impairment losses, mainly as a result of impairment losses recognized following impairment tests conducted on assets in the amount of PLN 1,975.9 million in 2024, with a simultaneous reversal of impairment losses resulting from impairment tests on assets in the amount of PLN 272.3 million in 2025;
- decrease in the costs of consumption of traction energy and traction fuel correlated with the decline in freight turnover;
- decrease in the costs of access services to the infrastructure in connection with the decline in freight turnover;
- decrease in the costs of transport services (including, in particular, freight forwarding) correlated mostly with the decline in freight turnover;
- decrease in employee benefits resulting from the Company's restructuring efforts (mass layoffs in 2024 and H2 2025) which led to lower headcount in 2025 and a change in the provisions for employee benefits'
- decrease in costs in "other changes", mainly due to a decrease in interest expenses on trade payables and other liabilities, a decrease in the value of rents and fees for the use of real estate and rolling stock, a decrease in the value of materials and goods sold, and a decrease in energy, gas and water expenses;
- in 2025, no impairment losses were recognized on VAT settlements, and restructuring provisions decreased.

5.2.2. Description of the structure of assets and liabilities of PKP CARGO S.A.

ASSETS

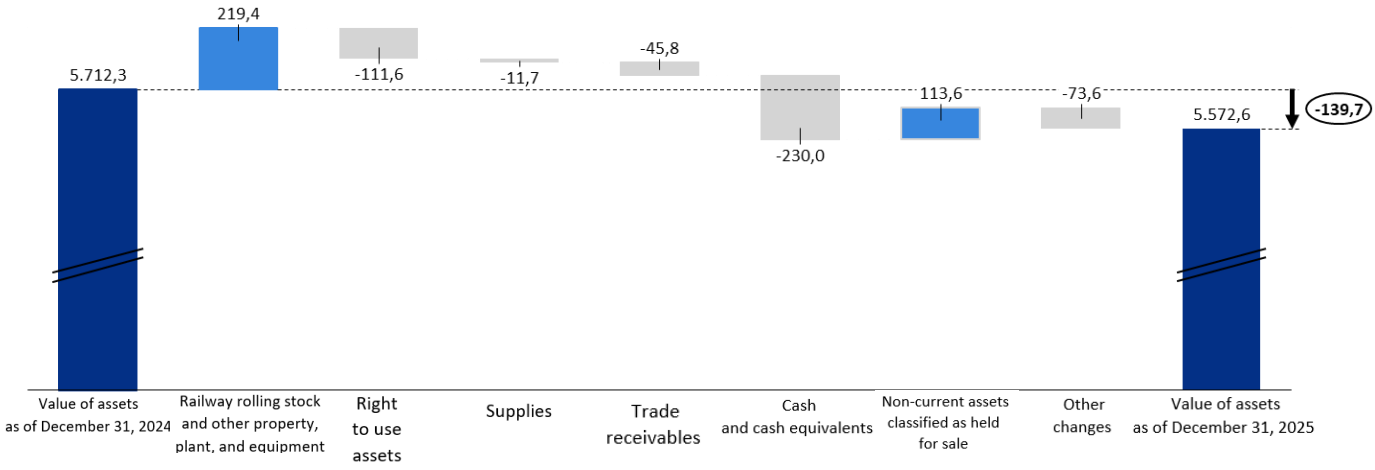
The biggest share in the asset structure of PKP CARGO S.A. under restructuring as at 31 December 2025 was held by rolling stock and other property, plant and equipment, which in aggregate accounted for 43.0% of total assets, compared to 38.1% as at 31 December 2024. Among current assets, the biggest share in total assets during the period was attributable to trade receivables, the value of which accounted for 6.2%, compared to 6.9% as at 31 December 2024.

Figure 20 Structure of the Company's assets – as at 31 December 2025 and 31 December 2024



Source: Proprietary material

Figure 21 Movement in the Company's assets in the 12 months of 2025 (PLN million)



Source: Proprietary material.

The causes of the most significant events affecting the changes in the value of assets as at 31 December 2025 as compared to 31 December 2024 are discussed below:

- the rise in rolling-stock value results mainly from rolling-stock repairs and periodic inspections required by law, combined with the transfer of the Company's rolling stock and real properties earmarked for disposal from "Rolling Stock" and "Other property, plant and equipment" to "Non-current assets classified as held for sale; moreover, redundant rolling stock was sold and impairment losses on rolling stock were updated based on test results as at 30 June 2025 and 31 December 2025;
- decrease in the right-of-use assets as a result of higher depreciation cost exceeding the over new rights;
- decrease in the value of trade receivables related to a decrease in transport revenue;
- decrease in cash value as a result of the changes described in **5.2.3 STATEMENT OF CASH FLOWS OF THE PKP CARGO S.A.**;
- there was also an increase in non-current assets classified as held for sale, driven by the transfer of rolling stock and real estate intended for disposal from "Rolling Stock" and "Other property, plant and equipment".

Table 15 Days in inventory in 2021-2025

Item	2025	2024	2023	2022	2021	Change 2025-2024	Rate of change 2025/2024
Days in inventory*	153.9	143.5	67.1	110.2	131.3	10.4	15.5%

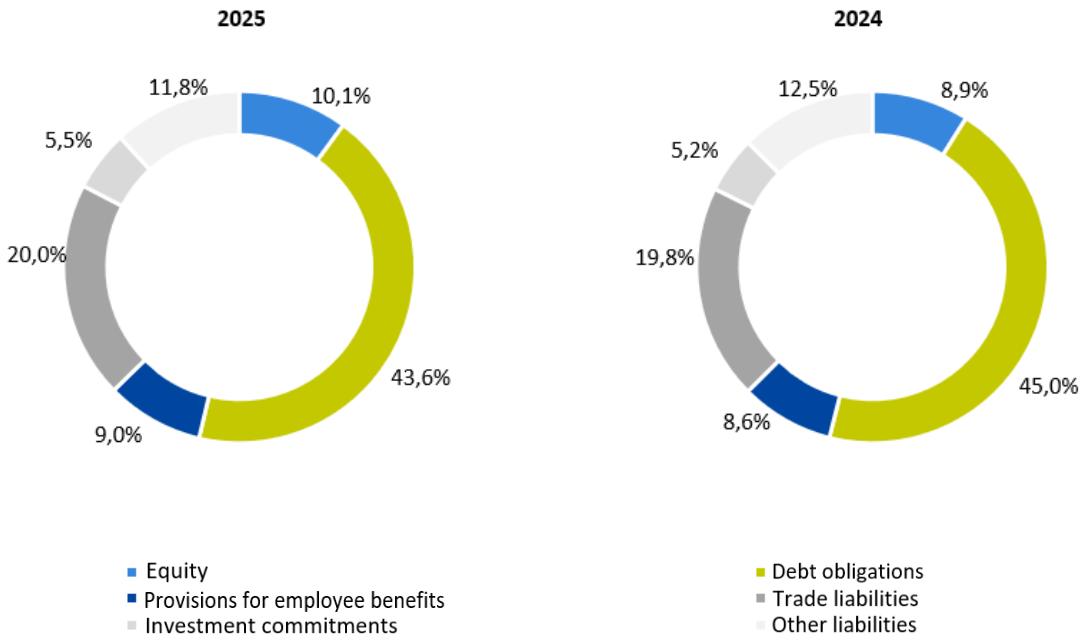
** Days in inventory calculated for 360 days and depletion of materials on a year-to-date basis since the beginning of the reporting year*
Source: Proprietary material

As at the end of December 2025, the days in inventory indicator was 153.9, up by 10.4 days (or 15.5% yoy) compared to 2024. The level of inventories is adjusted to the level of the rolling stock maintenance and repair. Detailed information regarding the level of inventories is presented in **NOTE 5.5 TO THE STANDALONE FINANCIAL STATEMENTS**

EQUITY AND LIABILITIES

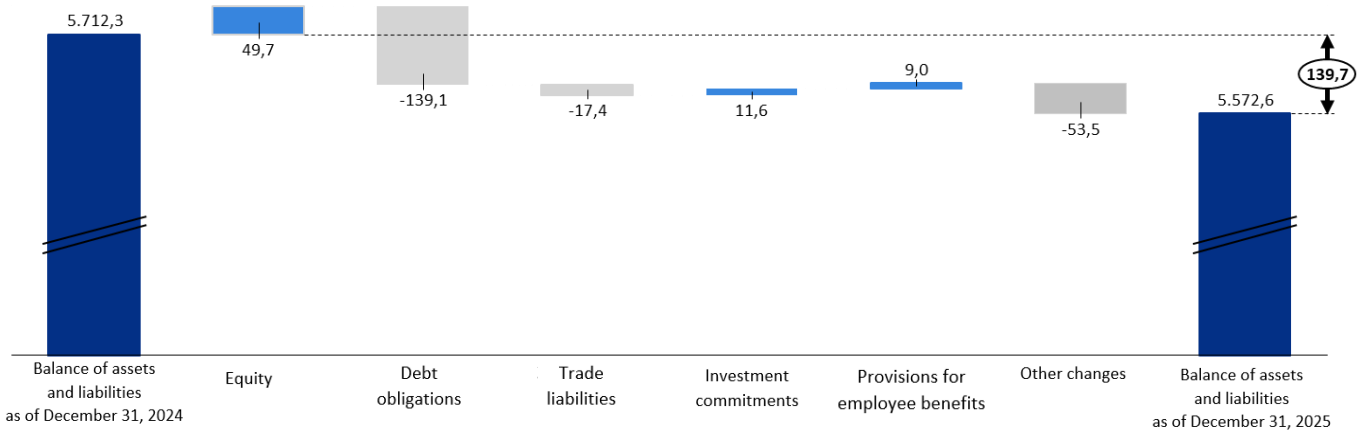
The largest share in the structure of equity and liabilities of PKP CARGO S.A. under restructuring was held by debt liabilities, which accounted for 43.6% of total equity and liabilities as at 31 December 2025, compared to 45.0% as at 31 December 2024. In this period, equity accounted for 10.1% of total equity and liabilities, compared to 8.9% as at 31 December 2024.

Figure 22 Structure of the Company's equity and liabilities as at 31 December 2025 and 31 December 2024.



Source: Proprietary material

Figure 23 Movement in the Company's equity and liabilities in the 12 months of 2025 (PLN million)



Source: Proprietary material

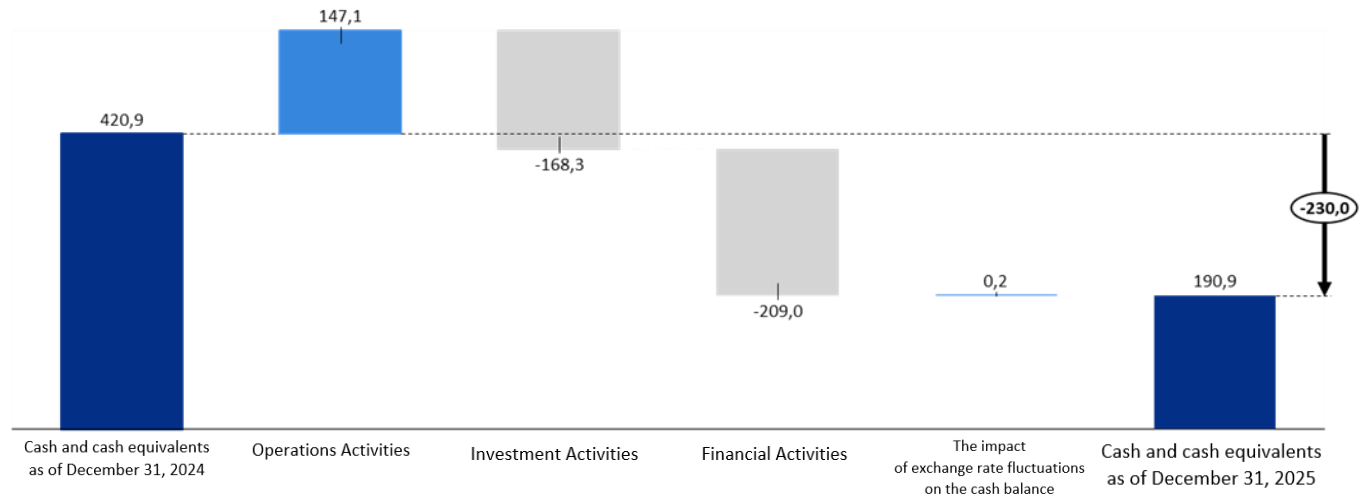
The most significant changes affecting the value of equity and liabilities as at 31 December 2025 as compared to 31 December 2024 are discussed below:

- increase in equity is primarily attributable to the Company's reported net profit (an increase in retained earnings); by a resolution of the Company's Extraordinary Shareholder Meeting of 29 December 2025, the Company's share capital was reduced by PLN 2,194.5 million to PLN 44.8 million; as a result of a reduction in share capital, the loss reported in the 2024 Standalone Financial Statements was reduced to PLN 218.2 million and was covered by supplementary capital (a transfer was made between equity items);
- decrease in debt liabilities, mainly as a result of lease payments;
- decrease in trade payables, due mainly to a decrease in trade payables caused by a decrease in freight volume and regular settlement of current liabilities;
- increase in investment liabilities driven, among other factors, by rolling stock repairs and periodic inspections;
- decrease in "Other changes" reflects decline in public law liabilities and settlements with employees, accompanied by an increase in other settlements resulting from a contribution to the Company Social Benefits Fund.

5.2.3. Cash flow statement of PKP CARGO S.A.

The value of cash and cash equivalents as at 31 December 2025 decreased by PLN 230.0 million compared to 31 December 2024.

Figure 24 Cash flows in the Company in 2025 (PLN million)



Source: Proprietary material

The most significant changes affecting the cash flows as at 31 December 2025 as compared to 31 December 2024 are discussed below:

- positive cash flows from operating activities were achieved concurrently with, among others, profit before tax of PLN 110.4 million, depreciation and impairment allowances of PLN 3.9 million and negative cash flows from changes in working capital of PLN 28.0 million;
- negative cash flows from investing activities resulted mainly from investments in the acquisition of non-financial non-current assets amounting to PLN 303.6 million (mostly investments in rolling stock), offset by proceeds from the sale of non-financial non-current assets (sales of wagons) amounting to PLN 124.8 million;
- negative cash flows from financing activities reflect mainly the effect of the repayment of loans and leases with interests in the amount of PLN 212.9 million, offset by grants in the amount of PLN 4.1 million.

5.2.4. Selected financial and operating ratios of PKP CARGO S.A.

The table below presents PKP CARGO S.A.'s key financial and operating ratios in the period of 2021-2025. To present the Company's financial standing in a comprehensive way, alternative performance measures (APMs) have been applied. The Company presents below selected APMs – basic financial indicators such as: EBITDA margin, net profit margin, ROA, ROE, and the following basic operational indicators: average daily mileage and average daily running time of locomotives, average train weight per locomotive (resulting indirectly from the freight volume and the degree of utilization of traction vehicles), as well as the average freight turnover per employee – because these are the source of additional valuable information (apart from the data presented in financial statements) on financial and operational standing and they also facilitate analysis and assessment of the financial performance achieved by the Company in the years 2021- 2025.

The selected ratios presented by the Company constitute standard measures and ratios commonly applied in financial analysis. Their selection was preceded by analysis of their appropriateness with regard to providing investors with useful information on financial standing, cash flows and financial effectiveness and, in the Company's opinion, this allows for optimal assessment of achieved financial performance. The APMs applied by the Company should be analyzed only as additional information and reviewed in conjunction with the Company's financial statements. The APMs presented by the Company were calculated in accordance with the formulas referred to below.

The table below presents PKP CARGO S.A.'s key financial and operating ratios in the period of 2021-2025.

Table 16 Selected financial and operating ratios of PKP CARGO S.A. in 2021-2025

Item	2025	2024	2023	2022	2021	Change	Rate of change
						2025-2024	2025-2024
EBITDA margin[1]	9.5%	5.4%	20.4%	21.0%	11.0%	4.1 pp.	95.9%
Net profit margin (ROS)[2]	2.7%	-70.4%	1.1%	2.5%	-7.1%	73.1 pp.	-
ROA[3]	1.3%	-42.2%	0.6%	1.5%	-3.3%	43.5 pp.	-
ROE[4]	13.1%	-472.2%	1.5%	3.5%	-7.9%	485.3 pp.	-
Average distance covered per locomotive (km per day)[5]	205.2	206.6	216.1	224.9	223.0	-1.4	-0.7%
Average gross train tonnage per operating locomotive (tons)[6]	1,469.0	1,466.0	1,562.0	1,571.0	1,501.0	3.0	0.2%
Average running time of train locomotives (hours per day)[7]	12.4	12.7	13.3	14.6	15.1	-0.3	-2.4%
Freight turnover per employee (thousands tkm/employee)[8]	1,596.8	1,327.0	1,464.5	1,697.3	1,481.9	269.8	20.3%

Source: Proprietary material

1. *Calculated as the ratio of the operating result plus depreciation and amortization (EBITDA) to total operating revenue.*
2. *Calculated as the ratio of net result to total operating revenue.*
3. *Calculated as the ratio of net result for the last 12 months to total assets.*
4. *Calculated as the ratio of net result for the last 12 months to equity.*
5. *Calculated as the quotient of vehicle-kilometers (i.e. distance covered by PKP CARGO S.A.'s vehicles in the given period) / vehicle-days (i.e. product of the number of active vehicles and number of calendar days in the given period).*
6. *Calculated as the quotient of gross ton-kilometers and train-kilometers in train work in relation to the locomotives driving the train (in dual traction or pushing the train in the given period).*
7. *Calculated as the quotient of vehicle-hours (i.e. number of hours of work of PKP CARGO S.A.'s vehicles in the given period) and vehicle-days (i.e. the product of the number of active vehicles and number of calendar days in the given period).*
8. *Calculated as the quotient of the Company's freight turnover to the average headcount (in FTEs) in PKP CARGO S.A. in the given period.*

The drivers of the key changes to the above ratios for 2025 as compared to 2024 are described below:

- in 12M 2025, the EBITDA margin improved, mainly due to an increase in net profit;

- in 12M 2025, the ROA and ROE ratios improved due to an increase in the profitability of operating activities;
- a slight decrease in average daily mileage of locomotives as a result of a decrease in freight turnover;
- increase in the freight turnover per employee ratio, mainly due to a 23.9% decrease in average employment accompanied by an 8.4% yoy decrease in freight turnover.

5.2.5. Time series of PKP CARGO S.A.'s financial data

The table below presents time series of the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

Table 17 Time series of the statement of profit or loss and other comprehensive income of PKP CARGO S.A. in 2021-2025

	in PLN million				
	2025	2024	2023	2022	2021
Revenues from contracts with customers	2,723.9	3,386.8	4,225.5	4,003.6	3,085.3
Consumption of electricity and traction fuel	-526.7	-569.2	-746.9	-686.5	-500.1
Infrastructure access services	-372.4	-398.2	-462.6	-550.6	-521.0
Other services	-302.5	-337.5	-373.5	-408.1	-357.9
Employee benefits	-1,103.0	-1,313.3	-1,475.9	-1,286.3	-1,209.6
Other expenses	-154.0	-183.8	-234.9	-214.9	-171.3
Other income and operating expenses	-0.6	-398.0	-63.1	-6.7	19.7
Operating profit before depreciation and amortization (EBITDA)	**264.7**	**186.8**	**868.6**	**850.5**	**345.1**
Depreciation, amortization and impairment losses	-3.9	-2,769.6	-676.4	-608.3	-580.8
Profit/loss on operating activities (EBIT)	**260.8**	**-2,582.8**	**192.2**	**242.2**	**-235.7**
Financial income and expenses	-150.4	-281.4	-135.0	-115.3	-32.7
Profit / loss before tax	**110.4**	**-2,864.2**	**57.2**	**126.9**	**-268.4**
Income tax	-36.7	451.5	-12.0	-24.2	45.1
NET PROFIT/LOSS	**73.7**	**-2,412.7**	**45.2**	**102.7**	**-223.3**
OTHER COMPREHENSIVE INCOME					
Measurement of hedging instruments	4.5	7.2	44.0	-6.8	9.0
Income tax	-0.9	-1.4	-8.4	1.3	-1.7
Other comprehensive income subject to reclassification to profit or loss, total	**3.6**	**5.8**	**35.6**	**-5.5**	**7.3**
Actuarial gains / (losses) on employee benefits	-46.3	-24.7	-86.6	16.5	86.3
Income tax	8.8	4.7	16.5	-3.1	-16.4
Measurement of equity instruments at fair value	9.9	0.0	3.8	0.0	0.0
Other comprehensive income not subject to reclassification to profit or loss, total	**-27.6**	**-20.0**	**-66.3**	**13.4**	**69.9**
Total other comprehensive income	**-24.0**	**-14.2**	**-30.7**	**7.9**	**77.2**
TOTAL COMPREHENSIVE INCOME	**49.7**	**-2,426.9**	**14.5**	**110.6**	**-146.1**
Earnings/losses per share (PLN per share)					
Weighted average number of ordinary shares	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Weighted average number of shares taken into account to calculate diluted profit	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Earnings/losses per share	1.64	-53.87	1.01	2.29	-4.99
Diluted earnings/losses per share	1.64	-53.87	1.01	2.29	-4.99

Source: Proprietary material

Table 18 Time series of the statement of balance sheet situation of PKP CARGO S.A. in 2021-2025

	in PLN million				
	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
ASSETS					
Rolling stock	2,101.1	1,785.5	4,078.1	3,778.1	3,827.5
Other property, plant and equipment	296.0	392.2	411.1	459.5	481.7
Right-of-use assets	1,030.6	1,142.2	1,162.4	653.1	666.9
Investments in related parties	704.6	734.7	897.1	858.0	840.0
Lease receivables	25.6	29.0	29.6	22.1	23.4
Financial assets	18.6	18.8	23.4	4.9	4.9
Other assets	17.6	23.4	31.6	36.6	28.1
Deferred tax assets	562.8	590.8	135.6	135.7	158.7
Total non-current assets	**4,756.9**	**4,716.6**	**6,768.9**	**5,948.0**	**6,031.2**
Inventories	57.9	69.6	92.3	97.7	87.3
Trade receivables	347.7	393.5	468.0	532.7	380.5
Lease receivables	7.2	4.9	2.9	1.5	1.5
Financial assets	0.1	10.6	4.6	-	-
Other assets	98.0	95.9	112.0	112.9	71.0
Cash and cash equivalents	190.9	420.9	120.2	55.2	141.0
Total current assets	**701.8**	**995.4**	**800.0**	**800.0**	**681.3**
Non-current assets classified as held for sale	113.9	0.3	-	0.1	14.9
TOTAL ASSETS	**5,572.6**	**5,712.3**	**7,568.9**	**6,748.1**	**6,727.4**
EQUITY AND LIABILITIES					
Share capital	44.8	2,239.3	2,239.3	2,239.3	2,239.3
Supplementary capital	565.4	783.6	738.4	635.7	744.7
Other items of equity	-123.3	-99.3	-85.1	-54.4	-62.3
Retained earnings / (Accumulated losses)	73.7	-2,412.7	45.2	102.7	-109.0
Total equity	**560.6**	**510.9**	**2,937.8**	**2,923.3**	**2,812.7**
Debt liabilities	1,194.3	1,627.0	1,908.5	1,519.6	1,872.2
Investment commitments	-	2.8	15.6	46.1	110.1
Provisions for employee benefits	409.2	404.3	493.0	419.7	459.9
Other provisions	9.7	11.9	0.4	0.5	0.7
Total non-current liabilities	**1,613.2**	**2,046.0**	**2,417.5**	**1,985.9**	**2,442.9**
Debt liabilities	1,237.0	943.4	709.0	598.8	393.9
Trade payables	1,114.3	1,131.7	687.1	598.6	446.1
Investment commitments	308.2	293.8	314.6	197.9	297.7
Provisions for employee benefits	90.0	85.9	136.1	125.5	99.9
Other provisions	12.9	10.5	8.5	7.2	17.7
Current tax liabilities	-	-	-	2.3	-
Other financial liabilities	110.0	112.2	140.5	92.6	42.6
Other liabilities	526.4	577.9	217.8	216.0	173.9
Total current liabilities	**3,398.8**	**3,155.4**	**2,213.6**	**1,838.9**	**1,471.8**
Total liabilities	**5,012.0**	**5,201.4**	**4,631.1**	**3,824.8**	**3,914.7**
TOTAL EQUITY AND LIABILITIES	**5,572.6**	**5,712.3**	**7,568.9**	**6,748.1**	**6,727.4**

Source: Proprietary material

Table 19 Time series of the statement of cash flows of PKP CARGO S.A. in 2021-2025

	in PLN million				
	2025	2024	2023	2022	2021
Net cash from operating activities	**147.1**	**921.9**	**1047.6**	**815.5**	**500.5**
Net cash from investing activities	**-168.3**	**-353.2**	**-866.1**	**-698.9**	**-558.9**
Net cash from financing activities	**-209.0**	**-267.5**	**-116.5**	**-202.4**	**18.9**
Net increase/decrease in cash and cash equivalents	-230.2	301.2	65.0	-85.8	-39.5
Cash and cash equivalents at the beginning of the reporting period	420.9	120.2	55.2	141.0	180.5
Impact of FX rate movements on the cash balance in foreign currencies	0.2	-0.5	-	-	-
Cash and cash equivalents at the end of the reporting period	**190.9**	**420.9**	**120.2**	**55.2**	**141.0**

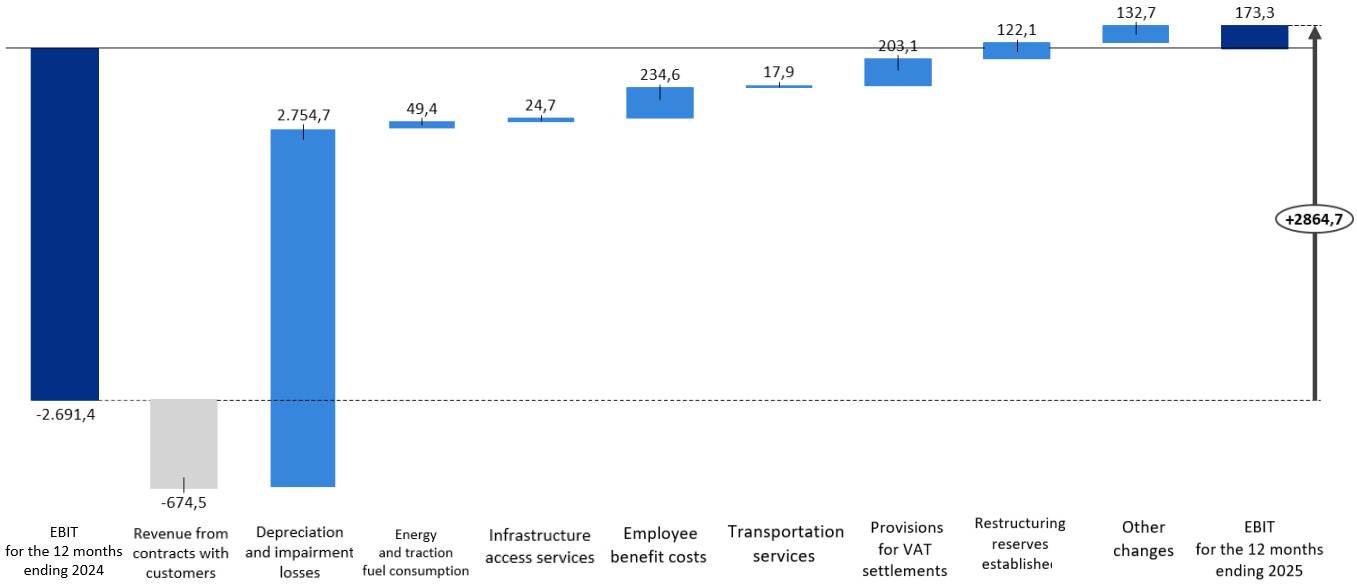
Source: Proprietary material

5.3. Key economic and financial figures of the PKP CARGO Group

5.3.1. Statement of comprehensive income of the PKP CARGO Group

During the first 12 months of 2025, EBIT reached PLN 173.3 million, marking an improvement compared to the corresponding period of 2024 by PLN 2,864.7 million.

Figure 25 EBIT in the 12 months of 2025 as compared to the corresponding period of 2024 (PLN million)



Source: Proprietary material

The following is a description of the most significant deviations affecting EBIT in the 12 months of 2025 as compared to the 12 months of 2024:

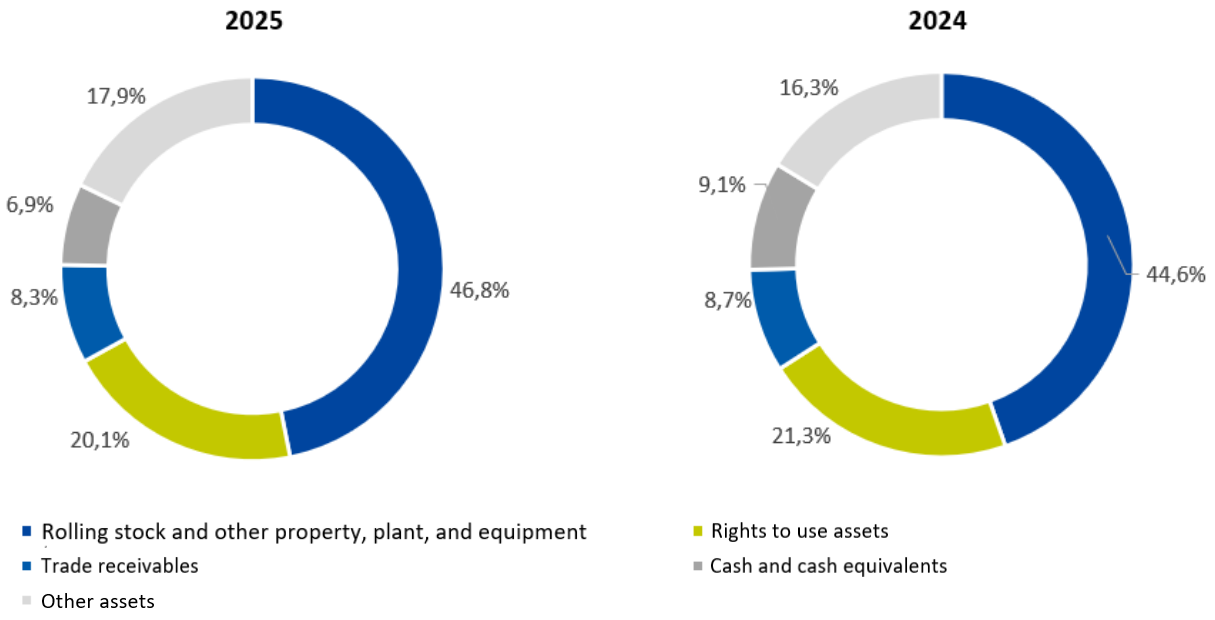
- decrease in revenues from contracts with customers (including predominantly revenues from transport and freight forwarding services) as a direct consequence of a decline in freight volume and unit freight rates. Detailed information on the PKP CARGO Group's transport operations is provided in section **4.3 CONSOLIDATED DATA ON TRANSPORT ACTIVITY IN 2025;**
- decrease in depreciation and impairment losses, mainly as a result of impairment losses recognized in 2024, which resulted in a lower base of depreciable fixed assets, with a simultaneous revaluation of impairment losses resulting from impairment tests conducted in 2025;
- decrease in the costs of consumption of traction energy and traction fuel correlated with the decline in freight turnover;
- decrease in the costs of access services to the infrastructure in connection with the decline in freight turnover;
- decrease in the costs of transport services (including, in particular, freight forwarding) correlated mostly with the decline in freight turnover;
- decrease in employee benefits resulting from the Company's restructuring efforts (mass layoffs in 2024 and H2 2025) which led to lower headcount in 2025 and a change in the provisions for employee benefits. Detailed information on the changes in headcount is presented in **4.5 HEADCOUNT;**
- decrease in costs in "other changes", mainly due to a decrease in interest expenses on trade payables and other liabilities, a decrease in the value of rents and fees for the use of real estate and rolling stock, a decrease in the value of materials and goods sold, and a decrease in energy, gas and water expenses, accompanied by an increase in land reclamation services;
- in 2025, no impairment losses were recognized on VAT settlements, and restructuring provisions decreased.

5.3.2. Description of the structure of assets and equity and liabilities of the PKP CARGO Group

ASSETS

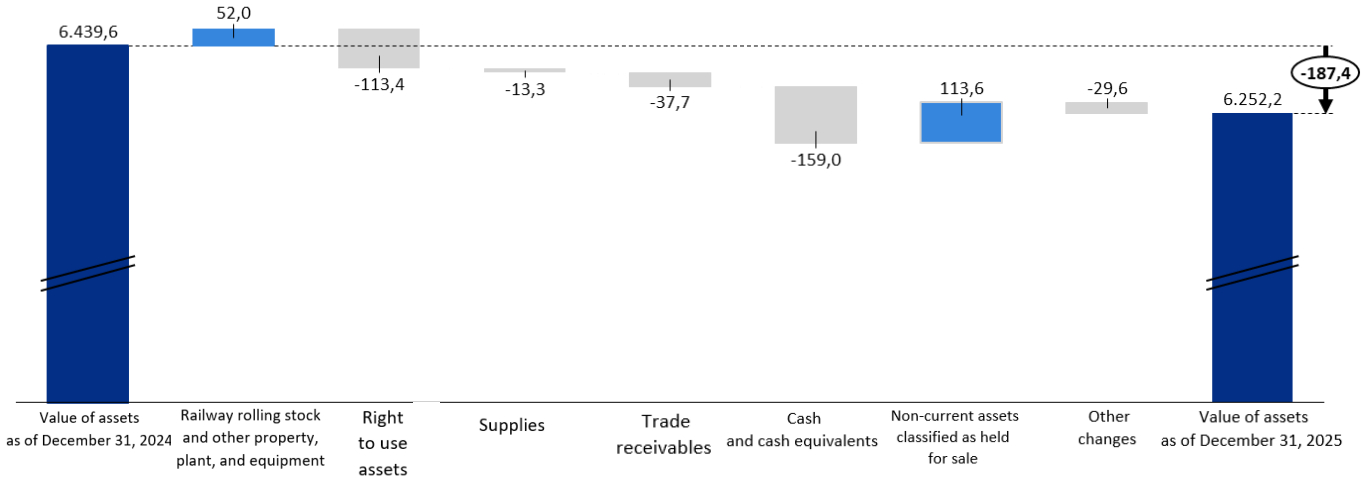
The biggest share in the PKP CARGO Group's asset structure as at 31 December 2025 was held by rolling stock and other property, plant and equipment, which in aggregate accounted for 46.8% of total assets, compared to 44.6% as at 31 December 2024. Among current assets, the biggest share in total assets during the period was attributable to trade receivables, the value of which accounted for 8.3%, compared to 8.7% as at 31 December 2024.

Figure 26 Structure of the Group's assets – as at 31 December 2025 and 31 December2024



Source: Proprietary material

Figure 27 Movement in the Group's assets in the 12 months of 2025 (PLN million)



Source: Proprietary material

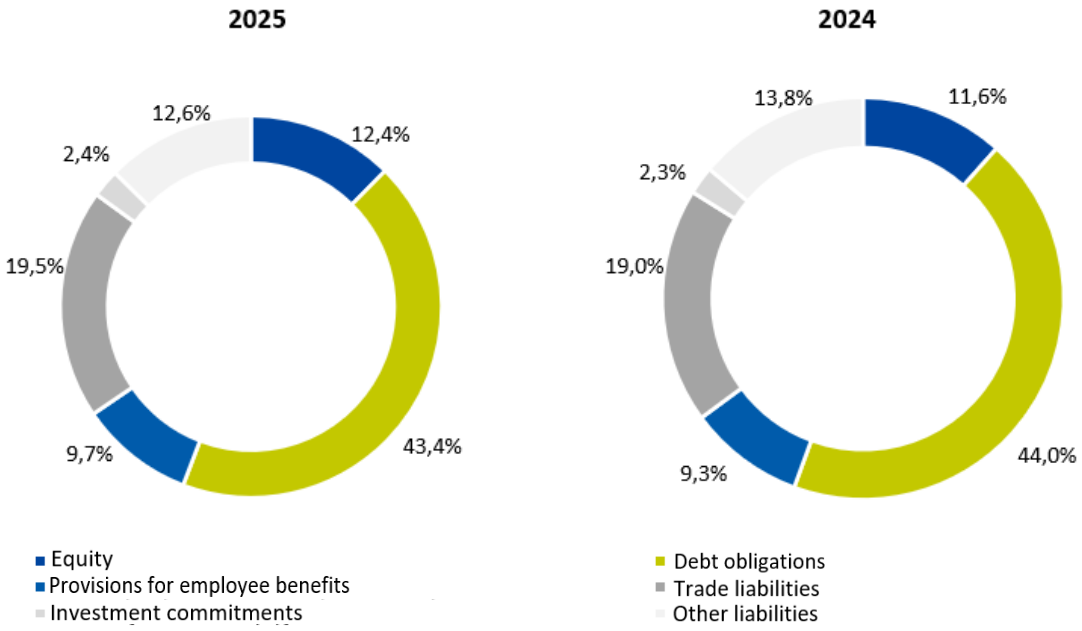
The most significant changes affecting the value of assets as at 31 December 2025, as compared to 31 December 2024, are explained below:

- the rise in rolling-stock value results mainly from locomotive modernization and rolling-stock repairs and periodic inspections required by law, combined with the transfer from "Rolling stock" and "Other property, plant and equipment" to "Non-current assets classified as held for sale" of the Company's rolling stock and properties earmarked for disposal; moreover, redundant rolling stock was sold and impairment losses on rolling stock were restated/established for rolling stock not used in operating activities as a result of tests as at 30 June 2025 and 31 December 2025;
- decrease in the right-of-use assets as a result of higher depreciation cost exceeding the over new rights;
- decrease in the value of trade receivables related to a decrease in transport revenue;
- decrease in cash value as a result of the changes described in **5.3.3. STATEMENT OF CASH FLOWS PKP CARGO S.A.;**
- there was also an increase in non-current assets classified as held for sale, driven by the transfer of rolling stock and real estate intended for disposal from "Rolling Stock" and "Other property, plant and equipment".

EQUITY AND LIABILITIES

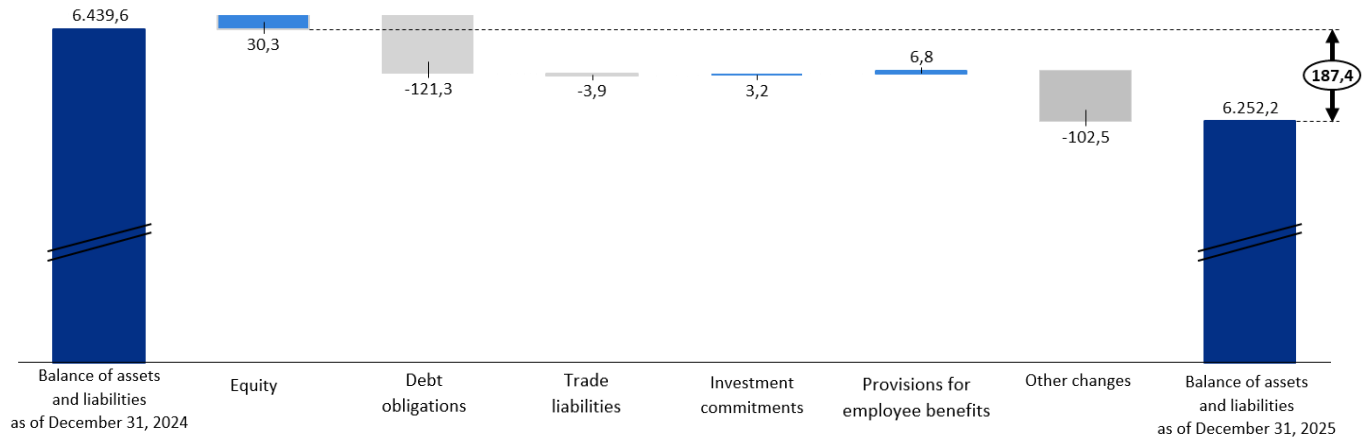
The largest share in the structure of the PKP CARGO Group's equity and liabilities was held by debt liabilities, which accounted for 43.4% of total equity and liabilities as at 31 December 2025, compared to 44.0% as at 31 December 2024. In this period, equity accounted for 12.4% of total equity and liabilities, compared to 11.6% as at 31 December 2024.

Figure 28 Structure of the Group's equity and liabilities as at 31 December 2025 and 31 December 2024



Source: Proprietary material

Figure 29 Movement in the Group's equity and liabilities in the 12 months of 2025 (PLN million)



Source: Proprietary material

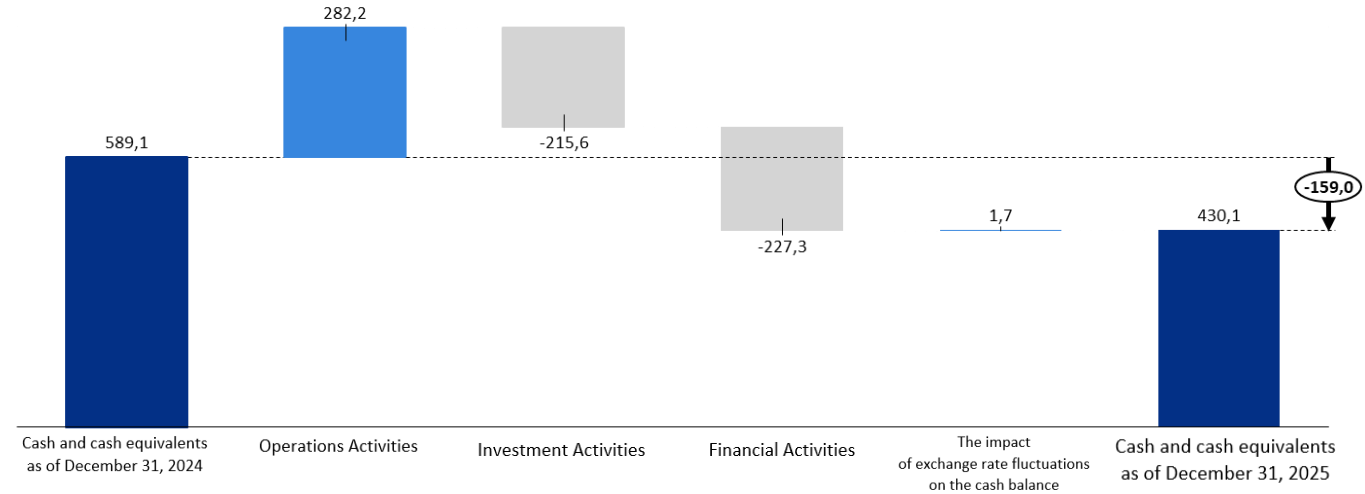
The most significant drivers of changes affecting the value of the PKP CARGO Group's equity and liabilities as at 31 December 2025 as compared to 31 December 2024 are discussed below:

- equity increase primarily attributable to the Group's reported net profit (an increase in retained earnings); in addition, the loss for 2024 (partial or full) at PKP CARGO and its two subsidiaries was covered using funds from share capital and supplementary capital; funds were transferred between equity items;
- decrease in debt liabilities as a result of loan and lease repayments;
- decrease in trade payables, due mainly to a decrease in trade payables caused by a decrease in freight volume and regular settlement of current liabilities;
- increase in investment commitments related to property;
- decrease in "Other changes" reflects decline in public law liabilities and settlements with employees, accompanied by an increase in other settlements resulting from a contribution to the Company Social Benefits Fund.

5.3.3. Statement of cash flows of the PKP CARGO Group

The value of cash and cash equivalents as at 31 December 2025 decreased by PLN 159.0 million compared to 31 December 2024.

Figure 30 Cash flows in the PKP CARGO Group in 2025 (PLN million)



Source: Proprietary material

The most significant changes affecting the cash flows in the PKP CARGO Group as at 31 December 2025 as compared to 31 December 2024 are discussed below:

- positive cash flows from operating activities were achieved concurrently with, among others, profit before tax of PLN 61.7 million, depreciation and impairment allowances of PLN 236.4 million and negative cash flows from changes in working capital of PLN 3.6 million;
- negative cash flows from investing activities resulted mainly from investments in the acquisition of non-financial non-current assets amounting to PLN 372.1 million (mostly investments in rolling stock), offset by proceeds from the sale of non-financial non-current assets (sales of wagons) amounting to PLN 136.7 million;
- negative cash flows from financing activities reflect mainly the effect of the repayment of loans and funds received from the Guaranteed Employee Benefits Fund as well as leases with interests in the amount of PLN 267.8 million, offset by grants in the amount of PLN 30.5 million and funds from the Guaranteed Employee Benefits Fund in the amount of PLN 10.2 million.

5.3.4. Selected financial and operating ratios of the PKP CARGO Group

The table below presents the key financial and operating ratios of the PKP CARGO Group in the period of 2021-2025. To present the Group's financial standing in a comprehensive way, alternative performance measures (APMs) have been applied. The Group presents below selected APMs – basic financial indicators such as: EBITDA margin, net profit margin, ROA, ROE, and the following basic operational indicators: average daily mileage and average daily running time of locomotives, average train weight per locomotive (resulting indirectly from the freight volume and the degree of utilization of traction vehicles), as well as the average freight turnover per employee – because these are the source of additional valuable information (apart from the data presented in financial statements) on financial and operational standing and they also facilitate analysis and assessment of the financial performance achieved by the Group in the years 2021-2025.

The selected ratios presented by the Group constitute standard measures and ratios commonly applied in financial analysis. Their selection was preceded by analysis of their appropriateness with regard to providing investors with useful information on financial standing, cash flows and financial effectiveness and, in the Group's opinion, this allows for optimal assessment of achieved financial performance.

The APMs applied by the Company should be analyzed only as additional information and reviewed in conjunction with the Group's financial statements.

Table 20 Selected financial and operating ratios of the PKP CARGO Group in 2021-2025

Item	2025	2024	2023	2022	2021	Change 2025-2024	Rate of change 2025-2024
EBITDA margin[1]	10.6%	6.6%	19.5%	19.6%	11.9%	4.0 pp.	60.6%
Net profit margin (ROS)[2]	1.0%	-53.4%	1.5%	2.7%	-5.2%	54.4 pp.	-
ROA[3]	0.6%	-37.5%	1.0%	1.9%	-3.0%	38.1 pp.	-
ROE[4]	5.1%	-323.3%	2.6%	4.6%	-7.4%	328.4 pp.	-
Average distance covered per locomotive (km per day)[5]	187.2	186.2	198.5	212.2	209.8	1.0	0.5%
Average gross train tonnage per operating locomotive (tons)[6]	1,437.0	1,435.0	1,531.0	1,546.0	1,474.0	2.0	0.1%
Average running time of train locomotives (hours per day)[7]	11.4	11.6	12.6	14.0	14.5	-0.2	-1.7%
Freight turnover per employee (thousands tkm/employee)[8]	1,193.8	1,026.4	1,122.3	1,337.3	1,206.5	167.4	16.3%

Source: Proprietary material

1. *Calculated as the ratio of the operating result plus depreciation and amortization (EBITDA) to total operating revenue.*
2. *Calculated as the ratio of net result to total operating revenue.*
3. *Calculated as the ratio of net result for the last 12 months to total assets.*
4. *Calculated as the ratio of net result for the last 12 months to equity.*
5. *Calculated as the ratio of vehicle-kilometers (i.e. the distance covered by the Group's vehicles in the given period) to vehicle-days (i.e. the product of the number of active vehicles and number of calendar days in the respective period).*
6. *Calculated as the quotient of gross ton-kilometers and train-kilometers in train work in relation to the locomotives driving the train (in dual traction or pushing the train in the given period).*
7. *Calculated as the quotient of vehicle-hours (i.e. the number of hours of work of the Group's vehicles in the given period) and vehicle-days (i.e. the product of the number of active vehicles and number of calendar days in the given period).*
8. *Calculated as the ratio of freight turnover to the average headcount (in FTEs) in the Group in the given period.*

To assess the performance of the PKP CARGO Group, the following basic financial indicators may be applied: EBITDA margin, net profit margin, ROA, ROE, and the following basic operational indicators: average daily mileage, average daily running time of locomotives and average train weight per locomotive (resulting indirectly from the freight volume and the degree of utilization of traction vehicles), as well as the average freight turnover per employee.

The drivers of the key changes to the above ratios for 2025 as compared to 2024 are described below:

- in 12M 2025, the EBITDA margin improved, mainly due to an increase in net profit. Detailed information on the reasons for movement in EBITDA and the net result is presented in section **5.2. KEY ECONOMIC AND FINANCIAL FIGURES OF THE PKP CARGO GROUP;**
- in 12M 2025, the ROA and ROE ratios improved due to an increase in the profitability of operating activities;
- a slight decrease in average daily mileage of locomotives as a result of a decrease in freight turnover;
- a slight decrease in the average gross train tonnage per locomotive as a result of the transport process being carried out;
- increase in the freight turnover per employee ratio, mainly due to a 29.8% decrease in average employment accompanied by a 7.5% yoy decrease in freight turnover.

5.3.5. Time series of the PKP CARGO Group's financial data

The table below presents time series of the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

Table 21 Time series of the statement of profit or loss and other comprehensive income of the PKP CARGO Group in 2021-2025

	in PLN million				
	2025	2024	2023	2022	2021
Revenues from contracts with customers	3,785.9	4,460.4	5,491.9	5,390.1	4,266.5
Consumption of electricity and traction fuel	-562.5	-611.9	-796.3	-762.5	-550.2
Infrastructure access services	-384.4	-409.1	-473.9	-562.5	-530.0
Transport services	-209.1	-227.0	-285.9	-361.3	-350.7
Other services	-403.1	-401.9	-477.0	-537.9	-413.9
Employee benefits	-1,565.0	-1,799.6	-1,958.4	-1,738.4	-1,622.0
Other expenses	-271.4	-308.2	-372.4	-359.5	-309.1
Other income and operating expenses	19.3	-403.0	-44.9	-1.7	22.6
Operating profit before depreciation and amortization (EBITDA)	**409.7**	**299.7**	**1,083.1**	**1,066.3**	**513.2**
Depreciation, amortization and impairment losses	-236.4	-2,991.1	-791.7	-733.0	-722.0
Profit/loss on operating activities (EBIT)	**173.3**	**-2,691.4**	**291.4**	**333.3**	**-208.8**
Financial income and expenses	-118.8	-176.8	-181.5	-150.6	-60.3
Share in the profit / loss of entities accounted for under the equity method	7.2	-16.3	9.1	9.1	4.7
Profit / loss before tax	**61.7**	**-2,884.5**	**119.0**	**191.8**	**-264.4**
Income tax	-22.3	471.9	-36.9	-43.8	39.1
NET PROFIT/LOSS	**39.4**	**-2,412.6**	**82.1**	**148.0**	**-225.3**
OTHER COMPREHENSIVE INCOME					
Measurement of hedging instruments	4.4	6.2	41.5	-6.7	13.2
Income tax	-0.8	-1.1	-7.9	1.3	-2.5
Exchange differences resulting from conversion of financial statements of foreign operations	18.1	-23.1	-67.3	34.4	37.7
Other comprehensive income subject to reclassification to profit or loss, total	**21.7**	**-18.0**	**-33.7**	**29.0**	**48.4**
Actuarial gains / (losses) on employee benefits	-50.2	-31.7	-102.0	18.9	91.0
Income tax	9.5	6.0	19.4	-3.6	-17.3
Measurement of equity instruments at fair value	9.9	-	3.8	-	-
Other comprehensive income not subject to reclassification to profit or loss, total	**-30.8**	**-25.7**	**-78.8**	**15.3**	**73.7**
Total other comprehensive income	**-9.1**	**-43.7**	**-112.5**	**44.3**	**122.1**
TOTAL COMPREHENSIVE INCOME	**30.3**	**-2,456.3**	**-30.4**	**192.3**	**-103.2**
Net profit/loss attributable:					
Net profit/loss attributable to the owners of the parent company	39.4	-2,412.6	82.1	148.0	-225.3
Total other comprehensive income attributable:					
Total other comprehensive income attributable to shareholders of the parent company	30.3	-2,456.3	-30.4	192.3	-103.2
Earnings/losses per share (PLN per share)					
Weighted average number of ordinary shares	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Weighted average number of shares taken into account to calculate diluted profit	44,786,917	44,786,917	44,786,917	44,786,917	44,786,917
Earnings/losses per share	0.88	-53.87	1.83	3.31	-5.03
Diluted earnings/losses per share	0.88	-53.87	1.83	3.31	-5.03

Source: Proprietary material

Table 22 Time series of the statement of financial position the PKP CARGO Group in 2021-2025

	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
ASSETS					
Rolling stock	2,313.2	2,138.8	4,440.3	4,208.3	4,241.6
Other property, plant and equipment	611.1	733.5	857.7	891.1	893.4
Right-of-use assets	1,257.9	1,371.3	1,436.1	972.2	1,030.7
Investments in entities accounted for under the equity method	21.6	18.5	42.7	41.8	36.7
Trade receivables	1.9	0.2	1.2	7.3	4.2
Lease receivables	8.7	11.3	8.9	8.7	8.5
Other assets	49.0	46.1	52.4	48.6	40.5
Deferred tax assets	648.6	676.6	191.3	176.1	203.1
Total non-current assets	**4,912.0**	**4,996.3**	**7,030.6**	**6,354.1**	**6,458.7**
Inventories	144.4	157.7	200.2	200.8	164.6
Trade receivables	518.9	558.3	668.3	769.4	611.7
Lease receivables	1.5	1.0	0.9	0.6	0.6
Other assets	131.4	136.9	156.3	153.5	107.6
Cash and cash equivalents	430.1	598.1	263.7	181.5	254.5
Total current assets	**1,226.3**	**1,443.0**	**1,289.4**	**1,305.8**	**1,139.0**
Non-current assets classified as held for sale	113.9	0.3	-	**0.3**	**15.7**
TOTAL ASSETS	**6,252.2**	**6,439.6**	**8,320.0**	**7,660.2**	**7,613.4**
EQUITY AND LIABILITIES					
Share capital	44.8	2,239.3	2,239.3	2,239.3	2,239.3
Supplementary capital	633.0	874.1	797.1	678.0	771.7
Other items of equity	-158.9	-131.7	-111.1	-65.9	-75.8
Exchange differences resulting from conversion of financial statements of foreign operations	104.6	86.5	109.6	176.9	142.5
Retained earnings / (Accumulated losses)	153.0	-2,322.0	167.6	204.6	-37.1
Total equity	**776.5**	**746.2**	**3,202.5**	**3,232.9**	**3,040.6**
Debt liabilities	1,356.6	1,791.5	2,089.7	1,711.5	2,090.3
Trade payables	1.6	2.1	3.4	7.9	2.3
Investment commitments	6.9	2.8	15.6	46.7	111.8
Provisions for employee benefits	484.2	485.1	578.9	483.5	529.1
Other provisions	12.9	15.0	3.6	0.5	7.0
Deferred tax liability	53.1	82.0	93.0	94.5	93.3
Other liabilities	0.8	0.2	-	-	-
Total non-current liabilities	**1,916.1**	**2,378.7**	**2,784.2**	**2,344.6**	**2,833.8**
Debt liabilities	1,354.7	1,041.1	804.1	660.7	473.9
Trade payables	1,216.6	1,220.0	844.4	803.8	639.0
Investment commitments	142.0	142.9	141.3	143.0	221.4
Provisions for employee benefits	122.7	115.0	170.2	156.7	127.3
Other provisions	28.4	42.7	17.7	21.4	23.3
Other liabilities	695.2	753.0	355.6	297.1	254.1
Total current liabilities	**3,559.6**	**3,314.7**	**2,333.3**	**2,082.7**	**1,739.0**
Total liabilities	**5,475.7**	**5,693.4**	**5,117.5**	**4,427.3**	**4,572.8**
TOTAL EQUITY AND LIABILITIES	**6,252.2**	**6,439.6**	**8,320.0**	**7,660.2**	**7,613.4**

Source: Proprietary material

Table 23 Time series of the statement of cash flows of the PKP CARGO Group in 2021-2025

	in PLN million				
	2025	2024	2023	2022	2021
Net cash from operating activities	**282.2**	**1,031.9**	**1,211.0**	**1,018.4**	**699.8**
Net cash from investing activities	**-215.6**	**-420.7**	**-987.1**	**-772.9**	**-645.6**
Net cash from financing activities	**-227.3**	**-281.5**	**-133.4**	**-319.5**	**-106.4**
Net increase/decrease in cash and cash equivalents	-160.7	329.7	90.5	-74.0	-52.2
Cash and cash equivalents at the beginning of the reporting period	589.1	263.7	181.5	254.5	306.0
Impact of FX rate movements on the cash balance in foreign currencies	1.7	-4.3	-8.3	1.0	0.7
Cash and cash equivalents at the end of the reporting period	**430.1**	**589.1**	**263.7**	**181.5**	**254.5**

Source: Proprietary material

5.4. Description and evaluation of factors and unusual events affecting the result recorded by the Company and the PKP CARGO Group

5.4.1. Impact of the war in Ukraine

The impact of the conflict in Ukraine on the operations of PKP CARGO and the PKP CARGO Group remains significant, particularly in terms of restrictions on freight turnover with Eastern Europe and a decline in revenue in that region. The growth of the Company and the PKP CARGO Group in this area may be stalled for a long time because of the actions taken by the Russian and Belarusian authorities. The sharp decline in trade with these two countries was a natural consequence of their hostile actions, including those directed against Poland.

The conflict has resulted in reduced use of the New Silk Road, as well as the construction (with Chinese support) by other countries of alternative routes to Europe, i.e. corridors heading south. A potential ceasefire, combined with favorable economic conditions, could lead to a rapid recovery and increase in transport along this route, especially given the possibility of further disruptions to shipping through the Red Sea.

Economic trade with Ukraine remains a difficult issue due to numerous conflicting interests in many economic sectors, including steel products, concrete, and grains, as well as differences in transportation methods, which currently significantly reduce the volume of trade, especially given Ukraine's access to Black Sea shipping routes. However, the potential post-war reconstruction of the country could drive the expansion of freight transport, particularly that originating in Poland, to western Ukraine, presenting a significant opportunity for the PKP CARGO Group to carry out regular transport operations. It is essential to open up new areas of cooperation and exchange in the context of potential accession of Ukraine to the European Union.

Limited infrastructure development in the border region remains a significant barrier, along with administrative barriers, particularly in the context of rail system interconnections, which, inter alia, effectively prevents an increase in transport volumes and diverts freight to road transport or, alternatively, to southern corridors.

5.4.2. Impact of traction fuel and scrap metal price levels

Traction fuel prices showed moderate fluctuations in 2025. In Q2 prices declined, and then became stable. The average price of fuel acquired by PKP CARGO S.A. under restructuring was PLN 4,693.01, PLN 4,363.72, PLN 4,483.44 and PLN 4,490.57 per m^3 for Q1, Q2, Q3 and Q4, respectively. The primary factor influencing price levels was the geopolitical situation, particularly the conflicts in the Middle East and the EU sanctions on crude oil imports from Russia. The geopolitical situation, OPEC policy, and currency fluctuations remain the key factors influencing the price of traction fuel.

Prices obtained from the sale of scrap metal in 2025 were average and should not be considered unusual events affecting the operating result for the financial year. The scrap metal market is unpredictable and depends on many factors, such as economic indicators, progress in recycling, environmental policy, and geopolitical developments. The global scrap metal market is expected to see steady growth in 2026, driven by rising industrial demand, infrastructure development, and the need for sustainable material sourcing.

5.4.3. Rail infrastructure access charges

Infrastructure in Poland and abroad

Under the Rail Transport Act of 28 March 2023 (consolidated version: Journal of Laws of 2023, Item 602, as amended) and the Regulation of the Minister of Infrastructure and Construction of 7 April 2017 on the Provision of Rail Infrastructure (Journal of Laws of 2017, Item 755, as amended) all infrastructure managers must abide by the pertinent regulations regarding the acquisition of rights to order/refuse timetables, the charging of fees for related line access and the provision of service infrastructure facilities.

In 2025, no significant changes in these fees were recorded. Basically, changes in price lists for subsequent timetables are announced at the beginning of each year, no later than 9 months before the start of the period of validity of the annual train timetable. Network regulations governing the use of rail infrastructure are amended on an ongoing basis throughout the year. Worth pointing out is the fact that a characteristic feature of PKP PLK S.A.'s recently adopted measures is the introduction of penalties in the form of higher rates for extended stops in places with infrastructure bottlenecks (such as ports and border stations).

Similarly to the situation in Poland, there were no significant changes regarding fees for foreign infrastructure in 2025.

5.4.4. Investments in rail infrastructure

The implementation of infrastructural investments aimed at upgrading the PKP network, as well as executing the planned maintenance and repair programs, were among the most significant factors hindering the transport operations of PKP CARGO S.A. under restructuring. The high level of disruption caused by closures was observed both on a network-wide scale and at the regional level.

The most disruptive works on the main transport routes included: work resulting in a 24-hour suspension of traffic on the Ełk–Korsze section of rail line No. 38; Chmielnik–Grzybów on line No. 70; Stary Sącz–Muszyna–State Border on line No. 96; work resulting in a 24-hour suspension of traffic or a 24-hour reduction in line capacity in the region of Upper Silesia, covering primarily sections of rail lines No. 1, 62, 131, 132, 138, 141, 171; Poznań, primarily covering sections of lines No. 394, 395, 801, 803; on the Rokiciny – Baby – Piotrków Trybunalski section of line No. 1; the Poznań Górczyn – Toporów section of rail line No. 3; the Sędziszów – Kozłów – Tunel section of line No. 8; the Częstochowa – Gnaszyn and Lisów – Kochanowice sections of line No. 61; Czechowice-Dziedzice – Zebrzydowice – State Border on line No. 93; on the sections from Kluczbork to Gądki on line No. 272 and on the sections from Brzeg Dolny to Laski Lubuskie on line No. 273, being alternative transport routes. There were also significant difficulties caused by closures ordered for work that began at the end of the year, resulting in a 24-hour reduction in traffic on the Gomunie–Radomsko–Widzów Teklinów section of rail line No. 1; the Suchedniów – Łączna – Zagnańsk section of line No. 8, and resulting in a 24-hour suspension of train traffic on the Sandomierz – Sobów – Tarnobrzeg – Ocice – Chmielów section of line No. 25 – these disruptions have been very serious in the last quarter and are expected to last for a significant part of 2026.

Examples of the most serious regional disruptions include work resulting in a 24-hour suspension of traffic on the following sections: Lębork–Słupsk on rail line No. 202; from Jaworzyna Śląska to Legnica on line No. 137; on line No. 355; works resulting in a 24-hour reduction in line capacity on the Sędzisław–Marciszów section of line No. 274, or works on the Szczecin Turzyn–Police section of line No. 406.

In addition to the track closures mentioned above and those not listed here, the capacity constraints at railway stations resulting from these closures also had a material impact on the capacity of the PKP Network. The stations most severely affected by the closures were those in Upper Silesia, such as Bytom, Chorzów Stary, Gliwice Łabędy, Katowice Ligota, Mysłowice, and Radzionków, as well as stations in other parts of the country, such as Częstochowa Towarowa, Jaszczów, Poznań Franowo, Stargard, Wałbrzych Główny and Zebrzydowice.

In 2026, it is expected that disruptions are going to continue to increase as a result of track closures for freight traffic. Most probably, it will not be as severe as the increase observed in 2025 compared to 2024, but it will persist. It follows from information held currently that it is unlikely that these difficulties will be reduced.

5.4.5. Changes in the legal environment

- Amendments of the Company's Articles of Association:
  - On 30 July 2025, the second part of the Ordinary Shareholder Meeting of PKP CARGO S.A. under restructuring which had been convened for 30 June 2025, took place where Resolution 32/2025 on amending § 26 sec. 2 of the Company's Articles of Association, was adopted. The amendment to the Company's Articles of Association is related to the transposition into Polish law of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD). Pursuant to Article 128(1) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Oversight, the supervisory role in companies with regard to sustainable development has been assigned by default to the audit committee operating within a company. This model was adopted at PKP CARGO S.A. under restructuring without any changes. Therefore, the Audit Committee of the Supervisory Board of PKP CARGO S.A. under restructuring is responsible for supervising reporting on sustainable development. On 6 August 2025, the registry court entered the reported amendment to the Company's Articles of Association dated 30 July 2025, into the National Court Register (KRS);
  - On 29 December 2025, the Extraordinary Shareholder Meeting of PKP CARGO S.A under restructuring was held, at which Resolution No. 2/2025 on the reduction of the share capital of PKP CARGO S.A. under restructuring to cover the Company's losses and to amend the Articles of Association of PKP CARGO S.A., was adopted, resulting in an amendment to § 6 sec. 1 of the Articles of Association. The purpose of the reduction in share capital was to offset the loss incurred by PKP CARGO S.A. under restructuring in 2024
    As a result, the share capital of PKP CARGO S.A. under restructuring was reduced by PLN 2,194,558,933.00, that is from PLN 2,239,345,850.00 to PLN 44,786,917.00. The Company's share capital was reduced by decreasing the nominal value of all PKP CARGO S.A. shares by PLN 49.00, i.e., from PLN 50.00 to PLN 1.00

per share. On 14 January 2026, the registry court entered the amendment to the Company's Articles of Association, dated 29 December 2025, into the National Court Register (KRS).

- Remediation – the opening in 2024 of remedial proceedings against PKP CARGO S.A. meant that the Company is also subject to the provisions of the Restructuring Law of 15 May 2015.
- Gender Balance on Corporate Boards Directive – ongoing work on a draft amendment to the Act of 19 October 2019 Amending the Act on Public Offerings and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies, and Certain Other Acts, and Amending the Act of 3 December 2010 on the Implementation of Certain European Union Regulations on Equal Treatment in Connection with the implementation of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures. The subject matter of the directive and the bill is to improve the application of the principle of equal opportunities for women and men in management positions by establishing requirements for the selection process for candidates applying to fill such positions. The provisions of the directive and the bill refer to the under-representation of a gender in corporate boards and therefore apply to both men and women. The bill provides for companies covered by the regulation to achieve a 33% quota for all positions, both on the Company's Management Board and Supervisory Board. On 30 March 2026, the Minister of Finance and Economy submitted a draft bill amending certain laws for public consultation. The aim is to implement Directive 2024/2811 of the European Parliament and of the Council, amending Directive 2014/65/EU, and to align national regulations with Regulation 2024/2809, which amends Regulation (EU) 2017/2019, Regulation (EU) No. 596/2014, and Regulation (EU) No. 600/2014. The new draft Act amending the Act on Public Offerings and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies, and the Act on the Implementation of Certain European Union Provisions on Equal Treatment (the Act) of 26 March 2026, new deadlines have been set for the fulfillment of the obligations provided for in the proposed Section 4aa of the Act on Public Offerings, "Gender Balance on Corporate Board Policy." Under the aforementioned draft, following the amendments proposed on 13 April 2026 by the Ministry of Justice, issuers will be required to:
  - take measures to ensure that members of the underrepresented gender hold positions on the Company's corporate bodies in the number specified in Article 90gc sec. 2 of the Act on Public Offerings by the end of the first Shareholder Meeting following the date the Act enters into effect,
  - adopt a gender balance policy for the Company's corporate bodies by the end of the first Shareholder Meeting following the date the Act enters into effect,
  - submit to the equal treatment authority the first report on the gender breakdown of the Company's corporate bodies and the measures taken to ensure gender balance in those bodies by 31 October 2026.
  Therefore, depending on the effective date of the aforementioned Act, the adoption of a gender balance policy will be required at a Shareholder Meeting held this year or next year. As of the date of approval of this report, the draft bill had been submitted by the Ministry of Justice to the Standing Committee of the Council of Ministers.
- NIS2 – Directive 2022/2555 (NIS2), which requires EU Member States to increase their cybersecurity capabilities, while introducing risk management measures and reporting requirements for entities in more sectors and establishing rules for cooperation, information exchange, supervision and enforcement of cybersecurity measures. On 19 February 2026, the President signed the Act amending the Act on the National Cybersecurity System and certain other acts which had been drafted by the legislative bodies. The Act was published in the Journal of Laws, 2026, item 252, and entered into effect on 3 April 2026.

5.4.6. Social dialog

In 2025, communication with labor unions focused on the following matters:

- payment of outstanding employee benefits;
- obligation to transfer overdue prepayments to the Company Social Benefits Fund;
- the Restructuring Plan;
- centralization of the IT department and transfer of employees pursuant to Article23[1] of the Labor Code;
- election of an Employee Representative to the Supervisory Board for the 8th term, following amendments to the Company's Articles of Association;
- sales strategy – presentation of the proposed changes to the sales strategy and transformation of the sales department;
- current employment situation at PKP CARGO S.A. under restructuring broken down by categories;
- the Agreement on Mutual Obligations of the Parties to the Collective Bargaining Agreement for Employees of PKP CARGO S.A. Units entered into on 14 February 2005, the so-called Valentine's Day Agreement;
- financial performance and liquidity of the Company;
- the State transportation policy;

- the intention to carry out mass layoffs and an alternative solution, i.e., a proposal to conclude an agreement between the parties to the Company Collective Bargaining Agreement, resulting in the shortening of the term of the Company Collective Bargaining Agreement for Employees of PKP CARGO Spółka Akcyjna to 31 October 2025, and consequently generating savings that would allow for the abandonment of the plan to carry out mass layoffs;
- reorganization of the existing seven units and the Head Office of PKP CARGO S.A. under restructuring into a single employer.

On 6 June 2025, PKP CARGO launched consultations with the trade unions regarding its intention to carry out mass layoffs, given the need to report them as one of the restructuring measures in the Restructuring Plan in order to submit the document to court by the deadline set by the Judge-Commissioner. Notifications were sent to union representatives at each of the seven units and the Head Office of PKP CARGO S.A. under restructuring. At the same time, the inter-company trade unions were informed about the commencement of consultations at the unit level. By 26 June 2025, the Company held 3 consultation meetings. Taking into account the Company's financial situation, PKP CARGO partially incorporated the comments and proposals from employee representatives, which were included in the draft agreements submitted to all workplace trade union organizations representing seven units and the Head Office of PKP CARGO, including, inter alia, a reduction in the number of employees to be included in the mass layoffs in 2025 from 1,041 to 765. During the talks held on 25 June 2025, given the objections raised by labor unions regarding the plan to carry out mass layoffs, the Management Board of PKP CARGO S.A. under restructuring presented to the inter-company labor unions an alternative solution, the acceptance of which could have resulted in the cancellation of the layoffs. The proposal made to the employee representatives consisted in execution, by the end of July 2025, of a memorandum of agreement between the Parties to the Collective Bargaining Agreement which would shorten the term of the Collective Bargaining Agreement for Employees Hired by PKP CARGO Spółka Akcyjna Units (the "CBA") to 31 October 2025. The savings generated by shortening the term of the existing CBA would enable the implementation of cost reductions to an extent that would make it possible to depart from the intention to carry out mass layoffs in 2025. The employee representatives did not accept this solution.

At the same time, the trade unions that are parties to the Agreement submitted the offer to execute an Additional Protocol to the existing Collective Bargaining Agreement, intended to introduce necessary changes adapting its provisions to current transport-market conditions, employee needs and the specific nature of work in various occupational groups.

Moreover, in July 2025, measures were also taken to regulate the operation of Trade Unions at PKP CARGO S.A. under restructuring units, in connection with the implementation of the single employer concept and the formal transfer of the units' employees to the Head Office of PKP CARGO S.A. under restructuring on 1 August 2025, under Article 23^1 of the Labor Code. Due to the legal automatism adopted in the Labor Code exclusively in relation to individual labor law relations, binding only the employee and the employer, and the absence of legal grounds for the simultaneous transfer of a trade union organization, the procedure to include the new employer in the trade union's scope of activity was completed. The 6-month period specified in § 3 of the Agreement on Mutual Obligations of the Parties to the Company Collective Bargaining Agreement for the purposes of adjustment of the trade union structures to the Company's revised structure expired on 31 January 2026.

In the reporting period, social dialog continued to be shaped by key remedial measures and organizational transformations that became inevitable due to difficult business, financial and HR situation of PKP CARGO. Communication with labor unions focused primarily on continuing the Company's restructuring that began in 2024, and the gradual reorganization of specific management areas; issues of greatest importance to the Company's business operations and future development, as well as matters related to employment, were discussed during these meetings. The intensity of communication in the area of social dialog was very high. The trade unions were regularly informed about the current situation, including through official documents and announcements, and by way of responses to letters and inquiries from the social party, which were provided as promptly as possible.

It should be emphasized that despite the very challenging framework for social dialog, communication with trade unions was conducted in a long-term, continuous and multifaceted manner. No large-scale protests were reported which would prevent or periodically suspend the performance of the Company's transport processes and its other business activities, which should be regarded as a positive aspect of the actions taken and avoidance of direct adverse impact of social dialog on the financial performance of PKP CARGO S.A. under restructuring. The trade unions have expressed their understanding of the ongoing restructuring efforts.

It should be mentioned that termination of two agreements, i.e. the Collective Bargaining Agreement (CBA), and consequently the work on a new agreement, as well as the Agreement on Mutual Obligations of the Parties to the CBA, will be among the most significant developments that will shape the social dialog at the Company level in the coming periods.

On 4 March 2026, a meeting was held with the Social Partners (Representatives of Trade Unions) being Signatories of the Collective Bargaining Agreement (CBA) in effect until 11 June 2026, and Representatives of Unit Trade Union Organizations. During the meeting, participants reviewed the actions taken to date, including efforts to improve the performance and increase the efficiency of the operations division as quickly as possible, as well as further necessary changes to the commercial strategy

(increasing market share while boosting contract margins). The settlement with the Company's creditors, which is one of the priorities of the ongoing restructuring efforts, was also discussed. However, the main subject of the meeting was to determine the direction of further work on the compensation system and the collective bargaining agreement. In view of the organizational changes at the Company effective as of 1 August 2025, involving the liquidation of individual work units and implementation of the single employer concept, PKP CARGO has initiated the process of concluding a new company collective bargaining agreement with all trade union organizations operating within the current structure of PKP CARGO S.A. under restructuring. At the same time, the inter-company negotiations that had been underway since July 2025 were concluded; these negotiations had originally been intended to introduce amendments to the existing collective bargaining agreement through Supplementary Protocol No. 17. Efforts are being taken to significantly accelerate work on the Company's new collective bargaining agreement. It is necessary, from the perspective of both the Company and the employees, to develop as soon as possible an agreement that will ensure stable, fair, and market-appropriate solutions for the employees. Future actions in this area will involve close cooperation with the employee representatives in order to achieve, as quickly as possible, the most favorable outcomes for employees, while adjusting the new arrangement to the Company's current situation.

PKP CARGO S.A. under restructuring remains in a period of change and intense restructuring activities. Nevertheless, the Company assesses the risk of impact of social dialog on financial performance in 2025 to be lower than in 2024 because the Trade Unions have shown a better understanding of current restructuring activities compared to the previous year.

5.4.7. Effects of corrective measures in the HR area – mass layoffs

In connection with the requirement to give notice of the Company's intention to carry out mass layoffs in June 2025, consultations regarding this process were held at the unit level. In order to meet the expectations of the unions and employees regarding job protection, on 23 July 2025 the Management Board of PKP CARGO S.A. under restructuring presented an alternative to mass layoffs, i.e. a draft agreement regarding the shortening of the term of the Collective Bargaining Agreement that was sent to the Inter-Company Trade Union Organizations that signed the Collective Bargaining Agreement. However, since the document was not signed by the specified deadline, the Company's Management Board and Supervisory Board approved the plan to carry out mass layoffs in 2025 in their respective resolutions. As a result, on 18 September 2025, the Restructuring Administrator of PKP CARGO S.A. under restructuring notified the Judge-Commissioner of the intention to undertake ad hoc remedial measures, i.e. to carry out mass layoffs pursuant to the Act of 13 March 2003 on the detailed principles of terminating employment for reasons not attributable to employees. This decision was driven by the Company's ongoing financial difficulties and a decline in freight volumes, which resulted in a reduced labor demand. The layoffs carried out in Q3 2025 ultimately affected fewer employees than initially planned, and the reduction in the number of employees affected by the mass layoffs resulted from agreements reached during earlier consultations with trade unions, as well as from voluntary staff departures. The procedure of terminating employment was largely completed by the end of September 2025, effective as of the end of October 2025, with the exception of a few contracts that were terminated in November 2025 due to a longer document processing period. Ultimately, 450 employment agreements were terminated.

At the same time, support measures were implemented to assist employees in finding new employment, similar to those in 2024, including, among other things, facilitating job placement at other companies in the railway industry through a partnership with PKP CARGO S.A. under restructuring. The mass layoffs are in line with the objectives of the Restructuring Plan, which aims to stabilize the Company's liquidity, satisfy its liabilities, and improve operational efficiency. Unlike in 2024, the mass layoffs were financed using internal funds obtained from the sale of decommissioned rail cars. As of the date of approval of this report, the plan to carry out mass layoffs in 2026 has not been confirmed. This will require a reassessment of both current and planned freight turnover, as well as an analysis of the Company's financial position following the 2025 financial year and Q1 2026.

5.5. Information about production assets

5.5.1. Rolling stock

The PKP CARGO Group's rolling stock is maintained by repair shops operating in PKP CARGO and its subsidiaries. The PKP CARGO Group's rolling stock repair and maintenance organization has the competences to repair and maintain wagons, electric locomotives at all the maintenance levels from P1 to P5.

In addition to the rolling stock owned by the PKP CARGO Group, the Group's establishments also repair rolling stock and sub-assemblies for other owners. On top of regularly-scheduled activities the points of repair functioning in the PKP CARGO Group's structures conduct ongoing repairs to the rolling stock to fix the defects that appear in the rolling stock during the course of its operation. The quantity of current repairs of the rolling stock depends on the freight turnover.

The PKP CARGO Group production assets include wagons and traction rolling stock the quantity of which changes as a result of sales, purchases and scrapping of rolling stock components. Moreover, the quantity of rolling stock is affected by completed

repairs of electric machines and wheel sets for refurbished wagons (periodic repairs combined with the replacement of rims or the replacement of monoblock wheels). Competences related to the repair of the most significant components of the circulation reserve – electric machines and wheel sets – are held by PKP CARGOTABOR sp. z o.o, which carries out the full range of repairs of electric machines used in the locomotives operated by the PKP CARGO Group.

In the reporting period, intense work continued on analyzing rolling stock resources of PKP CARGO, as a result of which the Company's Management Board made the decision to earmark 10,360 rail cars that have been taken out of service for sale. Following an electronic auction carried out on 9 September 2025, 6,696 wagons were sold for the total net amount of PLN 123.3 million. Later, also following an electronic auction on 4 February 2026, 2,829 wagons were sold for the total net amount of PLN 49.5 million. The Company will continue with the sale of the remaining redundant wagons. On 4 March 2026, the procedure for the sale of 337 decommissioned locomotives was launched. The deadline for submitting applications for admission to the proceedings expired on 14 April 2026. As of the date of publication of this Report, PKP CARGO is reviewing the official documents required in line with the Procedure Requirements and is preparing for the first auction. This procedure is part of measures aimed at further optimizing the asset structure, reducing the costs of maintaining redundant rolling stock, and increasing available financial resources as part of the ongoing restructuring.

The tables below present the structure of the locomotives and wagons used in 2021-2025.

Table 24 Structure of locomotives used by the Group and PKP CARGO S.A., by traction type

Item	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	Change 2025-2024
diesel locomotives	683	683	708	731	850	0
of which in PKP CARGO S.A.	*515*	*515*	*538*	*555*	*671*	*0*
electric locomotives	883	879	841	816	969	4
of which in PKP CARGO S.A.	*861*	*861*	*822*	*796*	*946*	*0*
Total	**1,566**	**1,562**	**1,549**	**1,547**	**1,819**	**4**
of which in PKP CARGO S.A.	*1,376*	*1,376*	*1,360*	*1,351*	*1,617*	*0*

Source: Proprietary material

Table 25 Structure of wagons used by the PKP CARGO Group and PKP CARGO S.A.

Item	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	Change 2025-2024
Wagons owned and leased	46,221	52,039	52,358	53,459	53,459	-5,818
of which in PKP CARGO S.A.	*42,670*	*48,300*	*48,397*	*49,312*	*49,312*	*-5,630*

Source: Proprietary material

5.5.2. Real properties

In the transport process, due to the necessity to guarantee appropriate maintenance and repair support, real properties play an important role. The majority of real properties held by the Group is used on the basis of long-term lease and rental agreements. The table below presents changes in real properties owned and used by the PKP CARGO Group and PKP CARGO S.A. in 2021-2025.

Table 26 Real estate owned and used by the PKP CARGO Group and PKP CARGO S.A. in 2021-2025

Item	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	Change 2025-2024
Land – owned, in perpetual usufruct and leased from other entities [ha]	1,336	1,363	1,367	1,406	1,441	-27
of which in PKP CARGO S.A.	*505*	*520*	*520*	*550*	*550*	*-15*
Buildings – owned, leased and rented from other entities [m²]	661,971	681,514	683,073	722,756	728,944	-19,543
of which in PKP CARGO S.A.	*510,990*	*521,940*	*523,336*	*570,956*	*571,841*	*- 10,950*

Source: Proprietary material

The decrease in the area of the land and buildings used (owned, leased and rented from other entities) is a result of the ongoing verification of the quantum of assets required by the Company and its subsidiaries and its adaptation to the scale and profile of their business activities.

As part of the asset restructuring outlined in the Restructuring Plan, which involved the sale of non-operational real property in 2025, PKP CARGO has taken a number of steps to initiate the sale.

On 18 February 2025, an agreement was entered into for the sale of PKP CARGO's real estate in Szczecin. The net sale price was PLN 875,000 (transaction exempt from VAT).

On 11 March 2025, the Company's Management Board adopted a resolution to start the sale of a property in Wrocław. An attempt to sell the property was made pursuant to the order of the Judge-Commissioner of 8 July 2025. However, as no offers were received following the announcement of the sale, the transaction was cancelled. On 6 February 2026, in connection with the decommissioning of the Company's assets that are not currently used and will not be used in the foreseeable future for the purposes of its operating activities, and which constitute a significant component of the Restructuring Plan currently being implemented, a decision was made to continue the sale of real estate. Further actions regarding the real estate depend on the Company's Administrator and the Judge-Commissioner.

On 15 April 2025, the Company's Management Board adopted a resolution to start the sale of a property in Szczecin. The Company made an attempt to sell the property pursuant to the order of the Judge-Commissioner of 8 July 2025. Since no offers were received, the transaction was cancelled. As in the case of the property in Wrocław, on 6 February 2026, a decision was made to continue the process of sale of the property in connection with the implementation of the restructuring plan. Further actions regarding the real estate in Szczecin depend on the Company's Administrator and the Judge-Commissioner.

On 7 August 2025, the first stage of the proceedings for the sale of a property located in Warsaw in the neighborhood of Golędzinowska Street was completed. On 27 November 2025, the Tender Committee held a meeting with Regiojet PL Sp. z o.o. to discuss and agree on the key provisions of the sale agreement. The proceedings are still pending, the term of being bound by the bid has been extended to 30 April 2026.

On 9 February 2026 the proceedings for the sale of property located in Jaworzyna Śląska were initiated. The bid submission deadline expired on 25 March 2026. Since there were no bids, on 7 April 2026 the tender was cancelled.

5.6. Key information about the financial standing of the Company and the PKP CARGO Group

5.6.1. Information on loans and borrowings agreements executed and terminated

No agreements concerning loans or borrowings were entered into or terminated in the reporting period.

5.6.2. Information about granted loans

In 2025, neither the Company nor its subsidiaries granted any loans.

5.6.3. Information about granted and received sureties and guarantees

PKP CARGO INTERNATIONAL a.s. granted surety to PGE Energetyka Kolejowa S.A. for the liabilities of PKP CARGO arising out of the agreements for supply of traction energy. The amount of surety was PLN 22.58 million, with the validity term until 31 December 2026.

5.6.4. Issues, redemptions and repayments of debt securities and equity securities

In the reporting period, PKP CARGO effected no issues, redemptions or repayments of debt securities or equity securities.

5.6.5. Assessment of management of financial resources

Internal financial risk management policy, allowing for optimization of the maturities and types of investment instruments and the liquidity reserve level, is an element supporting management of the Company's and the Group's finances.

Excess cash generated by the Group was invested in fixed rate bank deposits which were concluded with time horizons depending on the Group's liquidity needs. Decisions made with regard to bank deposits are based on maximizing the rate of return and current assessment of the financial standing of the banks.

The Company makes every effort to ensure that the liabilities incurred after the commencement of remedial proceedings are paid on an ongoing basis.

5.6.6. Description of the structure of key equity investments or key investments made within the Company and the PKP CARGO Group.

Most financial investments made by the Group in 2025 were bank deposits, which were executed mainly for a period from up to 3 months, depending on the liquidity needs.

The cash held by the Parent Company as at 31 December 2025 was mainly in the form of short-term fixed rate bank deposits which were concluded with time horizons depending on the Company's liquidity needs.

5.6.7. Current and forecast financial standing of the Company and the PKP CARGO Group

In connection with the identification of the risk of periodic financial difficulties at PKP CARGO, the Group is taking steps to ensure its current liquidity, including through cost optimization. In the course of managing the liquidity position, the levels of trade receivables and payables are monitored on an ongoing basis.

The opening of the restructuring proceedings has protected the 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 will be covered by the composition. The 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.

The Company makes every effort to ensure that the liabilities incurred after the commencement of remedial proceedings are paid on an ongoing basis. An update of the risks accompanying the war in Ukraine and in the Middle East and their consequences or an unfavorable situation in the industrial sector may affect the Group's financial position in subsequent reporting periods.

The forecast financial standing of PKP CARGO and the Group is dependent on the further course and effectiveness of the restructuring process. The continuation of these corrective measures should lead to a gradual improvement in operational efficiency and a reduction in fixed costs, which, in the long term, may result in the stabilization of financial results and an improvement in liquidity.

At the same time, the Company's Management Board indicates that the financial outlook is subject to uncertainty stemming from market, macroeconomic, and regulatory factors, the ongoing war in Ukraine and the Middle East, as well as the conditions related to the operation under the remedial proceedings. In view of the above, the further improvement of financial standing will be dependent on the ability to keep cost discipline, effective liquidity management and stabilization of the market environment in subsequent periods.

5.7. Information about the financial statements

5.7.1. Description of unusual items in the standalone financial statements of PKP CARGO S.A. and the consolidated financial statements of the PKP CARGO Group.

No such items can be found in the Standalone Financial Statements and Consolidated Financial Statements in 2025.

5.7.2. Description of significant off-balance sheet items

Significant off-balance sheet items are described in **NOTE 7.4 TO THE CONSOLIDATED FINANCIAL STATEMENTS** of the PKP CARGO under restructuring Group for the financial year ended 31 December 2025.

5.7.3. Rules for preparing annual financial statements

The Standalone Financial Statements of PKP CARGO S.A. under restructuring for the financial year ended 31 December 2025 and the Consolidated Financial Statements of the PKP CARGO under restructuring Group for the financial year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards and related interpretations adopted by the European Union ("EU IFRS"), published and in effect in 2025.

The Standalone Financial Statements PKP CARGO S.A. under restructuring for the financial year ended 31 December 2025 and the Consolidated Financial Statements of the PKP CARGO under restructuring Group for the financial year ended 31 December 2025 have been prepared based on the assumption that both PKP CARGO S.A. and the Group will continue to be a going concern in the foreseeable future, which has been described in more detail in **NOTE 1.3 TO THE STANDALONE FINANCIAL STATEMENTS** and **NOTE 1.3 TO THE CONSOLIDATED FINANCIAL STATEMENTS**.

The Standalone Financial Statements of PKP CARGO S.A. under restructuring for the financial year ended 31 December 2025 and the Consolidated Financial Statements of the PKP CARGO under restructuring Group for the financial year ended 31 December 2025 have been prepared in accordance with the historic cost principle except for investments in equity instruments carried at fair value.

5.7.4. Information on the agreement with the audit firm

By Resolution No. 2/2020 of the Extraordinary Shareholder Meeting of PKP CARGO of 16 November 2020, amended (in respect to § 1 sec. 1) by Resolution No. 28/2021 of the Ordinary Shareholder Meeting of 28 June 2021, the following audit firms were selected:

- Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp.k. (as of 1 December 2022, transformed and operating under the business name: Grant Thornton Frąckowiak Prosta spółka akcyjna) with its registered office in Poznań at ul. abpa Antoniego Baraniaka 88E, registered under file no. 3654 as an entity authorized to audit financial statements, and
- Grant Thornton Polska spółka z ograniczoną odpowiedzialnością sp.k. (as of 1 December 2022, transformed and operating under the business name: Grant Thornton Polska Prosta spółka akcyjna) with its registered office in Poznań at ul. abpa Antoniego Baraniaka 88E, registered under file no. 4055 as an entity authorized to audit financial statements (hereinafter referred to as "Grant Thornton").

The agreement with Grant Thornton was signed on 5 July 2021 and covers:

- audit of the standalone financial statements of PKP CARGO S.A. and consolidated financial statements of the PKP CARGO Group for 2021-2025,
- review of the interim standalone financial statements of PKP CARGO S.A. and consolidated financial statements of the PKP CARGO Group for 2021-2025,
- verification of the reporting package prepared for the purposes of consolidation with PKP S.A.,
- conduct of agreed procedures aimed at confirming the correct calculation of the annual ratios defined in the loan agreements.

On 19 December 2023, the Company entered into Annex 1 to the Agreement implementing an indexation clause for the fees depending on the inflation rate.

On 19 April 2024, the Company entered into Annex 2 to the Agreement which subject-matter was the change of the Agreement contractor from the consortium of audit firms Grant Thornton Polska P.S.A. and Grant Thornton Frąckowiak P.S.A. to Grant Thornton Polska P.S.A.

On 8 July 2025 the Company entered into Annex 3 to the Agreement, increasing the value of the Agreement in connection with the increase in the fees for the provided services for 2024 and 2025 and extension of the scope of the agreement by a re-audit of the Standalone and Consolidated Financial Statements for 2024.

By Resolution No. 58/2024 of 7 November 2024, the Extraordinary Shareholder Meeting of PKP CARGO selected the audit firm Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań at ul. Abpa Antoniego Baraniaka 88 E, 61-131 Poznań, KRS 0001002477, NIP 7822545999, entered in the list of audit firms kept by the Polish Agency for Audit Oversight under file no. 4055, to carry out certification of the Group's sustainability reporting for 2024 and 2025.

The table below presents the fees of the audit firm for 2025 and 2024. Due to the Annex 3 to the Agreement introducing the increase in the fee for the provided services as of 2024 and extending the scope of the agreement for re-audit of the Standalone and Consolidated Financial Statements for 2024, figures presented in the table for 2024 were converted as compared to the figures presented in the previous year.

Table 27 Net fee charged by the audit firm ('000 PLN)

Item	Network fee		including that of the audit firm Grant Thornton Polska P.S.A.	
	2025*	2024**	2025*	2024**
Audit of the Parent Company's annual financial statements including:	736.5	912.0	736.5	912.0
Audit of the Parent Company's standalone annual financial statements	*542.2*	*456.0*	*542.2*	*456.0*
Audit of the Parent Company's annual consolidated financial statements	*194.3*	*557.8*	*194.3*	*557.8*
Audit of the annual financial statements of related parties	644.4	426.2	301.4	85.4
Review of the financial statements of the Parent Company and related parties	259.9	202.5	189.4	132.9
Assurance of sustainability reporting	223.0	223.0	223.0	223.0
Other assurance services	8.0	8.0	8.0	8.0
Related services	40.0	39.6	9.7	9.7
Total	**1,911.8**	**1,811.3**	**1,468.0**	**1,371.0**

*** Fee for the services provided for the foreign companies was converted at the rate of National Bank of Poland as at 31 December 2025*
*** Fee for the services provided for the foreign companies was converted at the rate of National Bank of Poland as at 31 December 2024*
Source: Proprietary material

6. Other material events and information about the activity of the Company and the PKP CARGO Group

6.1. Other key information

- On 29 July 2025, the Management Board of PKP CARGO received from Grant Thornton Polska P.S.A., the audit company appointed to audit the financial statements of the Company and its Group (the "Auditor"), the "Independent Auditor's Report on the Audit of the Annual Financial Statements" and the "Independent Auditor's Report on the Audit of the Annual Consolidated Financial Statements" for the year 2024, along with the opinions. Due to the submission to the court on 30 June 2025 of the Restructuring Plan and the delivery to the Auditor of additional audit evidence, the earlier absence of which had resulted in a disclaimer of opinion on the said Financial Statements, the Auditor issued new Audit Reports, which superseded those issued on 28 April 2025. The Reports were submitted to the Ordinary Shareholder Meeting of PKP CARGO S.A. on 30 July 2025.
- On 11 August 2025, PKP CARGO and its subsidiary PKP CARGOTABOR Sp. z o.o. under restructuring executed a Letter of Intent with the Lubuskie Province, with its registered office in Zielona Góra. This trilateral document has been the starting point for negotiations concerning the potential acquisition by Lubuskie Voivodship of an organized part of PKP CARGOTABOR Sp. z o.o. under restructuring, namely the Locomotive Repair Section in Czerwieńsk. The Letter of Intent shall remain binding on PKP CARGOTABOR Sp. z o.o. under restructuring and Lubuskie Province until 31 December 2026.
- On 28 October 2025, the District Court for the Capital City of Warsaw in Warsaw, XVIII Commercial Division, issued a Decision amending the Judge-Commissioner's Decision of 19 April 2025, in such a way that it dismissed the Company's Administrator's request. In his Decision of 19 April 2025, the Judge-Commissioner had given his consent for the Restructuring Administrator to withdraw from the mutual agreement terminated by the Company on 11 June 2024, 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 effect from the date of commencement of the Company's remedial proceedings, that is from 25 July 2024.
- On 5 November 2025, the Management Board of PKP CARGO stated that there are no legal grounds for pursuing claims against PKP Polskie Linie Kolejowe S.A. for 2009-2014 in relation to the allegedly incorrect calculation of minimum access charges to rail infrastructure for 2009-2014 in light of the Judgment of the Court of Justice of the European Union of 30 May 2013, which stemmed from the flawed implementation of Directive 2001/14/EC of the European Parliament and of the Council of 26 February 2001, on the allocation of railway infrastructure capacity and the levying of charge for the use of railway infrastructure and safety certification, as amended by Directive 2004/49/EC of the European Parliament and of the Council of 29 April 2004. The positions of the Company was the result of the end of the analysis relating to the possibility of pursuing said claims against PKP Polskie Linie Kolejowe S.A.
- On 5 December 2025, the Company brought against the Prime Minister and the Minister of State Assets a claim for the payment of the amount of PLN 1,522,424,000 as compensation for damage arising out of the performance of tasks imposed on PKP CARGO on the basis of the Decision of Prime Minister MPRM.5020.19.2.2022(1) of 25 July 2022 (as amended) regarding the transport of coal purchased by PGE Paliwa sp. z o.o. and Węglokoks S.A. and a failure to perform by the State Treasury of the obligation to enter into an agreement with the Company for financing the task covered by the above Decisions arising out of the provisions of Act on Crisis Management of 26 April 2007.
- On 22 December 2025, the Judge-Commissioner issued a decision which determined that the State Treasury – the Minister of National Defense is entitled to the right of pre-emption to purchase the debtor's assets used for conducting activities in the field of national defense and state security, in the form of the perpetual usufruct right to a land property together with the ownership right to buildings and structures, located in Warsaw at ul. Przyce and ul. Gniewkowska, covering land parcels nos. 21/13, 21/14, 21/15 and 21/35 with a total area of 1.4198 ha, for which land and mortgage register no. WA4M/00421519/3 is maintained by the District Court for Warsaw-Mokotów in Warsaw, 10th Land and Mortgage Register Division, and that the Treasury of the State – the Minister of National Defense effectively exercised the right of pre-emption to purchase the debtor's aforementioned asset within the prescribed period by submitting the statement referred to in Article 323 subsections 2 and 2a of the Restructuring Law, and furthermore permitted evidence, at the expense of the State Treasury, in the form of court expert opinion in order to prepare the description and valuation of that asset which should include the recoverable amount in the bankruptcy proceedings upon liquidation of this debtor's asset according to the general principles, decreased by the costs of bankruptcy proceedings which costs should be incurred upon liquidation of this asset in such manner (Article 323 section 2b of the Restructuring Law).
- On 23 December 2025 the Company filed a statement of claim against the State Treasury concerning a claim for compensation for the so-called coal decision. The statement of claim was brought to the Regional Court in Warsaw, Civil

Division, and PKP CARGO is represented by the Company's Restructuring Administrator in the proceedings (file reference number IV C 1433/25).

- On 3 March 2026 the Company submitted, in agreement with the General Counsel to the Republic of Poland acting on behalf of the State Treasury, a request to the Regional Court in Warsaw, 4th Civil Division, to the case file number IV C 1433/25, for discontinuance of the proceedings pursuant to Article 178 of the Code of Civil Procedure. The request was submitted due to the fact that the parties have undertaken to resolve the dispute amicably in connection with the statement of claim filed by the Company on 23 December 2025 against the State Treasury. On 16 March 2026 by decision of the Regional Court in Warsaw the above proceedings were discontinued.
- On 27 April PKP CARGO entered into the Cooperation Agreement with Shung Shin Rolling Stock Technology Ltd. ("SSRST"). The subject-matter of the Agreement is to establish framework rules of cooperation between PKP CARGO and SSRST in preparation, development and execution of the project regarding the "Rolling stock as part of the defense logistics in Poland". It provides for the development of a modern rolling stock intended, among other things, for the transport of heavy military equipment and to support the military mobility and defense logistics system of the Republic of Poland. Detailed rules regarding the formation of a special-purpose vehicle, as well as rules on financing and implementation of the "Rolling stock as part of the defense logistics in Poland" project will be specified in the investment agreement and financing agreements. The agreement is non-binding and applies for 12 months. During that period PKP CARGO and SSRST will conduct negotiations to conclude detailed cooperation agreements.

6.2. Information on contracts of significance for the Company and the PKP CARGO Group

Signing of contracts with AZOTY Group companies

On 25 March 2025, the Company's Management Board decided to enter into a master cooperation agreement and commercial agreements with companies from the Azoty Group for the transport of goods in domestic traffic, export, import and on foreign routes, as well as agreements with Grupa Azoty Zakłady Azotowe Puławy S.A. and Grupa Azoty S.A. for the lease of the Company's wagons. The agreements were signed in the period from March to July 2025 and will remain in force until 31 August 2027. The maximum estimated net total value of these agreements during their term will be PLN 233.45 million.

Signing of an agreement with PKP PLK S.A.

On 12 December 2025, an agreement was entered into by PKP CARGO with PKP PLK S.A. on the use of throughput capacity for the transportation of goods in the 2025/2026 train timetable. The agreement will be in effect from 14 December 2025 to 12 December 2026. Under the agreement, PKP PLK will provide the Company with access to rail infrastructure to utilize the allocated throughput capacity for the passage of trains, shunting, stoppage of rail vehicles and use of service infrastructure facilities in the 2025/2026 timetable. Moreover, PKP PLK will provide the Company with data concerning the planned and implemented timetable and the operational work performed by its trains. The estimated net value of the agreement during its term of validity will be in total PLN 406.8 million with VAT, i.e. PLN 500.4 million gross. This is a regular agreement concluded by the Company on an annual basis.

6.3. The Restructuring Administrator's stance with respect to the possibility of realizing previously published result forecasts for the year

The PKP CARGO S.A. Restructuring Administrator did not publish any financial forecasts for the Company and the Group for 2025.

6.4. Other information of relevance for evaluation of the employment situation, financial standing, financial performance, assets and their movements as well as information of relevance for assessment of the ability of the issuer and other Group companies to pay their debts.

Other than the information presented in this report, no other information has been identified that would be of relevance for evaluation of the employment situation, financial standing, financial performance, assets or their movements or information of relevance for assessment of the ability of the Company and its subsidiaries to pay their debts.

7. Key risk factors and threats

7.1. Description of the key threats and risks

Risk associated with the restructuring proceedings

By the resolution of 18 March 2026, the Judge-Commissioner approved the Restructuring Plan submitted by the Restructuring Administrator on 30 June 2025. The Company has the ability to cover the costs of the proceedings and liabilities arising after its commencement, as well as liabilities that cannot be covered by the composition agreement. The Company pays its current liabilities related to its operating activity in the course of remedial proceedings. Liabilities to business partners providing services and materials necessary for the operation of rail transport are paid on an ongoing basis. Both the suppliers of key utilities (traction energy, traction fuel) and essential services (in particular those related to access to rail infrastructure), employees in respect of their current salaries, as well as public law institutions, receive the amounts due.

However, it should be noted that the Council of Creditors, in a resolution of 17 March 2026 presented a standpoint indicating the necessity to change and precise the Restructuring Plan, at the same time taking into account the material risks related to the implementation of its objectives, including the possibility of failing to achieve the projected results during the term of performance of the composition agreement, which, in the Council's opinion, carries a high risk of its non-performance. In the Council's view, funds obtained from sources such as potential compensation payments and divestitures should be allocated first and foremost to the repayment of debts to creditors. At the same time, the Council suggested that further efficient conduct of the proceedings is needed and that the works on development of the final Composition Proposals, acceptable for all creditors, should be started.

The Company was obligated to file the final Composition Proposals by 30 April 2026; however, on 23 April 2026, applications were submitted to the Judge-Commissioner requesting that the deadline for filing the final content of Composition Proposals be extended to 30 June 2026. The talks with the Creditors are demanding, as their purpose is to recover the funds as soon as possible. However, the role of the Company is to present such conditions of the composition which will be feasible and acceptable for the participants in the proceedings. In this process the Company takes into account the interest of Creditors, shareholders and long-term operational security pf PKP CARGO. In accordance with the procedure, after the Company presents the final Composition Proposals, the creditors will vote on the Composition. A majority of at least two-thirds of the total claims and a majority of the Creditors (half plus one vote) is required. The court will then determine whether the composition is enforceable and whether it would be unfair to any of the parties. The composition agreement may therefore be concluded by the end of 2026. Such a solution would allow PKP CARGO to return to normal operations, apply for external financing, including subsidies, and gradually rebuild its creditworthiness. It is worth highlighting that the failure to conclude a composition agreement would mean the discontinuance of the remedial proceedings, and in practice, would leave no realistic possibility of satisfying the Creditors; therefore, a constructive agreement is in the interest of all parties.

In the Company's opinion, based on an assessment of its current financial and asset position, Creditors' satisfaction under the remedial proceedings on the terms and conditions defined in Composition Proposals should be greater than in the case of payment under the bankruptcy scenario. Therefore, the Company believes that the assumption that the Composition will be adopted on terms consistent with the Company's current financial projections is reasonable.

In the Company's opinion, the risk that the Composition will not be approved is at a low level, however, due to its possible consequences, this risk is material.

Risks arising from geopolitical conditions

- numerous geopolitical tensions, as well as regional conflicts, are leading to a sharp decline in the level of cooperation, which, as a result, leads to a gradual decline in international cooperation and exchange;;
- violations of international norms and the marginalization of institutions that uphold the global order by the world's major global and regional economic or military powers lead to a disruption of the fragile balance in the international arena and a potential escalation of tensions in regions that have so far been considered stable;
- frequent disruptions to supply chains, including in maritime, land, and air transport, are contributing to a slowdown in global economic growth, as well as the breakdown of existing economic ties and the emergence of new relationships in their place;
- conflicts between the United States and China will effectively reshape global supply chains, while escalating economic conflicts and creating significant instability in individual commodity markets through the use of, among other things, tariffs and restrictions on international trade;
- the European Union's limited influence, despite its significant share of international trade and global GDP, poses numerous challenges for countries within its sphere of influence, which are losing their importance in international trade amid the strong expansion of Asian economies;

- The war in Ukraine is having a very negative impact on the region's economic performance, as well as on investment opportunities in the area. Due to the Russian Federation's aggressive actions, this region is considered unstable and vulnerable to hybrid operations;
- the sanctions imposed on Russia and Belarus by the Western countries are affecting the economies of the aggressor to a limited extent; however, it reduces its economic potential and causes numerous economic problems. Further action is needed in this area, which will increase pressure and allow the conflict to gradually subside;
- tensions along the Polish-Belarusian and Polish-Russian borders, as well as along the borders between Russia and Belarus and third countries, could lead to a further severing of economic ties with those countries and effectively block trade, which, unfortunately, could have a highly negative impact on transportation companies;
- The Middle East remains one of the major flashpoints, and given its strategic location along particularly important maritime routes, a further escalation or a new conflict could create additional problems for trade, and in special cases, it could even lead to disruptions in supply chains.

The likelihood of risks arising from geopolitical conditions in a highly unstable international environment, particularly in the context of attempts to reshape the global order, should be assessed as moderate; at the same time, these risks have implications that affect operations of PKP CARGO S.A. under restructuring and the companies of the PKP CARGO Group at a moderately low or moderate level.

Risks arising from macroeconomic conditions, related to the economic and market environment

- a growing number of global and regional disputes, conflicts and trade wars, negatively affecting international trade and global economic growth, which is curtailing the economic activity in Europe, including Poland;
- the instability of the economic environment, low demand in Europe, the persistent problem of high inflation, unstable and globally uncompetitive energy prices, and a severe shortage of new orders in the industry;
- a reduction in capacity utilization resulting from changes in international trade;
- still elevated uncertainty in commodity markets, effectively limiting the execution of investment processes, as well as cooperation between enterprises;
- interest rates in Poland that are higher than those of major partners, resulting in increased capital costs;
- the high instability of the country's laws and tax regulations, which is hampering business investment activity;
- the high electricity consumption of new technologies will put increased pressure on the power grid and lead to higher electricity rates;
- the actual impact of the energy crisis on the operations and functioning of European economies;
- the high cost of CO_2 emissions for the Polish economy, due to an energy mix that deviates from European standards, effectively hinders engagement of enterprises and their potential for global growth, while simultaneously reducing competitiveness, particularly vis-à-vis entities outside the EU;
- economic policies that allocate significant resources to the energy transition may lead to a substantial increase in debt and exacerbate the country's macroeconomic imbalances, which could result in a slowdown or even a decline in other areas;
- decreased demand for transport of bulk cargo which determine the volume of freight transport of the PKP CARGO Group (including such as: hard coal, coke, ores and metals), in the industry sectors that traditionally have played a significant part in the functioning of the Polish economy (including the energy and steel sectors), is leading to a reduction in demand for rail transport services;
- further restrictions on globalization and trade between countries, including through trade barriers such as tariffs or quotas, growing protectionism in particular economies, and an escalation of trade disputes effectively disrupt a stable and balanced development of the global economy which leads to numerous disruptions in various areas;
- Poland's significant macroeconomic imbalances – a substantial public finance deficit, high and rapidly rising debt, and excessive debt service costs, coupled with relatively high interest rates (the consequences of expansionary fiscal policy), as well as high defense and social spending, pose a real threat to the proper development of the Polish economy. This could lead to significant disruptions, a slowdown in growth, and potential crises in the coming years.

The likelihood of risks arising from macroeconomic conditions in a currently highly volatile macroeconomic environment, should be assessed as moderate; at the same time, these risks generate consequences that affect operations of PKP CARGO S.A. under restructuring and the companies of the PKP CARGO Group at a moderate level, influencing among others a decline in demand for rail freight services.

Customs and tax risk

Risks have been identified related to decisions by customs and tax authorities in which the Company, together with other entities, is held jointly and severally liable for customs and tax liabilities for 2020-2021. The Company's liability results from the nature of joint and several liability for customs and tax liabilities of the entities participating in the supply chain which is based on a guarantee and, as a rule, is not contingent on fault or the exercise of due diligence by the liable entity. In the transactions in question, the Company was not the importer of the goods, did not own them, and was not the party filing the customs declaration or deciding on the customs procedure.

Thanks to the measures taken by the Company, this risk can be assessed as low; however, given the evolving nature of the matter and its potential – though currently unquantifiable – impact on the Company's financial position, it has been deemed material.

Risk associated with the rail freight sector

- the dynamically developing market and the growing number of rail operators performing freight transport result in a more intense competition. According to data presented by the Office of Rail Transport (UTK), there are currently 134 rail operators active on the Polish rail freight market holding an active license issued by the UTK President for the conduct of rail freight operations (as at 31 December 2025).[73] Among these companies are also three members of the PKP CARGO Group: PKP CARGO S.A., PKP CARGO SERVICE Sp. z o.o. and PKP CARGO International a.s.[74] In the corresponding period of 2024, there were 132 rail operators,[75] i.e. during last year, despite a significant slowdown in the economy, and a decline in demand for rail freight transport services, suspension of licenses for 9 rail operators, and progressing consolidation of entities into groups), there has been a surge in new active players, which leads to a growing competition for rail freight services;
- according to the Office of Rail Transport's data, in 2025, 34 rail carriers conducted transport operations whose market share in terms of transported freight volume exceeded the 0.5% threshold (in 2024, the corresponding figure was 32 rail operators)[76], which shows further strengthening of players with lower market share, with increasing pressure on the market leaders;
- elevated competition in the market for intermodal rail transport in 9M 2025 – 37 rail operators provided intermodal transport services (compared to 33 operators in 9M 2024). Despite limited demand in the European Union, the ongoing war in Ukraine, and a yoy decline in rail freight volumes, the sector has maintained positive results since the fourth quarter of 2023 – historical freight volume records were set in 2024, and 2025 is not too far off from the previous year's results. In addition, between 2024 and 2025, there was a significant increase in the share of intermodal transport within total freight transport, a trend that continues to grow; this is also due to a cumulative year-on-year decline in rail freight transport;
- the ever-increasing environmental requirements for rolling stock, including, among other things, those related to emissions and noise levels, as well as the need to modernize shunting locomotives in particular (most of which rely on combustion engines), generate significant costs for rail operators associated with adapting their rolling stock to market requirements;
- the limited availability of trained personnel due to (among others) the natural attrition of the oldest employees, the virtual absence of vocational schools, and the limited number of young people willing to take on manual labor effectively increases labor costs, with ongoing technological advancements necessitating advanced training, which, combined with increased spending on financing and modernizing the logistics infrastructure, makes it necessary to maximize the efficiency of all resources related to the freight transport process;
- the risk that electricity prices and potentially diesel prices in the future will remain high could effectively undermine the competitiveness of rail operators;
- a negative impact on the market for specialized operators within groups that provide freight services for manufacturers i.e., affiliated entities with which they do not have to compete. Specialized rail operators perform much broader range of transport and transport-related services, which affects simultaneously attractiveness and comprehensiveness of their offer, effectively pushing other competitors out of the market, competing outside their main domain. At the same time, only some entities perform dispersed transport services and highly specialized transport services (including goods crossing the gauge or requiring rail cars with a recessed floor);
- the main competitors of the PKP CARGO Group in the Czech market are ČD CARGO (the national rail operator and the leader of the country's transport market), Metrans Rail (an international logistics operator specializing in the intermodal

[73] Office of Rail Transport (as at 31 December 2025), the statistics take into account entities providing transport services under a license issued by the President of the Office of Rail Transport. Moreover, there are companies operating in the market under an international license, including a PKP CARGO Group member, PKP CARGO International.
[74] Office of Rail Transport
[75] Office of Rail Transport
[76] Office of Rail Transport

transports in the countries of the Three Seas Initiative), ORLEN Unipetrol Doprava (a member of the Orlen Group specialized in fuel and chemicals transportation), LOKORAIL (a member of the Budamar Group), Rail Cargo Carrier – Czech Republic (a subsidiary of the international carrier Rail Cargo), and DB Cargo Czechia (a subsidiary of DB Cargo AG in the Czech market).[77] Operators in the Czech rail freight market, operating within groups or ad hoc consortia, and utilizing a single EU-wide license, handle a significant portion of international freight transport, including shipments across the Polish border and via Polish seaports. A competitive market leads to increased competition in all segments of rail transport, including, among others, the transport of solid and liquid fuels, ores and metals, chemical products, and intermodal freight;

- In Poland, but also in other EU countries, where the PKP CARGO Group operates, there is a noticeable trend toward the decentralization of the rail transport market, as evidenced by the growing share of new and small operators and the increasing importance of independent transport terminals, which often respond very effectively to market needs by offering competitive services even against the largest and most experienced rail operators and owners of rail infrastructure.

The likelihood of risks associated with the Polish rail freight sector should be assessed as moderate; at the same time, these risks have consequences that have a moderate impact on operations of PKP CARGO S.A. under restructuring and the companies of the PKP CARGO Group by affecting directly important areas of companies' operations.

Risk associated with the rail infrastructure

- numerous instances of repair works and modernization, as well as in the smaller scale the construction of new rail infrastructure significantly reduce the capacity of many routes, which in consequence unfortunately lengthens the duration of selected services and leads to a significant increase in costs, as well as a noticeable decline in service quality and competitiveness compared to other modes of transport, especially car transport;
- due to the financing organization of investments, accumulation of work in the area of rail infrastructure is periodically seen in Poland. It is related to the lack of long-term planning of national funds and the expenditure of EU funds within periods of few years, for which no bridging funds are provided. As a result of limited planning, the ongoing work is prolonged, the capacity of rail lines is limited and the competitiveness of the railroads compared to other forms of transport is reduced. Downtime in implemented investment projects affect also the contractors of specialized work who are not able to finance the necessary technical facilities for the investment and maintain the appropriate staff;
- lack of even development policy for the various forms of transport in Poland is also visible on the rail market, where passenger transport is favored, given priority since it involves transporting people according to pre-arranged schedules (with an increase in the volume of transports), leads to limitation of opportunities for development and poorer competitiveness of freight transport;
- as the length of Polish rail lines does not really change and new projects are implemented on a very limited scale, while the freight traffic (due to the priority for low-emission transport) and passenger traffic grow quite dynamically, delays in the freight transport may occur frequently and its duration may be prolonged; Extended waiting times for the possibility of continuing transport, a lack of available slots, or even waiting areas for freight trains to continue their journey can efficiently discourage the use of freight rail carriers, redirecting customers to road transport, among other options;
- the need to deploy significant resources, including those outside the Railway Security Service (SOK), to monitor the railway network, which, given its presence across nearly the entire country, remains infrastructure vulnerable to potential attacks and acts of sabotage (due to the inability to maintain constant surveillance);
- There is a real risk of disruptions to rail traffic resulting from hostile actions by foreign states, including damage to rail infrastructure, which could lead to service suspensions and additional delays in deliveries.

The likelihood of risks associated with the modernization of rail freight infrastructure should be assessed as moderate or highly moderate, at the same time those risks generate consequences which at the moderate level affect the operations of PKP CARGO S.A. under restructuring and the companies of the PKP CARGO Group i.e. infrastructure problems are usually localized; even when they affect line infrastructure and impact specific aspects of freight transport, they can effectively hinder the growth of freight transport.

[77] SŽDC

Risk associated with road transport, which constitutes increasing competition for the PKP CARGO Group

- thanks to a well-developed road network and competition between many service providers, road transport is the most flexible mode of transport, which presents a major challenge and threat to the potential development of rail transport. The main advantages of the road transport operators over rail operators consist in their very high flexibility in adapting to the changing market conditions and ability to respond immediately to market needs. Rail transport, on the other hand, has a significant market advantage in its ability to carry large volumes in a single shipment; however, due to limited demand for the transport of large batches of products or raw materials at one time, this results in limited capacity for growth or even for maintaining market share in a highly competitive market;
- the upward trend, continuing in recent decades, in the market share of road transport at the expense of declining shares of other modes of transport[78];
- unbalance of the transport system brings about a reduction in the scale of rail transport (relatively low transport volumes in the last 20 years[79] compared to the results of production or international trade), while the road transport in Poland is constantly developing, resulting, inter alia, from the extensive road network in Poland and the small number of rail lines separating local and interregional transport, the lack of construction of a larger number of new lines and poor effects of modernization that does not improve significantly the parameters of rail transport).

The dominance of road freight transport in Poland is the result of a number of competitive advantages over rail transport, including:

- visible disparities in the fluctuations of prices of energy sources for rail (electricity) and road (diesel fuel) transport, and the fact that in the case of electricity CO_2 emissions have been subject to taxation for many years and there is no such taxation for fuels;
- diversification in the level of fees for the use of rail infrastructure (payment for using each kilometer of network) and road infrastructure (taxes imposed only on selected sections) which directly affects the cost of one ton of transported goods;
- highly developed road network in Poland and Czechia;
- still relatively low costs of access to road infrastructure in Poland (additionally, the roads where the toll applies represent a low share of the road network in Poland as a whole), while the entire railway network is subject to tolls based on time spent on the network);
- very high flexibility of road operators with respect to changes in transport volumes;
- significantly greater average commercial speed as compared to rail transport coupled with the possibility of providing direct door-to-door transport services.

The likelihood of risks associated with road transport as a competition for the PKP CARGO Group should be assessed as moderately low or moderate; at the same time, these risks have consequences that have a moderately low or moderate impact on operations of PKP CARGO S.A. under restructuring and the companies of the PKP CARGO Group (i.e., efforts to tax all forms of emissions within the European Union will create a more level playing field, but disparities in charges and infrastructure will remain a key issue affecting the functioning of the transport market in Poland; however, the two modes of transport are largely complementary, which mitigates some of the risks).

Risk of a high dependence of the customer base on a limited number of industries and business entities operating therein and their suppliers

- a large number of agreements signed with customers by the PKP CARGO Group are long-term and renewable agreements. This results from customers' demand for transporting considerable volumes of bulk cargo, including coal, aggregates, metals, ores and chemicals, as well as raw materials, components and ready goods, on a regular basis. To transport such cargo, the Group companies prepare the necessary resources (including, among other things, rolling stock and personnel) to ensure that services are provided on a reasonably regular basis and adjusted to fluctuations in demand. However, the deindustrialization of Europe and high operating costs may effectively limit the operation of heavy industry in particular (with the exception of that serving the armed forces), and thus reduce the demand for regular, large-scale rail freight transport;
- major role played by specialized companies (providing exclusive transport services to affiliated manufacturing companies), and their gradual acquisition of transport contracts outside their core segment, significantly reduces the volume of goods available for acquisition on the competitive market.

[78] Statistics Poland, Czech Statistical Office
[79] Office of Rail Transport

In view of the intensifying competition on the rail freight market in Poland, the PKP CARGO Group companies constantly strive to customize their offer and consistently improve the quality of their services, as well as to provide comprehensive customer service. Key factors for the offer's improvement include: construction and modernization of logistics centers, acquisition of modern rolling stock complying with the environmental requirements, preparation and deployment of operator trains, and the provision of multimodal transport services, both independently and in cooperation with other entities, and development of international transport (including as part of the "Three Seas Initiative" or "NSR"). The ongoing decline in the use of hard coal in the economy will only continue, leading to a significant reduction in rail freight traffic in Poland (in terms of volume, hard coal is the largest bulk cargo transported on a relatively regular basis). Therefore, due to the decreased transport in this area, it is necessary to focus on the increase in volume for prospective rail transport segments (including, in particular, cross-border and domestic transport, e.g., containers, semi-trailers, cars, chemicals).

The likelihood of risks associated with high dependence of the customer base of the PKP CARGO Group on a limited number of industries and business entities operating therein and their suppliers should be assessed as moderate or moderately high, at the same time, these risks generate consequences that have a moderate to moderately high impact on operations of the PKP CARGO S.A. under restructuring and the PKP CARGO Group companies – in the case of decline in demand for bulk cargo transport, there are no easily available alternatives to fill the gaps in transported tonnage and the resulting revenue.

Risk associated with changes in legal regulations

At the Company, systemic measures are taken to minimize the risks and threats resulting from changes to legal regulations, including:

- legal alerts;
- direct monitoring of changes in the law by organizational units of the Company's competent about substantive issues;
- law monitoring tools (IT tools supporting specific areas);
- the Company's participation in consultations of draft legal acts;
- systemic principles of legislation and legal order securing acceptance and implementation of internal regulations and their compliance with regulations of generally applicable laws.

In 2025, the Legal Service Office issued 17 internal legal alerts informing the relevant organizational cells of the Head Office and the Company's Units (after 1 August 2025 – Company's organizational units) about amendments to generally applicable regulations (20 legal acts) and 3 updates about subsequent economic and targeted sanction packages that are to further limit the ability of Russia to wage an unlawful, unprovoked and unjustified war against Ukraine (packages: XVI, XVII, XVIII).

The alerts concerned various areas from the Company's operations, including:

- changes to the list of weapons for which a license is required;
- the provision of public aid for intermodal transport under the National Recovery and Resilience Facility;
- changes to certain charges, rates, and costs associated with the use of rail infrastructure;
- changes in the list of cargo marked by CN codes and items which are subject to the system of road and rail monitoring of freight services and trade in heating fuels for subsequent commodities;
- establishing a new list of certification bodies authorized to conduct conformity certification and compliance audits of the internal control system (ICS);
- amendments to the labor law.

Furthermore, the Legal Services Office took part in consultations of 11 draft acts of generally applicable laws.

Risk of collective disputes and strike

Because of a high unionization rate in the Company, there has always been a risk of industrial actions taken by trade unions. Therefore, maintaining the stable social situation not threatening the statutory activity, especially in the current situation, is a priority of the PKP CARGO under restructuring Group. The aim of the Company's Management is to carry out talks with the trade unions in order to search for the best solutions in the demands put forward. Reaching an agreed position by the Parties and conducting negotiations in good faith, and reaching a compromise make it possible to pursue the Company's statutory tasks in a peaceful atmosphere.

The implementation of restructuring measures in 2025, resulting, among others, in optimization of the employment area (mass layoffs), have not caused the protests of the social partners. At present, what is important is to take initiatives and talks with the trade unions representing employees of PKP CARGO S.A. under restructuring, aiming to reduce costs of the Company's operations, directed at the same time at ensuring social peace, making it possible to conduct effective business activity.

On 1 December 2023 the collective dispute was started by eight Trade Unions which are Parties to the Company CCBA. At present, the talks are no longer continued. In the current financial standing, the Company is unable to finance the presented demands.

Risk of increase of salaries

The withdrawal from the Employee Guarantee Package, which lost force in August 2024, made the trade unions to be unable to present demands on the basis of the commitments following from § 5(1) of the document, i.e. annual increase of salaries and wages depending on the Company's performance and financial standing.

Risk associated with a shortage of trained personnel and acquisition of appropriate personnel

The risk associated with a shortage of trained personnel at the Company is monitored on an ongoing basis. As a result of Company decentralization process, the headcount structures were optimized, adjusting them to current and available needs. The staff employed now have knowledge and skills making it possible to perform tasks effectively. In the Company, an adaptation program was also carried out, in an on-site form or remote (online) form – depending on the needs and expectations of various groups of positions: administrative employees, non-administrative employees and managerial staff. A carefully selected professional training program was aimed at ensuring that new employees are integrated into the organization and familiarized with their duties as soon as possible and to help them adapt to the working environment, which influenced the effectiveness of the performed works.

The rail transport industry, and in particular positions associated with rail transport safety, require updating knowledge and acquisition of skills on an ongoing basis. This objective has been achieved through obligatory training courses delivered in the form of e.g. periodic knowledge updates, tutorials and examinations. The effect of the continuous training process was the obtaining of licenses and improvement of qualifications by the personnel. In 2025 a series of training courses were also continued to acquire skills in the use of MS Office. The training courses were conducted online.

In 2025, the Company carried out internal and external recruitment processes based on justified business needs. Because of the continuing restructuring process, the risk of problems with acquiring highly qualified staff has been identified. PKP CARGO S.A. under restructuring is not perceived by candidates as an employer of "first choice", which makes it difficult to conduct recruitment processes. To minimize the risk, the Company has taken activities for candidates with a relatively short professional training but distinguished by a high level of motivation and desire to develop. The professional potential of such employees has been developed by, among others, participation in internal training courses. Those employees have had opportunities to obtain new qualifications to carry out work in key positions for the provision of transport services, including as a train driver, rolling stock auditor or shunter.

In summary, thanks to the Company's actions taken so far in order to manage this area the risk associated with shortage of trained personnel has been minimized.

Risk associated with cybersecurity

In the reporting period, a number of attempts to scan the Company's IT infrastructure and various types of attacks were recorded. The cybersecurity solutions implemented in the Company, the adopted procedures, and cooperation with CSIRT at the national level made it possible to mitigate the attacks with no impact on the continuity of operations. Additionally, the actions taken in the ICT security, enhancing the employee access requirements, have increased security of access to the Company's resources. It is estimated that for now, the organizational and technical solutions adopted in the Company meet the expectations held about them satisfactorily. However, given the current geopolitical situation and the related escalation of cybercrime, a high degree of cyberthreats of an unpredictable scope and volume should be expected, potentially exerting a significant negative impact on the Company's cybersecurity. This situation requires constant maintaining and improving solutions protecting the Company in this scope.

Financial risks

Liquidity risk

The Group is exposed to liquidity risk ensuing from the ratio of current assets to net current liabilities (current liabilities less short-term provisions).

In terms of ensuring current liquidity, the Group is taking measures aimed at cost optimization, among other things. In the course of managing the liquidity position, the levels of trade receivables and payables are monitored on an ongoing basis.

The opening of the restructuring proceedings has protected the 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. PKP CARGO S.A. 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 PKP CARGO on an ongoing basis, with the exception of a portion of trade payables and lease liabilities, mainly to PKP Group entities, liabilities to the Company Social Benefits Fund and liabilities that the Company considers to be in dispute. In addition, some liabilities of the Company are not being repaid because of talks on their payment terms held with business partners (including also regarding the funds received from the Guaranteed Employee Benefits Fund). In 2025 and 2024, some employee benefits, such as retirement severance pay and jubilee awards, were not paid when due. On 8 October 2025 the Company paid out the final portion of past due employee benefits in the total amount of PLN 57.7 million. These benefits were paid at the principal amount, without interest.

Information on credit facilities undrawn as at 31 December 2025 is presented in **NOTE 4.1. TO CONSOLIDATED FINANCIAL STATEMENTS OF THE** PKP CARGO Group for 2025.

Current cash flow projections indicate that PKP CARGO will have sufficient funds generated from current operations to cover current liabilities within the upcoming 12 months (without the liabilities included in the composition). The key financing sources included in the Restructuring Plan will be proceeds from the Company's current activity. It should be noted that, in the opinion of the Company's Management Board, it will take time and the progressive implementation of corrective measures to return to sustainable profitability and generate positive cash flows from core operations, and that full operational and financial stabilization will not be achieved in the short term. This will require consistent implementation of cost optimization, improvement of operating margins, and maximization of asset utilization in a manner that generates added value for the Parent Company's stakeholders. Accordingly, additional financing sources will be required, which may be divided into two main categories:

- proceeds from the sale of assets (sale of non-operationally-used assets, mainly real property and rolling stock),
- additional funds generated through effective implementation of restructuring initiatives.

In view of the above, assuming that the Restructuring Plan approved by the Judge-Commissioner is implemented, the Company does not anticipate a liquidity gap, and the risk in this regard is considered to be low.

Market risk - FX risk

The Group is exposed to market risks associated with fluctuations of exchange rates and interest rates. The objective of the market risk management process is to limit undesirable impact of changes of market risk factors on the cash flows and results in the short and medium term. The Parent Company manages the market risk ensuing from the aforementioned factors based on internal procedures which define the measurement rules of individual exposures, parameters and the time horizon.

The principles of market risk management are implemented by designated organizational units under the supervision of the Parent Company's Management Board. Market risk management is executed based on developed strategies, with partial utilization of derivative instruments. Derivatives are used only to limit the risk of a change in the carrying amount and the risk of cash flow changes. Derivative instrument transactions are entered into only with reliable partners, admitted to participation as a result of application of internal procedures.

In 2025, the Group was exposed to FX risk resulting from the receivables, payables and cash denominated in foreign currencies. The Group's receivables expressed in foreign currencies are short-term receivables with the maturity up to 1 month and payables expressed in foreign currencies are mostly short– and long-term liabilities on account of investment loan agreements with maturities over 5 years.

The balance sheet valuation of receivables and some current and non-current liabilities expressed in foreign currencies, settlements in foreign currencies both on the side of receivables and liabilities, lead to financial revenues (positive FX differences) and financial expenses (negative FX differences). The level of financial revenues and financial expenses fluctuates during the year, which is caused by changes in the exchange rates.

Cash in foreign currencies deposited on bank accounts follow from timing mismatch of receipts and expenditures and the surplus of receipts over expenditures. In a long-term perspective, the valuation risk matches the risk of change of cash flows, therefore the Group's cash flows are subject to hedging operations.

For the EUR/PLN exchange rate, there is partial natural hedging due to the fact that proceeds in EUR are partly balanced out by expenditures in the same currency.

The Company used hedge accounting for all EUR loans.

These transactions were effected by the PKP CARGO. Details are presented in **NOTE 6.2. TO CONSOLIDATED FINANCIAL STATEMENTS OF** the PKP CARGO Group for 2025.

Interest rate risk

The Group is exposed to the risk of volatility of interest rate cash flows following from bank loans, leasing based on variable interest rates. In 2025, interest on loan agreements were accrued according to the WIBOR 1M, WIBOR 3M and EURIBOR 3M reference rate plus the banks' margin. The interest rate risk in loan agreements was executed through revaluation of loan installments in monthly, quarterly and semi-annual periods.

Credit risk

The Group conducts its commercial activity by selling services to businesses with a deferred payment date. This may lead to the risk that receivables from counterparties for services provided may not be received. In order to minimize credit risk, the Group manages this risk by applying a customer creditworthiness assessment procedure. This assessment is carried out for all customers who use deferred payment dates. As part of its internal policy, the Company makes application of the deferred term of payment conditional on acceptability of the counterparty's condition and positive history of cooperation.

Receivables from business partners are monitored on a regular basis. In the case of overdue receivables, in accordance with prevailing procedures, the delivery of services is suspended and recovery procedures are triggered.

Concentration of risk associated with trade receivables is limited due to the large number of business partners with commercial credit dispersed among different sectors of economy. In addition, to reduce the risk of problems with recovery of trade receivables, the Company accepts security interests from its customers in the form of, among others: bank/insurance guarantees, assignment of contracts, security deposits and promissory notes.

The credit risk associated with cash and bank deposits is perceived as low. All the entities in which the Group invests free cash operate in the financial sector.

The maximum exposure to credit risk is represented by balance sheet balances of trade and other receivables, cash and other financial assets. This exposure is limited through securities established in favor of the Group (in the form of, inter alia, bank/insurance guarantees, guarantee deposits).

7.2. Information on financial instruments with respect to the risk and risk management objectives and methods adopted by the Company and the PKP CARGO Group

The principles of market risk management are implemented through the assigned organizational cell under the supervision of the Company's Management Board. Financial risk in the PKP CARGO Group is managed with partial use of derivative instruments which are used only to limit the risk of a change of the balance sheet values and the risk of cash flow changes.

In 2025, the Company applied cash flow hedge accounting using financial instruments, mainly investment loans in EUR. 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.

7.3. Information on financial instruments with respect to the risk: price changes, credit risk, risk of significant cash flow disruptions and risk of loss of financial liquidity that the Company is exposed to

In connection with the identification of the risk of periodic financial difficulties at the Parent Company, the Group is taking steps to ensure its current liquidity, including through cost optimization. In the course of managing the liquidity position, the levels of trade receivables and payables are monitored on an ongoing basis.

The Company makes every effort to ensure that the liabilities incurred after the commencement of remedial proceedings are paid on an ongoing basis.

8. Other information and events

8.1. Information on PKP CARGO S.A. shares

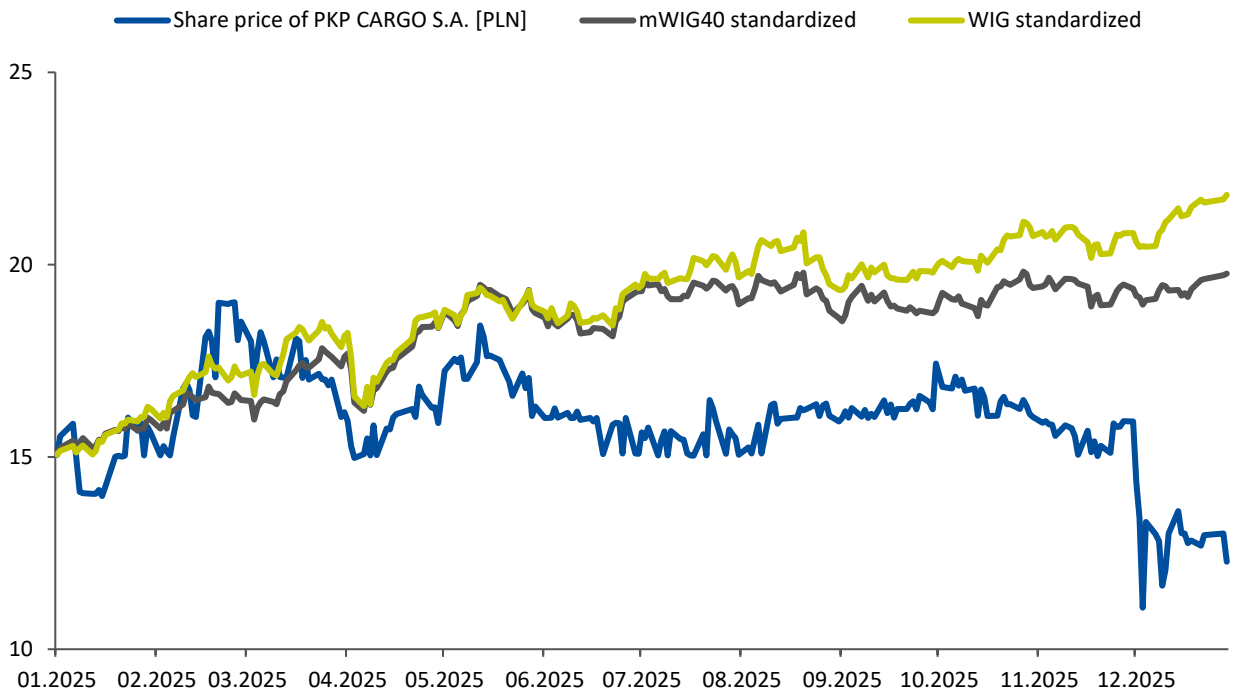
8.1.1. Investor Relations

PKP CARGO S.A., as a public company listed on the Warsaw Stock Exchange since 2013, undertakes communication activities aimed at presenting the most reliable image of the Company. The overarching goal of communication activities carried out within the framework of maintaining investor relations is to present the Company's financial situation to investors and to provide equal access to information to all market participants in a way that it is clear and transparent to all.

To ensure effective communication, the Company develops and provides additional materials, accessible on the Company's website in the section dedicated to investor relations and ESG. These include a fact sheet, investor presentations and basic financial and operational data on each quarter, investor calendar, as well as information on the share capital and its changes in 2025.

As part of the activities of the Investor Relations and ESG team scheduled for 2026, the Company will continue active communication with the market and participation in domestic events, as well as ensure transparency of its activities.

Figure 31 Stock exchange quotes for PKP CARGO S.A. in 2025*



In connection with Resolutions No. 864/2024 of 3 July 2024 and No. 976/2024 of 29 July 2024 adopted by the Management Board of Warsaw Stock Exchange on specific marking of financial instruments of PKP CARGO S.A. under restructuring listed on the WSE's Main Market, because of the opening of the remedial proceedings, the shares of PKP CARGO were deleted from the register of participants of the indexes: mWIG40, mWIG40TR, WIG140, WIGind, WIG and WIG-Poland

Source: Proprietary material

In 2025, between 2 January and 30 December, PKP CARGO's share price fell from PLN 15.06 to PLN 12.28 (-18.46%). The lowest share price was recorded on 4 December 2025 (PLN 11.08), and the highest on 26 February 2025 (PLN 19.02). In 2025, the WIG index and mWIG40 indices increased by 44.9% and 31.2%, respectively.

Polskie Koleje Państwowe S.A., with a holding of 33.01%, remains the main shareholder of PKP CARGO. PKP S.A.'s operations focus on two areas: asset management and supervision of PKP Group companies. In the area of control over companies, special attention is paid to effective supervision to ensure the highest quality of transport and logistics services for passengers and cargo. Polskie Koleje Państwowe S.A. is the parent company of the PKP Group, which has been operating as a holding company since 2022. The State Treasury, represented by the minister responsible for transportation, is the sole shareholder of PKP S.A.

8.1.2. Information about agreements which may in the future cause changes to the proportions of shares held by the current shareholders

The Company is unaware of any agreements entered into by its existing shareholders which may result in future changes to the proportions of their shareholdings.

8.1.3. Acquisition of treasury stock

In 2025, PKP CARGO S.A. did not effect any purchase or sale of its treasury stock.

8.1.4. Information on the employee share plan control system

Shares taken up by entitled employees in connection with the right granted under the Employee Guarantee Package were subject to contractual limitation of their disposal. Each eligible employee submitting a subscription for shares was required to sign an agreement providing for restrictions on the transferability of shares for a period of 2 years from the Company's first day of trading on the Warsaw Stock Exchange, i.e. until 30 October 2015. Any submitted subscription without signing the said agreement would have been considered invalid and the eligible employee would have lost his/her right to the privatization bonus, hence also to the shares. A sale of or encumbrance on any shares or rights to shares prior to 30 October 2015 was ineffective against the Company and may have exposed the employee to liability for damages.

On the date of expiration of the above lock-up period, i.e. on 30 October 2015, series C shares were converted into bearer shares.

8.1.5. Shares held by management board and supervisory board members

The holdings of the Company's shares or rights thereto by the Company's management and supervisory personnel as at the date of approving this report was as follows:

Table 28 PKP CARGO S.A. shares held by Management Board members as at the report approval date

Name	Number of PKP CARGO S.A. shares held by Management Board member as at the date of approving the report	Par value of shares as at the date of approving the report [PLN]
Paweł Głodek	0	0
Zbigniew Prus	0	0
Paweł Miłek	47,000	47,000
Michał Łotoszyński	0	0

Source: Proprietary material

Table 29 PKP CARGO S.A. shares held by Supervisory Board members as at the report approval date

Name	Number of PKP CARGO S.A. shares held by the Supervisory Board member as at the date of approving the report	Par value of shares as at the date of approving the report [PLN]
Bogusław Nadolnik	0	0
Monika Starecka	0	0
Michał Wnorowski	0	0
Marzena Piszczek	0	0
Robert Stępień	0	0
Piotr Babski	0	0
Tomasz Pietrek	46	46
Jacek Męcina	0	0
Anna Ślęzak	0	0

Source: Proprietary material

The aforementioned members of the Management Board or Supervisory Board, as at the date of submission of this report, do not hold any shares or ownership interests in related parties of PKP CARGO S.A. under restructuring.

8.1.6. Dividends paid or declared

Due to the loss recognized for the financial year 2024, in 2025 the Company did not pay dividend to the shareholders.

The Management Board proposes to allocate the entire net profit for the year 2025 reported in the Standalone Financial Statements to increase the supplementary capital.

8.1.7. Decrease of share capital and decrease of the par value of shares

On 29 December 2025, the Extraordinary Shareholder Meeting of PKP CARGO S.A. adopted Resolution No. 2/2025 on decrease in the share capital of PKP CARGO S.A. under restructuring by PLN 2,194,558,933.00, i.e. from the amount of PLN 2,239,345,850.00 to the amount of PLN 44,786,917.00. The PKP CARGO's share capital was reduced by decreasing the nominal value of all Company shares by PLN 49.00, i.e., from PLN 50.00 to PLN 1.00 per share. The amount obtained from the reduction of the share capital of PKP CARGO S.A. in the total amount of PLN 2,194,558,933.00 was allocated to cover the loss for 2024. The reduction of the share capital was carried out while keeping the number of all shares of every series unchanged. Reduction of PKP CARGO S.A. under restructuring share capital occurred without conducting convocation proceedings under Article 456 of the Commercial Company Code. On 14 January 2026, an amendment to the Company's Articles of Association was entered in the National Court Register pursuant to Resolution no. 2/2025 of the Extraordinary Shareholder Meeting referred to above.

8.2. Information on transactions executed by the Company or its subsidiaries with related parties on non-market terms

No entity from the PKP CARGO Group entered into any transactions with related parties in 2025 on conditions other than arm's length terms. Detailed information on related party transactions are presented in **NOTE 7.1 TO THE STANDALONE FINANCIAL STATEMENTS** and in **NOTE 7.1 TO THE CONSOLIDATED FINANCIAL STATEMENTS**.

8.3. Proceedings pending before courts, arbitration bodies or public administration authorities

PKP CARGO and its subsidiaries did not participate in any major proceedings pending before courts, arbitration bodies or public administration authorities in cases concerning liabilities or receivables of PKP CARGO S.A. or its subsidiaries.

8.4. Major achievements in research and development

In 2025, the PKP CARGO Group was not involved in any research and development activities.

8.5. Key intangible assets

Trademark

The trademark, as an intangible asset, fulfills a key role in PKP CARGO's business model, especially in the context of building the Company's recognizability, reputation and competitive advantage. The trademark is the main intangible element that generates goodwill. The Company's intangible assets such as knowledge, organizational culture, reputation, brands, relationships with the environment, and intellectual property rights are essential to achieving the organization's goals. Both legally protected and unprotected ones (reputation, organizational culture, organizational structure, databases and customers) translate into the Company's value. Registering the logotype in the EU and other countries allows the brand and its values to be protected internationally. The trademark of PKP CARGO has an impact on the Company's value, builds recognizability and reputation of the PKP CARGO Group. It helps the Company stand out in the market, creating a consistent and easily recognizable identity. Customers identify the brand through the name and trademark of PKP CARGO. The Company is consciously shaping the image of the organization and its services. Having a strong trademark such as PKP CARGO means a competitive advantage. The trademark builds recognizability in the market. It presents a unique brand identity, which influences the behavior of customers. Due to the aforementioned recognizability, PKP CARGO's trademark facilitates expansion into foreign markets. PKP CARGO's trademark is a key element of the Company's marketing strategy. A coherent visual identification of the PKP CARGO Group, coherent advertising, presentations participation in industry events contribute to strengthening of the image of the whole Group. The PKP CARGO Group uses coherent visual identification for which the most important guidelines can be found in the CI Book. The Group's visual identity is characterized by consistency and constancy. The brand is built over a long term by consistently conveying only slightly modified messages and slogans. Over the years, the Company has developed certain associations with its brand, such as national rail operator, market leader, quality, reliability, know-how, human potential, rolling stock potential, reach, complementarity of services. All of them contribute to increasing the brand's value.

The PKP CARGO Group offers a range of brands under a single brand of the PKP CARGO Group, responding to a variety of customer needs with their reach and offerings (range of services). It forms an umbrella brand which encompasses the PKP CARGO Group's subsidiaries, positioning itself as a logistics operator integrating an end-to-end logistics service chain.

Summing up, the trademark of PKP CARGO has a major impact on the Company's value creation because it not only protects the Company's identity in the market, but is also an element of its competitive advantage and customer loyalty.

Employee expertise

The intangible assets of employees related to expertise in key areas include, among other things, knowledge of the principles of operation and maintenance of rolling stock, knowledge of standards and regulations concerning rail infrastructure, skills related to the diagnostics and repair of rolling stock, knowledge of regulations concerning railway traffic safety, knowledge of quality standards and certifications applicable in the rail industry, knowledge of rail transport management systems, continuous professional development through training and courses, knowledge of the latest trends and innovations in the rail industry, and the ability to adapt to new technologies and procedures.

The above resources are essential to ensure the safety, effectiveness and high quality of rail transport services. They are the foundation of the Company's effective and competitive business model. The resources affect operating expenses, service quality, customer satisfaction, ability to adapt to market and technological changes and they directly translate into value creation for the Company.

Licenses for the provision of transport services

A Single Safety Certificate (SSC) is a fundamental document which entitles a railway undertaking to perform transport activity and is required for transport operations on railway networks in the area of the EU. An SSC confirms acceptance of the Safety Management System (SMS) adopted by a rail company, including regulations adopted to meet specific requirements regarding security of transport in a given network, in accordance with Directive 2016/798/EU and pertinent national regulations. The Single Safety Certificate acquired by PKP CARGO S.A. entitles the Company to conduct transport operations on its own, in accordance with the area of operation applied for, in the territories of Poland, Germany, the Netherlands, the Czech Republic, Slovakia, Austria, Lithuania (1435 mm rails) and border stations in Italy. With regard to Hungary and Slovenia, transports are carried out in cooperation with PKP CARGO International (the PKP CARGO Group), holding valid certificates entitling them to provide transport services in the territory of a given state: Hungary – PKP CARGO INTERNATIONAL HU Zrt. (Safety Certificate, part B), Slovenia – PKP CARGO INTERNATIONAL SI (ex Primol-Rail).

The Single Safety Certificate held by PKP CARGO S.A. is the first such a document acquired in compliance with the new EU laws (Directive (EU) 2016/798, Commission Delegated Regulation (EU) 2018/762, Commission Implementing Regulation (EU) 2018/763, issued for a maximum period (5 years), and at the same time being a certificate covering the largest area of operation in the history of the ERA (European Union Agency for Railways – a certification body). The Single Safety Certificate is valid until 13 June 2029 and is required for PKP CARGO S.A. to provide its key services.

8.6. Information about compensation system in effect

8.6.1. General information about the compensation system adopted by PKP CARGO

In PKP CARGO S.A. under restructuring, compensation rules are established in accordance with the generally applicable laws and internal regulations in force in the Company. The compensation system is comprised of the following:

- The Company Collective Bargaining Agreement for Employees Hired by the Establishments of PKP CARGO S.A.,
- Bonus regulations at PKP CARGO S.A. under restructuring,
- Resolutions of corporate bodies of PKP CARGO S.A. to establish and introduce the rules for compensating key management, as well as employees of the Company.

A major portion of the Company's employees are remunerated in accordance with the provisions of the Company Collective Bargaining Agreement under which these employees are eligible for compensation components, benefits and other entitlements that are not provided for in the generally applicable regulations or are regulated in a less favorable manner. These employees' compensation consists of fixed and variable components, while their type and level vary depending on the position held, competences of the employee and nature of the tasks performed. In addition, employees remunerated under the Company Collective Bargaining Agreement are eligible for monthly bonus paid according to the Bonus regulations at PKP

CARGO S.A. under restructuring. The bonus fund includes a pool of funds earmarked for payment of bonuses for ongoing performance of tasks and for payment of bonuses for the employee's individual achievements.

Pursuant to the delegation contained in the Company Collective Bargaining Agreement, the employees in managerial and independent positions receive their compensation based on the principles defined in the relevant Resolution adopted by PKP CARGO S.A. Management Board, i.e. based on the individual wage coefficient assigned to a given job position and the average monthly salary in the enterprise sector published by Statistics Poland (GUS).

In addition, the compensation system includes other benefits and perks, including jubilee award, disability or retirement severance pay, coal allowance in the form of cash equivalent, rights to use transport services at reduced rates, a benefit paid on the occasion of the Railway Employee Day, additional holidays awarded to employees in certain positions.

Taking into account the rapidly changing market environment, actions have been taken to implement legal and organizational solutions related to the new employee compensation system. Furthermore, in connection with the expiration of the notice period for the currently effective Company Collective Bargaining Agreement, the Employer submitted on 4 March 2026 to the social partners a proposal to conclude a new company collective bargaining agreement for the employees of PKP CARGO S.A. under restructuring and at the same time, set the deadline for entering into the negotiations on provisions of regulations to all company and inter-company trade unions operating in the Company.

As part of the non-compensation incentive system for employees, the program of additional fringe benefits in the form of discounts on cultural events, goods or services for all employees of PKP CARGO S.A. (launched in 2018) has been continued. The Company's offer of discounts and rebates on products and services is more attractive than the corresponding offering in the market at large. The Company seeks to ensure that its offer is available to the largest possible number of employees. Employees are informed about the offer through such communication channels as the Intranet, e-mail, and local messages.

The Rules of Company Social Benefits Fund are also in place at the Company, and they are updated every year jointly with the Social Partner regarding the catalog of social benefits.

Employees also have the option to enroll in: the Health Care Program, the Employee Capital Scheme (PPK), and affordable group insurance. In connection with the implemented measures contributing to optimization of employee costs, employees may take advantage of the above benefits without co-financing from the employer.

In addition, owing to the positions held or functions discharged in the organization, the employees may be granted, in accordance with the rules in force in the Company, the right to use a company car, a company payment card, tools and technical equipment necessary to discharge the duties.

8.6.2. Value of compensation and fringe benefits of Management Board and Supervisory Board Members

Management Board

In accordance with the "Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board", the Company concludes management services contracts and non-competition agreements for the period of performance of a Management Board function.

The basic terms and conditions of the management contracts and non-competition agreements are as follows:

- The Management Board Members provide management services involving personal management of the entrusted areas of the Company's operations; the contract is concluded for the duration of discharging the function in the Company's Management Board, and terminated at the end of that period;
- The Management Board Members are vested with the right to receive the remuneration consisting of a fixed part, constituting the monthly basic compensation (hereinafter referred to as the "Base Compensation"), and the variable part (hereinafter referred to as the "Bonus"), constituting the supplementary compensation for the financial year in connection with the Manager's achievement of the management objectives of particular importance to the Company and the Group;
- The Management Board Members undertake that during the term of validity of their contract they will not conduct any business competitive to that of the Company or of any member of the PKP CARGO Group;
- the non-compete clause continues to be binding for a period of six months after the termination of the contract and the expiration of the term of office of the Management Board Member. Due to the obligation to adhere to the extended non-compete clause by Management Board Members, the Company will pay them a base compensation for each month of validity of the extended non-compete clause applicable to the pertinent Management Board Member.

The amount of the Base Compensation, in consideration of the applicable laws, is set by the Supervisory Board, following the issue of a recommendation by the Nomination Committee, in an amount equal from eight to twelve times the average monthly

wage in the enterprise sector without profit-sharing in the fourth quarter of the previous year, as announced by the President of Statistics Poland and based on an analysis of market rates of compensation for persons holding the position of Management Board Member, including in entities with a similar profile of business and a similar scope and scale of operations, taking into account the needs and capabilities of the Company as well as the individual qualifications and level of experience of the respective Management Board Member, in line with the management tasks assigned to such Management Board Member.

Management Board Members are entitled to a Bonus for the achievement of management objectives specified by the Supervisory Board. Such objectives should be determined no later than by the end of April of the financial year in which they are expected to be achieved.

The directions for the principles governing the disbursement of compensation to the PKP CARGO S.A. Management Board Members and the rules for granting other benefits in a manner that ensures the pursuit of the adopted business strategy of PKP CARGO S.A. are described in the Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board adopted under Resolution No. 23/2020 of the Ordinary Shareholder Meeting of PKP CARGO S.A. of 29 June 2020, as amended.

The table below presents total compensation and fringe benefits for PKP CARGO S.A. Management Board members, who discharged their functions in 2025.

Table 30 Compensation and fringe benefits for PKP CARGO S.A. Management Board Members in 2025 (gross amounts, PLN)

Name	Period in office in 2025	Compensation	Bonuses	Severance pays, indemnities, non-competition	Other revenue subject to taxes and social insurance contributions	Subsidiaries	Total
Agnieszka Wasilewska-Semail	1 January 2025 – 22 December 2025	534,400.00	-	-	1,151.60	-	535,551.60
Monika Starecka	1 January 2025 - 25 January 2025 23 December 2025 –31 December 2025	50,233.33	-	-	-	-	50,233.33
Paweł Miłek	1 January 2025 – 31 December 2025	519,166.67	-	-	50,303.20	-	569,469.87
Michał Łotoszyński	17 February 2025 – 31 December 2025	447,200.00	-	-	1,162.56	-	448,362.56
Artur Warsocki	1 February 2025 – 31 December 2025	473,000.00	-	-	48,033.33	-	521,033.33
Sebastian Miller	1 January 2025 – 31 December 2025	516,000.00	-	-	2,881.73	-	518,881.73

Source: Proprietary material

Supervisory Board

In accordance with the "Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board", Supervisory Board Members are not employed by the Company (except for Supervisory Board Member – employees' representative who can be the Company's employee). Supervisory Board Members shall discharge their functions on the basis of appointment for the term of office specified in the Company's Articles of Association.

Compensation of Supervisory Board Members is established by the Shareholder Meeting. The amount of the monthly compensation for a Supervisory Board Member shall be equal to the product of the average monthly compensation in the corporate sector without profit-sharing in the fourth quarter of the previous year, as announced by the President of Statistics Poland, and the compensation multiplier (with the reservation that, in calculating the monthly compensation of the respective Supervisory Board Member, the generally applicable laws should be taken into consideration to the extent that they govern in a different manner the base amount referred to in Article 1(3)(11) of the Act of 9 June 2016 on the Rules for Setting the Compensation of Persons Managing Certain Companies) which is as follows:

- for a member discharging the function of Supervisory Board Chairperson – 2.75,
- for a member not discharging the function of Supervisory Board Chairperson – 2.37.

Compensations of the Supervisory Board Members do not constitute a significant item in the costs of the Company's operations and do not significantly affect its financial performance.

The table below presents total compensation and fringe benefits of the Company's Supervisory Board Members, who discharged their functions in 2025.

Table 31 Compensation and fringe benefits for PKP CARGO Supervisory Board Members in 2025 (gross amounts, PLN)

Name	Period in office in 2025	Compensation	Other compensation (PKP CARGO S.A.)	Subsidiaries	Total
Current Supervisory Board Members					
Bogusław Nadolnik	1 January 2025 – 31 December 2025	143,352.54	-	-	143,352.54
Monika Starecka	26 January 2025 – 22 December 2025	114,948.13	-	-	114,948.13
Michał Wnorowski	1 January 2025 – 31 December 2025	125,243.52	-	-	125,243.52
Marzena Piszczek	1 January 2025 – 31 December 2025	126,888.52	-	-	126,888.52
Robert Stępień	1 January 2025 – 31 December 2025	125,243.52	-	-	125,243.52
Piotr Babski	3 February 2025 – 31 December 2025	118,049.26	-	-	118,049.26
Tomasz Pietrek	7 May 2025 – 31 December 2025	84,695.62	216,803.07	-	301,498.69
Jacek Męcina	29 December 2025 – 31 December 2025	1,010.03	-	-	1,010.03
Former Supervisory Board Members					
Marcin Wojewódka	1 January 2025 – 11 December 2025	119,661.60	-	77,721.38	197,382.98
Władysław Szczepkowski	1 January 2025 – 31 January 2025	12,110.40	-	-	12,110.40

Source: Proprietary material

Information on liabilities resulting from old age pensions and benefits of a similar nature for former persons on managing and supervising functions and on any liabilities incurred in connection with these pensions, with a specification of the total amount for each category of authority

Other than the various forms of compensation specified in this Section, the Company does not grant any individual benefits to Management Board Members or Supervisory Board Members, in particular under early retirement plans, nor shall Management Board Members or Supervisory Board Members receive any shares, options or other rights to acquire shares or any payments based on changes in share prices.

The Company does not grant any individual benefits under old-age or disability pension plans to Management Board Members. Management and Supervisory Board Members may participate on a voluntary basis in the employee capital scheme established by the Company.

Information on contracts and agreements concluded with the managers which provide for compensation in the event of their resignation or dismissal from the occupied position without an important reason or in the event that their dismissal has resulted from a merger through an acquisition

Management contracts and non-competition agreements entered into with the Management Board Members do not provide for compensation in the event of their resignation in the event that their dismissal or removal has resulted from the issuer's merger through an acquisition.

Management contracts and non-competition agreements provide for compensation in the event of their resignation or dismissal from the occupied position without an important reason. A contract or agreement may be terminated by the Company with 1-month notice period and in such case, the Management Board Member is entitled to 3-month severance pay on condition that the Management Board Member has discharged a function on the Company's Management Board for at least 12 (twelve) months before termination or withdrawal from the contract or agreement.

Terms of non-financial components of compensation for other key managers

Department Directors

The Company's key managers may be granted, in accordance with the rules in force in the Company, the right to obtain co-financing of the rent for an apartment, a company car, a company payment card, medical care.

The Company's key managers may be subject to a ban on conducting any business competitive to that of PKP CARGO S.A. after the termination of their employment relationship, in accordance with the terms defined by a Management Board Resolution, and on this account are entitled to receive compensation for observing the ban on conducting any business competitive to that of PKP CARGO S.A. and other members of the PKP CARGO Group.

8.6.3. Indication of material changes introduced in the compensation policy in the last financial year or information on absence of such changes

In 2025, no material changes in the Company's compensation policies were introduced.

8.6.4. Evaluation of the practical application of the compensation policy in the context of its goals, in particular the long-term increase of the Company's value for shareholders and stability of its operations

The "Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board" in effect from June 2020 enabled the Company to generate value for its shareholders in the following aspects:

- confirms compliance with applicable laws and the standards for WSE-listed companies,
- ensures the pursuit of the adopted business strategy of PKP CARGO S.A. while guaranteeing the Company's security,
- means that the compensation rules defined therein are not set on an ad hoc basis but are a set of permanent, transparent and independent compensation rules contributing to the stability of the enterprise.

9. Corporate governance statement

9.1. Indication of a set of corporate governance rules applicable to PKP CARGO S.A. and of the place where the wording of such rules is publicly available

The Company applies the corporate governance rules described in the document entitled "Best Practice for GPW Listed Companies 2021" (hereinafter referred to as the "Code of Best Practice 2021") adopted by the Board of the Warsaw Stock Exchange on 29 March 2021, which entered into force on 1 July 2021 and replaced the previous set of corporate governance rules. The wording of the "Code of Best Practice 2021" to which the Company has been subject since 1 July 2021 is available on the website of the Warsaw Stock Exchange at https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf).

The Company makes every effort to ensure that the principles contained in the Code of Best Practice 2021 are implemented. The last update of the Information on the application of principles by the Company was published on 30 April 2024 and is available on the Company's website in the Investor Relations/downloads/Best Practice Principles tab.

9.2. The extent to which PKP CARGO S.A. failed to observe the provisions of the set of corporate governance rules, indication of such provisions and explanation of the reasons for the failure

The Company applies the recommendations and principles contained in the set of "Best Practice for GPW Listed Companies 2021", except for the following principles: 1.3.1., 1.3.2., 1.4.1.,1.5., 2.1., 2.2., 2.11.1., 2.11.5., 2.11.6., 3.10., 6.2., 6.4. With respect to the following sections:

1.3. The Company integrates ESG factors in their business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

This principle has not been applied.

Explanation: the Company is at the stage of reviewing and verifying the business strategy so that as a result of the process, the strategy is supplemented with missing ESG provisions in order to ensure its full compliance with prevailing sustainability regulations.

1.3.2. social and employee factors, including, among others, actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialog with local communities, customer relations;

This principle has not been applied.

Explanation: the Company is at the stage of reviewing and verifying the business strategy so that as a result of the process, the strategy is supplemented with missing ESG provisions in order to ensure its full compliance with prevailing sustainability regulations.

1.4. To ensure quality communications with stakeholders, as a part of the business strategy, the Company publishes on its website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial;

This principle has been applied.

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

This principle has not been applied.

Explanation: at present, the Company has no mechanisms for assessment and audit of the impact of the Company and entities from the PKP CARGO Group S.A. Group on climate change issues and the associated risks. The Company intends to prepare internal procedures making it possible to identify correctly the impact of PKP CARGO S.A. and the Group companies on climate.

1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organizations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses;

This principle has not been applied.

Explanation: The Company publishes information on its sponsorship and charitable activity in its annual report, but it does not disclose its expenses on this account. Nevertheless, the provisions of the Articles of Association obligate the Management Board to present, at least once a year, an expense report to the Supervisory Board pertaining to its sponsoring, charitable, social communication and public relations activities.

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%;

This principle has not been applied.

Explanation: The Company has not adopted a formal diversity policy applicable to the Company's authorities and there are no internal regulations that specify the minimum target participation of minority groups. However, work is in progress in the Company on developing such a policy.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1;

This principle has not been applied.

Explanation: The Company has not developed a formal diversity policy; however, all processes, especially recruitment (also relating to the Company's authorities), take into consideration such diversity aspects as gender, education, age and professional experience. There are no internal regulations that specify the minimum target participation of minority groups.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. Information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfill the criteria of being independent referred to in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

This principle has not been applied.

Explanation: This principle has, for the most part, been adhered to by the Company, because in its report the Supervisory Board provides information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfill the criteria of being independent referred to in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company. However, the report does not contain information about the Supervisory Board members in the context of diversity, because the Company does not have a pertinent policy in place, as indicated in the Company's commentary regarding principle 2.1.

2.11.5. Assessment of the rationality of expenses referred to in principle 1.5;

This principle has not been applied.

Explanation: The Company publishes information on its sponsorship and charitable activity in its annual report, but it does not disclose its expenses on this account. The provisions of the Articles of Association require the Management Board to present, at least once a year, an expense report to the Supervisory Board pertaining to its sponsoring, charitable, social communication and public relations activities.

2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1;

This principle has not been applied.

Explanation: The Company is in the process of developing a diversity policy.

3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the internal audit committee;

This principle has not been applied.

Explanation: In connection with the adopted cost-saving measures, the Company has temporarily abandoned the review of the audit function performed by an independent auditor.

In connection with Resolutions No. 864/2024 of 3 July 2024 and No. 976/2024 of 29 July 2024 adopted by the Management Board of Warsaw Stock Exchange on specific marking of financial instruments of PKP CARGO S.A. under restructuring listed on the WSE's Main Market, because of the opening of the remedial proceedings, the shares of PKP CARGO were deleted from the register of participants of the indexes: mWIG40, mWIG40TR, WIG140, WIGind, WIG and WIG-Poland.

6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability;

This principle has not been applied.

Explanation: The Company has in place an incentive system for Management Board Members – the bonus is contingent, among other criteria, on the attainment of the objectives correlated with the Company's annual business plan and the projection of the PKP CARGO Group's financial results; the Company, however, does not have an incentive system for key managers (senior management).

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee;

This principle has not been applied.

Explanation: A Supervisory Board Member is entitled to monthly compensation regardless of the number of meetings of the Supervisory Board or committees appointed by the Supervisory Board. The remuneration of Members of Committees does not take into account additional workload on the committee. The Supervisory Board intends to submit a motion to the Shareholder Meeting to increase the compensation of Chairpersons of Supervisory Board Committees.

9.3. Description of the primary attributes of the internal control and risk management systems used in the Company and the PKP CARGO Group in respect of the process of preparing standalone and consolidated financial statements

9.3.1. Uniform accounting policy

PKP CARGO S.A. under restructuring has developed and implemented the Accounting Policy designed in accordance with EU IFRS. The document is updated on an ongoing basis as statutory amendments are introduced. The principles contained in the document are applied to standalone financial statements of PKP CARGO and consolidated financial statements of the PKP CARGO Group. Companies subject to consolidation are required to apply the Accounting Policy of PKP CARGO S.A. under restructuring in their preparation of reporting consolidation packages which form the basis for preparation of the consolidated financial statements of the PKP CARGO Group.

9.3.2. Uniform consolidation packages of subsidiaries

For the purposes of preparation of the consolidated financial statements of the PKP CARGO Group, a uniform pattern of reporting packages based on EU IFRS to be prepared by the subsidiaries has been adopted. The subsidiaries prepare their reporting packages in accordance with EU IFRS taking into account the differences between Polish Accounting Standards (and other local standards in the case of international companies) and EU IFRS.

9.3.3. Bookkeeping

The reliability of financial statements is ensured by using data derived directly from the accounting ledgers. The Parent Company and selected subsidiaries keep a set of accounting ledgers forming the basis for preparation of financial statements in its computerized financial and accounting system SAP. The Company updates its financial and accounting system on an ongoing basis in line with the changing legislation and reporting requirements, both internal and external. Access to the IT systems is restricted by appropriate permissions granted to authorized employees. The IT and organizational solutions used by the Company secure control of access to the financial and accounting system and ensure appropriate protection and archiving of accounting ledgers.

9.3.4. Procedures for the closing of ledgers and authorization of financial statements

PKP CARGO S.A. under restructuring and the subsidiaries have implemented internal procedures for closing the reporting periods, setting the dates and defining the responsibilities of internal departments for each reporting area; financial statements are subjected to internal procedures aimed at verifying their completeness and compliance; EU IFRS-compliant reporting packages are signed by the Management Boards of the subsidiaries, whereas EU IFRS-compliant consolidated financial statements are properly authorized and signed by the Restructuring Administrator of PKP CARGO S.A.

9.3.5. Supervision by the Audit Committee

Within the structure of the PKP CARGO S.A. Supervisory Board, the Audit Committee has been established which, in accordance with the applicable regulations, exercises supervision over the process of preparation of consolidated financial statements and the process of financial audit and which analyzes and monitors interim and annual financial data of both the Company and the Group.

9.3.6. Audit and review of financial statements

Annual standalone and consolidated financial statements are audited by a statutory auditor, semi-annual standalone and consolidated financial statements are reviewed by a statutory auditor; reports on the auditor's activities are appended to all approved and published financial statements.

9.4. Shareholders holding directly or indirectly significant blocks of shares

Table 32 Shareholder structure of PKP CARGO S.A. as at 31 December 2025

Shareholder	Number of shares	% of equity	Number of votes	% of the total number of votes at the Shareholder Meeting
PKP S.A.	14,784,194	33.01%	14,784,194	33.01%
Funds* managed by Nationale-Nederlanden PTE S.A.	5,409,513	12.08%	5,409,513	12.08%
Other shareholders	24,593,210	54.91%	24,593,210	54.91%
Total	**44,786,917**	**100.00%**	**44,786,917**	**100.00%**

** Nationale-Nederlanden Otwarty Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro2040, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2045, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2055, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060 and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2065*

Source: Proprietary material

On 20 January 2026, the Company received notification from Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. on the reduction of the total number of the Company's shares held by the funds managed by NNPTU S.A. by 2% of votes at its Shareholder Meeting and on the reduction of the total number of the Company's shares held by the funds managed by NNPTU S.A. below 10% of votes at its Shareholder Meeting.

Table 33 Shareholder structure of PKP CARGO S.A. as at the approval date of this report

Shareholder	Number of shares	% of equity	Number of votes	% of the total number of votes at the Shareholder Meeting
PKP S.A.	14,784,194	33.01%	14,784,194	33.01%
Funds* managed by Nationale-Nederlanden PTE S.A.	4,424,574	9.88%	4,424,574	9.88%
Other shareholders	25,578,149	57.11%	25,578,149	57.11%
Total	**44,786,917**	**100.00%**	**44,786,917**	**100.00%**

** Nationale-Nederlanden Otwarty Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro2040, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2045, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050, Nationale-Nederlanden Dobrowolny*

Fundusz Emerytalny Nasze Jutro 2055, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060 and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2065

Source: Proprietary material

9.5. Structure of PKP CARGO S.A. under restructuring share capital

Table 34 Structure of PKP CARGO S.A. under restructuring share capital

Shares	Issue date	Issue registration date	Number of shares	Nominal amount of share capital
Series A	8 July 2013	2 October 2013	43,338,000	2,166,900,000
Series B	8 July 2013	2 October 2013	15	750
Series C	2 October 2013	25 April 2014	1,448,902	72,445,100
Total			**44,786,917**	**2,239,345,580**

Source: Proprietary material

By a decision of the Company's Extraordinary Shareholder Meeting issued on 29 December 2025, the Company's share capital was reduced by PLN 2,194,588,933.00, i.e., from the amount of PLN 2,239,345,850.00 to the amount of PLN 44,786,917.00, by decreasing the nominal value of all the Company shares from PLN 50.00 to PLN 1.00 per share. The reduction of the share capital was carried out while keeping the number of all shares of every series unchanged.

The reduction of the Company's share capital was registered by the court on 14 January 2026.

Table 35 Structure of PKP CARGO S.A. under restructuring share capital as at the approval date of this report

Shares	Issue date	Issue registration date	Number of shares	Nominal amount of share capital
Series A	8 July 2013	2 October 2013	43,338,000	43,338,000
Series B	8 July 2013	2 October 2013	15	15
Series C	2 October 2013	25 April 2014	1,448,902	1,448,902
Total			**44,786,917**	**44,786,917**

Source: Proprietary material

9.6. Holders of securities giving special controlling rights

No PKP CARGO S.A. securities give any of the shareholders any special control rights.

9.7. Exercise of voting rights from shares at the Shareholder Meeting

Right to participate in the Shareholder Meeting and voting rights

A shareholder exercises the right to participate in the Shareholder Meeting and voting rights at Shareholder Meetings. Pursuant to the Commercial Company Code, the Company's shareholders may participate in the Shareholder Meeting and exercise their voting right in person or by proxy. A shareholder of the Company wishing to participate in a Shareholder Meeting by proxy must grant the proxy powers in writing or in electronic form. The Company provides a form of proxy document in the notice on convening the Shareholder Meeting. Moreover, the Company should be notified about granting proxy powers in electronic form using the means of electronic communication specified in the announcement on convening the Shareholder Meeting. The Company takes proper action to identify the shareholder and his/her/its proxy to verify the validity of the proxy powers granted in electronic form. A detailed description of the manner of verification of the validity of proxy powers granted in electronic form must be included in the contents of the notice on convening the Shareholder Meeting.

A Company shareholder holding shares registered in more than one securities account may appoint separate proxies to exercise the rights attached to shares registered in each of his/her/its accounts.

If a Management Board Member, a Supervisory Board Member, the liquidator, an employee of the Company, or a member of a corporate body or an employee of the Company's subsidiary or cooperative acts as a proxy at a Shareholder Meeting, then

the proxy document may authorize such a person to represent the shareholder at a single Shareholder Meeting only. The proxy is obligated to disclose to the Company's shareholder any circumstances indicating the existence or possibility of a conflict of interest. In such a situation, it is not permitted for the proxy to grant the proxy powers to others. The proxy will vote in accordance with the instructions given by the Company's shareholder.

Pursuant to § 11 Section 2 of the Articles of Association, each share entitles its holder to one vote at the Shareholder Meeting. Pursuant to § 13 Section 1 of the Company's Articles of Association, voting rights of the shareholders holding more than 10% of all the votes in the Company are restricted in such a manner that no such shareholder may exercise more than 10% of all the votes in the Company existing on the date of the Shareholder Meeting. This restriction does not apply for the purposes of determining the obligations of buyers of significant blocks of shares, which are prescribed by the Act on Public Offerings. The above restriction of the voting rights does not apply to shareholders who, on the date of adoption of the Shareholder Meeting resolution introducing the restriction, were entitled to exercise voting rights, also as users, attached to shares representing more than 10% of the total number of votes existing in the Company or any other entity that acquires the Company's shares held by the shareholders referred to above in connection with their liquidation.

In accordance with the provisions of the Articles of Association, the limitation of voting rights of shareholders representing more than 10% of the total number of votes in the Company will not cease after a sale of all shares held by PKP S.A. to which the said limitation does not apply.

A Company shareholder may not, either personally or by proxy or while acting in the capacity of a proxy of any other person, vote on resolutions concerning his/her/its liability towards the Company on whatever account, including granting a discharge on the performance of his/her/its duties, being released from any of his/her/its liabilities towards the Company or any dispute between him/her/it and the Company. The above restriction does not apply to voting by a Company shareholder acting in the capacity of a proxy for another shareholder on any of the said resolutions concerning the voting shareholder.

Moreover, pursuant to § 13 Section 3 of the Company's Articles of Association, for the purposes of restricting the voting rights, the votes of the shareholders connected by a parent or subsidiary relationship are added up according to the principles described below.

The shareholders whose votes are accumulated and reduced are jointly referred to as a "Grouping". An accumulation of votes involves adding up the votes held by individual shareholders comprising a Grouping. Reduction of votes involves reduction of the total number of votes in the Company at the Shareholder Meeting vested in the shareholders from a Grouping. Reduction of votes is effected according to the following principles:

- for each shareholder associated with a Grouping, a percentage of votes vested in the shareholder in the cumulative number of votes vested in the entire Grouping is calculated;
- the number of votes corresponding to 10% of all the votes in the Company is calculated on the date of holding the Shareholder Meeting;
- for each shareholder, the product of the percentage mentioned in item 1) and the number of votes mentioned in item 2) is calculated;
- the number of votes vested in each shareholder forming part of the Grouping after the reduction is the number obtained in item 3) rounded up to a full vote;
- the restriction of the voting rights pertains also to shareholders who are not present at the Shareholder Meeting.

Pursuant to § 13 Section 7 of the Company's Articles of Association, in order to determine the basis for vote accumulation and reduction, each Company shareholder, the Management Board, Supervisory Board and individual members of these bodies, as well as the Chairperson of the Shareholder Meeting may demand that a Company shareholder whose votes are reduced provide information as to whether he/she/it is a person having the status of a controlling entity or subsidiary of another shareholder.

9.8. Restrictions on the transfer of ownership title to PKP CARGO S.A. securities

Statutory restrictions on the transferability of shares

The Act on Public Offerings, the Act on Trading in Financial Instruments and the Commercial Company Code provide, among others, for the following restrictions on the unconstrained transferability of shares:

- the obligation to notify the Polish Financial Supervision Authority and the Company applies to anyone who: (i) has reached or exceeded 5%, 10%, 15%, 20%, 25%, 33%, $33^1/_3$%, 50%, 75% or 90% of the total number of votes in a public company; (ii) holds at least 5%, 10%, 15%, 20%, 25%, 33%, $33^1/_3$%, 50%, 75% or 90% of the total number of votes in a company and, as a result of a reduction in this shareholding, reached 5%, 10%, 15%, 20%, 25%, 33%, $33^1/_3$%, 50%, 75% or 90%, respectively, or less of the total number of votes; (iii) has changed his/her/its previously held share greater than 10% of the total number of votes by at least 2% of the total number of votes in a public company whose shares are

admitted to trading on an official stock market (as at the Prospectus Date, the market in question is the main market of the Warsaw Stock Exchange); (iv) has changed his/her/its previously held share greater than 33% of the total number of votes in a public company by at least 1% of the total number of votes;

- the obligation to announce a call to subscribe for the sale or conversion of shares in the event of: surpassing the threshold of 50% of the total number of votes at the Shareholder Meeting;
- the prohibition of the acquisition or sale, for one's own account or for a third party, of any financial instruments, based on inside information;
- the obligation to announce a voluntary tender offer in the event of an intention to acquire all remaining shares of the issuer;
- the prohibition of the acquisition or sale of financial instruments during the lock-up period by the persons referred to in the MAR Regulation;
- the parent company, within the meaning of Article 4 Section 1 Item 4 of the Commercial Company Code, is required to inform a subsidiary of the establishment or termination of a relationship of dominance within two weeks of the date of establishment of such a relationship, otherwise its voting rights attached to the shares held by the parent company representing more than 33% of the share capital of the subsidiary will be suspended.

Article 13(1)(14) of the Act on the Rules for Managing State Property (consolidated text: Journal of Laws of 2024, Item 125) states that shares or rights attached to shares owned by the State Treasury cannot be disposed of.

9.9. Rules for appointment and dismissal of managers and their rights, in particular the right to make decisions on issuing or redeeming shares

The PKP CARGO S.A. Management Board consists of between one and six members, including the President of the Management Board. Management Board members are appointed for a joint three-year term of office. The President and other Members of the Management Board are appointed by the Supervisory Board pursuant to the Company's Articles of Association and the Bylaws for Appointing Management Board Members in PKP CARGO S.A. The Supervisory Board sets the number of Management Board members.

Management Board Members are appointed following the conduct of a recruitment procedure only from among candidates participating in the qualification procedure who received a favorable opinion from the PKP CARGO S.A. Supervisory Board Nomination Committee (recruitment consultant). The recruitment procedure for a Management Board Member is organized and conducted by the Supervisory Board Nomination Committee. The Supervisory Board may entrust the performance of a recruitment procedure to a professional personnel consulting firm. In the procedure for appointment of Management Board Members, the Supervisory Board Nomination Committee participates, also exercising ongoing supervision over the recruitment procedure (in the event of entrusting a professional personnel consulting firm the recruitment of specialists) of Management Board Members and the process of evaluation and appointment of Management Board Members.

As long as the State Treasury, PKP S.A. or other state legal persons hold less than 100% of the Company's shares, the President of the Management Board and other Management Board members are appointed and dismissed by the Supervisory Board. In the event that PKP S.A.'s share in the Company's share capital is 50% or less, PKP S.A. will have the personal power to select candidates for the President of the Management Board on its own. The personal rights referred to in the preceding sentence are exercised by way of delivering a written statement to the Supervisory Board Chairperson.

Pursuant to § 18 and § 25 Section 3 Item 2 of the Articles of Association, the PKP CARGO S.A. Management Board is authorized, with the consent of the Supervisory Board, in accordance with the rules laid down in the provisions of the Commercial Company Code, to pay shareholders an interim dividend towards the dividend expected at the end of the financial year.

The Company's executives are not authorized to make any decisions on the issue or redemption of shares.

9.10. Rules for amending the Articles of Association of PKP CARGO S.A.

The rules for amending the Company's Articles of Association are based on Article 430 and Article 402 § 2 of the Commercial Company Code. Any amendment to the Articles of Association requires a resolution of the Shareholder Meeting. Moreover, the adoption of a resolution on amendments to § 26 Section 3 or 4 and § 27 Section 7 of the Articles of Association requires a resolution of the Shareholder Meeting adopted by a majority of four-fifths of the votes in the presence of shareholders representing at least 50% of the total number of votes in the Company plus 1 vote.

Any amendments to the Articles of Association are subject to their registration by the appropriate registry court. Pursuant to §25 Section 3 Item 11, the Supervisory Board is entitled, after the court's decision on the registration of amendments to the Company's Articles of Association becomes final non-appealable to adopt the consolidated version of the Company's Articles of Association. An amendment to the Company's Articles of Association which involves a material change in the line of business

does not require a buyout of the shares held by the shareholders objecting to such an amendment if the relevant resolution of the Shareholder Meeting in this matter is adopted by a majority of two thirds of the votes in the presence of shareholders representing at least one half of the share capital.

In 2025, the Shareholder Meeting amended the Company's Articles of Association:

- By Resolution No. 32/2025 of the Extraordinary Shareholder Meeting of 30 July 2025,
- By Resolution No. 2/2025 of the Extraordinary Shareholder Meeting of 29 December 2025.

All these amendments to the Articles of Association have been registered by the registry court.

9.11. Manner of operation and key powers of the Shareholder Meeting

The Company's Shareholder Meeting operates pursuant to the provisions of the Commercial Company Code, the Company's Articles of Association (in particular, §10-§13) and the Bylaws of the Shareholder Meeting. Shareholders are entitled to participate in and exercise their voting rights at the Shareholder Meeting in person or by proxy. The Shareholder Meeting is valid irrespective of the number of shares represented thereat.

Resolutions of the Shareholder Meeting are adopted by an absolute majority of votes except for resolutions the adoption of which is subject to more stringent requirements provided for by the Commercial Company Code or the Articles of Association. Moreover, the adoption of a resolution on amendments to § 26 Section 3 or 4 or § 27 Section 7 of the Articles of Association requires a resolution of the Shareholder Meeting adopted by a majority of four-fifths of the votes in the presence of shareholders representing 50% of the total number of votes in the Company plus one vote.

Votes at the Shareholder Meeting are cast in an open ballot. A secret ballot is ordered for elections and motions for the dismissal of members of the Company's corporate bodies or the Company's liquidators, or for holding them accountable, or in other personal matters. Moreover, a secret ballot must be ordered at the request of at least one shareholder attending or represented at the Shareholder Meeting.

The Shareholder Meeting may adopt a resolution on waiving the secrecy of voting in matters concerning the selection of a committee appointed by the Shareholder Meeting.

The Shareholder Meeting is presided over by its Chairperson who oversees its efficient conduct in accordance with the adopted agenda. The Chairperson may make decisions concerning procedural matters. Without the consent of the Shareholder Meeting, the Chairperson may not remove or change the order of business entered in the adopted agenda.

The Shareholder Meeting of PKP CARGO S.A. is opened by the Chairperson of the Shareholder Meeting appointed by the President of the Management Board. If the President of the Management Board fails to appoint the Chairperson of the Shareholder Meeting prior to the designated start time of the meeting, the provisions of Article 409 § 1 of the Commercial Company Code are applied. The Chairperson of the Shareholder Meeting is elected by an absolute majority of votes cast in a secret ballot.

The Extraordinary Shareholder Meeting may be convened by a shareholder whose stake in the total number of votes in the Company is greater than 33%. In such a case, the shareholder convening the Extraordinary Shareholder Meeting appoints the Chairperson of the Shareholder Meeting.

The Shareholder Meeting adopts the Bylaws of the PKP CARGO S.A. Shareholder Meeting laying down a detailed procedure of conduct for its meetings. Draft Bylaws of the Shareholder Meeting are presented by the Company's Management Board. It is permitted to participate in the Shareholder Meeting by means of electronic communication, provided that the notice of convocation of the Shareholder Meeting contains information about such a possibility.

9.12. Description of the functioning of PKP CARGO's management, supervisory bodies and their committees, along with an indication of the composition of such bodies and changes in them during the last financial year

9.12.1. MANAGEMENT BOARD

The PKP CARGO S.A. Management Board operates on the basis of regulations of law, and in particular:

1. Act of 15 September 2000 entitled Commercial Company Code (Journal of Laws of 2020 No. 94 Item 1037, as amended);
2. Act of 8 September 2000 on the Commercialization and Restructuring of the State-Owned Enterprise "Polskie Koleje Państwowe" (Journal of Laws No. 84, Item 948, as amended);

3. Articles of Association of PKP CARGO S.A. (consolidated text adopted by Resolution No. 359/VIII/2026 of the PKP CARGO S.A. Supervisory Board of 23 February 2026);
4. The Bylaws of the PKP CARGO S.A. Management Board approved by Resolution no. 364/VIII/2026 of the PKP CARGO S.A. Supervisory Board on 23 February 2026;
5. other internal and external regulations.

Management Board's powers

The Management Board manages the Company's day-to-day business, manages its assets and represents the Company in relations with third parties. The responsibilities of the Management Board include any activities that are not reserved for the Restructuring Administrator, the Shareholder Meeting and the Supervisory Board. Two Management Board Members acting jointly or a Management Board Member acting with a commercial proxy are authorized to make statements of will on behalf of the Company.

Operation of the Management Board

The procedure of the Management Board's operation is described in detail in the Management Board Bylaws. The Bylaws are adopted by the Management Board and approved by the Supervisory Board. According to the Management Board Bylaws, the Management Board makes decisions in the form of resolutions. Management Board resolutions are adopted by an absolute majority of votes, with at least half of the Management Board members attending the meeting; they may only be adopted if all the Management Board Members have been duly notified about the Management Board meeting. According to the Management Board Bylaws, if an equal number of votes is cast "for" and "against" together with abstentions, the President of the Management Board will have the casting vote.

According to the Management Board Bylaws, in the event of conflicting interests of the Company and personal interests of a Management Board member, his/her spouse, relatives and next of kin (up to the second degree) or a potential conflict of interest in this regard, the Management Board member should immediately inform the remaining Management Board members thereof, and the President of the Management Board is also required to inform the Supervisory Board, and to refrain from participating in the discussion and voting on the adoption of a resolution in the matter where the conflict of interests has occurred and may request that this fact be recorded in the minutes of the Management Board meeting.

Division of tasks:

The internal allocation of tasks and functions discharged by Management Board Members, resulting from the provisions of the Management Board Bylaws, is as follows:

President of the Management Board – the scope of the President's activity includes directing the activities of the Management Board and the Company's ongoing operations and overseeing the management of specific areas of the Company's business, in particular:

- business strategy,
- legal services,
- internal audit and control,
- investor relations,
- PR,
- compliance,
- occupational safety and health,
- information and communication technology.

Special powers of the President of the Company's Management Board include performance of the Company's defense tasks resulting from the regulations on general defense obligation.

Management Board Member in charge of Finance – the scope of duties of the Management Board Member in charge of Finance covers responsibility for rational management of the Company's resources and overseeing the management of specific areas of the Company's business, in particular:

- finance management,
- controlling,
- purchase and sale of assets.

Special powers of the Management Board Member in charge of Finance include the performance, on behalf of PKP CARGO S.A., of obligations arising from accounting, tax and insurance regulations.

Management Board Member in charge of Commerce – the scope of duties of the Management Board Member in charge of Commerce covers responsibility for adequate sales levels and customer relations and overseeing the management of specific areas of the Company's business, in particular:

- commercial policy,
- sales of transport and logistics services,
- international cooperation.

Management Board Member in charge of Operations – the scope of activity of the Management Board Member in charge of Operations includes caring for the effective execution of the Company's business and technological processes and overseeing the management of specific areas of the Company's activity, in particular in the following areas:

- maintenance of rolling stock,
- rail traffic safety.

Management Board Member in charge of Restructuring – the scope of activity of the Management Board Member in charge of Restructuring includes overseeing the management of specific areas of the Company's activity, particularly in the following areas:

- restructuring,
- logistics and execution of transports,
- business strategy in relevant areas,
- real estate management and administration,
- coordination of activities within the Corporate Group.

Management Board Member in charge of Human Resources – the scope of activity of the Management Board Member in charge of Human Resources includes overseeing the management of specific areas of the Company's activity, particularly in the following area:

- management of human resources and relations with social partners.

With Resolution No. 3/2025 adopted by the Management Board of PKP CARGO S.A. under restructuring on 7 January 2025, temporary oversight of the Company's affairs and organizational units falling within the scope of responsibilities of the Management Board Member in charge of Human Resources was entrusted to Mr. Paweł Miłek, Acting President of the Management Board, Management Board Member in charge of Restructuring. With Resolution No. 10/2025 adopted by the Management Board of PKP CARGO S.A. under restructuring on 21 January 2025, temporary oversight of the affairs and organizational units falling within the scope of responsibilities of the Management Board Member in charge of Human Resources was entrusted to Mr. Paweł Miłek, Vice-President, Management Board Member in charge of Restructuring. Then, with Resolution No. 198/2025 adopted by the Management Board of PKP CARGO S.A. under restructuring on 1 August 2025, temporary oversight of the Company's affairs and organizational units falling within the scope of responsibilities of the Management Board Member in charge of Human Resources was entrusted to Ms. Agnieszka Wasilewska-Semail, President of the Management Board of PKP CARGO S.A. under restructuring. Furthermore, with Resolution No. 332/2025 adopted by the Management Board of PKP CARGO S.A. under restructuring on 30 December 2025, temporary oversight of the affairs and organizational units falling within the scope of responsibilities of the Management Board Member in charge of Human Resources was entrusted to Ms. Monika Starecka, Acting President of the Company's Management Board. At present, with Resolution No. 27/2026 adopted by the Management Board of PKP CARGO S.A. under restructuring on 4 February 2026, temporary oversight of the Company's affairs and organizational units falling within the scope of responsibilities of the Management Board Member in charge of Human Resources was entrusted to Mr. Zbigniew Prus, President of the Management Board of PKP CARGO S.A. under restructuring. The oversight will be exercised until the date of appointing PKP CARGO Management Board Member in charge of Human Resources.

Composition of the Management Board

The table below presents the composition of the Management Board as at the approval date of this report.

Table 36 Composition of the PKP CARGO S.A. under restructuring Management Board

Name	Position	Period in office	
		from	to
Zbigniew Prus	President of the Management Board	2 February 2026	to date
Paweł Miłek	Vice-President of the Management Board Management Board Member in charge of Restructuring	1 January 2025	to date
Michał Łotoszyński	Management Board Member in charge of Finance	17 February 2025	to date

Source: Proprietary material

During 2025 and until the date of approving this report, the following changes occurred in the Company's Management Board:

On 20 December 2024, the PKP CARGO S.A. under restructuring Supervisory Board appointed the following individuals to the Management Board:

- Ms. Agnieszka Wasilewska-Semail, entrusting her with discharging the function of President of the Management Board as of 1 February 2025,
- Mr. Artur Warsocki, entrusting him with discharging the function of Management Board Member in charge of Commerce as of 1 February 2025,

- Mr. Sebastian Miller, entrusting him with discharging the function of Management Board Member in charge of Operations as of 1 January 2025,
- Mr. Paweł Miłek, entrusting him with discharging the function of Management Board Member in charge of Restructuring as of 1 January 2025, at the same time entrusting him with discharging the duties of President of the Management Board from 1 January to 31 January 2025.

On 13 January 2025, the PKP CARGO S.A. under restructuring Supervisory Board adopted resolutions to:

- change the date of appointment of Ms. Agnieszka Wasilewska-Semail as President of the Company's Management Board to 20 January 2025,
- shorten the period of discharging the function of President of the Company's Management Board by Mr. Paweł Miłek to 19 January 2025 and at the same time entrust Mr. Paweł Miłek with discharging the function of Vice-President of the Management Board, Management Board Member in charge of Restructuring.

On 25 January 2025, temporary delegation of Ms. Monika Starecka, Supervisory Board Member, to discharge the function of Management Board Member in charge of Finance, ended.

On 14 February 2025, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to appoint to the Management Board:

- Mr. Michał Łotoszyński to act in the capacity of Management Board Member in charge of Finance, effective as of 17 February 2025.

On 22 December 2025, the PKP CARGO S.A. under restructuring Supervisory Board adopted resolutions to:

- dismiss Ms. Agnieszka Wasilewska-Semail as the President of the Management Board of PKP CARGO S.A. under restructuring,
- delegate Ms. Monika Starecka – a Supervisory Board Member of PKP CARGO S.A. under restructuring, to discharge temporarily the duties of the Company's Management Board Member and entrust her with discharging the duties of the President of the Management Board.

On 28 January 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:

- as of 2 February 2026, terminate the delegation of Ms. Monika Starecka – a Supervisory Board Member to discharge temporarily the duties of Management Board Member and discharge the duties of the President of the Management Board,
- appoint Mr. Zbigniew Prus, entrusting him with discharging the function of President of the Management Board, effective as of 2 February 2026.

On 23 February 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:

- dismiss Mr. Sebastian Miller from the function of Management Board Member in charge of Operations, effective as of 23 February 2026.

On 23 March 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:

- dismiss Mr. Artur Warsocki from the function of Management Board Member in charge of Commerce, effective as of 23 March 2026.

ZBIGNIEW PRUS — PRESIDENT OF THE MANAGEMENT BOARD

Mr. Zbigniew Prus is a graduate from the Radom Technical University at the Faculty of Transport, obtaining master's degree in engineering. In 2008, he graduated from the Gdańsk Foundation for Management Development (GFKM) in the field: College of Management Skills Improvement, and then was awarded the title of Master of Business Administration (MBA) in the Higher Business School in Dąbrowa Górnicza. He holds numerous certificates, such as "Financial Statement Analysis"; "Basic Finance" from EY Academy of Business, "Management 3.0: How to take care of motivation and development"; "Perfect Strategy"; "Business Negotiations and Crisis Negotiations" from the WSB University. Mr. Zbigniew Prus was granted the awards: "Meritorious Service for Rail Industry" and "Silver Medal for Long-term Service". He has been continuously involved in working for rail transport for 30 years. In 2025, he was President of the Management Board of PKP Cargo Service and Management Board Representative for Operations at PKP CARGO S.A. under restructuring. In 2024, he was President of the Management Board of PKP CARGO INTERNATIONAL. In 2021-2024, he discharged the function of Management Board Member in charge of Operations at PKP CARGO SERVICE.

PAWEŁ MIŁEK — VICE-PRESIDENT, MANAGEMENT BOARD MEMBER IN CHARGE OF RESTRUCTURING

Mr. Paweł Miłek graduated from the Legal Department at the University of Wrocław, completed his judge training in 1997 and legal counsel training in 1999. Since 1997 until now, he has been trustee in bankruptcy proceedings, supervisor and administrator in restructuring proceedings. On 9 February 2022, he obtained the professional title of Qualified Restructuring Advisor. He has worked as a legal counsel since January 2000. In addition, he served as Vice-Chairman of the Regional Disciplinary Court at the Regional Chamber of Legal Counsels in Wrocław. From 2021 to 2023, he was President of the Lower Silesian Association of Trustees.

MICHAŁ ŁOTOSZYŃSKI — MANAGEMENT BOARD MEMBER IN CHARGE OF FINANCE

Mr. Michał Łotoszyński is a graduate from the Management and Marketing Department of the University of Łódź. He completed and passed an MBA (Master of Business Administration) examination at the Gdańsk Foundation for Training Managers and the Rotterdam School of Management, Erasmus University. He holds certificates: PRINCE II, Project Management and CRM, Management 2004 - Harvard Business School Publishing, Canadian International Management Institute and completed a course for supervisory board and management board member candidates in State Treasury-owned companies. He has a 25-year experience in finance and management, including in particular finance management, building new products and development of company strategies, performance of IT projects as well as restructuring, repairs and acquisitions of business entities. Professionally, he has been associated, among other sectors, with banking. He worked in PKO Bank Polski, Towarzystwo Emerytalne (Pension Company) PKO S.A. and BOŚ Investment Mgt. At the Pension Company, he cooperated on developing an IT system for asset valuation in accordance with the Embedded Value model and depreciation of acquisition cost over time. He managed a company renting passenger cars and delivery vans - 99RENT Sp. z o.o., where apart from ensuring its growth, he also built a system for managing short- and medium-term leases. Then, after acquiring a franchise of Enterprise/National/Alamo, he restored the company's position in the Polish market. He was Management Board Member in charge of Finance at PZU Tower (real estate management for the PZU Group), Arcus S.A. and Arcus Systemy Informatyczne. While working for Ciech S.A., he was responsible for restructuring, building the group's strategy, an IPO project and acquisitions of EU companies from the chemical industry. He sat on supervisory boards of the following companies: Zakład Urządzeń Przemysłowych Nysa S.A., Pedmo Tychy S.A., Polcomerce KFT, Biowet Drawel S.A., Przedsiębiorstwo Budownictwa Ogólnego S.A. in Wrocław, Radpol S.A. Człuchów and Arcus S.A.

9.12.2. SUPERVISORY BOARD

The Supervisory Board consists of 7 to 9 members (including the Supervisory Board Chairperson and Vice-Chairperson) appointed for a joint term of office. The number of Supervisory Board members in a specific term of office is set by PKP S.A. The term of office of the Supervisory Board is 3 years. The Supervisory Board is appointed and dismissed by the Shareholder Meeting, subject to the provisions of § 19 sections 2 and 3 of the Articles of Association of PKP CARGO S.A.

Powers of the Supervisory Board

The Supervisory Board carries out ongoing supervision over the Company's operations in all areas of its activity. Its powers, in addition to the matters restricted by the provisions of the Commercial Company Code and other legislative acts, include: granting consent for the payment of an interim dividend by the Company's Management Board towards the anticipated end-of-the-year dividend, appointing and dismissing the President and other Members of the Management Board, setting the number of Management Board Members, granting consent for the establishment or liquidation of the Company's branch, issuing opinions on proposals submitted by the Company's Management Board to the Shareholder Meeting.

Operation of the Supervisory Board

The procedure of the Supervisory Board's operation is described in detail in the Supervisory Board Bylaws adopted by the Supervisory Board. In accordance with the provisions of these Bylaws, the Supervisory Board makes decisions in the form of resolutions. For Supervisory Board resolutions to be valid, all the Supervisory Board members must have been invited and at least half of them must be present, including the Supervisory Board Chairperson or Vice-Chairperson. Resolutions of the Supervisory Board are adopted by a simple majority of votes. If an equal number of votes is cast "for" and "against", the Supervisory Board Chairperson has the casting vote. Supervisory Board resolutions in the matter of suspension of Management Board members or Management Board require the consent of the Supervisory Board Chairperson. Supervisory Board resolutions may also be adopted without holding a meeting by following a written procedure or using means of direct remote communication. Decisions in this respect are made by the Supervisory Board Chairperson at his/her own initiative or at a written motion of a Management Board member or Supervisory Board member.

In accordance with the Bylaws of the Supervisory Board, in the event of conflicting interests of the Company and personal interests of a Supervisory Board member, his/her spouse, relatives or relatives and second degree next of kin, the Supervisory Board member should refrain from participating in the discussion and voting on the resolution of such matters and request that this fact be recorded in the minutes of a Supervisory Board meeting.

PKP S.A. shall be entitled to appoint and dismiss members of the PKP CARGO S.A. Supervisory Board in a number equal to half the composition of the Supervisory Board (if such number is not an integer, it shall be rounded down to the nearest integer) plus one.

Company employees have the right to appoint and dismiss one Employee Representative to the Supervisory Board, in accordance with the Bylaws for the appointment of an Employee Representative to the PKP CARGO S.A. Supervisory Board and the procedure for their removal, as adopted by the Supervisory Board with Resolution No. 245/VIII/2024 of 20 December 2024 and then by Resolution No. 276/VIII/2025 of 14 February 2025. The Bylaws for appointing employee representatives to the PKP CARGO S.A. Supervisory Board which are now in force were adopted by the Supervisory Board with Resolution No. 367/VIII/2026 on 9 March 2026. A failure to elect the Supervisory Board members representing the employees does not prevent the Supervisory Board from being appointed or from adopting effective resolutions.

Independent Supervisory Board members

Independent PKP CARGO S.A. Supervisory Board Members fulfill the criteria for independence within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017, the principles of the "Best Practice of WSE Listed Companies 2021" constituting an attachment to Resolution No. 13/1834/2021 of the WSE Supervisory Board of 29 March 2021 and §21 of the Company's Articles of Association.

The table below presents the composition of the Supervisory Board as at the approval date of this report.

Table 37 Composition of the PKP CARGO S.A. under restructuring Supervisory Board

Name	Position	Period in office	
		from	to
Bogusław Nadolnik	Supervisory Board Member Supervisory Board Chairman	13 May 2024 6 February 2025	to date
Monika Starecka	Supervisory Board Member Supervisory Board Vice-Chairman	19 April 2024 28 January 2026	to date
Michał Wnorowski	Supervisory Board Member	29 June 2022	to date
Marzena Piszczek	Supervisory Board Member	21 November 2024	to date
Robert Stępień	Supervisory Board Member	13 May 2024	to date
Piotr Babski	Supervisory Board Member	3 February 2025	to date

Tomasz Pietrek	Supervisory Board Member – Employee Representative	7 May 2025	to date
Jacek Męcina	Supervisory Board Member	29 December 2025	to date
Anna Ślęzak	Supervisory Board Member	2 February 2026	to date

Source: Proprietary material

During 2025 and until the date of approving this report, the following changes occurred in the Company's Supervisory Board:

- on 13 January 2025, the Supervisory Board entrusted the function of Vice-Chairperson of the Supervisory Board to Mr. Marcin Wojewódka, the Company's Supervisory Board Member,
- on 30 January 2025, Mr. Władysław Szczepkowski, Supervisory Board Chairman, resigned from membership in the Supervisory Board as of 31 January 2025,
- on 31 January 2025, PKP S.A., acting pursuant to § 19(2) and (6) of the Company's Articles of Association, appointed, as of 3 February 2025, Mr. Piotr Tomasz Babski to the Supervisory Board of the 8th term of office,
- on 6 February 2025, the Supervisory Board entrusted the function of Supervisory Board Chairman to Mr. Bogusław Edmund Nadolnik,
- on 7 May 2025, the Supervisory Board, acting pursuant to § 13(4) and (5) of the "Bylaws for appointing an employee representative to the Supervisory Board", appointed Mr. Tomasz Pietrek,
- on 11 December 2025, PKP S.A., acting pursuant to § 19(2) and (6) of the Company's Articles of Association, dismissed Mr. Marcin Wojewódka from the Supervisory Board,
- on 29 December 2025, the Company's Extraordinary Shareholder Meeting, acting pursuant to Article 385 § 1 of the Commercial Company Code, appointed Prof. Jacek Męcina as a Supervisory Board Member for its joint 8th term of office,
- on 29 January 2026, PKP S.A., acting pursuant to § 19(2) and (6) of the Company's Articles of Association, appointed, as of 2 February 2026, Ms. Anna Maria Ślęzak to the Supervisory Board for its joint 8th term of office.

Bogusław Nadolnik – Supervisory Board Chairperson

Mr. Bogusław Nadolnik holds a Master's degree in economics from Warsaw School of Economics (Management and Marketing) and Institute of Organization and Management in Industry "ORGMASZ" (Internal Audit and Control). Scholarship holder of the first ECESP Program funded by the Congress of the United States of America and implemented by Georgetown University, Washington D.C. USA. Graduate of Small Business Management at Kings River Community College - Reedley, California. Mr. Nadolnik took part in numerous national and international courses and trainings. Professional experience: He worked on various management positions in public institutions, supported not only by the development of the rules for managing State Treasury assets, corporate governance in effect in State Treasury companies, but also by working for supervisory boards and cooperation with local government units. From 1993 to 1994, Mr. Nadolnik worked for the Marketing Department of the Horticultural and Beekeeping Cooperative in Tarnów, and then until 1996 he was a specialist and acting Office Director at the Ministry of Agriculture and Food Administration. In 1996, he worked for the Ministry of Ownership Transformation as Deputy Director of the Administration and Budget Department. From 1996 to 2004, he was Deputy Director of the Finance and Budget Department at the Ministry of Finance. Subsequently, he headed the ministry's Public Aid Office until 2006. From 2007 to 2008 he served as Secretary of the Legionowo District. In 2008, he served as Undersecretary of State in the Ministry of Agriculture and Rural Development responsible for overseeing the Agency for Restructuring and Modernization of Agriculture, subsequently becoming Vice President of that Agency. In 2013, he took the position of Advisor at the Ministry of State Treasury and Director of the Department of Post-Privatization Activities. From 2016 to 2018, he worked for the FAPA Foundation - Polish Chamber of Cooperative Banking as Director of the Cooperative Banking Development Team. From 2019 to 2024, he served on the Warsaw City Assets Management Board as the Investment Director. Since April 2024, he has been working for the Ministry of Infrastructure as Deputy Director of the Corporate Governance Department. Experience in the area of corporate governance, gained through his work on the Supervisory Boards of companies such as: Polimex-Cekop Sp. z o.o. in Warsaw, Bank Gospodarki Żywnościowej S.A. in Warsaw, Agencja Rozwoju Przemysłu (Industrial Development Agency) S.A. in Warsaw, Uzdrowisko Krynica Żegiestów S.A. in Krynica, Rolno-Spożywczy Rynek Hurtowy S.A. in Radom, Polskie Górnictwo Naftowe i Gazownictwo S.A. in Warsaw, ENERGA S.A. in Gdańsk, Krajowa Spółka Cukrowa S.A. in Toruń, where he represented the Minister in charge of the State Treasury.

Monika Starecka – Vice-Chairperson of the Supervisory Board

Ms. Monika Starecka graduated from the Faculty of Management at the University of Warsaw, completed postgraduate studies in Human Resource Management at Jagiellonian University and Advanced Leadership and Management Programme at Oxford University. She is certified as an International Coach by the International Coaching Community (ICC). Since 18 April 2024, she

has been Director of the Financial Division at PKP S.A. From 2019 to April 2024, she was Director of the Finance Division at Szybka Kolej Miejska sp. z o.o. with its registered office in Warsaw, overseeing the areas of accounting, controlling and obtaining and accounting for EU funds. Participated in activities aimed at improving the efficiency of the company's operations and development. Appointed to the ENEA S.A. Supervisory Board on 30 January 2024, seconded as a Supervisory Board Member to temporarily perform the duties of President of the ENEA S.A. Management Board since 2 February 2024, and seconded to temporarily perform the duties of ENEA S.A. Management Board Member for Corporate Affairs from 1 March 2024 to 30 April 2024. Since 2019, has been running Equinox Consulting, a consulting firm providing financial and operational advisory services, soft skills training, coaching and mentoring sessions for entrepreneurs and members of corporate governing bodies. From 2014 to 2018, Management Board Member and Chief Operating Officer of EY Poland (formerly: Ernst & Young). She was responsible for all business support areas: finance, marketing, human resources management, IT, legal, procurement, asset management and administration. Also participated in projects aimed at improving operational efficiency, boosting inclusiveness, supporting the development of women, increasing employee satisfaction and improving internal customer service. From 2010 to 2014, Management Board Member and Chief Financial Officer of the SMYK Group. She oversaw 15 companies based in 10 countries. Used to be responsible for the areas of finance, legal and internal control at all SMYK companies located in Poland, Germany, Russia, Turkey, Ukraine, Romania, the Czech Republic, Switzerland, etc. Participated in acquisition projects across Europe. From 2008 to 2010, CFO of Telepizza Poland where she was responsible for the areas of finance, human resources management, IT, investments and occupational safety and health at Telepizza's own and franchised restaurants and factories. From 2002 to 2008, Director of the Finance Department of Vattenfall Heat Poland (formerly: Elektrociepłownie Warszawskie). Also a member of a project team dealing with restructuring of the areas of procurement, sales, strategic planning, non-productive asset management, finance and cash management. In 2001-2002, Chief Financial Officer of RTC Poland, a niche advertising agency. From 1996 to 2000, Experienced Consultant and Project Manager at Arthur Andersen in the Audit and Business Advisory Departments. Most of her clients were companies in the power and fuel sectors. She has been a certified auditor since 2003.

Michał Wnorowski – Supervisory Board Member – independent

Mr. Michał Wnorowski is a graduate of the Warsaw School of Economics and the Kraków University of Economics. An expert in corporate governance. Member of the Association of Independent Non-Executive Directors. At present, an independent member of supervisory boards and a member of audit committees of the following companies listed on the stock exchange: Polski Holding Nieruchomości, Medicalgorithmics, PolTreg, EMC Instytut Medyczny. Previously, he sat among others on supervisory boards and audit committees of: Alumetal, Polwax, Tower Investments, Arteria, Voxel, Develia, Robyg, Enter Air, EMC Instytut Medyczny, Braster, Travelplanet.pl, Elektrobudowa, Armatura Kraków, ARM Property. He has been linked to the financial market since 1995. In 2012-2016, he was Investment Director Managing the Long-Term Equity Portfolio of the PZU Group, where he was responsible for the largest equity investment projects and for coordinating investments in this asset class across the PZU Group. Previously, he was Director of the Analysis and Corporate Governance Team at the PZU Group, responsible among others for the analysis and selection of companies for investment portfolios and for subsequent oversight over portfolio companies. He has experience in investment project management, market analysis, business analysis and valuation, securities portfolio management, and supervision over merger and acquisition processes.

Marzena Piszczek – Supervisory Board Member – independent

Ms. Marzena Piszczek, PhD in Economics, works at the Kraków University of Economics in the Chair of Public Finances. She specializes in the areas: corporate governance, corporate finance, public finances. Major projects: implementation of modern budgeting methods; consolidation and restructuring of the Polish chemical sector, banking sector; implementation of economic standards for the nuclear sector in Poland, supervision of a dozen of companies as the Director of a Regional Office of the State Treasury Minister. She discharged a number of functions: President and Vice-President of the Management Board; Supervisory Board Chairperson of significant public companies in Poland, such as PZU S.A., PKO BP S.A., Azoty S.A. Group. She cooperated with ICMA, USAID, Open Society Institute. She served as an expert for the Polish Prime Minister's Office and for the Office of the Senate of the Republic of Poland.

Robert Stępień – Supervisory Board Member

Mr. Robert Stępień is a graduate of the Faculty of History at the University of Warsaw and the Faculty of Political Science at the Aleksander Gieysztor Academy of Humanities. He completed a post-graduate management studies at the University of Gdańsk and obtained an MBA degree. He started his professional career as an advisor at the Office of the Council of Ministers. He was also Chief Media Cooperation Specialist at the Österreich Werbung - Austrian Tourist Information Center, President of the Warsaw Development Foundation, Vice-President of the Voivodship Fund for Environmental Protection and Water Management in Warsaw, Management Board Member and later President of MPR "Sarmatia" Sp. z o.o. For many years, he has been a member of the supervisory boards of the Palace of Culture and Science in Warsaw and the Mazowiecki Szpital Bródnowski Hospital, among others. Mr. Stępień has been associated with the railway sector since 2012 when he became the Head of the Sales Office of Koleje Mazowieckie. President of Koleje Mazowieckie since June 2017.

Piotr Babski – Supervisory Board Member

Mr. Piotr Babski holds a Master's Degree in Law and for 10 years has actively worked as Legal Counsel. Since January 2019 until now, he has been a member of the group of managing partners of one of the biggest law firms in Łódzkie Voivodship according to the annual ranking of the Office of *Rzeczpospolita* Daily. His professional practice covers in particular the areas of business and commercial law as well as legal service of mergers and acquisitions of enterprises. Piotr Babski has discharged functions of Chairperson, Vice-Chairperson and Member of supervisory boards of several private and public companies. In addition, Piotr Babski is a member of the Commission for the Image of the Profession and Information at the Regional Chamber of Legal Counsels in Łódź.

Tomasz Pietrek – Supervisory Board Member – Employee Representative

Mr. Tomasz Pietrek has been professionally associated with the rail industry for 35 years. In 1990, he started his professional career at the Rail Vocational School in Tarnowskie Góry. A diesel and electric traction train driver. An employee of the Silesian Unit of PKP CARGO S.A. in Tarnowskie Góry. Chairman of the Inter-Company Trade Union of Train Drivers in Tarnowskie Góry. Participated in numerous negotiations, including on working out the collective bargaining agreement in the Company. For many years, President of the Cargo Transport Sector of the Trade Union of Train Drivers.

Jacek Męcina – Supervisory Board Member

Mr. Jacek Męcina is the head of the Chair of Working System and Labor Market. In 2020-2025, a representative for cooperation with the business environment – lawyer, social politician, expert on the law, labor and labor relations as well as the employment and remuneration policy. The author of over 100 books, articles and studies. Deputy Finance Director of the Institute of Labor and Welfare in 1997-2000, director of the Social Policy Institute at the University of Warsaw in 2016-2019. Member of the Tripartite Social and Economic Commission from 2004, Vice Minister of the Economy from 2005. In 2012-2015, Secretary of the State at the Economy and Social Policy Ministry. Member of the Social Dialog Council and Chair of the Problem-Solving Team for Labor Law, advisor of the Management Board of the Polish Confederation Lewiatan.

Anna Maria Ślęzak – Supervisory Board Member

Ms. Anna Maria Ślęzak graduated from the Electrical Faculty of Częstochowa University of Technology, Economic and Sociological Faculty of the University of Łódź and Kraków University of Economics. She has a 30-year experience in professional work in the power and business sectors. She started her professional career in the Power Unit of Łódź Tern S.A. as Deputy Director of the Power District in Bełchatów. She also worked in the Energy Regulatory Office (URE) in Warsaw in the Department of Energy Efficiency and Cogeneration as President of the Energy Regulatory Office and at the Ministry of Climate and Environment, where she worked on the implementation of the package of "Fit for 55" directives to the Polish law. Since August 2024, she has been General Director at PGE Dystrybucja, Branch in Łódź. Ms. Anna Ślęzak holds Accountant Certificate no. 51899/2011, issued by the Finance Minister of the Republic of Poland, and an Accounting Specialist Certificate based on a professional exam taken before the Examination Commission of the Polish Association of Accountants.

9.12.3. SUPERVISORY BOARD AUDIT COMMITTEE

The Supervisory Board Audit Committee is appointed by the Supervisory Board. It consists of at least three Supervisory Board members and the majority of the Audit Committee members, including its Chairperson, must fulfill the independence criteria set forth in § 20 and 21 of the Company's Articles of Association. At least one Member of the Audit Committee has qualifications in the area of accounting or audit of financial statements and at least one Member of the Audit Committee has knowledge and skills in the specific industry in which the Company operates. The Committee Members are appointed for a period corresponding to the length of the Supervisory Board's term of office. The tasks of the Audit Committee include in particular: oversight of the organizational unit responsible for internal audit, monitoring the financial reporting process, monitoring the performance of internal control systems, risk management and internal audit systems, including the area of financial and non-financial reporting, monitoring financial review activities, monitoring the independence of the statutory auditor and the firm authorized to audit financial statements, also when it provides to the Company other services than financial audit and review, assessing the independence of a statutory auditor and giving consent for it to provide permitted financial audit services, recommending a firm authorized to audit financial statements to the Shareholder Meeting to perform financial audit activities in the Company, in compliance with the policies in force in the Company: Policy and Procedure for the selection of an audit firm to conduct an audit, review of or provide assurance for the financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group and Policy for the provision of additional services by the audit firm. In 2025, the Supervisory Board Audit Committee held 11 meetings and took 1 vote using means of direct remote communication.

Table 38 Composition of the Audit Committee of the PKP CARGO S.A. under restructuring Supervisory Board as at the approval date of this report

Name	Position	Period in office	
		from	to
Michał Wnorowski	Committee Chairman	23 August 2022	to date
Marzena Piszczek	Committee Member	27 November 2024	to date
Monika Starecka	Committee Member	1 February 2025	to date
Piotr Babski	Committee Member	14 January 2026	to date
Anna Ślęzak	Committee Member	9 March 2026	to date

Source: Proprietary material

In 2025 and until the approval date of this report, the following changes occurred in the Supervisory Board Audit Committee:

- on 30 January 2025, Mr. Władysław Szczepkowski, Supervisory Board Chairman, resigned from membership in the Supervisory Board as of 31 January 2025;
- on 30 January 2025, the Company's Supervisory Board appointed Ms. Monika Starecka to its Audit Committee, effective as of 1 February 2025;
- on 14 January 2026, the Company's Supervisory Board appointed Mr. Piotr Babski to its Audit Committee,
- on 9 March 2026, the Company's Supervisory Board appointed Ms. Anna Ślęzak. to its Audit Committee.

The Audit Committee members who satisfy the statutory criteria of independence are Michał Wnorowski and Marzena Piszczek.

As required by the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (Journal of Laws of 2019, Item 1421, as amended), the independent members of the Audit Committee submitted statements confirming their fulfillment of the criteria listed in Article 129(3) of the said Act.

The following members of the Supervisory Board Audit Committee have the knowledge and skills in the area of accounting or auditing of financial statements:

- Michał Wnorowski: graduate of the Warsaw School of Economics and the Cracow University of Economics with more than 20 years of professional experience in the management of investment projects, market and financial analysis, business analysis and valuation and management of investment portfolios in large financial institutions;
- Marzena Piszczek: PhD in Economics at the Kraków University of Economics; she has experience in the areas: corporate governance, corporate finance, public finances, implementation of modern budgeting methods.

The Supervisory Board Audit Committee members who have the knowledge and skills in the specific industry in which PKP CARGO S.A. operates are:

- Michał Wnorowski: knowledge and skills acquired in his role as a PKP CARGO S.A. Supervisory Board Member since 29 June 2022;
- Monika Starecka: experience gained in companies from the railway sector.

In accordance with the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (consolidated version: Journal of Laws of 2024, Item 1035, as amended), the Supervisory Board Audit Committee, by Resolution No. 4/2025 of 24 March 2025, established the Policy and procedure for the selection of an audit firm to conduct an audit, review of or provide assurance for financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group as well as the Policy for providing additional services by the audit firm.

The Policy for the selection of an audit firm to conduct an audit, review of or provide assurance for financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group assumes that:

1. The Audit Committee, in establishing this Policy, was primarily concerned with the high quality of financial information disclosed to PKP CARGO S.A.'s stakeholders.

2. The Policy for the selection of an audit firm defines the principles and rules of conduct during the process aimed at selecting an audit firm authorized to conduct a statutory audit, review of or provide assurance for financial statements. The independence and possession of proper authorizations by both the auditor and the audit firm is a key element of the Policy. With that, the criteria for the selection and rotation of the entity authorized to conduct and audit and the rules for the provision of non-audit services by the auditor are intended to ensure that the auditor has the proper knowledge and skills to perform the engagement and is independent.
3. In accordance with the Articles of Association of PKP CARGO S.A., the audit firm is selected by the Supervisory Board from among entities participating in the Procedure for the selection of an audit firm to conduct an audit, a review of or provide assurance for the statements. The selection is made in consideration of the principles of impartiality and independence of the audit firm and an analysis of the work carried out by the audit firm in the Company and beyond the scope of the audit in order to avoid any conflict of interest (by maintaining impartiality and independence) after reviewing the transparency reports prepared pursuant to Article 13 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 and published by the audit firms, based on the recommendation provided by the Audit Committee.
4. When issuing a recommendation and when selecting an audit firm, the Audit Committee and the Supervisory Board, respectively, are required to pay special attention to:
   - the need to maintain the independence and objectivity of the audit firm and the auditor – the scope of services provided during the most recent financial years by the audit company itself as well as by its related parties and network members to the Company or its parent company or entities controlled by PKP CARGO S.A. is a matter of detailed analysis;
   - experience in auditing standalone and consolidated financial statements of public interest entities of a similar size to that of the Company and the PKP CARGO Group and listed on the Warsaw Stock Exchange;
   - experience in auditing companies with a similar business profile to that of the Company;
   - professional qualifications and experience of persons directly involved in the conduct of the audit/review of the Company and selected subsidiaries of PKP CARGO S.A.;
   - the ability to provide the required range of services within the specified period, including the ability to ensure the stability of the team;
   - the availability of qualified specialists in of specific issues related to financial statements, such as tax analysis, hedge accounting, measurement of derivatives, IT systems and in non-financial statements;
   - costs of an audit, review or assurance service.
5. The selection of an audit firm must be made sufficiently in advance to enable the execution of a contract for an audit, review or assurance for financial statement or sustainability report early enough to enable the audit firm to prepare for the interim review.
6. The Audit Committee's recommendation on the selection of the audit firm is forwarded to those PKP CARGO Group companies that are immediate subsidiaries of PKP CARGO S.A.
7. A contract with the audit firm for an audit, review or assurance will be entered into for the selected term. The agreement with the audit firm must include provisions requiring the audit firm to provide the Company at least twice per calendar year – by the end of January and by the end of July – with information on the outcomes of inspections and the initiation of proceedings conducted at the audit firm by the Polish Agency for Audit Oversight. Moreover, the contract should stipulate that upon receipt of the relevant information, the audit firm will notify the Company of the issuance by the Polish Agency for Audit Oversight of a first-instance or second-instance administrative decision to impose a penalty on the audit firm as specified in Article 183(1) of the Act.
8. The independence of the auditor and the audit firm is controlled and monitored at each stage of the procedure for the selection of an audit firm to conduct an audit, review of or provide assurance for financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group.
9. The audit firm is selected based on the principle of rotation of audit firms and key statutory auditors.
10. The first contract for a statutory audit is entered into with an audit firm for a period not shorter than two years with an option to extend the contract by subsequent periods of at least two years, in consideration of the rules of rotation of audit firms and key statutory auditors in compliance with the applicable laws.
11. The process of the selection of an audit firm takes place in accordance with the Policy and the procedure for selecting an audit firm to conduct an audit, review of or provide assurance for financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group.

The procedure for the selection of an audit firm to conduct an audit, review of or provide assurance for financial statements and sustainability report of PKP CARGO S.A. and the PKP CARGO Group assumes that:

1. The selection procedure is initiated by the Supervisory Board Audit Committee, which lays down detailed guidelines regarding the requirements to be satisfied by the audit firm and the selection criteria.

2. The request for proposals is sent out to audit firms in accordance with Article 130(3)(2)(a) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (consolidated version: Journal of Laws of 2024, Item 1035, as amended), and requires prior approval by the Audit Committee.
3. The Audit Committee prepares a recommendation for the Shareholder Meeting in accordance with the provisions of the Policy, taking into consideration the findings of the annual report of the Audit Oversight Commission, referred to in Article 90(5) of the above Act, an analysis of proposals submitted by audit firms, documentation of the procurement procedure and a report.

The Audit Committee has adopted the following rules governing the provision of additional services by audit firms:

1. Besides the audit/review of the financial statements, the audit firm may provide the following services to: (i) the Company, or (ii) entities controlled by PKP CARGO S.A. (hereinafter: controlled entities), or (iii) the parent company of PKP CARGO S.A. (hereinafter: the parent company):
   - conducting due diligence procedures regarding the economic and financial standing and preparation of comfort letters in connection with the issue prospectus, carried out in accordance with the national standard of related services (agreed procedures);
   - assurance services regarding pro forma financial information, result forecasts or estimates given in the issue prospectus;
   - audit of historical financial information for the prospectus referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
   - verification of consolidation packages;
   - confirmation of the fulfillment of the terms of loan agreements based on an analysis of the financial information provided in the financial statements;
   - assurance services regarding corporate governance, risk management and corporate social responsibility reporting;
   - auditor's opinion on financial statements or other financial information addressed to supervisory authorities, the supervisory board or another supervisory body of the Company or the shareholders, not covered by the scope of the statutory audit, and intended to support those bodies in the performance of their statutory duties;
   - other non-audit financial revision services.
2. Provision of the services referred to in point 1 is possible only within a scope not related to the tax policy of the Company, its parent entity or subsidiaries, after the Audit Committee of the Supervisory Board has assessed the threats and warranties regarding the independence of the audit firm.
3. The execution of an agreement for the provision of additional services by the audit firm requires in each case the consent of the Audit Committee at the request of the pertinent company's Management Board. The consent of the Audit Committee referred to in the preceding sentence is required for the audit firm to execute an agreement with the Company, with each controlled entity and with the parent company.
4. The Company presents to the Audit Committee of the Supervisory Board, at least annually, a list of all additional services provided by the audit firm to PKP CARGO S.A., its parent entity and the entities controlled by the Company.

The Audit Committee adopted Resolution No. 3/2025 of 13 March 2025 regarding consent to the performance of an attestation service concerning the assessment of the report on the remuneration of the Members of the PKP CARGO S.A. under restructuring Management Board and Supervisory Board for the financial years 2024-2025 by the audit firm Grant Thornton Polska Prosta Spółka Akcyjna, with its registered office in Poznań, postal code: 61-131, ul. Abpa Antoniego Baraniaka 88 E, holding KRS number: 0001002477, NIP: 782 25 45 999, registered by the National Council of Auditors on the list of audit firms under number 4055.

9.12.4. NOMINATION COMMITTEE

The Nomination Committee is appointed by the Supervisory Board. It consists of three Supervisory Board Members, of whom at least one Supervisory Board Member must satisfy the independence criteria and be appointed in the manner provided for in § 20 and 21 of the Company's Articles of Association, to discharge the function of Nomination Committee Chairperson. Members of the Nomination Committee are appointed for a term corresponding to the Supervisory Board's term of office. The Nomination Committee organizes and exercises ongoing oversight over the recruitment procedure for the positions of the Company's Management Board Members and over the process of assessment and appointment of the Company's Management Board members, and supports the attainment of the Company's strategic objectives by presenting opinions and findings to the Supervisory Board pertaining to the employment structure and compensation for the Company's employees, including in particular the Company's Management Board members and upper level management.

Table 39 Composition of the Nomination Committee of the PKP CARGO S.A. under restructuring Supervisory Board as at the approval date of this report

Name	Position	Period in office	
		from	to
Marzena Piszczek	Committee Chairperson	27 November 2024	to date
Robert Stępień	Committee Member	16 May 2024	to date

Monika Starecka	Committee Member	6 February 2025	to date
Bogusław Nadolnik	Committee Member	14 January 2026	to date

Source: Proprietary material

In 2025 and until the date of approval of this report, the following changes occurred in the Nomination Committee:

- on 30 January 2025, Mr. Władysław Szczepkowski, Supervisory Board Chairman, resigned from membership in the Supervisory Board as of 31 January 2025,
- on 6 February 2025, the Supervisory Board appointed Ms. Monika Starecka to the Nomination Committee,
- on 14 January 2026, the Supervisory Board appointed Mr. Bogusław Nadolnik to the Nomination Committee.

9.12.5. STRATEGY, RESTRUCTURING AND SUSTAINABILITY COMMITTEE

On 27 February 2025, the Supervisory Board adopted Resolution No. 279/VIII/2025 on the adoption of the "Bylaws of the PKP CARGO S.A. Supervisory Board," changing the name of the Strategy and Sustainability Committee of the PKP CARGO S.A. Supervisory Board to the Strategy, Restructuring and Sustainability Committee of the PKP CARGO S.A. Supervisory Board The Strategy, Restructuring and Sustainability Committee is appointed by the PKP CARGO S.A. Supervisory Board The Strategy, Restructuring and Sustainability Committee consists of at least three members of the Supervisory Board, including at least one member of the Supervisory Board who meets the independence criteria and is appointed in the manner specified in § 20 and 21 of the Company's Articles of Association. Committee Members are appointed for a period corresponding to the length of the Supervisory Board's term of office. The Strategy, Restructuring and Sustainability Committee supports the Supervisory Board in its supervision over the establishment of the strategy as well as the proper pursuit of the strategy and annual and long-term activity plans for the Company and its Group.

Table 40 Composition of the Strategy, Restructuring and Sustainability Committee of the PKP CARGO S.A. under restructuring Supervisory Board as at the approval date of this report

Name	Position	Period in office	
		from	to
Anna Ślęzak	Committee Chairwoman	23 February 2026	to date
Michał Wnorowski	Committee Member	12 July 2022	to date
Bogusław Nadolnik	Committee Member	16 May 2024	to date
Piotr Babski	Committee Member	28 April 2025	to date
Jacek Męcina	Committee Member	14 January 2026	to date

Source: Proprietary material

In 2025 and until the date of approval of this report, the following changes occurred in the Strategy, Restructuring and Sustainability Committee:

- on 30 January 2025, Mr. Władysław Szczepkowski, Supervisory Board Chairman, resigned from membership in the Supervisory Board as of 31 January 2025,
- on 6 February 2025, the Supervisory Board appointed Mr. Marcin Wojewódka to the Strategy and Sustainability Committee,
- on 28 April 2025, the Committee appointed Mr. Marcin Wojewódka to serve as Chairman of the Committee,
- on 11 December 2025, the majority shareholder, that is PKP S.A., removed Mr. Marcin Wojewódka from the Supervisory Board; consequently, as of that date, Mr. Marcin Wojewódka also ceased to serve as Chairman and Member of the Committee,
- on 14 January 2026, the Supervisory Board appointed Mr. Jacek Męcina to the Strategy, Restructuring and Sustainability Committee,
- on 23 February 2026, the Supervisory Board appointed Ms. Anna Ślęzak to the Strategy, Restructuring and Sustainability Committee and the Committee entrusted her with the role of Chairperson.

Until 31 January 2025, the operations of the Strategy, Restructuring and Sustainability Committee were suspended due to ongoing remedial proceedings.

9.13. Diversity policy

In the Company, no formal diversity policy has been prepared with regard to the Company's corporate bodies; nevertheless, the policy carried out by PKP CARGO in all the processes, especially recruitment, takes into consideration such diversity aspects as sex, education, age and professional experience, accepting diversity and equal opportunities as significant competitive advantages, which make it possible to win and retain talented employees and benefit from their professional capacity, especially with regard to the Company's corporate bodies. The Company applies transparent rules to elect its Management Board and Supervisory Board Members.

The Company's Articles of Association define the rules for appointing the Management Board. Pursuant to § 14 Section 10 of the Company's Articles of Association, a Management Board member is obligated to satisfy the requirements specified in Article 22 of the Act on the Rules for Managing State Property.

9.14. Description of the Company's and the PKP CARGO Group's sponsoring, charitable or other similar activities

PKP CARGO S.A. and members of the PKP CARGO Group focus on pro-social activities consistent with the mission and values represented by PKP CARGO. The conduct of long-term social programs is a priority activity undertaken by these entities.

Based on an analysis of initiatives and programs executed to date and a diagnosis of the needs of the PKP CARGO Group's business and social environment, the following sponsorship activities were devised:

- initiatives for the development of the logistics sector,
- science and education, including cooperation with institutions of higher education and scientific centers,
- culture and arts
- safety and security.

This support builds the image of the Company, whose activities are targeted not only at business, but also at social issues, and is important in particular in the pursuit of the postulates of sustainability and ESG policy.

In 2025, due to the Company's financial situation, no sponsorship or donation activities were carried out.

10. Sustainability Report of the PKP CARGO Group for 2025

10.1. General information – ESRS 2

BP-1 – General basis for preparation of sustainability statements

[BP-1_01] The statement on the sustainability of the PKP CARGO Group is part of the report on the Management Board's activities, in accordance with the Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Oversight and Certain Other Acts, introducing amendments, without limitation, to the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2023, item 120, as amended). The content of the Statement is consistent with Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards (OJ L of 2023, item 2772, as amended), Annex I, European Sustainability Reporting Standards (hereinafter: ESRS). The Report also includes disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

[(ESRS 2) 5 a)] The document has been prepared in a consolidated form, [BP-1_02] with the same scope of data consolidation as that for the financial statements, meaning that it includes, in addition to the parent company PKP CARGO S.A. under restructuring, seven subsidiaries consolidated using the full consolidation method:

- PKP CARGO SERVICE Sp. z o.o.

Company specializing in the operation of rail sidings, rail freight and traction services. Domestic and international freight services are provided using the company's own or entrusted rolling stock. PKP CARGO SERVICE employs technically skilled personnel specializing in track infrastructure maintenance. It offers technical checks, diagnostics, on-site inspections and maintenance, repairs and track renovations. The company cooperates with enterprises from the coal, mineral and power sectors.

- PKP CARGOTABOR sp. z o.o. under restructuring

The company's key line of business is rolling stock maintenance, upgrade and adaptation to customer needs and specific freight requirements. The services are provided in six units specializing in the production and refurbishment of components for wagons and locomotives.

- PKP CARGO TERMINALE sp. z o.o.

The company handles trade between the European Union and the Far East and runs its business in the following three locations:

- in the Przemyśl region on the Polish-Ukrainian border, in the Third European Transport Corridor (Berlin – Wrocław – Kraków – Przemyśl – Lviv – Kyiv),
- at the Medyka-Mościska crossing and in the Terespol region in the Second Pan-European Transport Corridor (Berlin – Poznań – Warsaw – Brest – Moscow – Nizhny Novgorod),
- in Karsznice in central Poland on the S8 route, at the intersection of the main east-west and north-south routes, connecting the New Silk Road with the Three Seas Initiative region and others.

Polish and international customers have been using the company's services for years.

- CARGOSPED TERMINAL BRANIEWO sp. z o.o.

The company offers transshipment, customs clearance and freight forwarding services and trades in imported coal. It makes use of its own resources to carry out transshipment, storage, sorting, bagging and customs clearance services. Its customers are importers and exporters of bulk cargo.

- CARGOTOR Sp. z o.o.

The company provides rail carriers with logistics and service infrastructure on commercial terms. It manages the Małaszewicze Transshipment Zone, which covers approximately 172 km of tracks with stations and 18 forwarding points with a total length of 11 km of tracks. The company is in charge of maintaining the infrastructure to ensure safe rail transport operations.

- PKP CARGO CONNECT sp. z o.o.

It offers comprehensive transport, transshipment, warehousing and customs services. It specializes in domestic and international transport of containers, swap bodies and semi-trailers, both by dedicated trains and operator trains in the intermodal service network. It offers intermodal solutions using sea, road and rail transport in Poland, EU countries, Kazakhstan, Turkey and the United Kingdom. It provides freight forwarding services for rail transport – wagon and full train loads. It also provides FTL, LTL, refrigerated (with temperature monitoring) and ADR road transport services. It offers door-to-door, just-in-time and place-on-time deliveries.

- PKP CARGO INTERNATIONAL a.s.

The PKP CARGO INTERNATIONAL Group, along with PKP CARGO INTERNATIONAL HU Zrt., SK s.r.o., SI d.o.o. and AWT ROSCO a.s., specializes in the transport of heavy cargo, such as coal, steel, construction materials and output of the automotive, food and chemical industries. It operates in Europe, offering long-distance freight services, intermodal transport, freight forwarding, siding services, rail construction, track services, rental, repair and cleaning of wagons, and locomotive maintenance. Through AWT Rekultivace a.s., it also provides land reclamation, earthwork and waste management services. The group owns the Paskov transshipment terminal, which serves 60 sidings and manages approx. 400 km of traction. Its head office is located in Ostrava, Czech Republic.

The data presented in the statement cover the period from 1 January 2025 to 31 December 2025, which is the period covered by the Consolidated Financial Statements for the financial year ended 31 December 2025.

[BP-1_03] The full structure of the PKP CARGO Group, in accordance with the Consolidated Financial Statements and the Management Board Activity Report, comprises twenty subsidiaries, seven of which are subject to consolidation. Among the companies covered by consolidation, none are exempt from sustainability reporting.

[BP-1_04] The Group's sustainability information presented in this statement is based on a double materiality analysis carried out from November 2025 to February 2025, which took into account the value chain identified in the process at the lower and higher levels.

[BP-1_05] The PKP CARGO Group does not exercise the option to omit from the statement any information on intellectual property, know-how and innovation results or [BP-1_06] ongoing events and negotiations.

BP-2 – Disclosures in relation to specific circumstances

[BP-2_01] The PKP CARGO Group has adopted the following time horizons in accordance with the ESRS standard:

- short-term – corresponding to the reporting period (1 year),
- medium-term – between one and five years,
- long-term – more than five years.

[BP-2_16] [BP-2_17] The statement was prepared based on the requirements set forth in the ESRS standards. The information contained herein does not refer to any other legal provisions imposing an obligation to disclose sustainability information or to any generally accepted interpretations or frameworks for reporting in this area. The statement discloses data resulting from Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework

to facilitate sustainable investment. This report on the Group's sustainability has undergone an external assurance review providing limited assurance.

[BP-2_03-06] The Group reports greenhouse gas emissions based on a methodology compliant with the GHG Protocol standard, to which the ESRS directly refers. The sources of indicators for the calculations are the following databases and sources: DERFA, KOBiZE, AIB, ERO, Ecoinvent, Exiobase. The primary input data for the emissions calculation included information such as purchase invoices, accounting and operational data and corporate data management systems. In the Scope 3 emissions calculations relating to the upstream and downstream value chain, estimates based on information from company systems were used in their entirety.

[BP-2_10] In 2025, in accordance with the guidelines of the ESRS Standard E1, Section 34(b), Categories 5, 6, 7, 9 and 13 of Scope 3 were not reported, as their emissions were immaterial (the total emissions in these categories were significantly less than 1% of the Group's total emissions). During the reporting period, due to the need to align the carbon footprint calculation method with the methodology used by the PKP Group, the approach to calculating Scope 3 Category 9 was changed. This change resulted in the transfer of most emissions from Category 9 to Category 4, causing Scope 3 Category 9 to become immaterial, as described in more detail in disclosure E1-6 under the subsection "Description of the adopted methodology."

[BP-2_10] In 2025, the approach to presenting the ESRS G1-6 indicator changed: the average number of days it takes an entity to settle an invoice from the start of the contractual or statutory payment term. In the current reporting period, the indicator was estimated based on the average accounts payable turnover ratio within the Group. In 2024, due to differences in the data structure of individual Group companies, the data was reported individually for each company using different methodologies. After recalculation, the ratio for 2024 amounted to 85 days. Since in the previous reporting period the ratio was reported separately for each Group company, it is not possible to identify the difference between the value reported for that period and the adjusted comparative figure.

[BP-2_07] The use of this ratio allows for the presentation of consistent data at the Group level; however, it involves estimates that have been identified as having a high level of measurement uncertainty – [BP-2_08] the accounts payable turnover ratio does not take into account information on actual contractual terms and reflects only the average settlement period. [BP-2_09] The ratio for each company was calculated as the quotient of the average balance of trade payables at the beginning and end of the reporting period and the total net purchases recognized in that period. Liabilities include trade and investment liabilities arising exclusively from invoices. Purchases include net purchases of services, goods and materials as well as fixed assets resulting from purchase invoices. For data from PKP CARGO and PKP CARGOTABOR regarding the balance of liabilities, liabilities subject to remedial proceedings were excluded due to different repayment rules (as specified in the court-approved composition).

[BP-2_10-12] In 2025, the approach to presenting pollution data within the ESRS E2 disclosures also changed. In disclosure E2-4, the voluntary presentation of emission values was discontinued, regardless of potential exceedances (no exceedances were identified in 2024-2025). Furthermore, in disclosure E2-5, due to improvements in the quality of collected data, the substances used were reclassified in a manner that better reflects their chemical characteristics.

In 2025, the double materiality analysis was updated. As a result of the in-depth analysis and based on insights from emerging market practices, the E3 topics are no longer considered material. Furthermore, following the in-depth analysis, topic E5 regarding input resources was deemed material. Detailed changes are described in IRO-1.

[BP-2_13-14] During the current reporting period, a material error was identified in the presented value of the accident rate in Chapter S1. Due to an error in data aggregation, a lower-than-actual value of the ratio was reported. Following the correction, the ratio changed from 3.13 to 4.60.

Additionally, an omission error was identified in the previous report regarding the Group's energy intensity ratio. Consequently, the 2024 ratio was additionally reported in E1-6.

In 2025, the Group availed itself of the disclosure exemption pursuant to the European Commission Regulation of 11 July 2025, the so-called "Quick Fix," which amends the list of exemptions described in Appendix C to ESRS 1 – List of phased-in disclosure requirements – with respect to financial years beginning on or after 1 January 2025.

The Group availed itself of the following exemptions:

- SBM-3, paragraph 48(e) – expected financial impacts,
- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities,
- E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities,
- ESRS E4 – Biodiversity and ecosystems (all disclosure requirements),
- E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities,
- S1-7 Characteristics of non-employees in the undertaking's own workforce,

- S1-13 Training and skills development metrics,
- S1-14 Health and safety metrics,
- ESRS S2 – Workers in the value chain (all disclosure requirements),
- ESRS S3 – Affected communities (all disclosure requirements).

[BP-2_21-27] As a result of the materiality assessment, the Group identified the issues covered by standards E4 Biodiversity and Ecosystems, S2 Workers in the value chain and S3 Affected communities as material. These issues are directly related to the PKP CARGO Group's business model, which is based on rail freight transport. Currently, the Group has not set targets, actions or metrics for managing material impacts related to these issues. No policies dedicated to these issues have been adopted either. The issue of employee health and safety in the value chain is addressed indirectly in corporate documents – the Code of Conduct for Business Partners of the PKP CARGO Group.

[BP-2_20] The Group does not avail itself of the option to incorporate information by reference to another part of the report.

GOV-1 – Role of administrative, management and supervisory bodies

[G1.GOV-1_01] [G.1.GOV-1_02] The PKP CARGO Group is managed and supervised by the corporate bodies of its parent company, PKP CARGO S.A. under restructuring. As at the end of 2025, the Company was managed by a five-member Management Board. At the end of 2025, the President of the Management Board of PKP CARGO was dismissed. The Supervisory Board, one of whom was delegated to perform the duties of President of the Management Board of PKP CARGO, while another was dismissed from the position of member of the Supervisory Board. [GOV-1_03] At the end of the reporting period, the Board included one employee representative.

[GOV-1_01-02] [GOV-1_05-07]

Table 41 Composition of administrative, management and supervisory bodies in the Company at the end of 2025

Number of persons on the Management Board	5
Number of persons on the Supervisory Board	8
Percentage of women on the Management Board	20%
Percentage of women on the Supervisory Board	25%
Number of independent members of the Supervisory Board	2
Number of non-executive members of the Supervisory Board	8

[GOV-1_04] The Management Board consisted of:

- Monika Starecka – Acting President of the PKP CARGO S.A. under restructuring Management Board. In April 2024, she was appointed Director of the Finance Division at PKP S.A. In previous years, Monika Starecka held senior management positions at EY Polska, Grupa SMYK, Telepizza Poland, Vattenfall Heat Poland, Szybka Kolej Miejska, RTC Poland and other companies. Since January 2024, she has also served as a member of the ENEA Supervisory Board. Since 2019, Monika Starecka has been running Equinox Consulting, a consulting firm providing financial and operational advisory services, soft skills training, coaching and mentoring sessions for entrepreneurs and members of corporate governing bodies. She has been a certified auditor since 2003. She is also certified as an International Coach by the International Coaching Community (ICC).
- Paweł Miłek – Vice-President of the Management Board, Management Board Member in charge of Restructuring since 1 January 2025. Since 1997, he has served a trustee in bankruptcy proceedings and a supervisor and administrator in restructuring proceedings. He has worked as a legal counsel since January 2000. In 2022, he obtained the title of Qualified Restructuring Advisor. Served as Vice-Chairman of the Regional Disciplinary Court at the Regional Chamber of Legal Counsels in Wrocław. In 2021-2023, he served as President of the Lower Silesian Association of Trustees in Bankruptcy Proceedings.
- Artur Warsocki – Management Board Member in charge of Commerce since 1 February 2025. He started his professional career at Rafineria Gdańska S.A. in 1998. Since 2003, he continued work in the LOTOS S.A. Group, where he held successive managerial positions. In 2008-2012, as Sales Management Director, he was responsible for wholesale trading in fuels of the refinery. In 2012-2014, he was responsible for development of aviation fuel business, as a result of which aviation fuels started to be sold by LOTOS at all the key airports in Poland. As the President of the Management Board of LOTOS Tank, he was responsible for restructuring and transformation of the company into a joint venture with the

international concern Air BP. In the newly established company, LOTOS-Air BP, he became President of the Management Board. Since 2015, he has been associated with the logistics sector. From 2015 to 2017, as Commercial Director of the CTL Logistics Group and Management Board Member of CTL Logistics GmbH, he developed the sales area for rail transport on the Polish and German markets. Since 2017, he has been involved in the logistics and freight forwarding industry at seaports in Poland.

- Sebastian Miller – Management Board Member in charge of Operations since 1 January 2025. He has many years of experience as a manager in the railway industry and previously in industry. From 2001, for over a decade, he managed contracts and projects at Polimex-Mostostal SA (formerly ZREW SA), ERBUD and MONCOBRA. In 2019-2024, he worked on the position of Technical Division Director, managing maintenance and technical activity in Szybka Kolej Miejska w Warszawie (Urban Fast Transit Railway in Warsaw). In 2024, he was appointed Advisor to the President of the Management Board, responsible for supervision and reorganization of the Company's operations area.
- Michał Łotoszyński – Management Board Member in charge of Finance since 17 February 2025. He has 25 years of experience in finance and management, including in particular finance management, building new products and development of company strategies, performance of IT projects as well as restructuring, repairs and acquisitions of business entities. Professionally, he has been associated, among other sectors, with banking. He worked at PKO Bank Polski, PKO S.A. Pension Fund and BOŚ Investment Mgt. At the Pension Fund, he co-developed an IT system for asset valuation based on the Embedded Value model and the amortization of acquisition costs over time. He managed a company renting passenger cars and delivery vans - 99RENT Sp. z o.o., where apart from ensuring its growth, he also built a system for managing short- and medium-term leases. Then, after acquiring a franchise of Enterprise/National/Alamo, he restored the company's position in the Polish market. He was Management Board Member in charge of Finance at PZU Tower (real estate management for the PZU Group), Arcus S.A. and Arcus Systemy Informatyczne. While working for Ciech S.A., he was responsible for restructuring, building the group's strategy, an IPO project and acquisitions of EU companies from the chemical industry.

At the end of 2025, the following persons were Members on the Supervisory Board in addition to those seconded to perform functions on the Management Board:

- Bogusław Nadolnik,
- Jacek Męcina,
- Robert Stępień,
- Michał Wnorowski,
- Marzena Piszczek,
- Tomasz Pietrek,
- Piotr Babski.

[GOV-1_08] [GOV-1_09] [GOV-1_10] [GOV-1_11] In the Group's Parent Company, oversight of sustainability issues in 2025 was exercised by the Strategy, Restructuring and Sustainability Committee. The Committee's responsibilities are defined in the Supervisory Board Bylaws and include supporting the Supervisory Board in defining and pursuing strategies, including ESG strategies, monitoring the pursuit of strategies by the Management Board, and issuing opinions on strategic documents, including those related to ESG, submitted to the Supervisory Board by the Management Board. As at the end of 2025, the Committee consisted of three Supervisory Board members. [GOV-1_15-17] In 2025, the knowledge and experience of the Committee members were of a business nature, not directly related to sustainability issues. The Committee periodically reviewed topics related to ESG and their implementation within the organization.

[GOV-1_12] [GOV-1_13] In 2025, no separate controls or procedures were applied to manage the impacts, risks and opportunities described in this statement. With regard to the identified risks, a process was initiated to integrate them into the risk management system, which was presented to the aforementioned Committee. Concurrently, in 2025, preparatory work began to incorporate ESG risks into this system.

At the management level, issues related to sustainability are addressed on a case by case basis by the relevant substantive departments specializing in specific areas. Environmental issues are handled by dedicated units in charge of environmental protection. Human resources are jointly managed by the Human Resources Management Department, the Compliance Section and the Occupational Health and Safety Team. Issues related to the impact of our operations on local communities, including the noise generated by our trains, are the responsibility of the Rolling Stock and Technical Support Department. Relations with

suppliers are coordinated by the Purchasing Department, which collaborates with the Finance Department in the area of payments. Whistleblower protection is the responsibility of the Compliance Section.

All these activities are coordinated at the project level, with particularly intensity during the preparation of sustainability reports and the development of ESG strategies.

Sustainability reporting is carried out on a regular basis. Coordinators of relevant areas (Health and Safety, Compliance, Environment) prepare reports which are then submitted to the Management Board by the directors of specific units. Subsequently, these reports are discussed at Management Board meetings.

[GOV-1_14] Quality and sustainability objectives are included in the Group's Integrated Management System Policy adopted by a resolution of the Management Board. As these objectives are not measurable, progress towards their achievement is not monitored. The objectives are not updated on a regular basis, but on an as-needed basis.

In 2025, the Group updated its double materiality analysis, the results of which were approved by the Management Board. Following the completion of the restructuring proceedings, the Group intends to use the outcomes of this analysis to review its objectives and establish appropriate indicators, of both a quantitative and qualitative nature.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

[GOV-2_01] The PKP CARGO Group has not implemented formalized processes for systematically informing management and supervisory bodies about material impacts, risks and opportunities in the area of sustainability. The Management Board and the Supervisory Board are informed about material ESG topics in connection with specific operational events or in situations requiring decision-making as well as on a regular basis arising from reporting obligations set forth in the Group's internal policies.

During the reporting period, information regarding material impacts, risks and opportunities was communicated to the governing bodies through existing management channels, including Management Board meetings, ongoing operational analyses and reviews resulting from applicable policies. The Management Board and the Supervisory Board were informed about occupational health and safety issues on a quarterly basis and in the form of an annual summary. A report on the implementation of the Code of Ethics and the whistleblower protection system was submitted to the governing bodies on an annual basis.

[GOV-2_02] Sustainability issues are not integrated into formal decision-making processes at the level of management and supervisory bodies in the areas of strategy, budget planning or risk management. In 2025, decisions and steps were taken regarding the management of identified material opportunities and risks related to sustainability at PKP CARGO, which will ultimately be extended to the entire Group.

[GOV-2_03] During the reporting period, the Company's management and supervisory bodies addressed the following topics related to sustainability issues.

Table 42 List of material impacts, risks and opportunities addressed by the administrative, supervisory and management bodies during the reporting period

Topics related to material impacts/risks/opportunities	Body or Committee that addressed the topic	Form of addressing the topic	Period/Frequency
Negative impact on employees resulting from the ongoing restructuring process of the Company	Management Board, Supervisory Board	Meeting/information	On an ongoing basis
Risk of litigation and potential claims as a result of mass layoffs	Management Board, Supervisory Board	Meeting/information	On an ongoing basis/every 2-3 months
Risk related to the costs of servicing the loan from the Guaranteed Employee Benefits Fund	Management Board, Supervisory Board	Meeting/information	On an ongoing basis
Risk of payment orders and penalties imposed by the State Labor Inspection Service in connection with outstanding amounts payable to laid-off employees	Management Board, Supervisory Board	Meeting/information	On an ongoing basis
Occupational health and safety (accidents, violations of OHS rules, OHS recommendations)	Management Board, Supervisory Board	Meeting/information	Quarterly/annually
Risk of losing staff due to inadequate employee compensation and training policies resulting in increased recruitment and induction costs for new workers,	Management Board, Supervisory Board	Meeting/information	On an ongoing basis
Functioning of the Code of Ethics, protection of whistleblowers	Management Board, Supervisory Board, Audit Committee	Meeting/report	Annually
Pursuit of the risk management policy	Management Board, Supervisory Board, Audit Committee	Meeting/report	Annually
Risk of increased costs related to the obligation to report environmental issues, internal training or calculating the carbon footprint in Scope 3	Management Board, Supervisory Board, Strategy, Restructuring and Sustainability Committee	Meeting/information	Q2 2025

GOV-3 – Integration of sustainability performance into incentive systems

[GOV-3_01] [E.1.GOV-3_01-03] The *Compensation policy for PKP CARGO Management Board and Supervisory Board members* does not take into account the interconnection between the compensation of the organization's management and supervisory bodies and the achievement of sustainability goals, including those related to climate.

GOV-4 – Statement on due diligence

[GOV-4_01] Detailed information on the Group's application of the main aspects and stages of the due diligence process, along with references to the relevant sections of the sustainability statement, is provided in the table below.

Table 43 Key elements of the due diligence process in the report

Key elements of the due diligence process	Sections in the sustainability statement
Inclusion of due diligence in corporate governance, strategy and business model	GOV-1, GOV-2, SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	IRO-1, SBM-2, S1-2
Identification and assessment of adverse impacts	SBM-3, IRO-1
Taking action to mitigate identified adverse impacts	E1-2, E3-2, S1-4, S3-4
Tracking the effectiveness of these efforts and communicating	IRO-1

GOV-5 – Risk management and internal controls over sustainability reporting

[GOV-5_01-05] In 2025, the PKP CARGO Group did not have in place a developed and formalized internal control system related to sustainability reporting. During the preparation of this statement, two key risk areas were identified:

- limited comparability of data between organizational units – resulting primarily from the absence of uniform sustainability reporting standards, varying degrees of maturity of the processes used and insufficient resources responsible for collecting and processing such data;
- low degree of data availability from external entities, particularly in the supply chain – due to the large number of partners and suppliers cooperating with the Group.

The Group does not have in place a formally developed strategy for managing these risks, but ultimately intends to implement solutions including simplified control mechanisms, transparent data verification procedures and uniform guidelines that will improve data collection and reporting among subsidiaries, business partners and suppliers.

SBM-1 – Strategy, business model and value chain

Key financial and operational data

[SBM-1_01] [SBM-1_02] [SBM-1_25] The PKP CARGO Group is a rail freight operator offering comprehensive logistics services in Poland and across the European Union. It also provides freight forwarding (domestic and international), terminal, siding and traction services as well as repair and maintenance of rolling stock and land reclamation services. The organization's major customer groups include large enterprises – utility companies, heating plants, power plants, construction companies, chemical companies and the intermodal sector. The primary categories of transported cargo are hard coal and other fossil fuels as well as stone and aggregates.

[SBM-1_05] During the reporting period, the Group did not offer any services or products prohibited in certain markets.

[SBM-1_03] As at the end of 2025, the number of active employees in the Group was 12,958, of whom 8,376 worked at PKP CARGO S.A.

Table 44 Number of employees as at 31 December 2025 by country

Country	PKP CARGO Group
Poland	11,649
Czech Republic	1,176
Hungary	115
Slovenia	18
Total workers	**12,958**

[SBM-1_06] The Group's total revenue in 2025 was PLN 3,875.0 million – the revenue generated by the companies is included in the Group's **CONSOLIDATED FINANCIAL STATEMENTS** for the year ended 31 December 2025.

[SBM-1_09] The PKP CARGO Group operates in the fossil fuel sector. [SBM-1_10] The Group does not collect data that would permit a presentation of revenue broken down into proceeds from the transport of coal, crude oil and gas. At the same time, the Group is not involved in [SBM-1_15] the production of chemicals, [SBM-1_19] the cultivation and production of tobacco, nor [SBM-1_17] is it active in the field of controversial weapons.

ESG Strategy of the Group

[SBM-1_21] [SBM-1_23] The strategic sustainability-related objectives related to material services provided are defined in the PKP CARGO Group ESG Strategy for 2024-2028. The organization aims to offer sustainable rail transport based on intermodal transport – [SBM-1_22] this segment is being systematically developed.

The strategy defines eight operational objectives related to sustainability issues:

- integrate the ESG criteria into the rolling stock modernization and procurement process, taking into account the need for decarbonization in the Group's key business areas,
- reduce resource consumption and implement the circular economy principle,
- strengthen human capital by attracting the best talent and creating a safe, comfortable and diverse workplace,
- make efforts to change the energy consumption model towards increasing the share of renewable energy, taking into account the unique requirements of the rail transport market,
- raise awareness of the benefits of sustainable transition both within the organization and in its environment, including in the value chain,
- build a sustainable service offering based on ESG activities,
- deepen dialogue with stakeholders to better address their needs and build partnerships;
- optimize business and transport processes for ESG by using digital tools.

In connection with the initiation of remedial proceedings in July 2024, the PKP CARGO Group's business strategy was suspended. At the same time, the process of developing a restructuring plan began; this plan was finalized on 30 June 2025 and submitted by the Administrator to the PKP CARGO remedial proceedings file. The plan was approved on 18 March 2026. This document contains a description of the preliminary assumptions of the new strategy, which focuses on financial stabilization through the optimization of cash flows and the strengthening of revenues. Key actions include improved management of receivables and liabilities, renegotiation of financial terms, cost reduction and increased sales through the development of cooperation with customers and adjustment of the pricing strategy.

Description of the business model and supply chain

[SBM-1_26] The PKP CARGO Group provides comprehensive transport services in Poland and internationally, including route planning, cargo management and documentation. Its offering is supplemented by freight forwarding, transshipment and intermodal services, that is solutions enabling the combination of different means of transport and streamlining the flow of cargo. Moreover, the Group's companies provide terminal and infrastructure services supporting both their own operations and those of other carriers.

These include:

- container storage and handling, transshipment and documentation services,
- customs and freight forwarding services focusing on the formal handling of cross-border transport, including customs clearance and verification of the conformity of transport documents,
- siding and traction services involving the management of sidings and the provision of locomotives and traction services at loading/unloading points.

The Group also provides technical and specialist services to support the reliability of rolling stock and non-standard services, often requiring special permits or qualifications. These include repairs and maintenance of rolling stock as well as special and military transport operations.

The year 2025 was a period of exceptional operational and financial challenges for the Group, which significantly shaped both decisions regarding resource allocation and the ability to generate value. More information on financial and operational results can be found in the Management Board Report on the Activity of PKP CARGO S.A. under restructuring and the PKP CARGO S.A. under restructuring Group for 2025.

Rail rolling stock constitutes a key component of tangible assets. Maintenance and repair of the fleet are primarily carried out at PKP CARGOTABOR's own facilities, which ensures the Group's independence from external maintenance service providers and allows it to control both costs and the schedule downtime. The skills and experience of employees are an equally important

resource. Human resources management in 2025 was guided by the logic of restructuring: the aim of the measures taken was to preserve key operational competencies while reducing fixed costs. More information on measures related to the impact of restructuring on employees can be found in Disclosure S1-4.

Our own network of transshipment terminals and rolling stock repair facilities constitute a source of competitive advantage, ensuring operational independence and the ability to serve customers from various industries. The Group has access to sidings operated for industrial customers. Our freight licenses in 9 European Union countries, long-standing relationships with industrial customers, expertise in handling heavy bulk cargo (coal, aggregates, steel, chemicals, fuels) as well as brand recognition in Central European markets, constitute the resources that determine the Group's ability to build its market position amid intensified competition from private rail carriers and road operators.

[SBM-1_27] The Group offers comprehensive logistics chain services from a single source: from bulk transport, through intermodal transport, to warehousing and terminal operations. Rail transport remains significantly lower in emissions than road transport, which meets customers' growing demands for reducing their carbon footprint. The availability of services in nine EU countries enables the handling of Central European transit without the need to engage multiple carriers.

Despite workforce reductions, the Restructuring Plan aims to maintain the Group as an operational entity, thereby protecting jobs. PKP CARGO remains a strategic component of Poland's transport infrastructure: it relieves road congestion, reduces CO_2 emissions compared to road transport and supports the European Green Deal by shifting transport modes toward rail.

[SBM-1_25]

Table 45 Value chain of the PKP CARGO Group

Upstream value chain		
Finished materials for the provision of services and the manufacture of products	**Natural resources**	**Material resources**
Diesel and electric locomotives Rail wagons Cargo trucks Containers Overhead cranes, hoists, forklifts	Energy Fossil fuels Water Sand	Materials for maintenance and repairs of infrastructure, including rolling stock Rails, rail sleepers Professional chemicals
Own operations		
Rail freight forwarding services (domestic and international) Other freight forwarding services Transshipment services Intermodal transport services Terminal services Customs and freight forwarding services	Siding and traction services Provision of logistics and service infrastructure to rail carriers	Repairs and periodic inspections of rolling stock Land reclamation services Special and military transport operations
Support activities		
Rolling stock maintenance Occupational health and safety management Sales of services Customer service		
Downstream value chain		
Customers Heat plants Power plants Cogeneration plants Local governments Enterprises	Waste generation and sorting	

SBM-2 – Interests and views of stakeholders

[SBM-2_05] The purpose of stakeholder engagement in the PKP CARGO Group is to build lasting, trust-based relationships, understand needs and align the organization's activities with the changing market and social environment.

With regard to investors, customers and business partners, the primary objective is to better understand their viewpoints, needs and expectations. This permits the Group to effectively adjust its offering to market realities and respond to rapidly altering economic, regulatory and technological conditions.

Employee engagement focuses on creating a consistent organizational culture based on the organization's values, such as respect, reliability, cooperation, transparency and responsibility.

In its relations with trade unions, the PKP CARGO Group strives to maintain a constructive dialogue that fosters the joint shaping of good working conditions and enables employees to have a real say on how their workplace functions.

The organization conducts communication activities through channels tailored to the specific characteristics and needs of various stakeholder groups, in accordance with the law and best practices applicable to public companies.

[SBM-2_01] [SBM-2_02] [SBM-2_03] [SBM-2_04]

Table 46 Key stakeholders of the PKP CARGO Group and their engagement channels

Stakeholders	Engagement channels
Shareholders, investors and market analysts	▪ Current reports (137 reports in 2025), periodic reports (4 per year), ESG report (1 per year) ▪ Online earnings chats/conferences with individual and institutional investors (3 in 2025, including 2 recorded and made available on the Company's website) ▪ In-person and online meetings with capital market analysts ▪ Ordinary shareholder meeting (1 in 2025), extraordinary shareholder meeting (1 in 2025) ▪ Dedicated subpage on the corporate website, updated on an ongoing basis
B2B customers	▪ Meetings with customers in face-to-face and online formats ▪ Daily telephone contact with a group of customers ▪ Hotline, proposal form/enquiry form ▪ Conferences, trade fairs and industry meetings ▪ Market research ▪ Corporate websites, ESG reports
Suppliers, including counterparties and subcontractors	▪ Ongoing telephone contact ▪ Meetings, subject-specific conferences ▪ Dedicated subpages on the corporate website ▪ Reporting irregularities to the Compliance Section
Employees and associates	▪ Intranet ▪ Newsletter/internal communication ▪ Internship programs ▪ Training ▪ ESG reports, participation in double materiality analysis ▪ Processes for reporting breaches to the Compliance Section and the Ethics Committee ▪ Social programs and projects involving employees
Trade unions	▪ Internal channels, such as the intranet site, mailings ▪ Formal correspondence with trade unions and employees ▪ Dedicated e-mail address for cooperation with trade unions
Experts and media	▪ Active press office: corporate website ▪ Telephone and e-mail contact via dedicated addresses ▪ Regular press releases, mostly about the Group's business (30 press releases in 2025) ▪ Press publications, including interviews, articles and expert commentary (15 publications) ▪ Information in the news section of our website (nearly 65 publications) ▪ Campaigns, reports and communication platforms of external organizations, ESG reports
Non-governmental organizations	▪ Ongoing cooperation ▪ Subject-specific meetings ▪ Operational contact
Local government units, local communities in the vicinity of units	▪ One-on-one and group meetings ▪ Dedicated subpages on Group companies' websites
Environment and climate	▪ Reporting of environmental indicators ▪ Participation in environmental meetings, training sessions and conferences ▪ Environmental social projects involving also external stakeholders

[SBM-2_06] The PKP CARGO Group incorporated feedback from stakeholders during the update of its double materiality analysis, including an assessment of potential changes in the materiality of impacts, risks and opportunities identified in the previous reporting period. In 2025, a survey targeting the Group's key stakeholders was conducted. This process is described in detail in IRO-1 of this statement. Furthermore, regarding employee matters, the Group cooperates continuously and directly with the trade unions representing employees.

The scope of this cooperation is regulated by law and internal regulations and includes:

- monitoring the functioning of the Company Collective Bargaining Agreement and determining the directions for its changes,
- agreeing the labor, incentive and company social benefits fund bylaws, as well as and participation in the distribution of benefits from that fund,
- participating in distribution of funds earmarked for salaries,
- consulting changes in organizational structures,
- influencing the development of occupational health and safety conditions through participation in OHS commissions and oversight of Social Labor Inspectors,
- supervision of provident and loan associations.

[S1.SBM-2] [SBM-2_07-08] [SBM-2_09-10] The issues identified during the dialogue carried out as part of the double materiality process in 2025 did not result in a change in the Group's strategy or business model. Some of the identified impacts, related to occupational health and safety, the environment and pollution, are managed as part of ongoing operational activities. Due to the ongoing restructuring process, the organization actively and continuously takes measures to mitigate the negative impacts on employees – these issues are described in S1-4.

[S2.SBM-2] [SBM-2_11] Some of the Group's material impacts were identified in the context of sustainability for the first time in 2024 – among them, employee safety in the value chain. The organization will gradually incorporate them into the management process by updating internal regulations, rolling out monitoring processes and engaging in broader dialogue with stakeholders.

[SBM-2_12] The Group did not put in place any formal procedures for informing governing bodies about sustainability-related opinions and interests of stakeholders affected by the entity.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities in the PKP CARGO Group were identified during the double materiality analysis. As part of the 2025 reporting process, the identified impacts, risks and opportunities were reviewed for changes affecting the materiality assessment. Any changes in this regard are described in the subsequent paragraphs of SBM-3.

Table 47 Material impacts, risks and opportunities identified by the PKP CARGO Group in the double materiality analysis process

[SBM-3_01-02;04]

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	Sub-topic	Smaller sub-topic units							
E1 Climate change	Climate change adaptation		Impact on climate change due to the business model being based on coal transport	Actual negative	Own operations	All timeframes	Risk of lower Group revenues due to declining demand for coal and reduced coal transport volumes	Upstream	All timeframes
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Risk of failed investments in low-carbon or environmental technologies	Own operations	Long
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Risk of the absence of financing from the banking sector for investments or current operations in the event of failure to adapt to a low-carbon economy	Upstream	Medium and long
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Risk of incurring costs related to the need to implement low-carbon solutions and technologies in own operations related to energy acquisition and use, including the replacement of fossil fuels	Own operations	All timeframes
E1 Climate change	Climate change adaptation		No material impact				Risk of incurring costs related to the replacement of services or products with low-carbon alternatives in the value chain as a result of newly adopted regulations	Whole value chain	All timeframes

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
E1 Climate change	Climate change adaptation		No material impacts	-	-	-	Risk of incurring increased costs related to environmental reporting obligations, outsourcing them, conducting internal training or calculating Scope 3 carbon footprint	Own operations	All timeframes
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Risk of losing a business partner (e.g. a customer) in the value chain in the event of failure to transition to a low-carbon model by the entity	Downstream	All timeframes
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Risk of a decline in share value due to increased investor concerns about adapting to a low-carbon model and stigmatization of the sector	Downstream	Medium and long
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Opportunity to increase the competitiveness of rail transport by including greenhouse gas emissions in the charging system	Own analysis	Medium and long
E1 Climate change	Climate change adaptation		No material impact	-	-	-	Opportunity to increase the competitiveness of rail transport by offering low-emission transport	Own operations	Long
E1 Climate change	Mitigation of climate change		Impact on climate change through greenhouse gas emissions.	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
E1 Climate change	Mitigation of climate change		Impact on climate change mitigation through the shift of freight transport from road to rail	Actual positive	Own operations	All timeframes	No material risks or opportunities	-	-
E1 Climate change	Mitigation of climate change		No material impact				Risk of disruptions in the value chain as a result of extreme weather phenomena	Whole value chain	Long

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
E1 Climate change	Mitigation of climate change		No material impact	-	-	-	Risk of threats caused by long-term climate change processes that may affect, without limitation, a decline in asset value or damage to facilities as a result of extreme weather phenomena	Whole value chain	All timeframes
E1 Climate change	Mitigation of climate change		No material impact	-	-	-	Risk of damage to infrastructure caused by extreme weather phenomena	Whole value chain	All timeframes
E1 Climate change	Energy		Impact on natural resource use through energy consumption (electricity, heat, natural gas and liquid fuels) for utility and transportation purposes.	Actual negative	Own operations	All timeframes	Risk of greater energy costs	Own operations	All three timeframes
ESRS E2 Pollution	Air pollution		Impact on air pollution through emissions from fuel combustion in locomotives, cars and other equipment	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS E2 Pollution	Water pollution		Impact on water quality through direct discharge of pollutants into rivers	Actual negative	Own operations	All timeframes	Risk of financial penalties and greater fees related to environmental irregularities	Own operations	All timeframes
							Risk of losing a customer due to the lack of all permits	Own operations	Long
ESRS E2 Pollution	Soil pollution		Impact on soil pollution through potential breakdowns and accidents during the handling and transport of raw materials	Potential negative	Own operations	All timeframes	Risk of financial penalties and greater fees related to environmental irregularities	Own operations	All timeframes
							Risk of losing a customer due to the lack of all permits	Own operations	Long

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
ESRS E2 Pollution	Soil pollution		Impact on the environment through the direct discharge of pollutants into the soil	Actual negative	Own operations	All timeframes	Risk of financial penalties and greater fees related to environmental irregularities	Own operations	All timeframes
ESRS E2 Pollution	Potentially hazardous substances		Impact on the natural environment and surroundings through the use in operational processes of substances and mixtures classified as potentially hazardous, which, even when handled with special care and used as intended, present multiple hazards.	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS E2 Pollution	Microplastics		Impact on generation of pollution in the form of microplastics	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS E4 Biodiversity and ecosystems	Direct factors contributing to biodiversity loss	Changes in land use, changes in freshwater and marine use	Impact on landscape and habitats through the use, expansion and maintenance of rail infrastructure	Potentially negative	Whole value chain	All timeframes	No material risks or opportunities	-	-
ESRS E4 Biodiversity and ecosystems	Impact on the condition of species	Population size of the respective species	Impact on populations and overall condition of species caused by movement through their habitats	Potentially negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS E4 Biodiversity and ecosystems	Impact on the extent and condition of ecosystems	Soil sealing	Impact on the condition of ecosystems through the conduct of our own operations in locations with high levels of soil sealing	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS E5 circular economy	Resources input, including resource use		Impact on the level of natural resource exploitation resulting from the procurement of parts and other resources for the maintenance of the rolling stock and the conduct of day-to-day operations	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
ESRS E5 circular economy	Waste materials		Impact on the total amount of waste in the environment caused by the entity's operations, including used consumables, oils, rubber parts and industrial waste	Actual negative	Own operations	All timeframes	-	-	-
ESRS S1 Own workforce	Working conditions	Security of employment	Impact on employees resulting from the Company's ongoing restructuring process	Actual negative	Own operations	Short	Risk of litigation and potential claims as a result of mass layoffs Risk associated with servicing the loan from the Guaranteed Employee Benefits Fund Risk of payment orders and penalties imposed by the State Labor Inspection Service in connection with outstanding amounts payable	Own operations Own operations Own operations	Short and medium All timeframes Short and medium
ESRS S1 Own workforce	Working conditions	Collective bargaining, including the percentage of employees covered by collective bargaining agreements	Impact on employees' working conditions through termination of the Company Collective Bargaining Agreement	Actual negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S1 Own workforce	Working conditions	Social dialog	Impact on employees' ability to participate in making decisions about their working environment and conditions due to a high degree of unionization	Actual positive	Own operations	All timeframes	No material risks or opportunities	-	-

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
ESRS S1 Own workforce	Working conditions	Freedom of association, existence of works councils and employees' rights to information, consultation and participation	Impact on employees through discrimination against individuals on the grounds of non-membership or willingness to change trade union membership	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S1 Own workforce	Working conditions	Occupational safety and health	Impact on the health and life of employees through work that is particularly likely to result in accidents	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S1 Own workforce	Working conditions	Occupational safety and health	Impact on the health and life of employees through breaches of occupational health and safety rules, including failure to provide adequate health protection measures for blue-collar employees	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S1 Own workforce	Working conditions	Occupational safety and health	Impact on employee health and life through work or jobs exposing them to occupational diseases	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S1 Own workforce	Equal treatment and opportunities for all	Employee training and development	Impact on employees due to limited opportunities for skill enhancement and development	Actual negative	Own operations	Short and medium	Risk of losing staff due to inadequate employee compensation and training policies resulting in increased recruitment and induction costs for new workers	Own operations	Short and medium
ESRS S1 Own workforce	Equal treatment and opportunities for all	Measures to prevent violence and harassment in the workplace	Impact on employees due to limited implementation and awareness of the Anti-Mobbing and Anti-Discrimination Policy within the Group	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
ESRS S1 Own workforce	Equal treatment and opportunities for all	Diversity	No material impact	-	-	-	Risk associated with the generational gap and loss of skilled staff reaching retirement age, resulting in the need to recruit and train new workers	Own operations	All timeframes
ESRS S2 Workers in the value chain	Working conditions	Occupational safety and health	Impact on the health and life of workers in the value chain through the impact of job type and working conditions on the likelihood of an accident	Potential negative	Upstream, downstream	All timeframes	No material risks or opportunities	-	-
ESRS S3 Affected communities	Economic, social and cultural rights of communities	Adequate housing conditions	Impact on the quality of life of local communities through noise generation	Actual negative	Own operations	All timeframes	Risk of restrictions on movement on rails and penalties for exceeding noise standards in connection with TSI Noise regulations	Own operations	Long
ESRS S3 Affected communities	Economic, social and cultural rights of communities	Impact on security	Impact on national security, including energy security, through the provision of what the state considers to be strategic transport services	Actual positive	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS S3 Affected communities	Economic, social and cultural rights of communities		Impact on local labor markets in Poland through the creation of over 12,000 jobs across the Group	Actual positive	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS G1 Business conduct	Management of relationships with suppliers, including payment practices		Impact on contractors and suppliers due to late payment	Actual negative	Own operations	All timeframes	Risk of litigation, enforcement proceedings and loss of business partners due to late payments	Upstream, downstream	All timeframes

Sustainability issues			Impacts	Type of impact	Place in the value chain	Timeframe	Risks and opportunities	Place in the value chain	Timeframe
Subject	**Sub-topic**	**Smaller sub-topic units**							
ESRS G1 Business conduct	Whistleblower protection		Impact on the effectiveness of whistleblowing regulations related to stakeholders' limited awareness of how to unethical or illegal activities may be reported	Potential negative	Own operations	All timeframes	No material risks or opportunities	-	-
ESRS G1 Business conduct	Political involvement and lobbying		No material impact				Opportunity to boost involvement in the consultation of legislation and lobbying activities aimed at increasing investment in the development of the rail sector (especially freight rail transport) as an environmentally friendly means of transport	Whole value chain	All timeframes

[SBM-3_06] In the double materiality analysis, the PKP CARGO Group considered material impacts under timeframes consistent with ESRS: short term (up to one year), medium term (one to five years) and long term (over five years).

[SBM-3_05] [SBM-3_07] The PKP CARGO Group's material impacts, risks and opportunities result from the organization's strategy and business model related to rail transport and transshipment of cargo, predominantly coal. Social, environmental and corporate governance impacts, risks and opportunities are identified to the extent and in the manner described in Table 46: Material impacts, risks and opportunities identified by the PKP CARGO Group in the double materiality analysis. The identified material topics pertain to the cargo transported, the resources used to power and maintain the rolling stock and the sources of emissions into the environment. Moreover, as a major employer in a period of transition, PKP CARGO exerts a strong impact on its workers, manifesting itself in specific material topics, particularly in the social area. At the same time, the organization is aware of its role in ensuring national security by providing strategic transport services and, owing to a high level of unionization, enables its workers to shape their working environment.

[SBM-3_10] During the reporting period, the Group did not conduct a resilience analysis of its business model and business strategy regarding the ability to mitigate material impacts and risks and to capitalize on material opportunities. The absence of such an analysis stems from the ongoing remedial proceedings of PKP CARGO S.A., which involve significant uncertainty regarding the future shape its operations – both in terms of its financial structure and strategic directions.

[SBM-3_11] The statement for 2025 is based on the results of a double materiality analysis conducted in 2025. As a result of the process of verifying and updating the analysis described in more detail in IRO-1, there have been changes in the materiality of certain impacts, risks and opportunities with respect to their assessment across different time horizons. Four negative environmental impacts, which are reported for the first time as material in 2025, relate to the following topics: Soil contamination, Impact on the condition and extent of ecosystems, Direct drivers on biodiversity loss and Inputs, including resource use. In addition, a negative impact related to the topic of Water Discharges was deemed immaterial – it was verified that nearly all water use within the Group stems from social and residential purposes and rainwater drainage, rather than business operations. Due to the absence of all environmental permits, in 2025, a risk related to Water and Soil Pollution was identified (the risk was assessed as significant in the medium and long term). Under the sub-theme of Adaptation to Climate Change, a significant long-term opportunity was identified. Furthermore, a negative impact on employees related to the topic of Training and Skills Development. These changes result from a deeper analysis of the issues in question, including within the scope of subsidiaries' operations. [SBM-3_12] The Group does not report any additional disclosures of its own that extend beyond the topics covered in ESRS 1 AR 16.

[E1.SBM-3_02-07, E1.IRO-1_02-16] The Group currently has no quantified decarbonization targets. As part of the double materiality analysis, an analysis of climate risks and opportunities was conducted using climate scenarios, a description of which is provided in IRO-1. The analysis covered the Central and Eastern European region (primarily Poland), that is the area where the Group conducts its operations and serves its main markets (downstream chain). As part of upstream activities, risks projected for the whole of Europe were considered. The analysis adopted three timeframes: up to one year (short), one to five years (medium) and over five years (long).

It was assessed that sudden weather phenomena, such as storms, flooding or landslides, might lead to the destruction or damage of transport infrastructure necessary for the provision of services, but also important for the operation of the value chain – the extraction of transported cargo necessary for energy production or supporting services. The consequences of the phenomena described above may include disruptions to ongoing operations, leading to a decline in revenues or share value. When adapting to climate change based on a zero-emission scenario, the Group recognizes the risks associated with the effectiveness of aligning its services with a low-emission model, including upgrades of infrastructure and rolling stock throughout the value chain. At the same time, the Group identifies opportunities related to the inclusion of road transport in the ETS and the offering of low-carbon transport, which may increase the competitiveness of rail transport.

In accordance with its business strategy, the Group is taking action to diversify the cargo it transports as broadly as possible in order to follow the global trend away from coal. The Group is capable of adaptation to emergency situations to a certain extent by aligning its transport services with current needs.

No areas of activity or assets were identified for which the transition to a climate-neutral economy had not been taken into consideration. No critical climate assumptions were made in the financial statements.

[E4.SBM-3_01] [E4.SBM-3_03] [E4.SBM-3_04] The PKP CARGO Group operates in and near areas sensitive to biodiversity due to its movement through these habitats. Furthermore, rail traffic arranged by the Group's companies throughout the country may disrupt the lives of many animal species, but the Group does not have information that its activities have caused excessive deterioration of ecosystems in any location.

[E4.SBM-3_02] The process by which negative impacts on biodiversity and ecosystems were identified is associated with the provision of transport services through areas with varying degrees of protection and ecosystem status. This may result in collisions with animals, noise-induced stress or general deterioration caused by pollution.

[E4.SBM-3_06] No specific species were identified as unambiguously negatively impacted by the Group. [E4.SBM-3_05] The Group does not have a material impact on land degradation or desertification.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

[IRO-1_01,06,07,08,09,10,12,13, 14] [E1.IRO-1_01; E2.IRO-1_01; E3.IRO-1_01; E4.IRO-1_01; E5.IRO-1_01] Within the framework of the double materiality analysis process, the PKP CARGO Group assessed all sustainability-related issues in accordance with the requirements set forth in ESRS 1 AR 16. Corporate documents pertaining to the topics covered in the sustainability statement were also reviewed.

The process began with a detailed examination of the value chain. External ESG experts carried out an upstream and downstream analysis, taking into consideration core and supporting activities. The identified elements – resources, activities and relationships – were approved by the Group in an internal consultation process. [IRO-1_03] The analysis of operations and relationships in terms of increased risk of negative impacts on people and the environment primarily covered first-order linkages. Further linkages were assessed based on industry expertise and the knowledge of employees involved in the reporting process, who possess knowledge of the companies' operational activities.

The impact materiality assessment was based on several key criteria:

- scale of impact (strength of impact on sustainability aspects),
- scope of impact (territorial or organizational scope of influence),
- likelihood of potential impacts occurring,
- possibility of reversing their effects (whether the impact is permanent or its effects may be counteracted).

In terms of financial materiality, an assessment was carried out of how ESG issues affect the organization's operations, financial standing and growth prospects. Key topics, their subtopics and more detailed aspects were analyzed, taking into account their interconnections with the business model and the whole value chain. [IRO-1_08] The identified impacts were verified in terms of their associated risks and opportunities, analyzing their potential impact on the Group's financial situation of the Group. The assessment covered potential financial impacts regarding costs, revenues, asset values and the cost of capital.

[IRO-1_07] Risks and opportunities were assessed based on the following two parameters:

- extent of their potential impact on the Group's financial position, using a financial scale,
- probability of the respective risk materializing or the opportunity arising.

[IRO-1_10, IRO-1_12, IRO-1_13] During the reporting period, the Group did not have a formalized risk management process in place under which sustainability-related risks would be prioritized relative to other types of risks. Consequently, no dedicated tools or methodologies were used to conduct a comparative assessment of these risks. The identification and assessment of ESG risks and opportunities was carried out as part of the materiality assessment process conducted for the purposes of this report.

All these materiality parameters were evaluated on a five-point scale based on quantitative and qualitative values, taking into consideration recognized sources of scientific knowledge and market data or data obtained directly from the organization. Moreover, issues that were on the borderline of materiality were considered on a case-by-case basis, taking into account their potential inclusion in the list of topics considered material.

[IRO-1_14-15] In 2025, a review was conducted to determine whether there had been changes in the organization's operational and business activities that could have affected the assessments of impacts, risks and opportunities identified during the double materiality analysis carried out in the previous reporting period. Documents relating to topics material to the Group were also reviewed for changes. The analysis also covered reports from peer entities in the context of the disclosures they reported.

[IRO-01_02, IRO-1_05, IRO-1_14]

In 2025, the stakeholder dialogue was conducted in the form of an online survey. As in the previous year, the surveys were directed at representatives of stakeholder groups, in particular employees of the Group's eight companies and key external partners. The survey questionnaire was prepared based on the ESRS topics and subtopics across all three ESG areas, with particular emphasis on the material issues identified in the previous year. The findings from the survey were used to verify the assessments of impacts, risks and opportunities as part of the update to the double materiality analysis to which they relate. This activity was part of the due diligence process. In the analysis of collected data, particular attention was paid to the issue of human rights compliance in accordance with the provisions of the International Bill of Human Rights (including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on

Economic, Social and Cultural Rights), and the principles arising from the fundamental conventions referred to in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. [IRO-1_04, IRO-1_06, IRO-1_08].

The publication of this statement is intended to ensure full transparency and to inform all stakeholders about the organization's sustainability-related activities.

[IRO-1_11] The process to identify and assess key impacts, risks and opportunities was carried out with the participation of representatives of all strategic areas of the PKP CARGO Group's operations. The working group included members of the investor relations division in charge of ESG issues and representatives of human resources management, compliance, legal services and occupational health and safety divisions. Additional support in evaluating materiality was provided by external specialists in environmental protection, social aspects of business and non-financial reporting. Within this framework, a series of workshops was held, the focus areas of which included analysis of identified impacts, climate scenarios and issues related to the due diligence process. Before proceeding with the assessment, participants in the process were briefed on the adopted method and evaluation criteria, ensuring consistency in the approach used.

During the workshops, members of the reporting team reviewed the preliminarily identified impacts, risks and opportunities, verifying their classification, description and preliminary assessment. After the workshops concluded, they supplemented and corrected the assessments along with justifications and also verified the completeness of the analysis, reporting any omissions.

Work on identifying and assessing impacts, risks and opportunities was documented on an ongoing basis in a dedicated tool. After this stage was completed, materiality scores were calculated for each IRO and materials summarizing the analysis were prepared. The results were reviewed by leaders of the relevant organizational areas, responsible, environmental protection, employee issues and business conduct. The comments received were taken into account and the updated analysis results were approved by the coordinating team. The final list of the most material impacts, potential risks and possible opportunities was approved by the Management Board.

[IRO-1_15] The double materiality analysis update process lasted from November 2025 to February 2026. The Group verified the analysis results using the information sources described above. The PKP CARGO Group plans to update the analysis regularly, taking into account emerging data and changing market conditions.

E1.IRO-1 Description of the processes to identify and assess climate-related material impacts, risks and opportunities

[E1.IRO-1_01] The general framework and methodology for the process of identifying material impacts, risks and opportunities are described in this statement in Section IRO-1.

[E1.IRO-1_02-16] As part of the double materiality analysis process and the identification of key risks and opportunities, the PKP CARGO Group carried out certain elements of a resilience analysis of its strategy and business model regarding risks related to climate change. The first stage of this exercise was to define the scope of the Group's business across the value chain. It was established that the Group's core line of business is predominantly concentrated in Poland. Relationships downstream the value chain have a similar scope, whereas no dominant geographical region was identified upstream the value chain. The analysis considered the characteristics of the impact of each relationship and its placement within value chain structure.

The assessment took into account three timeframes: short term (up to one year), medium term (one to five years) and long term (over five years). The specific nature of the Group's assets was also taken into account – due to the adopted operating model, they are largely considered fixed.

Among the sources used in the analysis were the following:

- Net Zero Emissions by 2050 (NZE) scenario, developed by the International Energy Agency,
- TCFD guidelines on scenario analysis for non-financial undertakings,
- IPCC Climate Change 2021 – The Physical Science Basis report.

Climate change risks – both acute and long-term ones – were identified based on the high-emission IPCC SSP5-8.5 scenario. This scenario is one of five socio-economic development paths described by the IPCC and assumes rapid economic growth based on intense use of fossil fuels, with low levels of decarbonization. As a result, global warming is projected to reach 4°C by the end of the 21st century. Greater social and economic inequalities and the absence of effective climate risk management mechanisms on a global scale are also expected.

The following physical risks were identified:

- acute risks, that is sudden events such as floods, cyclones or avalanches, which may lead to unexpected, sudden events such as infrastructure damage and disruptions to business continuity or the value chain,

- chronic risks, encompassing long-term phenomena, e.g., temperature changes, disruptions in air circulation or soil degradation, which may result in progressive damage to facilities and a decline in asset value.

Taking into consideration the area covered by the Group's business activity, an analysis of the effects of potential phenomena resulting from various climate scenarios was carried out.

The Net Zero Emissions Scenario for 2050, without assuming emissions reductions outside the power sector, presents a possible path to achieving net zero CO_2 emissions in this market segment, thus supporting the Paris Agreement targets. The adaptability of the Group's business model was analyzed within the framework of the assessment of the Group's strategy resilience to a low-carbon scenario.

In this context, the following transition risks were identified:

- changes in market expectations on the part of customers and investors (market risks),
- regulatory requirements for products and services (legal risks),
- emergence of new technologies or replacement of existing solutions (technological risks),
- reputational risk resulting from the public perception of the sector.

In the context of adaptation to climate change resulting from the zero-emission scenario, threats related to the need to adapt services to the realities of a low-carbon economy were identified, particularly in the context of the declining demand for coal, which is currently the Group's main cargo category. At the same time, potential opportunities were also identified, for example, related to the inclusion of road transport in the EU ETS, which may increase the competitiveness of rail transport or increasing the competitiveness of rail transport through the implementation of low-carbon solutions.

A detailed list of material risks, along with the assignment of appropriate time horizons, is provided in SBM-3.

E2.IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to pollution

[E2.IRO-1_01] Within the framework of the double materiality analysis process carried out in the previous reporting period, the PKP CARGO Group, with a view to determining its impacts, risks and opportunities related to pollution, conducted a review of its own locations, processes, resources and assets in accordance with ESRS requirements. This included an analysis of a variety of issues, including:

- processes carried out in this area, including location,
- documentation regarding permits for the release of pollutants into the environment,
- regular testing of wastewater discharged into water and soil,
- consumption of fuels and materials within the organization,
- additional information provided by environmental specialists working in the companies.

[E2.IRO-1_02] The only consultations conducted were carried out as part of the stakeholder dialogue described in disclosure IRO-1. [E2.IRO-1_03] The group identified five significant actual adverse impacts related to pollution and one significant potential adverse impact on environmental pollution, described in disclosure SBM-3. The organization also identified locations where pollution is a material issue and the types of activities related to these environmental impacts:

- air pollution resulting predominantly from fuel combustion in locomotive traffic, machinery and repair processes,
- soil and water pollution resulting from emissions, including rainwater and treated wastewater, to rivers and drainage ditches,
- use of potentially hazardous substances in track infrastructure repair processes and in rolling stock maintenance processes,
- emission of microplastics resulting from the abrasion of.

E4.IRO-1 Description of the processes to identify and assess material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

[E4.IRO-1_01] The process of identifying material impacts, risks and opportunities related to biodiversity and ecosystems is described in this statement in disclosure IRO-1. [E4.IRO-1_02] The Group reviewed the CICES ecosystem services list and did not identify any specific services that would be disrupted.

[E4.IRO-1_03] Risks and opportunities related to physical changes and transitions associated with biodiversity and ecosystems were identified by analyzing the potential impact of the Group's business model and key activities on biodiversity loss. The organization took into consideration the locations and areas of its business activities as well as its place in the value chain. In

parallel [E4.IRO-1_04], the Group did not take into consideration any systemic risks, because it is only marginally dependent on natural resources.

[E4.IRO-1_05] In the process to identify biodiversity-related impacts, risks and opportunities, the Group did not consult with any affected communities on the assessment of the sustainability of shared biological resources and ecosystems. [E4.IRO-1_07] Communities were also not involved in the materiality assessment.

[E4.IRO-1_10] [E4.IRO-1_11] [E4.IRO-1_12] During the analysis, the Group's business model was not verified using biodiversity or ecosystem scenarios.

[E4.IRO-1_14] [E4.IRO-1_15] The PKP CARGO Group operates in areas sensitive to biodiversity and in their vicinity. Furthermore, rail traffic arranged by the Group's companies throughout the country may disrupt the lives of many animal species, but the organization does not have information that its activities have caused excessive deterioration of ecosystems in any location.

[E4.IRO-1_16] The Group has not identified any need to implement mitigation measures to protect biodiversity.

E5.IRO-1 Description of processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy

[E5.IRO-1_01] The Group scrutinized its own resources, assets and activities to identify the main resources introduced into its infrastructure. Key processes and areas of business where waste is generated were identified and key materials forming waste streams were characterized. The analysis made use of reference databases such as EncoreNature, statistical databases published by Statistics Poland (GUS) and industry publications. It was assumed that the Group's business is linear in relation to the reference data.

[E5.IRO-1_02] The only consultations conducted were carried out as part of the stakeholder dialogue described in disclosure IRO-1.

G1.IRO-1 Description of processes to identify and assess material impacts, risks and opportunities

In identifying material impacts, risks and opportunities, the PKP CARGO Group took into consideration contextual factors, including the sector and the specific nature and location of its operations. When analyzing the sites, the legal and economic environment was taken into account –in particular in the context of compliance with ESG regulations in various jurisdictions and potential exposure to risks in the area of corporate governance in foreign companies.

The nature and scale of the Group's business and the specific nature of the rail transport industry required an analysis of the following key areas:

- procedures and scope of implementation of whistleblower protection regulations, including measures taken to familiarize workers with the procedure,
- regulations and procedures adopted by the Group, including in the areas of ethical standards, anti-corruption and reporting of irregularities and abuses (within the framework of a survey as part of which, as a result of the double materiality analysis, key external stakeholders and workers were evaluated in terms of their knowledge of internal regulations and procedures – such knowledge among workers is a prerequisite for ensuring the effectiveness of these regulations and procedures),
- supplier relationship management, in particular payment practices – due to the parent company's remedial proceedings and the dispersed nature of the Group's operations, the timely repayment of liabilities exerts a potentially material impact on the situation of undertakings in the organization's value chain.

The history of penalties imposed by regulatory authorities, including incidents of corruption, was verified – in 2025 the PKP CARGO Group did not record any such cases.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement concerning material impacts, risks and opportunities

[IRO-2_13] The process to identify material impacts, risks and opportunities that need to be disclosed in this statement was based on a double materiality analysis. Within the framework of this analysis, distinct impacts, risks and opportunities were assigned to specific 26 thematic areas identified in ESRS and then assessed for materiality using established thresholds.

The list of fulfilled requirements confirms that this statement complies with sustainability reporting standards.

[IRO-2_02]

Table 48 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Disclosure no.	Disclosure name	Section
BP-1	Overall basis for preparing sustainability statements	General information

Disclosure no.	Disclosure name	Section
BP-2	Disclosures in relation to specific circumstances	General information
GOV-1	Role of administrative, management and supervisory bodies	General information
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General information
GOV-3	Integration of sustainability performance into incentive systems	General information
GOV-4	Due diligence statement	General information
GOV-5	Risk management and internal controls over sustainability reporting	General information
SBM-1	Strategy, business model and value chain	General information
SBM-2	Stakeholder interests and opinions	General information
SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	General information
IRO-1	Description of processes to identify and assess material impacts, material risks and material opportunities	General information
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	General information
E1 GOV-3	Consideration of sustainability performance in incentive systems	General information
E1-1	Transition plan for climate change mitigation	Environmental information
E1 SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	General information
E1 IRO-1	Description of processes to identify and assess climate-related material impacts, risks and opportunities	General information
E1-2	Policies related to climate change mitigation and adaptation	Environmental information
E1-3	Climate policy actions and resources	Environmental information
E1-4	Targets related to climate change mitigation and adaptation	Environmental information
E1-5	Energy consumption and energy mix	Environmental information
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Environmental information
E1-7	GHG removals and mitigation projects financed through carbon credits	Immaterial
E1-8	Internal carbon pricing	Immaterial
E1-9	Expected financial impacts of material physical risks and transition risks and potential climate-related opportunities	Exemption in accordance with Appendix C of ESRS 1
E2 IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to pollution	General information
E2-1	Policies related to pollution	Environmental information
E2-2	Measures and resources related to pollution	Environmental information
E2-3	Targets related to pollution	Environmental information
E2-4	Pollution of air, water, and soil	Environmental information
E2-5	Substances of concern and substances of very high concern	Environmental information
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Exemption in accordance with Appendix C of ESRS 1
E3 IRO-1	Material impacts, risks and opportunities and their interactions with strategy and business model	Immaterial

Disclosure no.	Disclosure name	Section
E3-1	Water and marine resource policies	Immaterial
E3-2	Activities and resources related to water and marine resources	Immaterial
E3-3	Targets related to water and marine resources	Immaterial
E3-4	Water consumption	Immaterial
E3-5	Anticipated financial impacts from water and marine resource-related impacts, risks and opportunities	Immaterial
E4 SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	General information
E4 IRO-1	Description of processes to identify and assess material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems	General information
E4-1	Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems into the strategy and business model	Exemption in accordance with Appendix C of ESRS 1
E4-2	Policies related to biodiversity and ecosystems	Exemption in accordance with Appendix C of ESRS 1
E4-3	Activities and resources related to biodiversity and ecosystems	Exemption in accordance with Appendix C of ESRS 1
E4-4	Targets related to biodiversity and ecosystems	Exemption in accordance with Appendix C of ESRS 1
E4-5	Impact measures related to changes in biodiversity and ecosystems	Exemption in accordance with Appendix C of ESRS 1
E4-6	Anticipated financial impacts of biodiversity and ecosystem-related impacts, risks and opportunities	Exemption in accordance with Appendix C of ESRS 1
E5 IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy	General information
E5-1	Policies related to resource use and circular economy	Environmental information
E5-2	Activities and resources related to resource use and circular economy	Environmental information
E5-3	Targets related to resource use and circular economy	Environmental information
E5-4	Input resources	Environmental information
E5-5	Resource outflows	Environmental information
E5-6	Expected financial effects of impacts, risks and opportunities related to resource use and circular economy	Exemption in accordance with Appendix C of ESRS
S1 SBM-2	Stakeholder interests and opinions	General information
S1 SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	Information about social issues
S1-1	Policies related to own workforce resources	Information about social issues
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Information about social issues
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Information about social issues
S1-4	Taking action on material impacts on own human resources and applying approaches to manage material risks and opportunities related to own human resources and the effectiveness of those actions	Information about social issues
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Information about social issues

Disclosure no.	Disclosure name	Section
S1-6	Characteristics of the undertaking's employees	Information about social issues
S1-7	Characteristics of non-employees in the undertaking's own workforce	Exemption in accordance with Appendix C of ESRS 1
S1-8	Collective bargaining coverage and social dialogue	Information about social issues
S1-9	Diversity metrics	Information about social issues
S1-10	Adequate wages	Information about social issues
S1-11	Social protection	Immaterial
S1-12	Persons with disabilities	Immaterial
S1-13	Training and skills development metrics	Exemption in accordance with Appendix C of ESRS 1
S1-14	Health and safety metrics	Information about social issues
S1-15	Work-life balance metrics	Immaterial
S1-16	Employee compensation metrics (pay gap and total employee compensation)	Immaterial
S1-17	Incidents, complaints and severe human rights impacts	Information about social issues
S2 SBM-2	Stakeholder interests and opinions	Exemption in accordance with Appendix C of ESRS 1
S2 SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	Exemption in accordance with Appendix C of ESRS 1
S2-1	Value chain workers policies	Exemption in accordance with Appendix C of ESRS 1
S2-2	Processes for engaging with value chain workers about impacts	Exemption in accordance with Appendix C of ESRS 1
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Exemption in accordance with Appendix C of ESRS 1
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Exemption in accordance with Appendix C of ESRS 1
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Exemption in accordance with Appendix C of ESRS 1
S3 SBM-2	Stakeholder interests and opinions	Exemption in accordance with Appendix C of ESRS 1
S3 SBM-3	Material impacts, risks and opportunities and their interactions with strategy and business model	Exemption in accordance with Appendix C of ESRS 1
S3-1	Policies related to affected communities	Exemption in accordance with Appendix C of ESRS 1
S3-2	Processes for engaging with affected communities about impacts	Exemption in accordance with Appendix C of ESRS 1
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Exemption in accordance with Appendix C of ESRS 1
S3-4	Taking action on material impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of such actions	Exemption in accordance with Appendix C of ESRS 1
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Exemption in accordance with Appendix C of ESRS 1
G1 GOV-1	Role of administrative, management and supervisory bodies	General information
G1 IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	General information

Disclosure no.	Disclosure name	Section
G1-1	Business conduct policies and corporate culture	Information related to corporate governance
G1-2	Management of relationships with suppliers	Information related to corporate governance
G1-3	Prevention and detection of corruption and bribery	Immaterial
G1-4	Incidents of corruption or bribery	Immaterial
G1-5	Political influence and lobbying	Information related to corporate governance
G1-6	Payment practices	Information related to corporate governance

[IRO-2_01]

Table 49 List of data points included in cross-cutting standards and thematic standards that result from other EU regulations

Disclosure no. (ESRS, DR)	Data points	Data point name	Reference to the SFDR	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to European climate law	Page in the report
ESRS 2 GOV-1	21 d	Gender diversity of board members	x		x		(GOV-1), p.130
ESRS 2 GOV-1	21 e	Percentage of independent members of governing bodies			x		(GOV-1), p.130
ESRS 2 GOV-4	30	Statement on due diligence	x				(GOV-4), p.133
ESRS 2 SBM-1	40 d (i)	Participation in activities related to fossil fuel activities	x	x	x		(SBM-1), p.134
ESRS 2 SBM-1	40 d (ii)	Participation in activities related to the production of chemicals	x		x		Immaterial
ESRS 2 SBM-1	40 d (iii)	Participation in activities related to controversial weapons	x		x		Immaterial
ESRS 2 SBM-1	40 d (iv)	Participation in activities related to the cultivation and production of tobacco			x		Immaterial
ESRS E1-1	14	Transition plan to achieve climate neutrality by 2050				x	(E1-1), p.171
ESRS E1-1	16 g	Undertakings excluded from the scope of the Paris Agreement-aligned benchmarks		x	x		Immaterial
ESRS E1-4	34	GHG emission reduction targets	x	x	x		(E1-4), p.173
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by source (only for sectors with material climate impact)	x				(E1-5), p.173

Disclosure no. (ESRS, DR)	Data points	Data point name	Reference to the SFDR	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to European climate law	Page in the report
ESRS E1-5	37	Energy consumption and energy mix	x				(E1-5), p.173
ESRS E1-5	40–43	Energy intensity linked to activities in sectors with material climate impact	x				(E1-5), p.174
ESRS E1-6	44	Gross scopes 1, 2 and 3 and total GHG emissions	x	x	x		(E1-6), p.174
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x		(E1-6), p. 175
ESRS E1-7	56	GHG removal and carbon dioxide emission units				x	Immaterial
ESRS E1-9	66	Exposure of the reference portfolio to climate-related physical risks			x		Exemption in accordance with Appendix C of ESRS 1
ESRS E1-9	66 a	Disaggregation of monetary amounts according to sudden and prolonged physical risks		x			Exemption in accordance with Appendix C of ESRS 1
ESRS E1-9	66 c	Location of material assets exposed to material physical risks		x			Exemption in accordance with Appendix C of ESRS 1
ESRS E1-9	67 c	Breakdown of the book value of real estate by energy efficiency class		x			Exemption in accordance with Appendix C of ESRS 1
ESRS E1-9	69	Degree of portfolio exposure to climate-related opportunities			x		Exemption in accordance with Appendix C of ESRS 1
ESRS E2-4	28	Quantity of each pollutant listed in Annex II to the E-PRTR Regulation emitted to air, water and soil	x				(E2-4), p.184
ESRS E3-1	9	Water and marine resources	x				Immaterial
ESRS E3-1	13	Special policy	x				Immaterial
ESRS E3-1	14	Sustainable oceans and seas practices	x				Immaterial
ESRS E3-4	28 c	Total amount of water recycled and reused	x				Immaterial

Disclosure no. (ESRS, DR)	Data points	Data point name	Reference to the SFDR	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to European climate law	Page in the report
ESRS E3-4	29	Total water consumption in m^3 per net revenue from own operations	x				Immaterial
ESRS 2 SBM 3-E4	16 a (i)	Biodiversity-sensitive areas	x				Exemption in accordance with Appendix C of ESRS 1
ESRS 2 SBM 3-E4	16 b	Impact on terrestrial ecosystems	x				Exemption in accordance with Appendix C of ESRS 1
ESRS 2 SBM 3-E4	16 c	Endangered species	x				Exemption in accordance with Appendix C of ESRS 1
ESRS E4-2	24 b	Sustainable land/agriculture practices or policies	x				Immaterial
ESRS E4-2	24 c	Sustainable oceans/seas practices or policies	x				Immaterial
ESRS E4-2	24 d	Policies to counteract deforestation	x				Immaterial
ESRS E5-5	37 d	Non-recycled waste	x				(E5-5), p.187
ESRS E5-5	39	Hazardous and radioactive waste	x				(E5-5), p.187
ESRS 2 SBM-3-S1	14 f	Risk of forced labor	x				(SBM-3), p.189
ESRS 2 SBM-3-S1	14 g	Risk of child labor	x				(SBM-3), p.189
ESRS S1-1	20	Commitments to human rights policy	x				(S1-1), p.189
ESRS S1-1	21	Due diligence strategies for issues covered by core International Labor Organization conventions			x		(S1-1), p.189
ESRS S1-1	22	Procedures and measures to prevent human trafficking	x				(S1-1), p.189
ESRS S1-1	23	Policy or management system to prevent occupational accidents	x				(S1-1), p.190

Disclosure no. (ESRS, DR)	Data points	Data point name	Reference to the SFDR	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to European climate law	Page in the report
ESRS S1-3	32 c	Complaint handling mechanisms	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S1-14	88 b and c	Number of work-related deaths and number and rate of work-related accidents	x		x		(S1-14), p.198
ESRS S1-14	88 e	Number of days lost due to injuries, accidents, fatalities or illnesses	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S1-16	97 a	Unadjusted gender pay gap	x		x		Immaterial
ESRS S1-16	97 b	Excessive CEO remuneration	x				Immaterial
ESRS S1-17	103 a	Cases of discrimination	x				(S1-17), p.198
ESRS S1-17	104 a	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	x		x		(S1-17), p.198
ESRS 2 SBM-3-S2	11 b	Material risk of incidents of child labor or forced labor in the value chain	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S2-1	17	Commitments to human rights policy	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S2-1	18	Value chain workers policies	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S2-1	19	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	x		x		Exemption in accordance with Appendix C of ESRS 1
ESRS S2-1	19	Due diligence strategies for issues covered by the International Labor Organization's core convention nos. 1–8			x		Exemption in accordance with Appendix C of ESRS 1
ESRS S2-4	36	Issues and incidents related to human rights upstream and	x				Exemption in accordance

Disclosure no. (ESRS, DR)	Data points	Data point name	Reference to the SFDR	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to European climate law	Page in the report
		downstream the value chain					with Appendix C of ESRS 1
ESRS S3-1	16	Commitments to human rights policy	x				Exemption in accordance with Appendix C of ESRS 1
ESRS S3-1	17	Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO principles or OECD guidelines	x		x		Exemption in accordance with Appendix C of ESRS 1
ESRS S3-4	36	Issues and incidents related to respect for human rights	x				Immaterial
ESRS S4-1	16	Consumers and end users policy	x				Immaterial
ESRS S4-1	17	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	x		x		Immaterial
ESRS S4-4	35	Issues and incidents related to respect for human rights	x				Immaterial
ESRS G1-1	10 b	United Nations Convention against Corruption	x				(G1-1), p.200
ESRS G1-1	10 d	Protection of whistleblowers	x				(G1-1), p.200
ESRS G1-4	24 a	Fines for breaches of anti-corruption and anti-bribery regulations	x		x		Immaterial
ESRS G1-4	24 b	Standards for combating corruption and bribery	x				Immaterial

10.2. Environmental information

EU Taxonomy

Environmental information – Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

In accordance with the EU Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, OJ L 198 of 22.06.2020, pp. 13-43), the PKP CARGO under restructuring Group (hereinafter: "PKP CARGO Group") is required to disclose the following information in its annual report:

- percentage of turnover derived from products or services related to activities classified as environmentally sustainable,
- percentage of capital expenditure (CapEx) allocated to assets or processes related to environmentally sustainable activities,

- percentage of operating expenses (OpEx) related to assets or processes that are part of environmentally sustainable activities.

In order for an activity to be classified as environmentally sustainable, it must be assessed for compliance with the requirements set forth in the EU Taxonomy. According to these regulations, an activity may be considered Taxonomy-aligned if it:

- contributes materially to the achievement of at least one of the six environmental objectives set forth in the EU Taxonomy,
- does no significant harm to any of the other environmental objectives of the EU Taxonomy,
- is carried out in accordance with minimum safeguards (assessed at the group level),
- fulfills the Technical Screening Criteria set forth in Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity does no significant harm to any of the other environmental objectives, OJ L 2023/2486, 21.11.2023, and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, OJ L 442, 9.12.2021, pp. 1–349. Collectively, these documents are referred to as technical screening criteria (TSCs).

The EU Taxonomy identifies six main environmental objectives that form the basis for assessing the sustainability of economic activities. These are:

- mitigation of climate change,
- adaptation to climate change,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- prevention and control of pollution,
- protection and restoration of biodiversity and ecosystems.

Within the framework of Taxonomy reporting, a comprehensive reporting process was implemented, broken down into the following four key stages:

1. assessment of compliance with minimum safeguards,
2. assessment of eligibility for the Taxonomy classification in terms of activities carried out,
3. assessment of compliance with Technical Screening Criteria and collection of supporting documentation,
4. assignment of financial data to determine Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx.

These disclosures were prepared, taking into account the amendments introduced by the Commission Delegated Regulation (EU) 2026/73 of 4 July 2025.

EU Taxonomy reporting process

Organization of the reporting process within the PKP CARGO Group

The Financial Controlling Section in the Controlling Department in the Controlling Section of PKP CARGO S.A. under restructuring, in cooperation with the Energy, Climate and Environment Protection Department in the Infrastructure Section of PKP CARGO S.A. under restructuring and the Non-Financial Reporting Section in the Management Board Office and Investor Relations Department of PKP CARGO S.A. under restructuring, was responsible for coordinating the Taxonomy reporting process in the PKP CARGO Group under restructuring. As a rule, the organizational units responsible for accounting were responsible for the implementation of tasks within the subsidiaries.

In order to ensure a uniform approach to the process within all companies of the PKP CARGO Group, work was carried out within a working group and information for reporting purposes was collected using standardized documents. The Financial Controlling Section of PKP CARGO S.A. under restructuring ensured a uniform approach across all subsidiaries and that the same rules for determining reported KPIs were applied as in financial reporting.

Assessment of compliance with minimum safeguards

In order for an economic activity to be considered Taxonomy-aligned, it must be carried out in accordance with the minimum safeguards set forth in Article 18 of the EU Taxonomy. This means that the activity should:

- comply with the OECD Guidelines for Multinational Enterprises,
- be consistent with the UN Guiding Principles on Business and Human Rights,
- and take into consideration the "do no significant harm" principle referred to in Article 2(17) of Regulation (EU) 2019/2088.

Within the framework of its assessment of activities in 2025, the PKP CARGO Group confirmed its compliance with the minimum safeguards.

Assessment of eligibility for classification under the Taxonomy in terms of conducted activities

Within the framework of the reporting process, the activities of the PKP CARGO Group were analyzed in terms of their eligibility for classification under the EU Taxonomy. The identification of Taxonomy-eligible activities was carried out on the basis of the descriptions contained in the annexes to the delegated regulations specifying the Technical Screening Criteria.

The following activities were identified in the PKP CARGO Group under the first environmental objective – Climate Change Mitigation (CCM):

- CCM 3.3 – Manufacture of low carbon technologies for transport,
- CCM 6.2 – Freight rail transport,
- CCM 6.14 – Infrastructure for rail transport.

No eligible activities were identified for the other environmental objectives.

Assessment of the compliance of activities with the Technical Screening Criteria and collection of supporting documentation

The PKP CARGO Group, in assessing the compliance of its activities with the EU Taxonomy criteria, conducted an analysis of the criteria for material contribution and no significant harm based on the TSCs. As a result of the verification of these criteria, it was concluded that the following areas of the PKP CARGO Group's activities are compliant with the requirements of the EU Taxonomy:

- CCM 3.3 – Manufacture of low carbon technologies for transport,
- CCM 6.2 – Freight rail transport,
- CCM 6.14 – Infrastructure for rail transport.

Assignment of financial data to determine Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx

Under this stage, turnover, capital expenditure (CapEx) and operating expenditure (OpEx) were allocated to the distinct activities identified in the previous analysis. Turnover and CapEx were determined in a manner consistent with the principles applied in the financial reporting of the PKP CARGO Group. For OpEx, the definition of operating expenses resulting from the provisions of the EU Taxonomy was adopted.

Based on the data collected during the analysis of the Taxonomy-eligibility and Taxonomy-alignment, the PKP CARGO Group developed the required tables and prepared descriptions in accordance with the applicable regulatory requirements.

Accounting principles

The basis for calculating turnover ratios, capital expenditure (CapEx) and operating expenditure (OpEx) were the definitions contained in Annex I to Commission Delegated Regulation (EU) 2021/2178.

Distinct types of activity were assigned to only one activity qualifying for the Taxonomy. No portion of the Group's turnover, CapEx or OpEx was double-counted. In cases where revenue (turnover) generated from the respective activity was considered eligible for the Taxonomy, also the CapEx and OpEx related to this activity were assigned to it in full and excluded from other activities. The remaining CapEx and OpEx values (not related to the eligible turnover-generating activities) were evaluated in terms of their possible inclusion in other categories of eligible activities. Distinct CapEx and OpEx items were ascribed to only one activity. In situations where it seemed reasonable to ascribe them to more than one activity, the most suitable one was selected.

The calculation of the share of turnover eligible for the Taxonomy was based on the following principles:

- for the turnover ratio, adopted as the basis for the calculation (the ratio denominator) was the consolidated revenues from contracts with customers,
- in turn, plugged into the numerator was the consolidated revenue generated from activities eligible for Taxonomy.

Turnover was calculated based on consolidated revenues from contracts with customers included in the "Consolidated Financial Statements of the PKP CARGO under restructuring Group for the financial year ended 31 December 2025, in accordance with EU IFRS."

The calculation of the CapEx ratio eligible for the Taxonomy was based on the following principles:

- the calculation (ratio denominator) was based on the PKP CARGO Group's consolidated capital expenditures, which included: rolling stock, other property, plant and equipment, intangible assets and right-of-use assets,
- capital expenditures related to activities eligible for the Taxonomy were plugged into the numerator.

Consolidated capital expenditure was used to calculate CapEx, as presented in section 4.6. The Company's and the PKP CARGO Group's investments in the "Management Board Report on the activities of PKP CARGO S.A. under restructuring and the PKP CARGO under restructuring Group for 2025."

The calculation of the OpEx ratio eligible for the Taxonomy was based on the following principles:

- the denominator was the cost categories specified in the Taxonomy definition of OpEx, including all direct costs incurred to maintain the PKP CARGO Group's assets in working condition. These included costs such as: maintenance and repair of wagons and locomotives, track infrastructure and container terminals, costs of repairs and renovations of other real estate, costs related to repairs and renovations of machinery and equipment and motor vehicles, costs of cleaning, building security, IT infrastructure maintenance, costs of equipment legalization, short-term lease of fixed assets.
- OpEx related to activities eligible for the Taxonomy were plugged into the numerator.

Other information

No economic activity was identified that would meet the Technical Screening Criteria for two or more environmental objectives at the same time.

The Group does not conduct, finance or have exposure to activities specified in sections 4.26–4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, that is those related to energy generation from nuclear processes or energy generation from fossil gas fuels.

Results

Table 50 KPI Summary

Financial year (N)	2025														
					Allocation in accordance with environmental goals of Taxonomy-aligned										
Key performance indicator	Total	Share of Taxonomy-eligible activity	Taxonomy-aligned activity	Share of Taxonomy-aligned activity	Mitigation of climate change	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity	Share of supporting activities	Share of transition-supporting activities	Activity not subject to assessment and deemed immaterial	Taxonomy-aligned activity in the previous financial year (2024)	Share of Taxonomy-aligned activity in the previous financial year (2024)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	PLN million	%	PLN million	%	%	%	%	%	%	%	%	%	%	PLN million	%
Turnover	3 785,9	81,6%	1 469,7	38,8%	38,8%						1,2%		1,6%	1 641,6	36,8%
Capital expenditures	424,2	83,1%	135,4	31,9%	31,9%						31,9%		0,1%	175,7	29,8%
Operating expenses	342,6	68,0%	60,0	17,5%	17,5%						16,4%		2,1%	74,8	22,2%

Turnover

Within the framework of the analysis of Taxonomy-alignment, the turnover of the PKP CARGO Group in 2025 was analyzed.

The following activities were classified as Taxonomy-eligible and Taxonomy-aligned in the context of turnover:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. The part of revenue generated from the repair of electric locomotives with zero direct emissions of CO_2 in exhaust gases when operated on tracks with the necessary infrastructure and using locomotives fitted with conventional engines where such infrastructure is unavailable (electric-and-combustion) and repair services of freight wagons which are not intended for transport of fossil fuel was classified as Taxonomy-aligned;

- CCM 6.2 – Freight rail transport – that is the rental and operation of means of freight transport on mainline rail networks as well as short line freight railroads. Revenue generated from the carriage of goods, excluding fossil fuels, using locomotives and wagons with zero direct emissions of CO_2 in exhaust gases when operated on tracks with the necessary infrastructure and using locomotives fitted with conventional engines where such infrastructure is unavailable (electric-and-combustion) was classified as Taxonomy-aligned. Short-term lease of electric locomotives and freight wagons not intended for the carriage of fossil fuels was also classified as aligned;
- CCM 6.14. – that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of revenue generated from the maintenance and operation of electrified trackside infrastructure and from the provision of infrastructure and installations intended for the transshipment of cargo in intermodal connections, that is terminal infrastructure and load-bearing structures for the loading, unloading and handling of cargo was classified as aligned.

The alignment assessment also confirmed compliance with the DNSH principle for activities.

The following activities were classified as Taxonomy-eligible but non-Taxonomy-aligned in the context of turnover:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. The part of revenue regarding repair services of diesel locomotives and freight wagons intended primarily for the transport of fossil fuels was classified as non-aligned.
- CCM 6.2 – Freight rail transport – that is the rental and operation of means of freight transport on mainline rail networks as well as short line freight railroads. Revenue from the carriage of goods by locomotives using conventional combustion engines and revenue from the carriage of fossil fuels was classified as non-aligned. The part of revenue regarding lease of diesel locomotives and freight wagons intended primarily for the transport of fossil fuels was classified as non-aligned;
- CCM 6.14 – Infrastructure for rail transport that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of revenue from the maintenance and operation services of non-electrified trackside infrastructure and from the provision of infrastructure and installations (terminal infrastructure and load-bearing structures) intended for the transshipment of cargo as part of non-intermodal services was classified as non-aligned.

Revenue from contracts with customers accounted for PLN 1,469.1 million of Taxonomy-aligned turnover, and the remaining PLN 0.7 million of Taxonomy-aligned turnover was revenue from lease of electric locomotives. The value of Taxonomy-aligned turnover which was generated for own consumption (consolidation exclusions) within distinct activities was as follows:

- CCM 3.3 – Manufacture of low carbon technologies for transport – PLN 180.7 million;
- CCM 6.2 – Freight rail transport – PLN 241.7 million;
- CCM 6.14 – Infrastructure for rail transport – PLN 3.6 million;
- Turnover is at a similar level to the previous reporting period;
- Activities that generated turnover of less than 2% and were not related to the core business of PKP CARGO Group were deemed immaterial, i.e.:
    - turnover related to road transport of goods – accounts for 1.5% of turnover;
    - turnover related to lease of spaces – accounts for 0.1% of turnover.

Table 51 Percentage of turnover from products or services related to Taxonomy-aligned activities – based on disclosures for 2025

Reported key performance indicator	Turnover												
Financial year (N)	2025												
Business activities	Code	Key performance indicator for Taxonomy-eligible activity (share of Taxonomy-eligible turnover)	Key performance indicator for Taxonomy-aligned activity (monetary value of turnover)	Key performance indicator for Taxonomy-aligned activity (share of Taxonomy-aligned turnover)	Environmental goal of Taxonomy-aligned activity						Supporting activity	Transition-supporting activity	Share of Taxonomy-aligned activity in Taxonomy-eligible activity
					Mitigation of climate change	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		*%*	*PLN million*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*
Manufacture of low carbon technologies for transport	CCM 3.3	0,6%	6,8	0,2%	0,2%						0,2%		0,2%
Cargo rail transport	CCM 6.2	70,3%	1 426,2	37,7%	37,7%								46,1%
Infrastructure for rail transport	CCM 6.14	10,8%	36,8	1,0%	1,0%						1,0%		1,2%
Total Taxonomy-aligned activity broken down by goal					**38,8%**								
Total key performance indicator – turnover		**81,6%**	**1 469,7**	**38,8%**	**38,8%**						**1,2%**		**47,5%**

CapEx

As part of the Taxonomy-alignment assessment, capital expenditures incurred in 2025 were analyzed.

The following activities were classified as Taxonomy-eligible and recognized as Taxonomy-aligned in the context of capital expenditures:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. Capital expenditures on the electric locomotives with zero direct emissions of CO_2 in exhaust gases when operated on tracks with the necessary infrastructure and using locomotives fitted with conventional engines where such infrastructure is unavailable (electric-and-combustion) and expenditures on freight wagons which are not intended for transport of fossil fuel were classified as Taxonomy-aligned;
- CCM 6.14. – Infrastructure for rail transport that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of expenditure which related to the electrified trackside infrastructure and the infrastructure and installations intended for the transshipment of cargo in intermodal connections, that is terminal infrastructure and load-bearing structures for the loading, unloading and handling of cargo was classified as aligned.

The alignment assessment also confirmed compliance with the DNSH principle for activities.

The following activities were classified as Taxonomy-eligible but non-Taxonomy-aligned in the context of capital expenditures:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. Capital expenditures on diesel locomotives and freight wagons intended primarily for the transport of fossil fuels was classified as non-aligned;
- CCM 6.14. – Infrastructure for rail transport that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of expenditure which related to the non-electrified trackside infrastructure and the infrastructure and installations intended for the transshipment of cargo in intermodal connections, that is terminal infrastructure and load-bearing structures for the loading, unloading and handling of cargo was classified as non-aligned.

All Taxonomy-aligned capital expenditures constituted increases in property, plant and equipment. The increases presented were unrelated to acquisitions resulting from business combinations.

The value of Taxonomy-aligned CapEx is at a similar level to that of the previous reporting period.

Capital expenditures that generated turnover of less than 2% and were not related to the major projects in the PKP CARGO Group were deemed immaterial, i.e.:

- capital expenditures related to passenger cars – account for 0.1% of CapEx.

Table 52 Percentage of capital expenditures from products or services related to Taxonomy-aligned activities – based on disclosures for 2025

Reported key performance indicator	Capital expenditures												
Financial year (N)	2025												
					Environmental goal of Taxonomy-aligned activity								
Business activities	Code	Key performance indicator for Taxonomy-eligible activity (share of Taxonomy-eligible capital expenditures)	Key performance indicator for Taxonomy-aligned activity (monetary value of capital expenditures)	Key performance indicator for Taxonomy-aligned activity (share of Taxonomy-aligned capital expenditures)	Mitigation of climate change	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity	Supporting activity	Transition-supporting activity	Share of Taxonomy-aligned activity in Taxonomy-eligible activity
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*	*(11)*	*(12)*	*(13)*	*(14)*
Text		*%*	*PLN million*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*
Manufacture of low carbon technologies for transport	CCM 3.3	80,3%	123,8	29,2%	29,2%						29,2%		35,1%
Infrastructure for rail transport	CCM 6.14	2,8%	11,6	2,7%	2,7%						2,7%		3,3%
Total Taxonomy-aligned activity broken down by goal					**31,9%**								
Total key performance indicator – capital expenditures		**83,1%**	**135,4**	**31,9%**	**31,9%**						**31,9%**		**38,4%**

OpEx

As part of the Taxonomy-alignment assessment, operating expenses incurred in 2025 were analyzed.

The following activities were classified as Taxonomy-eligible and Taxonomy-aligned in the context of operating expenses:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. In particular, costs of repair and maintenance of the electric locomotives with zero direct emissions of CO_2 in exhaust gases when operated on tracks with the necessary infrastructure and using locomotives fitted with conventional engines where such infrastructure is unavailable (electric-and-combustion) and costs of repair of freight wagons which are not intended for transport of fossil fuel were classified as Taxonomy-aligned;
- CCM 6.2 – Freight rail transport – that is the rental and operation of means of freight transport on mainline rail networks as well as short line freight railroads. Costs of short-term lease of electric locomotives and freight wagons not intended for the carriage of fossil fuels were classified as Taxonomy-aligned;
- CCM 6.14. – Infrastructure for rail transport that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of costs which related to the maintenance and operation of electrified trackside infrastructure and the infrastructure and installations intended for the transshipment of cargo in intermodal connections, that is terminal infrastructure and load-bearing structures for the loading, unloading and handling of cargo was classified as aligned.

The alignment assessment also confirmed compliance with the DNSH principle for activities.

The following activities were classified as Taxonomy-eligible but non-Taxonomy-aligned in the context of operating expenses:

- CCM 3.3. manufacture of low carbon technologies for transport – that is the repair, maintenance, modernization, reassignment and retrofitting of low-emission transport vehicles and rolling stock. Expenses related to the repair and maintenance of diesel locomotives and those freight wagons that are predominantly intended for the carriage of fossil fuels were classified as non-aligned.
- CCM 6.2 – Freight rail transport – that is the rental and operation of means of freight transport on mainline rail networks as well as short line freight railroads. Costs of the short-term lease of diesel locomotives and those freight wagons that are predominantly intended for the carriage of fossil fuels were classified as non-aligned.
- CCM 6.14. – Infrastructure for rail transport that is the construction, modernization, operation and maintenance of surface and underground railroads, bridges, tunnels, stations, terminals and rail service infrastructure facilities, and safety and traffic management systems, including the provision of architectural and engineering services, design services, construction oversight services, and surveying and mapping services, etc., conducting physical, chemical and other analytical tests on all types of materials and products. The part of costs which related to the maintenance and operation of non-electrified trackside infrastructure and the infrastructure and installations intended for the transshipment of cargo in non-intermodal connections, that is terminal infrastructure and load-bearing structures for the loading, unloading and handling of cargo was classified as non-aligned.

The value of Taxonomy-aligned operating expenses components, within distinct activities, was as follows:

- CCM 3.3 – Manufacture of low carbon technologies for transport – costs of ongoing repairs of electric locomotives (PLN 47.8 million) and wagons not intended for the transport of fossil fuels (PLN 7.7 million);
- CCM 6.2 – Freight rail transport – costs of lease of electric locomotives (PLN 0.1 million) and costs of lease of wagons not intended for the transport of fossil fuels (PLN 3.8 million);
- CCM 6.14 – Infrastructure for rail transport – costs of maintenance and repairs of terminals intended for the transshipment of cargo as part of intermodal services (PLN 0.6 million).

Other operating expenses related to the ongoing maintenance of property, plant and equipment, but non-Taxonomy-aligned or non-Taxonomy-eligible were the following: maintenance and repair of diesel locomotives and wagons intended for the transport of fossil fuels, maintenance and repair of track infrastructure and terminals intended for the transshipment of cargo as part of non-intermodal services, costs of repairs and renovations of other real estate, costs related to repairs and renovations of machinery and equipment and motor vehicles, costs of cleaning and security of buildings, IT infrastructure maintenance costs, equipment legalization costs, non-Taxonomy-aligned short-term lease of fixed assets.

Operating expenses that generated turnover of less than 2% in the PKP CARGO Group were deemed immaterial, i.e.:

- expenses related to passenger cars – account for 1.1% of OpEx.,

- expenses related to road transport and delivery vans fleet – account for 1.0% of OpEx.,
- expenses related to renovations of buildings – account for 0.1% of OpEx.

10.2.1. Environmental information – ESRS E1 Climate change

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

A description of the strategy and business model is provided in this statement in section **10.1 ESRS 2 GENERAL INFORMATION.**

ESRS 2 IRO-1 – Description of the processes to identify and assess climate-related material impacts, risks and opportunities

[E1.IRO-1_01] The impacts, risks and opportunities of the PKP CARGO Group were identified in the double materiality analysis. A detailed description of the analysis is provided in this statement in section **10.1 ESRS 2 GENERAL INFORMATION**

E1-1 – Transition plan for climate change mitigation

[E1-1_01] [E1-16] In 2025, the Group did not have a transition plan in place for climate change mitigation. Further proceedings in the climate issues is dependent on the provisions of the Restructuring Plan which will form a basis for definition of future strategy and directions both for the Company and the whole Group.

E1-2 - Policies related to climate change mitigation and adaptation

In 2025, the PKP CARGO Group did not have one policy in place related to management of material topics of climate change. There were different regulations in individual subsidiaries supporting the management of this issue.

[MDR-P_01] [E1-2_01] PKP CARGO, in accordance with the implemented *Integrated Management System Book (IMS Book),* aims to reduce its climate impact by pursuing energy transition and carbon footprint reduction initiatives, promoting rail transport as an eco-friendly mode of transportation, investing in modern rolling stock, and ensuring the rational use of raw materials, supplies, energy, and water, in accordance with legal requirements, environmental protection principles, and sustainable development guidelines. The matters resulting from the Integrated Management System implemented at the Company have been described in section *E2 Pollution*.

The Company communicates its values and commitments regarding sustainability through provisions in the regulations made available to customers. *The Rules and regulations for the carriage of goods by PKP CARGO S.A*., governing the sale of services, the acceptance of cargo loads, the transport of cargo loads, and the delivery of cargo loads, the Company has concluded the *Sustainability Declaration of PKP CARGO S.A.* [MDR-P_01] [MDR-P_02] As part of this declaration, it undertakes, among other things, to adhere to the principles of sustainable development with regard to protecting the natural environment, the social environment and transparency in corporate governance, and notes that the choice of rail transport, due to its low emissions and energy consumption, aligns with efforts to reduce the negative impact of transport on the environment and climate. The Company also highlights in the declaration its expectation that customers' business activities support the aforementioned principles and values.

[MDR-P_06] PKP CARGO SERVICE implemented the Energy Management System compliant with the requirements of ISO 50001:2018 standard, being part of its Integrated Management System. The Policy is made available publicly on the website, and documentation regarding the Energy Management System is made available to the employees in the Intranet.

[MDR-P_01,02] [E1-2_01] The above regulation specifies the manner in which PKP CARGO SERVICE manages the use of energy to improve the energy performance. The document sets forth, in particular, the rules for conducting a periodic energy review, which serves as the basis for preparing a report covering:

- analysis of energy consumption in key areas of operation,
- identification of major energy consumers,
- assessment of factors affecting energy consumption levels,
- identification of opportunities to improve energy efficiency,
- analysis of trends and a comparison of results with previous periods,
- recommendations for technical and organizational measures aimed at reducing energy consumption and emissions associated with its use.

The results of energy review form a basis for updating of energy targets and action plans, as well as they support the decision-making process regarding investments and infrastructure modernization. The report is also used to monitor progress in energy efficiency and CO_2 emissions reduction.

[MDR-P_01,02] [E1-2_01] PKP CARGO INTERNATIONAL implemented the Integrated Management System (*Total Management System*) compliant with the environmental management standard ISO 14001 and energy management standard 50001. As part of this initiative, the company aims, among other things, to reduce its environmental impact through measures aimed at energy

transition, lowering energy consumption, reducing its carbon footprint, and implementing eco-friendly modes of transportation, such as rail transport. [MDR-P_06] These matters are specifically described in the Sustainability Policy and TMS, which form part of the Integrated Management System and have been published on the company's website.

[MDR-P_03,04,05] The policies described above cover the scope of in-house operations within the activities of individual subsidiaries. The management boards of individual entities are responsible for their implementation. The companies that have implemented these regulations did not conduct formal consultations with stakeholders during their development. At the same time, these policies take into account the interests of the "silent stakeholder" – the natural environment – through measures aimed at improving energy efficiency and reducing the consumption of energy derived from fossil fuels.

[MDR-P_07,08] The other subsidiaries have not implemented policies regarding the management of climate change issues that go beyond compliance with legal requirements. The companies do not currently plan to implement any additional regulations in this area. In the medium term, there are plans to review the feasibility of implementing such regulations.

E1-3 – Climate policy actions and resources

In 2025, the PKP CARGO Group did not have in place the action plan related to climate change adaptation or mitigation. However, individual subsidiaries undertook certain actions to optimize the energy consumption and reduce emissions in Scope 1 and 2 as part of own operations.

[MDR-A_01,02,03] PKP CARGO has updated the *Integrated Management System Policy* through introduction of provision committing it to mitigate the climate impact and reduce carbon footprint.

In the reporting period PKP CARGO concluded an agreement for the supply in 2026 of 100% of non-traction electricity from renewable energy sources. The agreement covers such companies as PKP CARGOTABOR, PKP CARGO CONNECT, PKP CARGO TERMINALE and PKP CARGOTOR. With regard to traction electricity, PKP CARGO concluded an agreement for the purchase in 2026 of 150,000 MWh of energy covered with guarantees of origin from renewable energy sources. In 2027, the Company plans to enter into contracts for the supply of 100% green electricity – for both traction and non-traction purposes. [E1-3_04] However, the expected GHG emission reduction has not been estimated.

In 2025, the Company generated energy from renewable sources (solar collectors) and plans to continue doing so in the short and medium term. As part of its efforts to improve energy efficiency, the company also installed heat pumps as a heat source at several locations.

[MDR-A_01,02,03] PKP CARGO SERVICE continued in the reporting year the lighting modernization process, replacing traditional lighting with LED. There actions are taken in the short and medium term. In addition, as part of the ongoing modernization plans, three locomotives were refurbished, resulting in lower diesel fuel consumption. The effects of these measures, in the form of reduced fuel demand, are expected in the short and medium term.

[MDR-A_01,02,03] [E1-3_01] PKP CARGO INTERNATIONAL is currently developing a decarbonization plan designed to provide a realistic framework for the controlled reduction of emissions in areas over which the company has direct or indirect influence. In 2025 PKP CARGO INTERNATIONAL produced renewable energy, and in the medium term, further growth in energy consumption from renewable sources and a reduction in GHG emissions are expected. There are also plans to improve the transparency and quality of the data required for Scope 3 reporting.

[MDR-A_06,07] [E1-3_05-08] No significant financial resources have been allocated for these tasks.

[MDR-A 13,14] The Group's other subsidiaries have not undertaken any initiatives related to climate change adaptation or mitigation. Further planning of activities depends on the approval of the Restructuring Plan, which will serve as the basis for developing strategic directions for both the Company and the entire Group.

E1-4 – Targets related to climate change mitigation and adaptation

[MDR-T_14,15] [E1-4-01] In 2025, the PKP CARGO Group did not have any climate change mitigation or adaptation targets, including GHG emission reduction targets. At the same time, PKP CARGO INTERNATIONAL plans to set measurable, results-oriented targets in the short term in connection with the implementation of decarbonization plan.

Further proceedings in the climate issues, including target-setting, is dependent on the acceptance of the Restructuring Plan which forms a basis for development of strategic actions directions both for the Company and the entire Group. [MDR-T_16] Nevertheless, the subsidiaries have taken steps to determine their carbon footprint, which is an important first step toward paving a way toward decarbonization in the future. In addition, utility consumption is continuously monitored with the aim of achieving overall resource savings.

E1-5 – Energy consumption and energy mix

[E1-5_01-21] The Group measured the severity of its environmental impact by monitoring its energy mix. The table below presents the Group's total energy consumption in 2025, broken down by main sources. The data are expressed in megawatt-

hours (MWh) and as the percentage share of each source in total consumption – the largest share is accounted for by fuels derived from crude oil and petroleum products as well as electricity, heat, steam and cooling purchased or obtained from the grid from fossil fuel sources.

Table 53 Total energy consumption of the PKP CARGO Group in 2025 and 2024 broken down by main sources of its origin

	Unit	Quantity 2025	Quantity 2024
1) Fuel consumption from coal and coal products	MWh	10,395	16,913
2) Fuel consumption from crude oil and petroleum products	MWh	260,554	536,975
3) Fuel consumption from natural gas	MWh	6,634	97,666
4) Fuel consumption from other fossil sources	MWh	133	161
5) Consumption of purchased or obtained electricity, heat, steam and cooling from fossil fuel sources	MWh	436,249	514,471
6) Total energy consumption from fossil fuels (calculated as the sum of lines 1–5)	MWh	713,965	1,166,186
Share of fossil sources in total energy consumption	%	99.2	99.90
7) Total energy consumption from nuclear sources	MWh	0	0
Share of consumption from nuclear sources in total energy consumption	%	0	0.00
8) Fuel consumption for renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	0	275
9) Consumption of purchased or obtained electricity, heat, steam and cooling from fossil fuel sources	MWh	5,814	868
10) Renewable energy consumption generated independently without the use of fuel	MWh	11	37
11) Total renewable and low-carbon energy consumption (calculated as the sum of lines 8–10)	MWh	5,825	1,180

Share of renewable sources in total energy consumption	%	0.8	0.10
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	719,790	1,167,366

[MDR-T] The data presented in the table above are consistent with the general methodology for calculating the carbon footprint, as described in detail in Disclosure E1-6. The data on directly consumed fuels was sourced from purchase records and invoices. For the energy corresponding to Scope 2 emissions, the data was sourced from meter readings and invoices. Item 10) includes energy generated on-site using solar collectors and heat pumps, but does not include energy drawn by the pumps from the grid.

[E1-5_21] The following table presents information on energy consumption in relation to the PKP CARGO Group's net revenue (details regarding the revenues in the **GROUP'S CONSOLIDATED FINANCIAL STATEMENTS, NOTES 2.1 AND 2.3).** The ratio was calculated by dividing total energy consumption by total net revenue. [E1-5_20] It is assumed that all of the Group's operations are related to activities in a sector that has a significant impact on the climate.

[E1-5_18-19]

Table 54 Energy consumption indicator of the PKP CARGO Group in 2025 and 2024

Energy consumption to net revenue	Year 2025	Year 2024	% 2025/2024
Total energy consumption across the Group's operations in the Transport sector as a percentage of total net revenue (MWh/million PLN)	185.75	261.72	-29%

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The results of the carbon footprint calculation broken down into Scope 1, Scope 2 and Scope 3 for each category are presented below. The table below contains summary of calculations. A detailed description of the methodology used is provided later in this section.

[E1-6_01-13]

Table 55 Greenhouse gas (GHG) emissions of the PKP CARGO Group in 2025 and 2024

	Unit	Year 2025	Base year 2024
GHG emissions in Scope 1			
Gross GHG emissions in Scope 1	Mg CO_2e	75,809	126,608
Gross biogenic emissions in Scope 1	Mg CO_2e	2,472	6,247
Percentage of GHG emissions in Scope 1 from a regulated emissions trading system	%		0
GHG emissions in Scope 2			
Gross GHG emissions in Scope 2 according to the location-based method	Mg CO_2e	211,408	249,434
Gross GHG emissions in Scope 2 according to the market-based method	Mg CO_2e	329,500	350,134
GHG emissions in Scope 3			
Total indirect gross GHG emissions in Scope 3	Mg CO_2e	3,816,558	1,763,997
1 Purchased freight and services	Mg CO_2e	53,129	200,551
2 Capital goods	Mg CO_2e	27,236	11,505
3 Fuel and energy activities not included in Scope 1 or 2	Mg CO_2e	115,127	184,753
4 Upstream transportation and distribution	Mg CO_2e	3,568,306	65,280
5 Waste generated from operations	Mg CO_2e	-	2,343
6 Business commuting	Mg CO_2e	-	279

7 Employee commuting	Mg CO_2e	-	4,948
8 Upstream leased assets	Mg CO_2e	-	5,494
9 Downstream transportation	Mg CO_2e	-	1,223,931
11 Use of sold products	Mg CO_2e	52,760	64,374
13 Downstream leased assets	Mg CO_2e	-	536
Total GHG emissions			
Total GHG emissions in Scopes 1+2 (location-based) +3	**Mg CO_2e**	**4,103,775**	**2,140,035**
Total GHG emissions in Scopes 1+2 (market-based) +3	**Mg CO_2e**	**4,211,867**	**2,240,735**

[E1-6_30-35] The table below presents GHG emission intensity in relation to the PKP CARGO Group's net revenue (for details on revenue, see the **GROUP'S CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP, NOTES 2.1 AND 2.3**). This indicator was calculated by dividing total net revenue by the total amount of GHG emissions determined using the location-based and market-based methods.

Table56 GHG emission intensity of the PKP CARGO Group in 2025 and 2024

Gross GHG emissions intensity to net revenue	Year 2025	Year 2024	% 2025/2024
Total GHG emissions (location-based method) to net revenue (in CO2 t equivalents per million PLN)	1,059.04	479.79	121%
Total GHG emissions (market-based method) to net revenue (in CO2 t equivalents per million PLN)	1,089.51	502.36	117%

Description of the methodology used

[E1-6_15] The calculation methodology covers Scope 1, Scope 2 and Scope 3 emissions. All calculations were performed in accordance with the GHG Protocol guidelines, ensuring their compliance with international GHG emission reporting standards.

Three emission scopes were taken into account in the calculations:

- Scope 1 – direct emissions related to the Group's assets (units, offices, fleet, machinery).
- Scope 2 – indirect emissions resulting from the purchase of electricity, heat, cooling or process steam.
- Scope 3 – other indirect emissions, including the purchase of capital goods and services, emissions related to fuels and energy, waste, transport, employee commuting, business commuting and the use of sold products.

The analysis covers the calculation period from 1 January 2025 to 31 December 2025. The base year for the calculations is 2024. The scope of the calculation covers the whole Group.

The methodology for calculating the carbon footprint in Scope 3 for 2025 is based on the use of a basic equation for determining emissions c_f, which takes into account emission sources and their emission factors.

$c_f = \Sigma\, f_i,j\ a_i\ g_j$

where:

- f_i,j is the emission factor for a specific activity (a_i) and greenhouse gas (g_i),
- a_i is the activity carried out (such as combustion of fossil fuels, consumption of raw materials),
- g_j is the global warming potential of the greenhouse gas in question,

Because in Scope 3 the vast majority of factors are expressed in kilograms or tons of carbon dioxide equivalent ($kgCO_2e$ or tCO_2e), the above equation is simplified to:

$$c_f = \Sigma\, f_i\ a_i$$

The latest global warming potential (GWP) values published by the IPCC based on a 100-year time horizon were used to calculate CO_2eq emissions (AR6). These factors are used for Scope 1 and Scope 2 emissions as well as for most of the indicators

used in Scope 3. The monetary indicators for methane, nitrous oxide, and sulfur hexafluoride have been updated to reflect the AR6 global warming potentials for 2025, but this has no material impact on the values of the indicators.

[E1-6_14] Organizational boundaries and emission scopes

The Group's emissions were calculated in accordance with the following assumptions.

The report includes the following companies based on actual and financial data:

- PKP CARGO S.A. under restructuring,
- PKP CARGO SERVICE sp. z o.o.,
- PKP CARGOTABOR sp. z o.o. under restructuring,
- PKP CARGO TERMINALE sp. z o.o.,
- CARGOSPED TERMINAL BRANIEWO sp. z o.o.,
- CARGOTOR sp. z o.o.,
- PKP CARGO CONNECT sp. z o.o.,
- PKP CARGO INTERNATIONAL a.s.

Due to the immaterial emissions resulting from operating activities, the following companies were excluded:

- Terminale Przeładunkowe Sławków Medyka sp. z o.o.,
- Transgaz S.A.,
- PKP CARGO CONNECT GmbH.

Due to the absence of operating activities, the following companies were excluded:

- PKP CARGOTABOR USŁUGI sp. z o.o. w likwidacji (100%),
- ONECARGO CONNECT sp. z o.o. (100%),
- PKP Linia Chełmska Szerokotorowa sp. z o.o. (100%),
- CENTRALNY TERMINAL MULTIMODALNY sp. z o.o. (100%),
- MIĘDZYNARODOWA SPEDYCJA MIRTRANS sp. z o.o. (w likwidacji) (43.99%),
- INTERCONTAINER INTERFRIGO SA. (under liquidation) (0.71%).

Due to their immateriality, the following companies in which the parent company held a stake of less than or equal to 20% were excluded:

- COSCO SHIPPING Lines (Poland) Sp. z o.o. (20%) – company excluded due to the nature of its business (office activities) – in 2023, the costs incurred for materials and energy were PLN 269 thousand, which means that the emissions included in Category 15 of Scope 3 will be below 0.01% of the Group's total emissions.
- EUROTERMINAL SŁAWKÓW sp. z o.o. (9.32%) – company excluded due to estimated emissions – according to the report for 2024, the company spent PLN 6,121,501.57 on materials and energy (in this case, emissions resulting from a maximum of approx. PLN 600 thousand spent on energy should be included). Assuming, for simplicity, the purchase of electricity related to transshipment infrastructure at a final price of PLN 1 per kWh, the estimated emissions were 310 tCO_2e, representing less than 0.01% of the Group's total emissions.
- BUREAU CENTRAL DE CLEARING S.O.R.I. (1.34%) – this is an office company that does not generate material emissions, which combined with its marginal share, warrants its exclusion.
- RUDOPORT S.A. (1.11%) – based on information from the 2023 financial statements, it was determined that, as the company does not employ any workforce, it is a technical undertaking that does not generate any emissions.
- IDEON S.A. (0.15%) – the company published its last report for 2017, generating cash flows of PLN 14 million at the time. With a share of 0.15%, it is an immaterial source of emissions below 0.01%.

The Group took into account all 15 Scope 3 emission categories, although in accordance with the ESRS methodology, some categories were deemed immaterial. They are recalculated at least once every 3 years.

Based on the assessment of activities, all categories were analyzed and those applicable to the Group's activities were identified:

- Category 1: Purchased goods and services,
- Category 2: Capital goods,
- Category 3: Fuel and energy activities (not included in Scope 1 or 2),

- Category 4: Upstream transportation and distribution,
- Category 5: Waste generated in operations,
- Category 6: Business commuting,
- Category 7: Employee commuting,
- Category 8: Upstream leased assets,
- Category 9: Downstream transportation,
- Category 11: Use of sold products,
- Category 13: Downstream leased assets.

Other categories (10, 12, 14) are not subject to reporting as they are unrelated to the Group's activities (they do not generate emissions during use). Only in the case of category 15 was it decided to exclude companies in which the Group holds an equity stake due to immaterial emissions.

On the basis of 2024 results, the following categories were deemed immaterial:

- Category 2: Capital goods (in the case of CARGOSPED, TERMINAL BRANIEWO, CARGOTOR, PKP CARGO SERVICE),
- Category 4: Upstream transportation and distribution (in the case of PKP CARGOTABOR, PKP CARGOSPED TERMINAL BRANIEWO, CARGOTOR, PKP CARGO SERVICE),
- Category 5: Waste generated in operations,
- Category 6: Business commuting,
- Category 7: Employee commuting,
- Category 9: Downstream transportation,
- Category 13: Downstream leased assets.

The total value of exclusions does not exceed 0.38% of total emissions of 2024. Emissions recognized in 2024 in Category 9 were included in Category 4.

Sources of data and emission indicators

The data used to calculate GHG emissions were obtained from various sources, depending on the scope of emissions. The primary input data consisted of actual information such as purchase invoices, accounting data, company data management systems, operational data and surveys in the case of employee commuting data.

The table below provides an overview of the data sources used for Scopes 1, 2 and 3. The table contains abbreviated database names:

- KOBiZE – Emission factors for electricity for 2024, December 2025,
- DEFRA – Greenhouse gas reporting: conversion factors, July 2025,
- AIB – European Residual Mixes, Results of the calculation of Residual Mixes for the calendar year 2024, May 2025,
- URE (Energy Regulatory Office) – Heat energy in figures 2024, URE, November 2025,
- Ecoinvent 3.12,
- Exiobase 3.8.

The data and indicators were adjusted to Polish economic and energy conditions, taking into account exchange rate differences and inflation.

Table 57 Sources of data and indicators used to calculate the carbon footprint

Scope/Category	Data sources	Databases
Scope 1	Extracts from the undertaking's internal systems covering the consumption of distinct liquid, solid and gaseous fuels. Refrigerant leaks. Expenditure on the purchase of natural gas	DEFRA 2025, stoichiometric equation for emissions from the combustion of acetylene
Scope 2	Extracts from the undertaking's internal systems covering electricity, heat and cooling consumption (physical and financial data)	Location-based method: KOBIZE (December 2025), Market-based method: AIB (May 2025) and supplier indicators

Category 1: Purchased goods and services	Extracts from internal company systems covering the weight of raw materials purchased. Extract from the accounting system covering distinct services and other non-raw material expenses	Goods: Ecoinvent 3.12 (physical factors), Exiobase 3.8 (monetary factors), Services: Exiobase 3.8 (monetary factors for distinct services)
Category 2: Capital goods	Summary of expenditure for specific investments and fixed assets	Exiobase 3.8 (monetary factors)
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)	Data for Scope 1 and 2, including energy distributed to other undertakings	DEFRA (July 2025, AIB (May 2025), KOBIZE (December 2025), URE – Energy Regulatory Office
Category 4 Upstream transportation and distribution	List of raw materials purchased, transport distances and means of transport	Exiobase 3.8 (monetary factors for auxiliary transport services) (DEFRA (July 2025)
Category 11: Use of sold products	Data on electricity, heat and natural gas consumption by own and partner facilities	DEFRA (July 2025)

Biogenic emissions from fuel combustion in vehicles were determined based on the DEFRA database.

Approach to reporting and extrapolating data

The measurement of Scope 3 emissions is based on data from specific segments of the value chain, upstream (before the service is created) and downstream (in the later stages of the service's life).

Primary data obtained from suppliers and partners in the value chain accounted for 0% of emissions.

Recalculation policy

A policy of recalculating emissions in the base year was adopted, whereby recalculations were made when projected changes in emissions exceeded 5%. Material changes in emissions that require recalculation may result from:

- changes in organizational structure, such as the purchase or sale of an equity stake or a demerger of the organization,
- outsourcing or insourcing of activities resulting in emissions,
- changes in the carbon footprint calculation methodology, improvements in the accuracy of emission factors or more accurate data on activities,
- improvements in the accuracy of emission factors, particularly in the context of the carbon footprint of energy in calculations based on market data,
- identification of material errors in calculations.

Limitations resulting from the methodology adopted

Despite a clearly defined methodological framework, there are certain calculation limitations that may arise from data availability, scientific uncertainty (including the properties of the factors used) and estimates. For selected Scope 3 categories, monetary factors were used instead of physical factors, especially for services and capital goods.

Emissions and intensity data were not independently verified by an external body.

E1-7 GHG removals and mitigation projects financed through carbon credits

[E1-7] The Group does not currently carry out or plan to implement any GHG removals or storage projects within the framework of its own operations or those in which it participates on an upstream or downstream basis.

E1-8 Internal carbon pricing

[E1-8] The Group does not use any internal carbon pricing systems.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

[E1-9_01-44] The Group makes use of the option to omit disclosure of the anticipated financial impacts of material physical risks and transition risks and potential opportunities related to climate change in accordance with Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of the disclosure requirements for certain entities in Appendix C (OJ EU L 2025, p. 1416).

10.2.2. Environmental information – ESRS E2 Pollution

ESRS 2 IRO-1 – Description of the processes to identify and assess climate-related material impacts, risks and opportunities

[E2.IRO-1_01] The impacts, risks and opportunities of the PKP CARGO Group were identified in the double materiality analysis. A detailed description of the analysis is provided in this statement in section **10.1 ESRS 2 GENERAL INFORMATION**

E2-1 – Policies related to pollution

[MDR-P_01] [MDR-P_02] The Group does not have a uniform pollution policy in place – this area is managed through policies and procedures adopted by some companies. In the Group's parent company, pollution prevention is part of the *Integrated Management System Policy*. In the Policy, the Company declares that it strives, without limitation, to:

- protect the natural environment by taking responsible actions to prevent its pollution, including by promoting and deploying rail transport as an environmentally friendly form of freight carriage,
- reasonably use raw materials, other materials and energy and water in accordance with the legal requirements of environmental protection and sustainable development,
- invest in a modern rolling stock,
- improve the qualifications of employees in the spirit of responsibility for the quality of services offered and the natural environment.

The provisions of the Policy emphasize that environmental management in the Company, including pollution, is carried out in accordance with the [MDR-P_04] PN-EN ISO 14001:2015-9 standard. [MDR-P_06] The Policy is available on the PKP CARGO S.A. website. [MDR-P_03] The document has been adopted by the Company's Management Board, and the Integrated Management System Officer is responsible for taking the necessary steps to ensure the proper functioning of the IMS. [MDR-P_05] This regulation was adopted in consideration of the interests of the so-called silent stakeholder, that is the natural environment.

[MDR-P_02] The Integrated Management System Manual, adopted by a decision of the President of the Management Board, includes an indication of the basic objectives in the environmental management area. The *Integrated Management System Process and Procedure Manual*, which is a document complementary to the *IMS Manual*, describes the following environmental processes related to pollution:

- 3.1.1 Managing water and sewage,
- 3.1.2.1 Managing emissions into air from technology processes and combustion of fuel in installations and equipment,
- 3.1.2.2 Managing equipment containing substances that deplete the ozone layer and fluorinated greenhouse gases,
- 3.1.5 Managing noise emissions to the environment,
- 3.1.7 Managing threats of damage to the environment.

[E2-1_01] [E2-1_03] *The Integrated Management System Policy* does not contain any provisions on mitigating the adverse effects of pollution. The issues of operating installations and equipment that cause emissions to the environment in a manner that minimizes their impact on the environment and monitoring those impacts, actions in the event of emergencies, handling hazardous substances and environmental requirements for suppliers and service providers at PKP CARGO are governed by the requirements of the *Environmental and Climate Protection Guidelines in PKP CARGO S.A. under restructuring Cs.* [E2-1_02] In accordance with the Instructions, units responsible for the repair of rail tracks and the replacement of wooden rail sleepers impregnated with creosote or other hazardous substances are required to consider the possibility of replacing such sleepers with components that do not contain any hazardous substances, if this is justified and technologically feasible. The use, storage and transport of hazardous chemicals and mixtures thereof are permitted if that rules and measures are in place to ensure the protection of workers' health and life, fire protection of buildings, structures and the site, and protection of the environment. The basic protection of the environment against leaks of hazardous substances is the storage of containers with liquid hazardous substances on a sealed substrate, resistant to such substances, with the use of drip trays to catch leaks and the use of sorption mats and sorbents. For solid substances, appropriate insulation from the ground and protection against weather phenomena must be provided. If the hazardous substances or asbestos products stored or transported are waste, specific regulations on their handling must also be observed.

With regard to the prevention of incidents and emergencies, *the Environmental and Climate Protection Guidelines in PKP CARGO S.A. under restructuring Cs* describe, among other aspects, the prevention and repair of environmental damage, the procedure to be followed in the event of damage or the risk of a serious accident and the procedure to be followed in the event of historical soil contamination. Moreover, the processes for dealing with emergency situations are included in the Collection of Processes and Procedures of the Integrated Management System, a document complementary to the Integrated Management System Manual, which describes the process for dealing with environmental hazards. In the event of an incident threatening environmental pollution, the Company supervises the site of the accident and notifies the relevant services responsible for restraining the negative impact on the environment.

[E2-1_04] The pollution policies implemented at PKP CARGO support the EU Action Plan for Zero Pollution of Air, Water and Soil in the following areas:

- improving air quality in connection with rail transport, which is environmentally friendly and prevents an increase in pollution levels in the land transport sector,
- reducing exposure to traffic noise by replacing cast iron brake blocks with composite ones.

[MDR-P_03,04,05] [E2-1_01-03] In subsidiaries, pollution-related issues are governed by individually established internal policies of varying degrees of complexity. As part of their operations, they define the proper procedures for conducting processes, as well as for preventing pollution incidents and accidents; and, should such incidents occur, for minimizing their impact on people and the environment. The management boards of individual entities are responsible for their implementation. The companies that have implemented these regulations did not conduct formal consultations with stakeholders during their development. At the same time, these policies take into account the interests of the "silent stakeholder" – the natural environment – through measures aimed at optimizing the use of resources, fuels and energy, which directly translates into the reduction in pollution. The policies described do not include provisions regarding the minimization or reduction of the use of potentially hazardous substances and SVHCs.

[MDR-P_01] [MDR-P_02] The environmental policy of PKP CARGO CONNECT based on PN-EN ISO 14001 standard refers to, among others, the subject of air pollution. [MDR-P_04] The objective set forth in the *Policy* is to provide comprehensive services of the highest quality, while monitoring and minimizing the organization's environmental impact and adhering to safe work practices. The Policy obliges the company to comply with all legal requirements essential for the environment, including laws, regulations and administrative duties concerning environmental protection, to systematically identify and mitigate risks arising from material environmental aspects; and to reduce emissions of pollutants into the atmosphere.

[MDR-P_01] [MDR-P_06] General assumptions resulting from the Integrated Management System adopted in PKP CARGO INTERNATIONAL have been described in disclosure E1-2. [E2-1_02] The policy of mitigating the negative effects of pollution is implemented by adhering to the guidelines set forth in internal directives and operational instructions regarding compliance with environmental protection principles.

[E2-1_01-03] The rules for preventing incidents and emergencies, as well as procedures for responding to environmental hazards, are set forth in internal directives, including *Water Protection* and *Emergencies*, as well as in the specific emergency response plans of individual workplaces. As part of efforts to prevent incidents and emergencies, these guidelines set forth rules for the proper operation of emission-causing equipment and procedures for handling hazardous substances, including their storage and transport. In the case of environmental hazard, these documents describe, among others, the prevention and repair of environmental damage, the procedure to be followed in the event of damage or the risk of a serious accident to the rail infrastructure or rail siding, and the procedure to be followed in the event of historical soil contamination. PKP CARGO INTERNATIONAL organizes environmental protection training for employees (including train drivers) and also takes care of the technical condition of machines and rolling stock. In the event of an incident or accident that poses a threat to the environment, the company monitors the site of the accident, notifies the relevant authorities responsible for mitigating the negative impact on the environment, and cooperates with those authorities and environmental protection agencies.

[MDR-P_01] [MDR-P_06] The internal "*Instructions for handling installations and equipment causing emissions*" are in place at PKP CARGOTABOR. The Instructions generally address the need to comply with environmental regulations, prevent incidents, and mitigate the impacts of operations.

[MDR-P_01] [MDR-P_06] PKP CARGO SERVICE, as part of the *PW 3-3 Data monitoring, measurement and analysis* procedure resulting from the Integrated Management System functioning in the Company, monitors and measures environmental aspects related to direct and indirect emissions contributing to air pollution, such as fuel consumption, process gases, and traction and non-traction electricity consumption.

[MDR-P_13-14] The remaining subsidiaries in the PKP CARGO Group do not have in place any policies related directly to pollution. These issues are addressed in accordance with applicable environmental regulations, with an emphasis on fulfilling the obligations arising therefrom.

E2-2 – Actions and resources related to pollution

[MDR-A_01] [MDR-A_02] Steps related to pollution are taken within the PKP CARGO Group by each company within the organization. Those pursued by the Group's parent company [MDR-A_03] in 2025 focused on:

- continuing the process of replacing coal-fired boilers to meet anti-smog requirements (a total of 6 boilers were decommissioned; regulations require the Company to urgently replace 7 boilers, with 2 more to be decommissioned in the short term, and another 5 boilers and 2 furnaces in the medium term),
- remediation of historical pollution; for the Żurawica site – continuation of on-site remediation, that is the cleaning of soil and groundwater at the site of contamination (application of a biopreparation, monitoring of free petroleum product in technological wells, scraping of the free phase of the petroleum product, laboratory tests),
- remediation of historical contamination; for the Szczecin site – continuation and completion of bioremediation works, consisting of spraying green areas with a ready-made biopreparation and injection into application holes,
- replacement of cast iron brake blocks with composite inserts in 192 wagons,
- reducing the amount of asbestos in locomotives by 120 kg,
- monitoring the consequences of incidents in transport,
- efforts to regularize the legal status at:

  – the Jaworzno Szczakowa site (work was carried out on a water law permit for the discharge of industrial wastewater into the sewer system; work will continue in 2026),

  – the Szczecin site (in connection with the acquisition of the new location, the water permit issued to the previous land user was transferred to the Company).

Some of the measures will be continued in the short to medium term.

[MDR-A-04] In 2025, no need was identified to take remedial action with respect to persons affected by actual adverse effects of pollution.

[MDR-A_06 + MDR-A_07 + MDR-A_09 + MDR-A_10 + MDR-A_11 + MDR-A_12] The taking of the measures described above did not require any material financial expenditures in the reporting period. Also, no such expenditures are currently planned.

In the mitigation hierarchy, the measures taken by PKP CARGO are assigned to the following classes:

- pollution reduction (decommissioning of coal-fired boilers, asbestos removal, replacement of brake blocks in wagons),
- restoring, regenerating and transforming ecosystems where pollution has occurred (remediation of historical pollution at two sites).

[MDR-A_01-03] AWT Rekultivace, a member of the PKP CARGO INTERNATIONAL Group, has its business model based on providing comprehensive services related to reclamation, earthworks, construction, demolition and design activities. In addition, it provides services in the field of road transport and heavy mechanization. The scope of work primarily involves waste management, including sorting, recycling and disposal. These activities are mainly applied in the reclamation of former mines, the revitalization of spoil heaps and landfills, the restoration of post-industrial areas as well as during earthworks related to the construction of transport and water infrastructure and during demolition work. The Company also carries out tasks related to the construction of municipal waste landfills and the disposal of industrial waste. These include, among others, waste transport, decontamination of contaminated soil and restoration of landscapes damaged by mining and industrial activities. The company holds ISO 9001, 14001, 45001 and 50001 certifications and intends to renew them in the short and medium term. Its activities, classified as "restoring, regenerating and transforming ecosystems," did not require any material financial expenditures.

PKP CARGOTABOR's business model is based on the repair, maintenance and upgrade of rolling stock, the performance of routine and periodic repairs of freight cars and locomotives, inspection and periodic checks, regeneration and production of assemblies and subassemblies for traction and rolling stock. These activities, translating into the operation of rolling stock in optimal condition with limited consumption of raw materials and other materials, contribute to reduced pollution levels.

During the reporting period, PKP CARGO SERVICE replaced its hard coal-fired boilers with low-emission heating systems during the reporting period; in addition, four passenger cars meeting the EURO 6 standard were put into service.

PKP CARGO CONNECT is in the process of obtaining a water permit to discharge wastewater consisting of a mixture of rainwater and snowmelt from roads and yards, rainwater from roofs and drainage water from subgrade drainage at the Medyka Transshipment Terminal.

[MDR-A_13-15] Other subsidiaries in the PKP CARGO Group did not undertake any additional actions in 2025 related to material impacts concerning pollution, limiting themselves to monitoring the law and fulfilling regulatory obligations.

[E2-2_02] In 2025, the PKP CARGO Group did not take any measures related to pollution in the value chain.

E2-3 – Targets related to pollution

[MDR-T_01] [MDR-T_02] In the PKP CARGO Group, environmental management targets, including pollution, were adopted by the parent company, as specified in the Integrated Management System Manual. [E2-3_01] [E2-3_02] [E2-3_03] [E2-3_04] The adopted objectives indirectly pertain to the prevention of soil, air and water pollution. [E2-3_09] [MDR-T_12] They stem from the Group's efforts to minimize its impact on the environment and are based on applicable legal requirements:

1. Carrying out tasks related to the transport of cargo, taking into consideration the principles of environmental protection, in particular:
   - striving to increase the share of rail transport in the transport of cargo, which will contribute to reducing the negative impact of land freight transport on the climate and the environment,
   - making efforts to change the traction electricity consumption model towards increasing the share of renewable energy, taking into account the unique requirements of the rail transport market,
   - ensuring the safe transport of hazardous materials.
2. Aiming to satisfy all requirements following from Polish and European Union laws about using technical infrastructure and background facilities to protect the climate and reduce emissions to the environment.
3. Taking into consideration environmental and climate protection aspects in the selection of new investments, solutions, purchases and technologies.
4. Reasonable use of environmental resources by:
   - improving the environmental quality of the rolling stock,
   - preventing the occurrence of waste and minimizing the occurrence of waste that may not be prevented,
   - reducing water and heat losses in transmission systems through thermal modernization of maintenance and repair facilities striving to increase the share of renewable energy sources in the energy used.
5. Implementing, maintaining, improving and standardizing internal rules for handling operated installations and equipment as well as waste generated within the organization.
6. Educating and improving the environmental awareness of workers.

[MDR-T_03] The targets are relative in nature, [MDR-T_04] apply to PKP CARGO S.A. under restructuring and [MDR-T_05] [MDR-T_06] [MDR-T_18] do not require the determination of baseline values. [MDR-T_07] The company did not specify a timeframe for the adopted targets [MDR-T_08] or milestones, assuming that these are ongoing activities.

The objectives related to pollution pertain to the prevention of pollution and the achievement of full legal compliance with environmental protection regulations. [MDR-T_10] No conclusive scientific evidence was used to set them; [MDR-T_09] the process was based on assessments of PKP CARGO's. During the year, on a quarterly basis, the workers collect information on whether the release of pollutants into the environment is within the permissible standards and complies with the provisions of environmental decisions and permits issued, assess whether all permits and licenses for environmental use were obtained in accordance with the applicable legal requirements and analyze the outcomes of external and internal inspections and audits, complaints submitted by external parties, penalties imposed on the Company and any other irregularities and failures in environmental protection. [MDR-T_16] [MDR-T_17] [MDR-T_18] This process is also used by the Company to monitor and evaluate the effectiveness of the process to pursue the objectives. Additionally, at the end of each reporting year, the Environmental Protection Team prepares a document titled "Report on the status of environmental and climate protection at PKP CARGO S.A. under restructuring." A permanent element of the review is the presentation of environmental objectives and tasks to be achieved in the coming years.

[MDR-T_11] The objectives were not consulted with stakeholders.

[MDR-T_13] Achievement of the objectives set for 2025 at PKP CARGO S.A. under restructuring

1. The objective related to the performance of tasks in the field of freight transport, taking into consideration the principles of environmental protection, may be considered achieved. In 2025, no railway incidents involving the transport of dangerous goods were recorded. Regarding the 2024 incident involving a leak of aviation fuel onto the tracks, the entity responsible for the incident has not yet been identified. In response to a request from the Regional Directorate for Environmental Protection in Wrocław, the Company plans to conduct soil and ground testing in 2026 (after obtaining access to the rail infrastructure from its manager) and to develop a corrective action plan.
2. The objective of complying with all requirements under national and European Union laws concerning the use of technical infrastructure and facilities to protect the climate and reduce emissions to the environment was partially fulfilled – the situation with water permits was partly straightened out. However, these are not all the permits required to achieve full legal compliance. Due to the ongoing restructuring process at PKP CARGO S.A., the final requirements

for obtaining water permits will be determined after the selection of the locations to remain within the Company's structure and the determination of the manner of their use.

3. The objective related to the reasonable use of environmental resources by improving the environmental quality of the rolling stock was achieved by replacing brake blocks (as described in E2-3 *Targets related to pollution*), which is a measure aimed at protecting the environment against noise pollution.

[MDR-T_01-06,18] The overall direction of activities at AWT Rekultivace and PKP CARGOTABOR is to continue activities leading to the restoration of ecosystems (AWT Rekultivace) or the reduction of waste generation (PKP CARGOTABOR). Accordingly, it is impossible to specify the nature of the objective, the year or the baseline values – these are ongoing activities. [E2-3_01] [E2-3_02] [E2-3_03] [E2-3_04] The adopted business model directly refers to the prevention of soil, air and water pollution.

[MDR-T_14-15] No other companies in the PKP CARGO Group set or currently intend to set any pollution-related targets. The companies monitor their processes for compliance with legal requirements.

E2-4 – Pollution of air, water, and soil

[E2-4_01] [E2-4_03,04,08] The PKP CARGO Group does not exceed the emission parameters specified in Annex II to Regulation No. 166/2006 of the European Parliament and of the Council (Regulation on the European Pollutant Release and Transfer Register).

[E2-4_09] For the Parent Company, the volume of distinct emissions into the air was calculated on the basis of the amounts of fuel and materials consumed, available theoretical literature indicators, KOBiZE metrics and specific indicators from the safety data sheets of the substances used. The quality of wastewater discharged is tested by certified laboratories at the frequency required by water permits and national water-law regulations. Information on the measurements taken is sent to local environmental protection authorities in accordance with the applicable laws. [E2-4_10] To collect data on direct air emissions, PKP CARGO uses specialized software that gathers information on environmental use and related emissions for specific business locations. Data on emissions of pollutants into water and soil (drainage ditches) are obtained by environmental protection staff at each site, and relevant statements are submitted to the State Water Management Authority.

The detailed approach to emission calculations is described below. For the most part, individual companies measure emissions based on theoretical calculations and, if necessary, on periodic measurements; direct measurements are not performed unless required. The Group does not possess data enabling it to determine the degree of uncertainty.

[E2-4_15] The largest direct emissions into the air at PKP CARGO are unorganized emissions and emissions from installations that are not subject to measurement requirements. At other locations, the Company does not use emission measurement results to calculate air emissions. This is because the measurements reflect instantaneous emissions that occurred on the day the measurements were taken. Theoretical calculations, based on the type and quantity of products used throughout the year, allow for a more comprehensive reflection of annual emission volumes. For emissions to water and soil, theoretical calculations serve as the basis.

Other companies have different approaches to collecting pollution data. PKP CARGO CONNECT bases its indicators on KOBiZE metrics and data related to fuel combustion installations (e.g., light fuel oil, liquefied gas) and installations for the storage or transshipment of crude oil and its derivatives, LPG or CNG. At PKP CARGO INTERNATIONAL, periodic measurements are conducted and calculations based on them are used to prepare legally required reports. PKP CARGO TERMINALE determines the volume of emissions based on fuel consumption, while CARGOSPED TERMINAL BRANIEWO obtains data on the amount of air pollutants from the Emission Summary and the quantitative summary of fuel consumption, also based on the KOBiZE database. No microplastics are used in any own operations, but emissions occur during the braking of trains fitted with composite brake pads. The Group is not in possession of any accurate figures to calculate or estimate the weight of microplastics generated in this process.

E2-5 – Substances of concern and substances of very high concern

[E2-5_01-07] The PKP CARGO Group does not use or produce any SVHC substances in any of its processes. They also do not leave the Group's infrastructure in any form.

The organization does not have the technical capability to specify the quantities of potentially hazardous substances used in its operations, classifying them according to their main hazard class. Approximately 70% of the data presented was calculated based on materials actually used. For the remainder, it was assumed that 100% of the substances purchased in 2025 were used.

Table 58 Weights of potentially hazardous substances used in the PKP CARGO Group in 2025 and 2024

Class	Weight (tons)	
	2025	2024
Aldehydes	0.19	0.16

Alcohols	23.71	28.18
Amines	0.05	0.07
Gasoline, kerosene	13.39	3.00
Aromatic hydrocarbons	37.58	37.88
Aliphatic hydrocarbons	27.33	32.91
Other compounds	16.86	12.92
Esters	7.28	0.56
Organic and inorganic acids	0.18	2.08
Phosphates	0.01	0.37
Ketones	2.97	4.08
Ethers	0.28	0.56

The classification of potentially hazardous substances included in the table above has been updated compared to last year. The changes include separating Amines (0.07 t) into a separate category, incorporating the Metals and metal oxides category (0.62 t) into the Other compounds category (the value increased from 12.30 to 12.92 t) and renaming the category from Other inorganic compounds to Organic and inorganic acids. The categories remain unchanged.

E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities

[E1-9_01-44] The Group makes use of the option to omit disclosure of the anticipated financial impacts of risks and opportunities related to pollution in accordance with Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of the disclosure requirements for certain entities in Appendix C (OJ EU L 2025, p. 1416).

[E2-6_10] In 2025, the Group did not record any railway incidents resulting in property damage, environmental protection costs or costs of remedying damage, including fines or penalties imposed by regulatory or government authorities.

10.2.3. Environmental information – ESRS E5 Resource use and circular economy

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy

[E5.IRO-1_01] The impacts, risks and opportunities of the PKP CARGO Group were identified in the double materiality analysis. A detailed description of the analysis is provided in this statement in section **10.1 ESRS 2 GENERAL INFORMATION**

E5-1 – Policies related to resource use and circular economy

[MDR-P_01,02,04,05] The PKP CARGO Group does not have a uniform policy regarding resource use and the circular economy. However, regulations regarding waste management are in place at the level of individual entities within the Group. The adopted documents focus on ensuring compliance with legal regulations and do not refer to third-party initiatives. Their implementation takes into account the interests of stakeholders regarding waste reduction in the local environment. All policies described below are internal documents and are not made available to third parties.

- PKP CARGO – in addition to the Integrated Management System Policy described in previous chapters, which obligates the Company to manage resources rationally, the “Instructions on compliance with environmental and climate protection principles at PKP CARGO S.A. under restructuring.” Section VI of the Instructions regulates waste management and the placing of products and packaging on the market. The Instructions define the obligations of waste managers, including requirements for obtaining decisions, permits, authorizations and entries in the BDO as well as rules for classifying waste, maintaining records of it and its handling and accepting waste into storage and its collection. The purpose of the Instructions is to establish a waste management hierarchy, ensure compliance with national regulations and defining employees’ responsibilities regarding waste management. The Director of the Infrastructure Office at PKP CARGO S.A. under restructuring is responsible for implementing the provisions of the Instructions.
- PKP CARGO CONNECT – In its Environmental Policy, the company commits to managing waste in an environmentally friendly manner and in compliance with environmental protection laws.
- PKP CARGO INTERNATIONAL – the Integrated Management System implemented at the company also includes a commitment to prevent waste generation, reduce its volume and ensure proper management.
- PKP CARGO TERMINALE – a procedure regarding waste management has been implemented.
- PKP CARGO TABOR – a waste management procedure has been implemented.

- PKP CARGO SERVICE – in addition to the Integrated Management System described in previous chapters, which obligates the company to manage resources rationally, a document titled "Waste management principles in the operational areas of PKP CARGO SERVICE sp. z o.o." has been implemented, which regulates in detail the rules for handling waste generated by the company. The document includes general information on waste as well as rules for its storage, transport, transfer and record-keeping. Waste management is also monitored under Procedure PW 3-3 Monitoring, Measurement and Data Analysis, which monitors the environmental aspect of waste management. The procedure includes an Environmental Monitoring and Measurement Plan, which specifies control and measurement activities, the persons responsible for them, monitoring methods and related deadlines, including deadlines for recording and reporting waste generated by the company.

[MDR-P_03] Responsibility for implementing the described policies lies with the management boards of the individual companies.

[E5-1_01-02] The documents and regulations in force within the PKP CARGO Group refer to the rational use of raw materials but do not contain direct provisions regarding increasing the share of secondary resources or the use renewable resources.

E5-2 – Activities and resources related to resource use and circular economy

[MDR-A_05] The PKP CARGO Group's subsidiaries do not have action plans regarding resource use and the circular economy. [MDR-A_01] In 2025, the Group's subsidiaries' activities in this area did not, in principle, go beyond meeting legal requirements. [MDR-A_02,03]

It is assumed that the rational use of resources will continue, compliance with legal requirements will be maintained, existing processes will be kept at the highest possible level and certifications will be renewed periodically.

[MDR-A_06-12] These activities do not involve significant financial expenditures. The nature of the identified impacts in the area of the circular economy does not require corrective measures.

E5-3 – Targets related to resource use and circular economy

[MDR-T_16-19] In 2025, the PKP CARGO Group did not have any targets related to resource use or circular economy. Due to the ongoing restructuring process, the Group is unable to determine, as at the date of this report, whether or when it will set targets in this area.

E5-4 – Resource inflows

[E5-4_01] The core business of the PKP CARGO Group is rail transport; therefore, locomotives and wagons – in particular for PKP CARGO S.A. and PKP CARGO INTERNATIONAL – as well as other specialized machinery and equipment used in operations. Other assets in use include chemical substances and mixtures, mainly lubricants, oils, solvents and paints, necessary for the operation of rolling stock and the conduct of operational processes as well as material resources such as gravel and aggregate, used in the repair and maintenance of rail infrastructure.

[E5-4_06] The data presented in the table below is derived from invoices, inventory systems or other internal record-keeping systems. Resources that did not fit into the adopted categories or were of insignificant importance were omitted. [E5-4_04] The Group does not have information on the quantities or percentage of resources derived from recycling or that would be reused.

Table 59 Resources introduced by the PKP CARGO Group in 2025

Resource	PKP CARGO Group	
	Quantity 2025	Unit
Electric locomotives	474	Units
Diesel locomotives	475	Units
Wagons	44,879	Units
Other vehicles and specialized equipment	611	Units
Rail sleepers, switch plates, half-switches	178	Units
Rails	1,076	Units
Chemical substances and mixtures	130	Units
Technical materials	130	Units

Topic E-5 regarding inputs was identified as material in 2025 – therefore, data in this regard was disclosed for the first time in the current reporting period. The table therefore does not include comparative data for the previous financial year.

E5-5 – Resource outflows

[E5-5_01] The Group makes every effort to minimize the amount of waste generated, focusing on repairs, refurbishment and the reuse of available resources. When this is not possible for technical or economic reasons, the generated waste is first sorted in a manner that enables its material recovery.

[E5-5_07-09,15]

Table 60 Balance of waste generated by the PKP CARGO Group, data for 2024 and 2025

Waste category	Total weight (tons)		Hazardous waste (tons)		Non-hazardous waste (tons)	
	2025	2024	2025	2024	2025	2024
a) Total amount of waste generated	229,713	31,534	1,975	2,257	227,738	29,276
b) Total amount of waste for which disposal was avoided:	25,083	5,663	1,415	1,410	23,668	4,252
– Preparation for reuse	1,256	1,653	1,255	1,278	1	375
– Recycling	23,603	4,010	1	132	23,602	3,877
– Other recovery processes	224	0	159	0	65	0
c) Amount of waste sent for disposal:	319	637	31	175	288	462
– Incineration	25	160	22	160	3	0
– Landfilling	294	326	9	4	285	323
– Other disposal processes	0	151	0	11	0	139

[E5-11]

Table 61 Waste management by the PKP CARGO Group in 2025 and 2024

PKP CARGO Group		
Waste category	Value	
	2025	2024*
Waste subjected to recycling or other recovery processes	10%	-
Waste subjected to disposal processes	<1%	-
No data	89%	-

* Due to the lack of precise data on waste management for 2024, estimates and presentation were omitted

[E5-5_12-14] In the PKP CARGO Group, the most significant waste categories consisted of wagons (approx. 195 thousand tons) that were taken out of service, waste from the repair and maintenance of rolling stock and the maintenance of supporting infrastructure. The main materials forming these streams are iron and its alloys as well as hazardous waste such as oils, lubricants, packaging for hazardous products and sorbents.

[E5-5_17] The weight of waste generated is determined using certified scales, Waste Transfer Sheets and waste records in the BDO system. Detailed data on the method of management could be determined for only 10% the total weight of waste generated. This is mainly due to the inclusion in the table above of wagons taken out of service and classified as waste, which, as at the date of this report, had not yet been transferred to a recipient and for which no Waste Transfer Form had been issued. Due to the diverse business models of the subsidiaries and the variety of possible methods for waste management, no attempt was made to estimate the data. [E5-5_16] The Group does not generate radioactive waste.

10.3. Information about social issues

10.3.1. Information on social issues – ESRS S1 Own workforce

SBM-3 – Material impacts, risks and opportunities and their interactions with strategy and business model

[S1.SBM-3_01] The scope of this statement covers all persons working within the PKP CARGO Group.

[S1.SBM-3_02] Within the Group's own workforce, two categories of employees are distinguished:

- persons employed under an employment contract – employees,

- persons who are not employees, but who perform specific work or tasks for the Group companies on the basis of other forms of employment.

[S1.SBM-3_03] [S1.SBM-3_11] During the double materiality analysis, the organization identified eight material adverse impacts on its own workforce, which are linked to individual cases and are not systemic in nature.

The actual negative impacts on PKP CARGO employees identified in the analysis stem primarily from the ongoing restructuring process, which began in 2024. The actual negative impact on employees was assessed as significant in the short term – mass layoffs were carried out in 2025. Furthermore, due to its financial situation, the Company delayed the payment of employee benefits, including amounts owed to former employees. The negative impact on employees resulting from limited opportunities for skill enhancement and development was also deemed significant in the short and medium term. In the current reporting period, training activities have focused primarily on mandatory training to maintain professional qualifications.

In addition to the restructuring-related impacts noted above, the analysis also revealed a significant negative impact on working conditions across all three-time horizons due to the termination in 2024 of the Company Collective Bargaining Agreement in force at PKP CARGO (subject to a two-year notice period). Furthermore, in 2025, PKP CARGO Terminale terminated its company collective bargaining agreement and PKP CARGOTABOR amended its company collective bargaining agreement, without limitation, by temporarily modifying the operating rules of the Company Social Benefits Fund (regarding the amount of the contribution) and other changes modifying employee entitlements in connection with the ongoing restructuring process.

[S1.SBM-3_05] These impacts generate material risks to the Company's finances, potentially related to court proceedings, penalties imposed by the State Labor Inspectorate and the risk of servicing a loan from the Guaranteed Benefits Fund for the payment of these amounts due to the workforce.

The PKP CARGO Group is also exposed to the risk of losing employees due to the generation gap and the current compensation and training policies (including due to restrictions resulting from the restructuring process), which may translate into increased costs of recruiting and onboarding new employees. [S1.SBM-3_12] The identified risks do not pertain to any specific groups of people.

The potential negative impact on the Group's workers in the area of occupational health and safety related to the impact on the health and life of workers, which results directly from the nature of rail jobs, was also considered material. Moreover, due to the limited scope of implementation and awareness of the Anti-Mobbing and Anti-Discrimination Policy in the Group, one potential negative impact was identified in the area of prevention of violence in the workplace.

[S1.SBM-3_04] The double materiality analysis identified one positive impact of the Group related to the high level of unionization and the opportunities for workers to have a say in their working conditions. However, the stakeholder dialogue conducted during the double materiality analysis also revealed a potential negative impact related to the possibility of discrimination based on trade union membership status, which was deemed material. The scope of cooperation with the employee side is described in more detail in the report under disclosure S1-2.

A list of all identified impacts, risks and opportunities regarding the Group's own workforce is provided in Chapter **10.1 General Information of the ESRS 2,** in Section SBM-3.

[S1.SBM-3_06] In 2025, the Group did not identify any material impacts on workers resulting from transition plans aimed at reducing the negative impact on the natural environment and increasing the environmental and climate-neutral nature of its operations. [S1.SBM-3_07-10] The Group also does not operate in areas with an increased risk of child labor or forced or compulsory labor.

S1-1 – Policies related to own workforce

The PKP CARGO Group manages identified impacts on its own employees based on internal regulations – these are adopted either at the Group-wide level or at the level of individual companies comprising the organization. [MDR-P_03] The Management Board of the Parent Company is responsible for the implementation of Group regulations. As regards documents adopted in companies, responsibility for their implementation lies with the management boards of those companies.

[S1-1_01] [S1-1_03-04] [MDR-P_01] Employee matters are [MDR-P_02] all Group companies addressed by the PKP CARGO Group Code of Ethics. In the "Relations Among Us" section, this document emphasizes the Group's commitment to respecting fundamental human rights in accordance with international conventions, excluding any forms of forced labor, modern slavery and child labor. It is prohibited to employ persons under the age of 15 or to engage youths (under the age of 18) in hazardous work, overtime or night shifts.

Internal relations within the company are based on honesty, openness, mutual respect and trust. The Group declares equal access to employment, promotion and opportunities for professional and personal development, and all conflicts are resolved through objective dialogue. [S1-1_11] The Code prohibits all forms of discrimination against employees – based on age, gender,

disability, race, religion, sexual orientation, nationality, origin, political activity or union membership – as well as harassment. Nepotism, construed as the use of one's professional position to favor family members at the expense of the powers of others, is particularly frowned upon. Workers are required to take care of the company's property, use it exclusively for business purposes, protect confidential information and comply with occupational health and safety regulations. In external contacts, professionalism, providing accurate information and responding to any breach of company ethics are required. More information about the Code, including external standards, scope, stakeholder engagement and methods of making the regulations available – can be found in section G1-1.

[MDR-P_01-02] At PKP CARGO, employee relations are also governed by the Human Resources Policy, which constitutes a set of standards in the area of human resources management. Although some provisions of the document do not account for temporary changes resulting from the restructuring process, in accordance with the provisions of the Policy, the Company, among other things:

- ensures the professional development of its workers through training programs, professional adaptation, internships and scholarships,
- takes a comprehensive approach to health and safety, promoting a safety culture, conducting regular training and examinations and offering health and social benefits to employees and their families,
- maintains low employee turnover thanks to attractive employment conditions, ongoing opportunities for development and career advancement through internal recruitment processes,
- conducts a partnership-based social dialogue through regular communication with employee representatives,
- takes into consideration fair market practices and environmental protection in its daily operations and promotes equal treatment and diversity among its workers and in its business environment.

[MDR-P_03] The Director of the HR Office is responsible for implementing the provisions of the Policy. [MDR-P_04] The document does not directly refer to external standards or initiatives and [MDR-P_05] its provisions were not consulted with employees. [MDR-P_06] The document is available on the Company's Intranet.

[S1-1_10] [MDR-P_01-03] Moreover, the PKP CARGO Group's parent company has adopted, by way of a Management Board resolution, an Anti-Mobbing and Anti-Discrimination Policy. It sets out rules for counteracting mobbing and discrimination, including harassment (also sexual harassment), in the workplace. In accordance with its provisions, the Company does not tolerate any psychological, physical or sexual harassment of workers, or any other form of violence in the workplace. [S1-1_11] Workers may not be discriminated against on any grounds, either directly or indirectly. Every employee is required to treat other employees equally. [S1-1_13] The Policy also commits the Company to take the following actions:

- preventive measures, aimed at preventing bullying and discrimination, in particular by conducting an information policy and ongoing monitoring of social relations among employees,
- intervention measures to immediately eliminate instances of harassment and discrimination, to eliminate their effects, to prevent the occurrence of such phenomena in the future, and to apply appropriate sanctions to those responsible.

[MDR-P_06] The document is made available to employees both in paper form and on the Company's Intranet.

[MDR-P_01-02] PKP CARGO also has a training policy in place: the Professional Qualification Improvement System at PKP CARGO S.A. under restructuring. The policy covers all forms of professional development, ranging from mandatory and optional training, periodic/ad hoc briefings, to subsidies for courses and studies (including postgraduate programs). The main objective of the policy is to ensure equal opportunities for professional development for employees, regardless of age, gender and background and to increase work efficiency and safety (especially in rail traffic and rolling stock maintenance). The policy provides for the cyclical planning of training in line with current business needs.

[MDR-P_06] The policy is made available to all employees as a separate document on the Intranet as well as in onboarding materials for new employees.

[S1-1_09] [MDR-P_01-02] Issues related to occupational safety are described in PKP CARGO's Integrated Management System Policy. The document requires the organization to create, in consultation with workers, safe and ergonomic working conditions, prevent accidents at work and occupational diseases in accordance with legal requirements by establishing and respecting procedures to protect the life and health of workers.

[MDR-P_03] The Company's Management Board is responsible for implementing this Policy. [MDR-P_04] The document is based on the requirements of PN-EN ISO 9001:2015-10, PN-EN ISO 14001:2015-9, PN-EN/IEC 27001:2017-06 and PN-ISO 45001:2018-06. [MDR-P_06] The Company publishes it on its website, while the Integrated Management System Manual is available to employees on the intranet.

[S1-1_03] [S1-1_07] [S1-1_08] Issues related to respect for human rights in the PKP CARGO Group are governed in the Code of Ethics and other internal regulations. In this report, these issues are described in detail in disclosure G1-1. [S1-1_04] The regulations adopted by the Group ensure:

- respect for the dignity of workers and their rights,
- prohibition of harassment and discrimination,
- equal treatment in employment,
- right to safe and healthy working conditions,
- right to rest,
- satisfaction of workers' social and cultural needs.

In individual subsidiaries of the Group, in addition to the documents applicable throughout the organization described above, other detailed regulations related to employee matters have also been adopted. All companies have implemented health and safety regulations. In addition, some companies have implemented policies regarding the prevention of violence and harassment in the workplace, including at PKP CARGO INTERNATIONAL (Principles for the Prevention of Mobbing at PKP CARGO INTERNATIONAL a.s.), PKP CARGO SERVICE (Anti-Mobbing and Anti-Discrimination Procedure) and PKP CARGOTOR (Anti-Mobbing Policy).

[S1-1_06] Any human rights breaches concerning the company's own workers are dealt with in accordance with the *Regulations for reporting irregularities and abuses in the PKP CARGO Group.*

[S1-1_05] In the Company, cooperation with workers takes place primarily through their authorized representatives from trade unions – the Company respects ILO Conventions, the Labor Code and national legislation in this area. Internal regulations concerning employee rights and obligations are consulted with trade unions. Despite the restructuring process, the Company's management supports dialogue based on the principle of equality between the parties, which it considers a natural evolution of social dialogue in a market economy, globalization and increased competition, and as a factor conducive to business development and job preservation.

[S1-1_12] In 2025, there were no regulations in force in the PKP CARGO Group concerning the inclusion of or activities for groups particularly vulnerable to marginalization among its own workforce.

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

[S1-2_01] The PKP CARGO Group consults its decisions related to material impacts on workers. The only representatives of workers in their relations with the employer are trade unions – their importance and role in the parent company is emphasized by the high level of unionization among workers and their participation in the management of the Company through the secondment of representatives to the Supervisory Board. Cooperation with employee representatives concerns in particular the modification of regulations in force at the Company in line with the expectations of the staff and the current needs and capabilities of the employer. The consultations include:

- laying down the direction of changes in the Company Collective Bargaining Agreement,
- agreeing on work regulations, bonus schemes and the company social benefits fund, and participation in the allocation of benefits from this fund.
- participating in distribution of funds earmarked for salaries,
- consulting changes to organizational structures and framework organizational rules and regulations,
- influencing the development of occupational health and safety conditions through participation in OHS commissions and oversight over SIP,
- consulting the intent to terminate, dissolve or amend the content of the employment contract; agreeing upon the changes to employment contracts of persons subject to special protection,
- participation in the procedure of imposing penalties for breach of order.

Moreover, in consultation with employee representatives, the Company pursues initiatives and measures aimed at improving and increasing work efficiency, taking into consideration current market trends.

[S1-2_02] Social dialogue at PKP CARGO takes place between the President of the Management Board or an authorized representative of the employer and the relevant bodies of the company-level and inter-company trade union organizations. [S1-2_04] The President of the Management Board is responsible for ensuring cooperation with the trade union side. [S1-2_03] Cooperation with trade unions is an ongoing process and discussions take place as needed by the employer or in response to requests raised by employees. In 2025, the Management Board of PKP CARGO engaged in intensive dialogue with trade union organizations regarding the restructuring measures undertaken, which primarily concerned the gradual reorganization of specific management areas and the mass layoffs carried out.

[S1-2_05] The Company did not enter into any global or local agreements with employee representatives on respect for human rights. [S1-2_07] No general process of cooperation with its own human resources was implemented to gain insight into the opinions of people who may be particularly vulnerable or marginalized. However, the Anti-Mobbing and Anti-Discrimination

Policy and the institution of Trusted Representatives operating at PKP CARGO enable the Company to identify the types of breaches reported by workers.

[S1-2_06] The effectiveness of cooperation with workers at PKP CARGO is assessed on the basis of jointly developed positions. The negotiations resulted in agreements and compositions regarding employee regulations.

Cooperation with own workers also takes place in other subsidiaries of the PKP CARGO Group: Trade unions operate in all companies and matters of significance to employees – including provisions of internal regulations – are consulted with them. The relevant management bodies of the companies or designated representatives are responsible for cooperation with trade unions.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

[S1-3_01] Remedial measures related to material negative impacts on workers in the PKP CARGO Group are implemented at the level of distinct companies, which, when a negative impact is identified, develop remedial measures tailored to the nature and circumstances of the situation.

In the parent company, an Anti-Mobbing and Anti-Discrimination Policy applies to negative impacts on workers related to discrimination and harassment. It introduces procedures and remedial measures to deal with irregularities – any breach of the Policy should be reported to the Trusted Representative, who initially investigates it and may propose a solution to the problem. If the proposal is accepted by all interested parties, the Trusted Representative prepares a report on the matter for the Anti-Mobbing Committee. If no agreement is reached, the case is dealt with by the Committee. After the proceedings are completed, the Committee prepares a report describing the findings, conclusions and actions taken. The report includes information on the possibility of referring the case to court. Then, it is delivered to all interested parties and the employer.

If the situation requires diagnostic and therapeutic consultation, the employee is entitled to receive the assistance of a psychologist or psychiatrist at the employer's expense.

[S1-3_02] The Group has also implemented a policy under which individual subsidiaries define the channels through which their employees can report concerns or needs. This issue is governed by the *Rules for reporting irregularities and abuses in the PKP CARGO Group.* A description of the policy and [S1-3_05] information on the handling of complaints can be found in this statement in section G1-1. [S1-3_06] The regulations are disseminated among workers on the intranet of the Group's member companies.

[S1-3_07] The PKP CARGO Compliance Section is responsible for tracking and monitoring reports for PKP CARGO; in subsidiaries, Compliance Coordinators are designated to carry out this task. Once a year, the Head of the PKP CARGO Compliance Section reports to the Management Board of the parent company and the Audit Committee of the Supervisory Board on matters related to the functioning of the Code of Ethics, summarizing reported violations of the Code and the corrective actions taken. [S1-3_08] The Group companies have not implemented any processes to assess employee confidence in the channels for reporting irregularities.

[S1-3_09] The parent company of the PKP CARGO Group has implemented a Whistleblower Protection Procedure. In accordance with its provisions, every whistleblower is entitled to full protection against retaliation and the company undertakes not to take any such action. All subsidiaries in the Group have implemented their own whistleblower protection regulations.

S1-4 – Taking action on material impacts on own human resources and applying approaches to manage material risks and opportunities related to own human resources and the effectiveness of those actions

In 2025, the companies of the PKP CARGO Group managed activities related to material impacts, risks and opportunities associated with employees.

Security of employment

[MDR-A_01-06] [S1-4_01] [S1-4_02] At the Parent Company, in light of the negative impact resulting from the ongoing remedial proceedings as well as the mass layoffs carried out in 2024, activities during the reporting period focused on securing funds for the severance pay and compensation for the shortened notice period. In October 2025, the Company's Management Board decided to settle all outstanding employee liabilities, including retirement and disability severance pay, long-service awards and compensation for unused vacation time. The benefits were paid in the amount of the principal debt, without interest. The funds allocated for the aforementioned payments come from the Company's current operating activities. Receivables arising from the mass layoffs carried out in 2025 were paid on an ongoing basis and were financed from funds obtained from the sale of freight cars withdrawn from operational use.

[S1-4_06] As a result of these measures, the risk of litigation and potential claims was mitigated as well as the risk of payment orders and penalties imposed by the National Labor Inspectorate (PIP).

In 2025, measures were also taken to mitigate the risk associated with the loan from the FGŚP, which in 2024 enabled the financing of a significant portion of the liabilities arising from the mass layoffs. PKP CARGO is taking steps to reduce the costs of servicing the loan. The Company also prepared a comprehensive support program for workers affected by the mass layoffs in 2025, which they may also benefit from after the notice period. The forms of support offered to laid-off employees included, among others:

- launching a dedicated e-mail address to which workers may send questions about mass layoffs,
- possibility of psychological support over the phone,
- signing letters of intent with companies from the TFL sector potentially interested in including the departing workers in their own recruitment processes and, as a result, hiring them; moreover, the Company organized open meetings between workers and these companies, enabling them to obtain detailed information about the offers (such job fairs were organized at each of the Company's facilities and at branch offices in small towns where there was a reported need),
- consultations with Social Insurance Institution (ZUS) representatives, an agent from the Labor Office and a dedicated job agent – presentation of the situation on the local labor market, current programs and opportunities to improve or supplement existing qualifications,
- development and distribution to departing workers of a guide containing tips on self-presentation during the recruitment process and information on job search methods,
- assistance in preparing application documents as well as for job interviews through simulations,
- training in the use of office software.

Collective bargaining, including the percentage of employees covered by collective bargaining agreements

[MDR-A_01-04] [S1-4_01] [S1-4_02] In connection with the termination of the Company Collective Bargaining Agreement in June 2024, negotiations with the Social Partners were initiated during the reporting period to develop the provisions of a new document. The Company's long-standing Collective Bargaining Agreement has shaped the compensation system for years, significantly influencing the cost structure. It is necessary to adapt its provisions to the dynamics of market changes. Savings will be sought primarily in those employee compensation components that are sporadic and do not determine the level of monthly pay.

In July 2025, the trade unions that are parties to the Agreement initiated the execution of an Additional Protocol to the existing Company-Level Collective Bargaining Agreement, intended to introduce necessary changes adapting its provisions to current transport-market conditions, employee needs and the specific nature of work in various occupational groups. The negotiations that have started reflect the joint efforts of the employer and trade unions to find alternative ways of further reducing the Company's current costs while also protecting jobs. Work in this area is planned to be finalized in 2026.

Social dialogue, freedom of association, existence of works councils and employees' rights to information, consultation and participation

[S1-4_03] A double materiality analysis revealed a positive impact of the PKP CARGO Group related to employees' ability to co-determine their work environment and conditions through high unionization rates as well as a potential negative impact regarding union membership status. The dialogue with the social partners at the parent company, which also addressed these impacts, focused during the reporting period on the reorganization of specific management areas due to the implementation of the "single employer" concept. Consequently, the Company's Trade Union Organizations consulted on drafts of new regulations – the PKP CARGO S.A. under restructuring Bonus Bylaws, the PKP CARGO S.A. under restructuring Labor Bylaws and the Bylaws of the PKP CARGO S.A. under restructuring Company Social Benefits Fund for 2026. Following successful consultations, these documents entered into force.

At the same time, in accordance with the provisions of the Trade Unions Act, trade unions are independent in their statutory activities from employers. Accordingly, PKP CARGO has no right to interfere in relations between the organization and its members.

Occupational safety and health

In 2025, PKP CARGO also took measures related to potential negative impacts on occupational health and safety. The causes of accidents at work are analyzed on an ongoing basis and the results are reported quarterly to the Management Board. A detailed health and safety report is prepared for the Company every six months. The occupational health and safety services systematically carry out inspections and reviews of workstations and monitor the condition of the rail infrastructure at the Company's work sites, reporting any detected irregularities to managers. Ongoing supervision of the implementation of plans to improve working conditions is also conducted and regular occupational safety and health training sessions are organized. Activities related to occupational safety and health are consulted with employee representatives.

Measures to prevent violence and harassment in the workplace

With regard to the potential negative impact on workers resulting from the limited implementation and awareness of the Anti-Mobbing and Anti-Discrimination Policy, PKP CARGO informed its workers about the introduction of the regulations and the Policy was made available in paper form to workers in blue collar jobs and in electronic form on the company's intranet.

Adequate pay, training and skill development

[S1-4_06] Subsidiaries take their own measures regarding the risk of employee turnover through compensation and training policies. In 2025, PKP CARGO began work on developing new compensation standards for its employees. The goal of this initiative is to build a new, unified compensation system that includes an incentive component, which will have a tangible impact on both employees' circumstances and the efficiency of the transport process. Its principles are being consulted with employee representatives on an ongoing basis.

The risk of employee turnover related to training policy is managed primarily through the implementation of retention strategies that combine competency development and knowledge transfer. The Company uses loyalty agreements linked to training and an extensive onboarding process, including comprehensive onboarding and e-learning training for new employees.

Diversity

[S1-4_06] During the reporting period, PKP CARGO also continued the following activities related to the risk of a generational gap and the loss of qualified employees reaching retirement age:

- analysis of competency needs in key operational areas and multi-year workforce planning,
- basic training – new workers had the opportunity to undergo appropriate vocational training aimed at ensuring proper preparation and implementation of key functions in the Company,
- reorganization of the employment structure to align the number of employees in specific occupational groups with the Company's actual needs and to streamline processes,
- resuming cooperation with vocational schools in the area of internships as part of a strategy to recruit and retain new staff and minimize the generation gap,
- compensation policy – initiating work on a more modern compensation system,
- mentoring initiatives to facilitate knowledge transfer among employees.

These measures were taken with a view to maintaining an adequate level of workforce competence, minimizing the risks associated with the generation gap and the costs of recruiting and training new workers as well as to align employment with the Company's actual business needs. In parallel, in order to minimize the risk of a generation gap, recruitment activities in the coming years will focus on attracting younger workers, which should enable knowledge transfer within the organization.

[S1-4_08] As a result of the assessment, no significant negative impacts on the Company's own workforce or tensions between preventing such impacts and business pressures arising from operational practices were identified. Issues related to impacts resulting from the restructuring process as well as the Company's approach and actions in this regard, are described above.

[MDR-A_05] [MDR-A_06-12] A significant portion of the described activities is ongoing, resulting from the day-to-day operations of the relevant units responsible for the respective issue (HR, Occupational Health and Safety). Organizing these areas to structure actions in relation to identified impacts, risks and opportunities – and consequently, disclosing plans, financial resources and quantitative and qualitative information regarding progress – requires the completion of the restructuring process, which will set the future direction and framework for the Company's operations. [S1-4_04] PKP CARGO and its other subsidiaries have not implemented any formal processes for tracking or evaluating the effectiveness of actions and initiatives in the area of identified impacts [S1-4_05] or the identification of necessary actions. [S1-4_19] The Group has not adopted a plan for transitioning to a climate-neutral economy. Consequently, no information is reported regarding measures to mitigate negative impacts on its own workforce associated with such a plan.

[S1-4_09] To manage material impacts on employees, the Group utilizes its own resources, including:

- financial – budgets for HR activities and initiatives related to workplace safety,
- human resources – departments and specialized teams focusing on specific HR and occupational health and safety issues.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group has not set binding targets for its subsidiaries regarding all material impacts on employees.

PKP CARGO has set targets related to impacts on occupational health and safety. These are included [MDR-T_01] in the Integrated Management System Policy and cover, in particular:

- continuous measures to reduce the number of accidents at work, occupational diseases and near misses,
- reduction in the number of people working in conditions of exposure to harmful, dangerous and arduous factors, along with proposals to eliminate or reduce hazards,
- appropriate selection of collective or individual protective equipment to prevent threats to the life and health of workers,
- improvement in working conditions,
- promotion of an appropriate safety culture at work,
- improvement in workforce qualifications in the field of occupational health and safety,
- implementation of new occupational health and safety standards at workstations,
- promoting physical activity among employees (sports activities, sports cards).

Targets related to employee health and safety [MDR-T_03] are relative in nature and [MDR-T_02] [MDR-T_05] [MDR-T_06] do not have set target levels or baseline values. [MDR-T_07] They are implemented in the Company on an ongoing basis and [MDR-T_09] the objectives were set based on the knowledge and experience of the entity's occupational health and safety teams and external and internal health and safety standards. No interested parties were involved in the process of setting the objectives. [MDR-T_11] [S1-5_02-03] No interested parties were involved in the process of setting the objectives. [MDR-T_12] The targets did not change during the reporting period, [MDR-T_08] but the companies pursued intermediate goals by increasing the number of inspections, timely rectification of non-conformities and pre-shift briefings.

S1-6 – Characteristics of the undertaking's employees

[S1-6_01] [S1-6_02] [S1-6_09] [S1-6_13] The characteristics of the Group's workers refer to the eight companies covered by this sustainability statement. As at the end of 2025, the PKP CARGO Group employed 12,958 individuals under employment contracts – 9,961 men (77%) and 2,997 women (23%).

[S1-6_14] [S1-6_15] The table below presents the number of people employed as at 31 December 2025. The number of staff is provided in terms of the number of workers rather than full-time equivalents. Full-time, active employees were included.

Table 62 Number of workers of the PKP CARGO Group in 2025 and 2024 by gender

Gender	PKP CARGO S.A. under restructuring		PKP CARGO Group	
	2025	2024	2025	2024
Women	2,156	2,517	2,997	3,443
Men	6,220	7,269	9,961	11,291
Total workers	**8,376**	**9,786**	**12,958**	**14,734**

In 2025, there were no workers in the Group who declared a gender other than male/female or who did not disclose their gender.

[S1-6_17] The number of employees as at 31 December 2025, is consistent with the number of employees reported in Section **4.5 Employment-related information.**

[S1-6_04] [S1-6_05] In 2025, 90% of the Group's workers were employed in Poland. The remaining 10% were workers of PKP CARGO INTERNATIONAL, the only entity within the PKP CARGO Group employing staff outside Poland. PKP CARGO INTERNATIONAL workers perform their duties in the Czech Republic, Slovenia and Hungary.

Table 63 Number of workers of the PKP CARGO Group in 2025 and 2024 by country

Country	PKP CARGO Group	
	2025	2024
Poland	11,649	13,322
Other: Czech Republic, Slovenia, Hungary	1,309	1,412
Total workers	**12,958**	**14,734**

[S1-6_07] [S1-6_09]

Table 64 Number of PKP CARGO Group workers in 2025 and 2024 by type of contract and gender

	Women		Men		Total workers	
	2025	2024	2025	2024	2025	2024
PKP CARGO S.A. under restructuring						
Total number of employees	2,156	2,517	6,220	7,269	8,376	9,786

Number of workers employed for an indefinite term	2,125	2,419	6,170	7,065	8,295	9,484
Number of workers employed for a fixed term	31	98	50	204	81	302
Number of employees without guaranteed working hours	0	0	0	0	0	0
Number of full-time workers	2,150	2,508	6,194	7,235	8,344	9,744
Number of part-time workers	6	8	26	34	32	42
PKP CARGO Group						
Total number of employees	2,997	3,387	9,961	11,347	12,958	14,734
Number of workers employed for an indefinite term	2,929	3,224	9,617	10,743	12,546	13,967
Number of workers employed for a fixed term	68	170	344	597	412	767
Number of employees without guaranteed working hours	0	0	0	0	0	0
Number of full-time workers	2,978	3,314	9,921	10,608	12,899	13,922
Number of part-time workers	19	73	40	739	59	812

Turnover rates

[S1-6_11] During the year, the Group recorded the departure of 2,238 workers and the turnover rate was 16.04%, calculated as the ratio of the number of workers who left during the year to the average number of workers.

Table 65 Number of workers who left the Group in 2025 and 2024 and employee turnover rate

	2025	2024
PKP CARGO S.A. under restructuring		
Number of workers who left the organization in the reporting period	1,555	4,723
Turnover rate	16.81%	36.62%
PKP CARGO Group		
Number of workers who left the organization in the reporting period	2,238	5,752
Turnover rate	16.04%	31.08%

[S1-6_16] The turnover rate in 2025 was influenced by mass layoffs carried out at PKP CARGO under restructuring as well as other natural employee departures (e.g., retirements, termination of employment by the employee).

[MDR-P_01-03] The data have been obtained from internal HR reporting systems and internal data collection processes of the Group. The metrics have not been validated by an additional independent external entity. This information applies to all HR metrics included in section S1 *Own workforce*.

S1-8 – Collective bargaining coverage and social dialogue

Freedom of association is one of the fundamental rights of PKP CARGO Group workers. The management boards of each Group member company are required to cooperate with trade unions in the performance of Collective Bargaining Agreements and other regulations governing working and pay conditions as well as other benefits granted to workers, regardless of their trade union membership.

[S1-8_01] [S1-8_02] [S1-8_06]

Table 66 Percentage of PKP CARGO Group employees covered by a collective bargaining agreement and the percentage of employees represented by employee representatives, by country with a significant number of employees (in the EEA), as at 31 December 2025 and 31 December 2024

Countries	Percentage of workers covered by collective bargaining agreements		Percentage of workers represented by employee representatives	
	2025	2024	2025	2024
Poland	99.66%	83%	100%	100%

[S1-8_08]

Table 67 Percentage of PKP CARGO Group employees represented by employee representatives by country for countries with a significant number of employees (in the EEA), as at 31 December 2025 and 31 December 2024

PKP CARGO Group				
Coverage	Scope of collective bargaining		Social dialogue	
	Workers – EEA (for countries where the entity has >50 workers representing >10% of the total number of workers		Representation at the workplace (EEA only) (for countries where the entity has >50 workers representing >10% of the total number of workers)	
	2025	2024	2025	2024
0-19%				
20-39%				
40-59%				
60-79%				
80-100%	Poland	Poland	Poland	Poland

[S1-8_07] The PKP CARGO Group is not a party to any agreements with workers on representation by the European Works Council (EWC), the Works Council of the European Societas Europaea (SE) or the Works Council of the Societas Cooperativa Europaea (SCE).

S1-9 – Diversity metrics

[S1-9_03] [S1-9_04] [S1-9_05] Within the framework of its diversity metrics reporting, the Group presents data on the age structure of its workers broken down into three age groups. Under the double materiality analysis, the Group identified a material risk related to the generation gap and the loss of skilled workers reaching retirement age, which translates into the need to recruit and train new workers.

Table 68 Age structure of PKP CARGO Group workers in 2025 and 2024

Total number of workers by age group	Data for 2025		Data for 2024	
	Number	Percentage	number	percentage
PKP CARGO S.A. under restructuring				
below 30 years	562	6.7%	784	8%
30 to 50 years	3,135	37.4%	3,939	40.3%
over 50 years	4,679	55.9%	5,063	51.7%
PKP CARGO Group				
below 30 years	1,009	7.8%	1,294	8.8%
30 to 50 years	5,291	40.8%	6,204	42.1%
over 50 years	6,658	51.4%	7,236	49.1%

Currently, workers over 50 years of age account for more than half of all Group workers. Measures addressing the risk of a generational gap are described in more detail in disclosure S1-4.

S1-10 – Adequate wages

[S1-10_01] People employed by the Group receive employee compensation in accordance with the applicable reference indicators, which means that they receive employee compensation at least equal to (or higher than) the national minimum wage.

S1-14 – Health and safety metrics

[S1-14_01] The PKP CARGO Group has not put in place a uniform Health and Safety Management System – the organization of this area varies and is determined at the level of distinct companies. In parallel, all Group workers are covered by an occupational health and safety management system based on legal requirements or recognized standards and guidelines. [S1-

14_10-11] PKP CARGO, PKP CARGO INTERNATIONAL and PKP CARGO SERVICE have implemented, as part of their Integrated Management Systems, occupational health and safety management systems based on the ISO 45001 standard.

[S1-14_02] [S1-14_03] In 2025, the Group recorded no fatal accidents resulting from work-related injuries or illnesses. [S1-14_04] A total of 99 accidents occurred in the companies, of which the largest number, 38, occurred in the parent company. [S1-14_05] The accident rate in 2025 was 4.49.

Table 69 Key occupational health and safety management metrics in the PKP CARGO Group, data for 2025 and 2024

Category	Data for 2025		Data for 2024	
Percentage of employees covered by the occupational health and safety management system based on legal requirements and/or recognized standards or guidelines	100%	Percentage	100%	percentage
Number of fatalities due to work-related injuries and ill health related to work	0	Number	1	number
Number and rate of recordable work-related injuries among workers:				
Number	99	Number	125	number
Ratio	4.49	Average number per million hours worked	4.61	Average number per million hours worked

[MDR-M-01-03] All Group companies report health and safety issues in accordance with the applicable regulations. In the parent company, the outcomes of accident cause analysis are reported quarterly to the Management Board. A detailed OHS report is prepared every six months. The source of the presented data is a report summarizing safety incident statistics prepared for the entire Group by the OHS team of PKP CARGO. Data is collected quarterly and as part of the annual summary. The data is not subject to approval by external bodies other than the certification service provider. The work-related injury rate was calculated in accordance with ESRS guidelines by dividing the relevant number of cases by the total number of hours worked by employees constituting the company's own workforce and multiplying by 1,000,000.

S1-17 Incidents, complaints and severe human rights impacts

[S1-17_03] In 2025, two complaints were received through internal whistleblowing channels – one each to PKP CARGO INTERNATIONAL and PKP CARGO CONNECT. [S1-17_04] No complaints were filed with the national contact points for the OECD Guidelines for Multinational Enterprises.

[S1-17_01-02] During the reporting period, no cases of discrimination or harassment were recorded within the PKP CARGO Group. [S1-17_07] [S1-17_08-12] No serious human rights incidents involving employees were reported either.

[MDR-P-01-03] The source of the reported data on incidents and complaints submitted by employees are records maintained in accordance with the internal procedures of the relevant organizational units responsible for compliance within individual companies. The data have not been validated by an additional independent external entity.

10.4. Information related to corporate governance – ESRS G1 Business conduct

G1-1 – Business conduct policies and corporate culture

[G1-1_01] Issues related to organizational culture, in particular ethics, respect for dignity and the prevention of abuse, are addressed at the management level through the adoption and application of internal regulations. The corporate culture promotes values such as integrity, responsibility, transparency, respect for human rights, zero tolerance for discrimination, violence and harassment and responsible conduct in internal and external relations.

Issues concerning business conduct, including those related to compliance, are supervised and regularly discussed by management bodies. The Compliance Officer reports quarterly to the President of the Management Board and the Chairman of the Supervisory Board's Audit Committee on the number of irregularities reported within the Group. In addition, the aforementioned Committee and the Management Board of PKP CARGO S.A. receive an annual report on the functioning of key internal regulations, which includes a summary of reported violations within the Group and corrective actions taken in connection with the identified violations.

[G1.MDR-P_01] [MDR-P_02] The PKP CARGO Group's policies related to material impacts, risks and opportunities associated with business conduct and corporate culture identified during the double materiality analysis are as follows:

- in terms of impacts related to supplier relationship management, including payment practices:
  - *Code of Conduct for Business Partners of the PKP CARGO Group,*
  - *Code of Ethics of the PKP CARGO Group,*
- regarding whistleblower protection, each company has adopted appropriate regulations complying with the provisions of the Act; the parent company has implemented a Procedure for Reporting Violations and Whistleblower Protection at PKP CARGO S.A. under restructuring,
- in the area of reporting irregularities, the *Rules for reporting irregularities and abuses,* adopted by the PKP CARGO Group.

[MDR-P_01] The Code of Conduct for Business Partners of the PKP CARGO Group defines the foundations of the relationship between the Group and its business partners, which includes standards related to business ethics, employee rights, human rights and respect for the natural environment. The Group's business partners include suppliers, counterparties, subcontractors and customers who cooperate with the organization to achieve mutual economic benefits. The Code imposes numerous obligations on suppliers, such as: prevent conflicts of interest, introduce a zero-tolerance policy for corruption, respect human and employee rights, prevent discrimination and workplace harassment, and guarantee fair working conditions for their staff. [MDR-P_04] Moreover, the provisions of these regulations require business partners to respect human rights as set forth in the Universal Declaration of Human Rights, the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Group companies require business partners to comply with the Code of Conduct for Business Partners in newly concluded or amended contracts or agreements.

[MDR-P_01] The Code of Ethics of the PKP CARGO Group is a declaration of the Group's commitment to building relationships with suppliers based on mutual trust, professionalism, mutual respect and responsibility for actions. The Code is a manifestation of the Group's commitment to the reliable preparation of procurement procedures and to ensuring that all applicants for cooperation have equal access to information. In the document, the Group emphasizes its due diligence in signing contracts with suppliers and its commitment to the proper course of cooperation, in accordance with the time schedule. [MDR-P_04] The provisions of the Code of Ethics are based on the human rights set forth in the Universal Declaration of Human Rights, and incorporate the rights contained in the International Bill of Human Rights and the 1998 International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

[MDR-P_03] The Management Board of PKP CARGO S.A. is responsible for implementing the provisions of the codes. [MDR-P_06] The documents are public and available on the organization's website. Moreover, the content of agreements with the Group's suppliers refers to the provisions of the Code of Conduct for Business Partners and includes a link to the document on the Internet. [MDR-P_05] The Code of Ethics of the PKP CARGO Group was consulted by the Parent Company with its subsidiaries during its development. The Group did not carry out any consultations with stakeholders when developing the Code of Conduct for Business Partners. [G1-1_02] [G1-1_05] The Group companies enable stakeholders to report irregularities on the basis of either the policies in force across the organization or the regulations adopted in distinct companies. The Code of Conduct for Business Partners of the PKP CARGO Group comprehensively describes the methods of reporting breaches of its provisions, the protection of whistleblowers and the manner of handling reports. In accordance with the provisions of the Code, a person wishing to report a breach in the respective area may submit a report of the breach of the Code anonymously, through an external entity or by name, to the PKP CARGO Ethics Officer or the Compliance Coordinator of the subsidiary to which the report relates. Contact details for reporting are available on each company's website. By choosing an anonymous reporting channel, the whistleblower is guaranteed complete anonymity, as this channel is operated by an external entity and the dialogue is conducted using a PIN code.

When considering a report, the Ethics Officer or the Compliance Coordinator has the right to access the company's information and documents necessary to clarify the matter. He or she is also authorized to enter the premises of the company concerned and his or her actions are always carried out in accordance with the rules of access to legally protected information.

No retaliatory measures are taken against any whistleblowers reporting reasonable suspicions of irregularities in good faith.

[G1-1_02] Breaches of the Code of Ethics of the PKP CARGO Group are be reported in accordance with the Regulations for reporting irregularities and abuses in the PKP CARGO Group. The Regulations describe the methods available to workers and other stakeholders for reporting information, which are identical to the solutions presented in the Code of Conduct for Business Partners. Additional instruments for reporting notifications of violations of the Code of Ethics are a dedicated telephone line, an e-mail address and special report form, which are accessible in the manner described on the Group's website. Upon receiving a report of a breach, the Ethics Officer or the Compliance Coordinator promptly enters it in the Register of Reports of Breaches of the Code of Ethics. It then conducts a preliminary analysis of the report. When assessing the credibility of the allegations, it may decide to initiate an investigation. When considering the report, he or she has the right to access information and documents of the company in which he or she is employed as well as its real estate (buildings) necessary to clarify the matter, subject to the rules of access to legally protected information. The investigation should be completed as soon as

possible after receiving information about the breach of the Code of Ethics, but no later than 3 months after confirming receipt of the report. In special cases, this period may be extended to six months.

[G1-1_06-07] The PKP CARGO Group's Parent Company has additionally introduced a Whistleblower Protection Procedure. In accordance with its provisions, every whistleblower is entitled to full protection against retaliation and the Company undertakes not to take any such action. In accordance with statutory requirements, the document was consulted with civil society. All subsidiaries in the Group have implemented their own whistleblower protection regulations.

[G1-1_03] [G1-1_04] During the reporting period, the Anti-Corruption and Gift Policy in force at PKP CARGO S.A. did not refer to the United Nations Convention against Corruption. In 2025, work was carried out on the implementation within the Group of the PKP CARGO Group Anti-Corruption Policy and the PKP CARGO Group Anti-Corruption Procedure. The policy will be made available to the Group's business partners, while the procedure, as a more detailed document, will define the rights and obligations of employees in combating corruption. The new regulations will ensure compliance with the Convention. Their implementation is planned for the first half of 2026. [G1-1_08] The Group has no additional procedures for investigating incidents related to corruption and bribery.

[MDR-P_07-08] The organization has not implemented policies regarding political engagement and lobbying activities – in 2025, the Group and its subsidiaries did not engage in such activities. There are currently no plans to implement such regulations.

[G1-1_10] The Group's companies have not adopted training policies regarding business conduct. In the Parent Company, the need to conduct training in this area stems from the Anti-Corruption and Gift Policy of PKP CARGO S.A. and the PKP CARGO Group Code of Ethics. Training is conducted for both employees and management. The Head of the Compliance Section reports quarterly to the President of the Management Board of PKP CARGO and the Chairman of the Audit Committee of the Supervisory Board on Group-wide data regarding the number of training sessions conducted and educational and communication activities in the area of compliance. In addition, the aforementioned management bodies receive an annual report summarizing activities in this area. Internal regulations require mandatory participation in training sessions but do not specify their frequency. This depends on the availability of employees and the Department's resources.

G1-2 – Management of relationships with suppliers

[G1-2_01] In 2025, the PKP CARGO Group did not have any policies in place to prevent late payments. The Group's Parent Company has an Accounting Document Circulation Instruction and a Liquidity Management Policy in place, which describe procedures aimed at ensuring the proper circulation and forwarding of documents for payment within a time limit enabling their settlement on the agreed payment date. [MDR-P_07-08] The company remains in remedial proceedings, which impose a number of restrictions regarding the settlement of liabilities. For instance, the Company is unable to settle liabilities that arose before the opening of the restructuring procedure and, in parallel, it must settle post-restructuring liabilities as one of the conditions for conducting the restructuring procedure, in accordance with restructuring law.

Among the subsidiaries, PKP CARGO INTERNATIONAL adopted a regulation according to which payments in the company are to be settled within 30 days – the provisions of the document do not distinguish between counterparties in terms of size.

[G1-2_02] PKP CARGO minimizes risks in the supply chain through implemented and updated purchasing plans and monitoring of the performance of purchase contracts. The Company's procurement procedures take into account social, environmental and economic effects if they may be achieved in the context of the subject matter of the contract. The environmental effect is achieved through the selection of the subject matter of the contract, which limits the amount of energy consumed and is adapted to European standards for pollutant and noise emissions. The criteria for evaluating proposals are always aimed at the objective selection of contractors and maximum competitiveness of the process. Each time, the Company also examines possible grounds for excluding a contractor for failure to meet the conditions for participation in the procedure.

The Company monitors compliance of the contract performance with the conditions specified in the procedure and maintains ongoing communication with counterparties to enable it to respond to any deviations. The performance of the contract is always completed with the preparation of a contractor evaluation sheet. The outcome of the evaluation is communicated to the contractor.

The approach of the Group companies to relations with suppliers and the impact of the supply chain on sustainability issues is based on the Code of Conduct for Business Partners of the PKP CARGO Group. The document is presented in section G1-1. The Code also describes the organization's approach to social and environmental criteria, referring in detail to the requirements for suppliers related to:

- human rights,
- health and safety of employees,
- prevention of harassment and discrimination,
- fair working conditions and employee compensation,

- prohibition of child labor and forced labor,
- freedom of association,
- appropriate waste management and reduction of GHG emissions,
- identification of environmental risks and development of preventive measures.

[G1-2_03] In procurement procedures involving the collection of waste, PKP CARGO requires that the counterparty hold the appropriate environmental permits for its collection, processing and transport. The Company takes similar measures in procedures for the sale of waste, e.g., scrap metal, used oil and rolling stock wrecks. Bidders who fail to document their permits are excluded from the proceedings. In all proceedings, the Company also verifies that suppliers are not subject to sanctions, economic, financial, commercial or administrative restrictions resulting from generally applicable laws in connection with the war in Ukraine.

G1-5 – Political influence and lobbying

[G1-5_01-11] During the reporting period, the PKP CARGO Group and its subsidiaries did not engage in any lobbying activities. The Group did not provide any funding for political purposes.

G1-6 – Payment practices

[G1-6_02-03] During the reporting period, PKP CARGO did not apply standard payment terms in contracts with suppliers and commercial transactions were not classified by supplier category. With regard to payment practices towards counterparties, the Company takes measures to balance the turnover of liabilities and receivables to the greatest degree possible. Different payment terms are applied depending on individually negotiated conditions. The maximum payment term used in contracts is 60 days. Different payment terms are applied in the Group's other companies. Furthermore, the Group's companies have not implemented formal procedures for monitoring payment delays with respect to suppliers that are small and medium-sized enterprises (SMEs).

[MDR-M] The Group does not have data available to report the average time it takes to settle an invoice from the start of the contractual or statutory calculation period. Therefore, the average time to settle trade payables is presented as the accounts payable turnover ratio. The ratio reflects the average settlement time, not compliance with contractual terms.

[G1-6_01] In 2025, the average number of days, calculated as the accounts payable turnover ratio, amounted to an average of 108 days for the Group's companies. [MDR-M] [G1-6_05] The ratio for each company was calculated as the quotient of the average balance of trade payables at the beginning and end of the reporting period and the total value of net purchases recognized during that period. Liabilities include trade and investment liabilities arising exclusively from invoices. Purchases include net purchases of services, goods and materials as well as fixed assets resulting from purchase invoices. For data from PKP CARGO and PKP CARGOTABOR regarding the balance of liabilities, liabilities subject to remedial proceedings were excluded due to different repayment terms (determined on the basis of a composition approved by the court). The final value is presented as an average ratio for all Group companies. Its relatively high value results from the high ratio at CARGO TERMINALE, which has signed settlement agreements extending payment terms and from the ratio at CARGOTOR, where the high reading stems directly from the fact that liabilities are based primarily on settlements with related entities within the entire PKP Group.

Table 70 Average time taken by the PKP CARGO Group to settle an invoice, as at 31 December 2025 and 31 December 2024

	Data for 2025	Data for 2024
Average time taken by an entity to settle an invoice in days	108	85

[G1-6_04] In 2025, some Group companies were parties to legal proceedings pending during the reporting period due to payment delays – this situation concerned PKP CARGO CONNECT (2 proceedings) and PKP CARGOTABOR (3 proceedings).

Restructuring Administrator of PKP CARGO S.A. under restructuring

Paweł Głodek
Restructuring Administrator of PKP CARGO S.A.
under restructuring (license no. 657)

Warsaw, 28 April 2026

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.