

Q 3

2025



Other Information to PKP CARGO S.A. under restructuring Capital Group Quarterly Consolidated Report



pkpcargo.com



relacje.inwestorskie@pkpcargo.com

Table of contents

1. Organization of the PKP CARGO under restructuring Group	5
1.1 Highlights on the Company and the PKP CARGO under restructuring Group	5
1.2 Consolidated entities	7
2. Information about the Parent Company	9
2.1 Composition of the PKP CARGO Management Board and Supervisory Board	9
2.2 Structure of PKP CARGO S.A. under restructuring's share capital	11
2.3 Shareholders holding at least 5% of the total votes	11
2.4 Listing of shares held by management and supervisory board members	11
3. Key areas of operation of the PKP CARGO Group	13
3.1 Macroeconomic environment	13
3.2 Freight activity	17
3.3 Other services	30
3.4 Headcount	30
3.5 PKP CARGO Group's investments	31
3.6 Key information and events in the first three quarters of 2025 and until the report publication date	32
4. Analysis of the financial situation and assets of the PKP CARGO Group	36
4.1 Economic and financial highlights of the PKP CARGO Group	36
4.2 Factors that will affect financial performance in the next quarter	42
4.3 Information about production assets	44
5. Other key information and events	46
5.1 Management Board's stance with respect to the possibility of realizing previously published result forecasts for the year	46
5.2 Material proceedings pending before courts, arbitration bodies or public administration authorities	46
5.3 Information on transactions with related parties	46
5.4 Information on extended guarantees and sureties for loans or borrowings	46
5.5 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	46

List of figures

Figure 1 Structure of capital ties with companies in which PKP CARGO or its subsidiaries hold shares as at 30 September 2025	6
Figure 2 PMI for the manufacturing sector (Markit IHS)	14
Figure 3 Real GDP growth rate in Poland in 2021-2024, its decomposition and forecasts for 2025-2027 – seasonally unadjusted data	15
Figure 4 Real GDP growth rate in the Czech Republic in 2021-2024 and forecasts for 2025-2027 – data adjusted for seasonality	16
Figure 5 Rail freight volumes in Poland broken down by quarter in 2021-2025 (million tons)	18
Figure 6 Rail freight turnover in Poland (in billion tkm), by quarter in 2021-2025	19
Figure 7 Quarterly shares of the PKP CARGO Group in freight volume in Poland in 2021-2025	19
Figure 8 Quarterly shares of the PKP CARGO Group in total freight turnover in Poland in 2021-2025	20
Figure 9 Market shares of the largest rail operators in Poland in the first 3 quarters of 2025	21
Figure 10 Shares of various modes of transport in the transport market in the Czech Republic in H1 2025:	23
Figure 11 Quarterly rail freight transport in the Czech Republic by freight volume in 2021-2025 (million tons)	23
Figure 12 Rail freight transport in the Czech Republic by freight turnover broken down by quarter in 2021-2025 (billion tkm)	24
Figure 13 PKP CARGO International a.s.'s quarterly market shares in total freight volume in the Czech Republic in 2021-2025*	25
Figure 14 PKP CARGO International a.s.'s quarterly market shares in total freight turnover in the Czech Republic in 2021-2025*	25
Figure 15 Market shares of the biggest rail operators by operational freight turnover in the Czech Republic in the first three quarters of 2025 (btkm)	25
Figure 16 Structure of the PKP CARGO Group's freight turnover and freight volume in 9M of 2025 and 2024	28
Figure 17 Freight volume of the PKP CARGO Group in 9M 2025 compared to the corresponding period in 2024	28
Figure 18 Headcount in the PKP CARGO Group as at 30 September 2025 and 31 December 2024	30
Figure 19 EBIT in 9M 2025 as compared to the corresponding period in 2024 (PLN million)	38
Figure 20 Structure of assets – as at 30 September 2025 and 31 December 2024	39
Figure 21 Movement in the Group's assets in the first 9 months of 2025 (PLN million)	39
Figure 22 Structure of the Group's equity and liabilities as at 30 September 2025 and 31 December 2024.	40
Figure 23 Movement in the Group's equity and liabilities in the first 9 months of 2025 (PLN million)	40
Figure 24 Cash flows of the PKP CARGO Group in the first 9 months of 2025 (PLN million)	41
Figure 25 Structure of rolling stock used by the PKP CARGO Group	44

List of tables

Table 1 Subsidiaries consolidated by the full method.....	7
Table 2 Entities accounted for under the equity method	8
Table 3 Composition of the PKP CARGO Management Board as at 30 September 2025 and as at the delivery date of this report	9
Table 4 Composition of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report.....	9
Table 5 Composition of the Audit Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report	10
Table 6 Composition of the Nomination Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report	10
Table 7 Composition of the Strategy, Restructuring and Sustainability Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report	10
Table 8 Structure of PKP CARGO S.A. under restructuring's share capital.....	11
Table 9 Shareholder structure of PKP CARGO as at 30 September 2025 and as at the publication date of this report	11
Table 10 PKP CARGO shares held by Management Board members as at 30 September 2025 and as at the publication date of this report.....	12
Table 11 PKP CARGO shares held by Supervisory Board members as at 30 September 2025 and as at the publication date of this report.....	12
Table 12 Freight transport market in the Czech Republic in H1 2025.....	22
Table 13 Freight turnover of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024.....	26
Table 14 Freight volume of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024.....	27
Table 15 Average haul of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024	27
Table 16 Capital expenditures on property, plant and equipment, intangible assets and right-of-use assets in the PKP CARGO Group in 9M 2025 as compared to 9M 2024 (PLN million)	31
Table 17 Financial highlights of the PKP CARGO Group	36
Table 18 Financial highlights of PKP CARGO S.A.	37
Table 19 Key financial and operating ratios of the PKP CARGO Group in 9M 2025 as compared to the corresponding period of 2024.....	42
Table 20 Real estate owned and used by PKP CARGO Group as at 30 September 2025 as compared to 31 December 2024	45

1. Organization of the PKP CARGO under restructuring Group

1.1 Highlights on the Company and the PKP CARGO under restructuring Group

The PKP CARGO under restructuring Group is a rail freight operator in Poland and the European Union ("EU") that has provided comprehensive logistics services for years.¹ Apart from transport activity, the PKP CARGO Group provides complementary services supporting the Group in the area of rail freight, including siding and traction services, terminal-related services and freight forwarding services.

The PKP CARGO Group holds licenses for the provision of rail freight services in the following 9 EU countries: Lithuania, Slovakia, Hungary, Slovenia, Austria, the Czech Republic, Germany, the Netherlands and Poland.



As at 30 September 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 30 September 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:

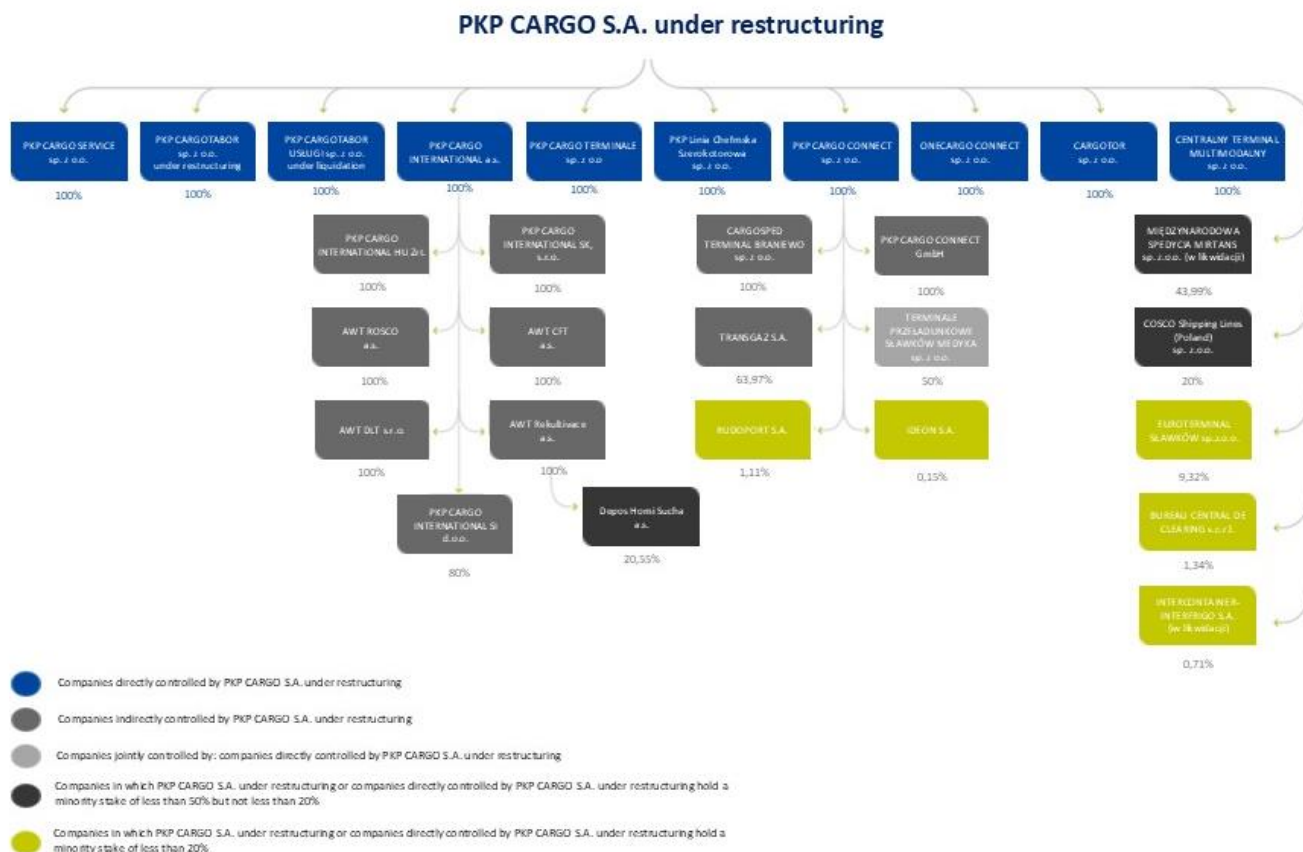
¹ Whenever this Report mentions:

- 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.

- 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 the companies in which PKP CARGO or its subsidiaries hold shares as at 30 September 2025:

Figure 1 Structure of capital ties with companies in which PKP CARGO or its subsidiaries hold shares as at 30 September 2025



Source: Proprietary material

During the first three quarters of 2025, the following major events occurred within the PKP CARGO Group's organization:

- on 5 April 2025, the legal form of the joint-stock company 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, 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 16 May 2025, in connection with the taking of action by PKP CARGO CONNECT Sp. z o.o. aimed at selling its 21,407 shares in Terminale Przeładunkowe Sławków–Medyka Sp. z o.o. with its registered office in Sławków, with a total par value of PLN 21.4 million, representing 50% of the company's share capital, the Management Board agreed to take directional steps to prepare the sale process of all 340,000 shares held by PKP CARGO S.A. under restructuring in the subsidiary EUROTERMINAL SŁAWKÓW Sp. z o.o. with its registered office in Sławków, with a total par value of PLN 17 million, representing 9.316% of the company's share capital. Negotiations are still underway to determine the final terms and conditions of the transaction.

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. in liquidation does not carry out any business activities.

During the first three quarters of 2025 and until the date of publication of this report, apart from the events enumerated above, no other changes were made to the PKP CARGO 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.

1.2 Consolidated entities

The Quarterly Condensed Consolidated Financial Statements of the PKP CARGO Group as at 30 September 2025 encompass PKP CARGO S.A. as the parent company and 12 subsidiaries consolidated by the full method and 7 subsidiaries consolidated by the equity 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. in liquidation ("PKP CARGOTABOR USŁUGI in liquidation ")	As at the delivery date of this report, the company does not conduct any operating activity.
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.
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 delivery date of this report, the company does not conduct any operating activity.

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.

Table 2 Entities accounted for under the equity method

Company name	Core business
Centralny Terminal Multimodalny Sp. z o.o.	As at the delivery date of this report, the company does not conduct any operating activity.
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. Specialization: transport 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 SI d.o.o.	Comprehensive rail transport services in Slovenia.

2. Information about the Parent Company

2.1 Composition of the PKP CARGO Management Board and Supervisory Board

MANAGEMENT BOARD

Table 3 Composition of the PKP CARGO Management Board as at 30 September 2025 and as at the delivery date of this report

Name	Position	Period in office	
		from	to
Agnieszka Wasilewska-Semail	President of the Management Board	20 January 2025	to date
Paweł Miłek	Vice-President of the Management Board, Management Board Member in charge of Restructuring	1 January 2025	to date
Sebastian Miller	Management Board Member in charge of Operations	1 January 2025	to date
Artur Warsocki	Management Board Member in charge of Commerce	1 February 2025	to date
Michał Łotoszyński	Management Board Member in charge of Finance	17 February 2025	to date

Source: Proprietary material

SUPERVISORY BOARD

Table 4 Composition of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report

Name	Position	Period in office	
		from	to
Bogusław Nadolnik	Supervisory Board Chairman	6 February 2025	to date
	Supervisory Board Member	14 May 2024	
Marcin Wojewódka	Supervisory Board Vice-Chairman	13 January 2025	to date
	Supervisory Board Member	19 April 2024	
Michał Wnorowski	Supervisory Board Member	29 June 2022	to date
Monika Starecka	Supervisory Board Member	19 April 2024	to date
Robert Stępień	Supervisory Board Member	14 May 2024	to date
Marzena Piszczek	Supervisory Board Member	21 November 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

Source: Proprietary material

SUPERVISORY BOARD AUDIT COMMITTEE

Table 5 Composition of the Audit Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery 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

Source: Proprietary material

NOMINATION COMMITTEE

Table 6 Composition of the Nomination Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery 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

Source: Proprietary material

STRATEGY, RESTRUCTURING AND SUSTAINABILITY COMMITTEE

Table 7 Composition of the Strategy, Restructuring and Sustainability Committee of the PKP CARGO Supervisory Board as at 30 September 2025 and as at the delivery date of this report

Name	Position	Period in office	
		from	to
Marcin Wojewódka	Committee Chairman	28 April 2025	to date
	Committee Member	6 February	
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

Source: Proprietary material

2.2 Structure of PKP CARGO S.A. under restructuring's share capital

The structure of PKP CARGO S.A. under restructuring's share capital as at 30 September 2025 is presented in the table below:

Table 8 Structure of PKP CARGO S.A. under restructuring's share capital

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

Source: Proprietary material

Until the date of publication of this report, there have been no changes in the amount or structure of the Company's share capital.

2.3 Shareholders holding at least 5% of the total votes

In the period from the date of publication of the previous periodic report, that is 30 September 2025, to the delivery date of this report, no changes occurred regarding entities holding, directly or indirectly, significant equity stakes in PKP CARGO.

Table 9 Shareholder structure of PKP CARGO as at 30 September 2025 and as at the publication 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.	5,409,513	12.08%	5,409,513	12.08%
Other shareholders	24,593,210	54.91%	24,293,210	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 Jutro 2040, 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

2.4 Listing of shares held by management and supervisory board members

The holdings of PKP CARGO shares or rights thereto by the Company's management and supervisory personnel as at the publication date of the previous periodic report, that is 30 September 2025, and as at the publication date of this report was as follows:

Table 10 PKP CARGO shares held by Management Board members as at 30 September 2025 and as at the publication date of this report

Name		Number of PKP CARGO S.A. shares held by Management Board members
as at the publication date of this report		
Izabela Skonieczna-Powałka		0
Agnieszka Wasilewska-Semail		0
Paweł Miłek		31,192
Sebastian Miller		0
Artur Warsocki		0
Michał Łotoszyński		0
as at 30 September 2025		
Izabela Skonieczna-Powałka		0
Agnieszka Wasilewska-Semail		0
Paweł Miłek		26,192
Sebastian Miller		0
Artur Warsocki		0
Michał Łotoszyński		0

Source: Proprietary material

Table 11 PKP CARGO shares held by Supervisory Board members as at 30 September 2025 and as at the publication date of this report

Name		Number of PKP CARGO S.A. shares held by Supervisory Board members
as at the publication date of this report		
Bogusław Nadolnik		0
Marcin Wojewódka		91,895*
Monika Starecka		0
Michał Wnorowski		0
Marzena Piszczek		0
Robert Stępień		0
Piotr Babski		0
Tomasz Pietrek		46
as at 30 September 2025		
Bogusław Nadolnik		0
Marcin Wojewódka		83,651*
Monika Starecka		0
Michał Wnorowski		0
Marzena Piszczek		0
Robert Stępień		0
Piotr Babski		0
Tomasz Pietrek		46

* including 3,300 shares held through Instytut Emerytalny Sp. z o.o. material

Source: Proprietary

3. Key areas of operation of the PKP CARGO Group

3.1 Macroeconomic environment

Macroeconomic environment of the European economy

According to the October 2025 International Monetary Fund (IMF) forecast, global GDP growth in 2025 and 2026 will be approximately +3.2% yoy and +3.1% yoy, respectively. The acceleration in global economic growth will be largely driven by a slight increase in the volume of trade, owing to a partial reduction in the application of protectionist measures (including customs tariffs) in the negotiation process and further growth in government spending in many countries around the world. In turn, armed conflicts and uncertainty resulting from the divergence of interests of the largest economic players will have an opposite effect. IMF economists expect inflation to decline to +4.2% yoy in 2025 and +3.7% yoy in 2026. In 2025, the growth rate in the leading but still rapidly developing Asian economies will be noticeably higher than the global average (including +6.6% yoy in India and +4.8% yoy in China). In highly developed countries, GDP is expected to increase by +1.6% yoy (compared to +1.8% yoy in 2024). This year, GDP growth in the United States and in the Eurozone will be +2.0% yoy and +1.2% yoy, respectively. In Germany, after the declines in previous years, GDP will increase by +0.2% yoy this year (and then by +0.9% yoy in 2026), which may give rise to moderate optimism, given the strong links between domestic industry and the German economy. In Poland, GDP growth in 2025 is expected to be +3.2% yoy (and +3.1% yoy in 2026).²

Consumer goods and services prices (HICP) in the European Union in September 2025 were +2.6% higher year-on-year (after a +2.1% yoy increase in September 2024). Year-on-year price increases were recorded in most EU countries (except for Cyprus, where prices remained at the previous year's level), with the highest rates in Romania (+8.6% yoy), Estonia (+5.3% yoy), Slovakia and Croatia (+4.6% yoy in both). In Poland, the growth rate was +2.9% yoy (slightly higher than in August of this year, but noticeably lower than the year before). Among the largest EU economies, prices increased the fastest in Spain (+3.0% yoy) and Germany (+2.4% yoy).³

The continuing relatively high uncertainty on global markets, the absence of a peaceful solution to the conflict in Ukraine and growing global tensions are restraining industrial activity in Europe. A major global problem is the economic conflict between the United States and China (the world's two largest economies), which are striving to achieve favorable outcomes and shape trade relations that multiply their own advantages at the expense of their rival and third countries.

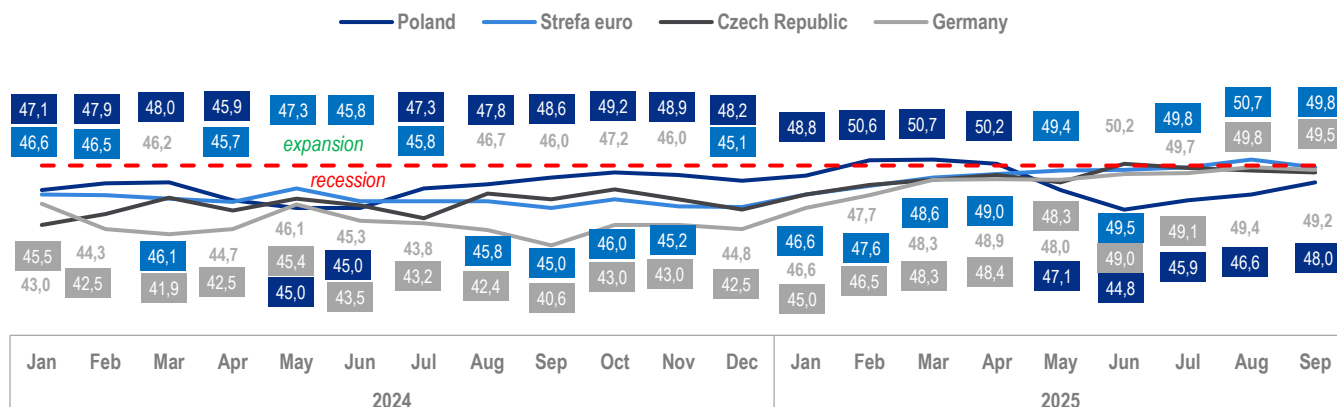
The gradual improvements in the European economy's performance and the EU's PMI index, even though there are still no clear signs of a recovery in manufacturing, suggest that the sector is nearing a period of recovery. The HCOB Eurozone Manufacturing PMI, which serves as a barometer of conditions in the Eurozone's manufacturing sector, reached 49.8 points in September 2025, pointing to a slight deterioration in Eurozone manufacturing (due to its being just below 50.0 points), after a solid August reading of 50.7 points that signaled expansion and economic recovery (following 37 months of negative trends and readings below 50.0 points). In September of this year, the PMI for the German industrial sector reached 49.5 points. There was a clear improvement in both indicators compared to December of last year (+4.7 p.p. and +7.0 p.p., respectively), although strong growth impulses are still required to generate a noticeable rise in output.⁴

² www.imf.org/en/Publications/WEO/Issues/2025/10/14/world-economic-outlook-october-2025

³ Statistics Poland (ssgk.stat.gov.pl/Sytuacja_spoleczno-gospodarcza_kraju_09.2025.pdf, p. 109)

⁴ IHS Markit (www.pmi.spiglobal.com/Public/Release/PressReleases – reports for each month)

Figure 2 PMI for the manufacturing sector (Markit IHS)



Source: Proprietary material

During the first 9 months of 2025, foreign trade turnover (expressed in EUR) was higher than the year before in most European Union countries, with exports having improved in 19 countries and imports in 23 EU countries.⁵

Barriers to international trade, such as higher customs tariffs, as well as other forms of trade regulation and even the suspension of trade in selected areas, are weighing unfavorably on the pace of global economic growth. Ongoing deglobalization and the formation of separate trading blocs in the real economy, along with numerous armed conflicts, are visibly weakening the dynamics of trade between countries, which in turn necessitates the deployment of less economical but security-driven solutions. The additional costs arising from the required adjustments affect individual economies, creating a need for increased borrowing, which is then followed by higher inflationary pressures.



Polish industry and economy

Increase in sold industrial output in the first three quarters of 2025 by +2.7% yoy (+0.2% yoy in the corresponding period of 2024). The positive growth of industrial processing (which accounts for over 4/5 of the sector's revenue), which improved by +3.2% yoy, and that of the water supply, sewage disposal, waste management and reclamation section (up +3.0% yoy), translated into growth for the industry.

Unfortunately, the sections of electricity, gas, steam and hot water supply (-2.4% yoy) and, most notably, mining and quarrying (-4.4% yoy) continued to post a significant decline in output.⁶

During the first three quarters of 2025, year-on-year production growth was recorded in 23 out of 34 industrial sectors, including: manufacture of rubber and plastic products (+1.3%), paper and paper products (+1.8%), motor vehicles, trailers and semi-trailers (+3.3%), furniture (+3.6%), metal products (+4.5%), wood products (+4.6%), other non-metallic mineral products (+6.0%) and metals (+6.5%). A year-on-year decline in output was recorded in 11 industry sectors, including one particularly significant for the PKP CARGO Group, namely chemicals and chemical products (-2.5%). It should also be emphasized that output declined for the whole mining and quarrying sector (-4.4%), including the extraction of hard coal and lignite as well as the extraction of other minerals.⁷

According to Statistics Poland's updated estimate, GDP growth in 2024 was +3.0% yoy (compared to +0.2% yoy in 2023).⁸

⁵ Statistics Poland (ssgk.stat.gov.pl/Sytuacja_spoleczno-gospodarcza_kraju_09.2025.pdf, p. 113)

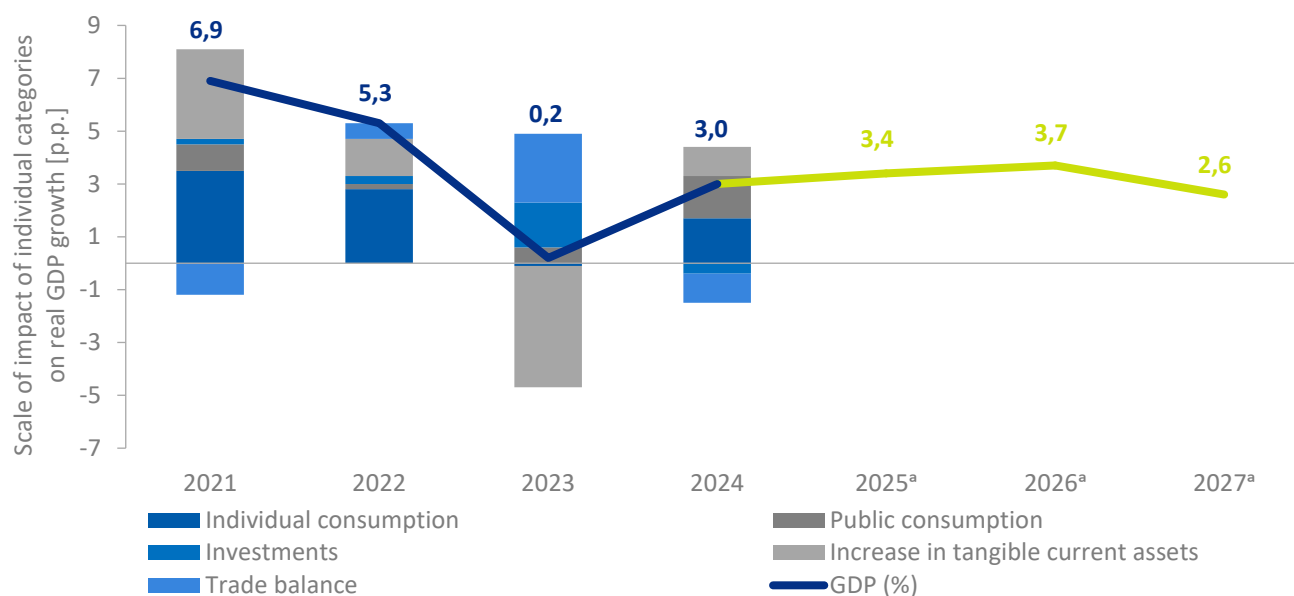
⁶ Statistics Poland (ssgk.stat.gov.pl/Przemysl.html; in entities with more than 9 employees)

⁷ Statistics Poland (ssgk.stat.gov.pl/Przemysl.html; in entities with more than 9 employees and Statistical Bulletin No. 09/2025 – Table 46)

⁸ Statistics Poland (stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/informacja-glownego-urzedu-statystycznego-w-sprawie-skorygowanego-zacunku-produktu-krajowego-brutto-za-2024-r-9,11.html)

In Q3 2025, Poland's GDP growth rate stood at +3.7% yoy (compared to +2.8% yoy in Q3 the year before), after +3.2% yoy in Q1 and +3.3% yoy in Q2, meaning that since Q2 of last year, the country's growth rate has remained close to or above +3% yoy.⁹

Figure 3 Real GDP growth rate in Poland in 2021-2024, its decomposition and forecasts for 2025-2027 – seasonally unadjusted data



a – macroeconomic forecasts of the National Bank of Poland for 2025-2027 (November 2025)

Source: Proprietary material based on data published by Statistics Poland and the National Bank of Poland

Price changes during the first three quarters of 2025: prices of consumer goods and services increased by +4.0% yoy (compared to +3.3% yoy in the corresponding period of 2024).¹⁰ At the same time, industrial output prices dropped by -1.3% yoy (compared to a decline by -7.7% yoy in the corresponding period of last year), with an increase in construction and assembly output prices by +3.2% yoy (compared to +6.5% yoy during the first three quarters of last year).¹¹

Discernible fluctuations in the readings of the PMI leading indicator for industrial processing during the first 9 months of this year – in January and then since May, the PMI has been below the 50.0-point threshold marking the technical border between recovery and recession in the industrial processing sector. From February to April of this year, 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 last five months have been disappointing, with readings of 47.1, 44.8, 45.9, 46.6 and 48.0 points, respectively, that is below the levels recorded for the German economy and the Eurozone. Manufacturing in Western Europe has for several months hovered on the borderline between recovery and recession. The main factors include high market uncertainty, rising international trade tariffs and the limited global competitiveness of the European Union economies. The average monthly index reading on a quarterly basis since the beginning of the year was 50.0 points, then 47.4 points and only 46.8 points in Q3. Although there has been some improvement in recent months, the pace of change is slow and points to further reductions in capacity utilization, even though the results are moving closer to those of other major European economies. Polish entrepreneurs view the future with somewhat greater optimism (in their assessment of developments over the next 12 months), but the activity of Poland's largest trading partners remains crucial for further growth in quotations and in Polish industrial processing activity.¹²

A gradual improvement in the economic climate index for industrial processing (GUS) is visible in 2025, although the index shows noticeable periodic fluctuations. Index readings improved from -13.0 in December of last year to -6.2 in April of this year, only to worsen again to -7.7 in June and July, and then improve markedly to -5.6 in August (the best result since September 2021), before

⁹ Statistics Poland (<https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/kwartalne-rachunki-narodowe/szybki-szacunek-produktu-krajowego-brutto-za-3-kwartal-2025-r-1,51.html>)

¹⁰ Statistics Poland (sgk.stat.gov.pl/Ceny_towarow_i_uslug_konsumpcyjnych.html – 23 October 2025)

¹¹ Statistics Poland (sgk.stat.gov.pl/Ceny_produkcyjnej_sprzedanej_przemyslu_oraz_budowlano-montazowej.html – 23.10.2025 r.)

¹² IHS Markit (www.pmi.spglobal.com/Public/Release/PressReleases – reports for each month)

slipping once more to -6.5. The average index value for the first quarter of this year (-8.0) was clearly improved upon by the average for the second quarter (-6.8) and the third quarter (-6.6). This means that the number of businesses expecting a further deterioration of the economic standing in the coming months decreased further in relation to the number of businesses expecting the opposite to occur. Despite a significant improvement compared to the end of last year, conditions remain challenging, with a limited inflow of new orders (due to the absence of a clear pickup in demand, either domestic or, especially, international) and rising labor costs putting pressure on companies.¹³

Forecasts: the National Bank of Poland's November inflation and growth projection anticipates GDP growth in 2026–2027, while lowering the estimate for this year. According to the projection, GDP growth is set at +3.4% yoy in 2025, +3.7% yoy in 2026 and +2.6% in 2027, while inflation is expected to decline noticeably over the period, with the central path assuming consumer price growth of +3.7% yoy in 2025, +2.9% yoy in 2026 and +2.5% yoy in 2027.¹⁴



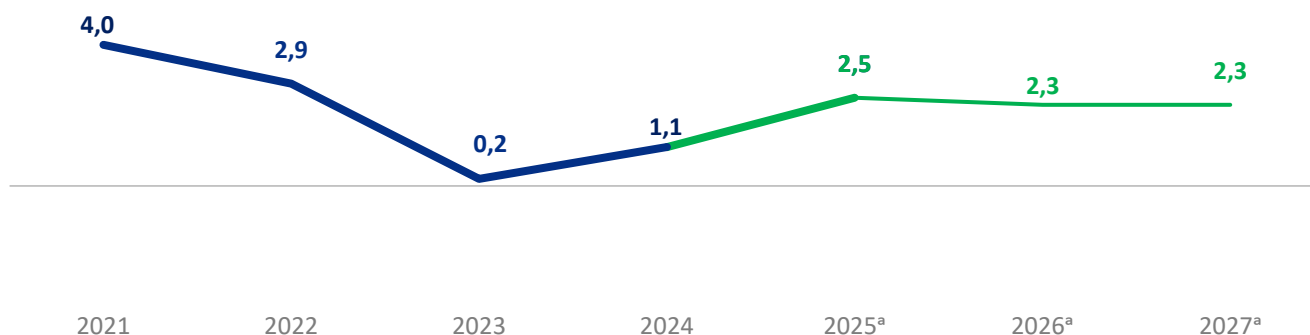
Czech industry and economy

Industrial output in the Czech Republic in Q3 2025 decreased by -0.1% yoy (current prices, unadjusted data), following an increase by +0.4% yoy in Q2 of this year and by +6.4% yoy in Q3 2024. In Q3 of this year, a noticeable decrease was recorded in hard coal and lignite mining (-18.4% yoy) along with a decline in the output of motor vehicles, trailers and semi-trailers (-0.3% yoy) as well as metals (-1.3% yoy). At the same time, an increase was recorded in the sold output of machinery and equipment (+0.6% yoy), paper and paper products (+0.9% yoy), rubber and plastic products (+4.1% yoy), wood and wood products (+4.4% yoy) and metal products (+6.5% yoy).¹⁵

The value of new orders in Q3 2025 rose by +2.7% yoy (current prices, unadjusted data), following an increase of +1.9% yoy in Q2 of this year and +6.8% yoy in Q3 of last year. The increase in value stemmed from a clear rise in domestic orders (+4.8% yoy) and a modest increase in foreign orders (+1.5% yoy).¹⁶ Relatively strong domestic demand, coupled with still weak demand from European customers, currently determines the volume of orders placed with Czech industry. Although growth is being recorded, numerous sectoral problems remain unresolved, and export prospects for the goods they produce are still uncertain, even if the ongoing stabilization of macroeconomic conditions among European Union partners allows for moderate optimism for the coming quarters.

According to preliminary estimates by the CZSO, GDP growth adjusted for price and seasonal effects in Q3 2025 was +2.7% yoy (at a similar level to the first two quarters of this year). Year-on-year GDP growth was supported for the most part by domestic demand, especially higher household consumption expenditure and growing gross capital formation. Quarter-on-quarter GDP growth reached +0.7%.¹⁷

Figure 4 Real GDP growth rate in the Czech Republic in 2021-2024 and forecasts for 2025-2027 – data adjusted for seasonality



^a – Macroeconomic forecasts of the Czech Ministry of Finance (November 2025)

¹³ Statistics Poland, Statistical Bulletin, Table 62, column C

¹⁴ National Bank of Poland (nbp.pl/raport-o-inflacji-listopad-2025-r/)

¹⁵ Czech Statistical Office / Sales from industrial activity: unadjusted data – published on 6 November 2025

¹⁶ Czech Statistical Office / New industrial orders by selected CZ-NACE divisions: unadjusted data – data published on 6 November 2025

¹⁷ Czech Statistical Office (csu.gov.cz/rychle-informace/gdp-preliminary-estimate-3-quarter-of-2025)

Source: Proprietary material based on data from the Czech Statistical Office and the Czech Ministry of Finance

In Q3 2025, inflation reached +2.5% yoy (+2.4% yoy in Q2 2025), which means that for seven quarters now, price growth has remained below the +3.0% yoy threshold.¹⁸

Forecasts by the Czech Ministry of Finance (as updated in November 2025) predict GDP growth (seasonally adjusted and adjusted for the number of business days) of: +2.5% yoy in 2025, +2.3% yoy in 2026 and +2.3% yoy in 2027. In this period, consumer inflation (as measured by CPI) should remain close to the inflation target (that is slightly above +2% yoy).¹⁹

Following a noticeable increase in the Czech PMI during the first 9 months of 2025, further declines have been observed – the index averaged 49.4 points in Q3 (versus 47.5 points in Q1 and 49.0 points in Q2), while at the same time falling in three consecutive months from its June peak of 50.2 points to 49.2 points in September. This means that after thirty-six months below the threshold of 50.0 points, marking the technical boundary between recovery and recession in the industrial sector, and after breaking through the psychological barrier of 50.0 points in June of this year, unfavorable factors shaping market supply once again prevailed. Fluctuations in the index and demand in Western Europe highlight the persistently difficult situation of Czech manufacturers, who are heavily dependent on exports to external markets. Even though there is some stabilization in the global economy, tariffs and other trade barriers clearly restrict expansion opportunities for the sector.²⁰

3.2 Freight activity

The rail transport market is presented taking into account transport volumes in the Polish and Czech markets where the transport activity was the most important for the PKP CARGO Group.

3.2.1 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 September 2025, 135 entities held an active license for rail freight transport (compared to 137 carriers at the end of September 2024).²¹

The first 9 months of 2025 were marked by a continued downturn in rail freight transport in Poland. In this period, freight volume on the rail freight market decreased by -6.0 million tons yoy (-3.6% yoy to 160.6 million tons), while freight turnover decreased by -2.4 billion tkm yoy (-5.6% yoy to 41.4 billion tkm).²² The average haul fell by 2.0% compared with the same period a year earlier, to 258 km. The increase in the average haul of goods transported, compared with the years before Russia's aggression in 2022, results from significant changes in the structure of rail freight, including the growing role of shipments from Polish seaports to the south of the country.

The weakest month for rail transport in 9M 2025 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 April of this year (-8.6% yoy), which translated into the largest decrease in volume in year-on-year terms (by -1.6 million tons). The highest freight volume was recorded in July this year (almost 18.8 million tons), although transport volumes still declined (-1.3% yoy). Only in the last month of the third quarter did a long-awaited positive result appear: 18.6 million tons of rail freight, translating into a year-on-year increase of +3.4%. This was the first year-on-year improvement in a monthly result in 2025 (after eight consecutive months of declines). The improvement covered both freight volume and freight turnover.²³ The rail sector has been facing numerous challenges in recent months, so the solid result in September brings a welcome breath of optimism.

¹⁸ vdb.czso.cz / Statistics > Prices, Inflation (Consumer price index according to ECOICOP – year-on-year index) – as at 3 November 2025

¹⁹ mfcf.cz/en/fiscal-policy/macroeconomic-analysis/macroeconomic-forecast/2025 (Macroeconomic Forecast – November 2025 published on 6 November 2025)

²⁰ Markit PMI (www.pmi.spglobal.com/Public/Release/PressReleases)

²¹ Office of Rail Transport (dane.utk.gov.pl/sts/rejstry/rejestr-licencjonowanyc/16733, Wykaz-przedsiębiorców-posiadających-licencje-przewoźnika-kolejowego-wydana-przez.html)

²² Office of Rail Transport

²³ Office of Rail Transport

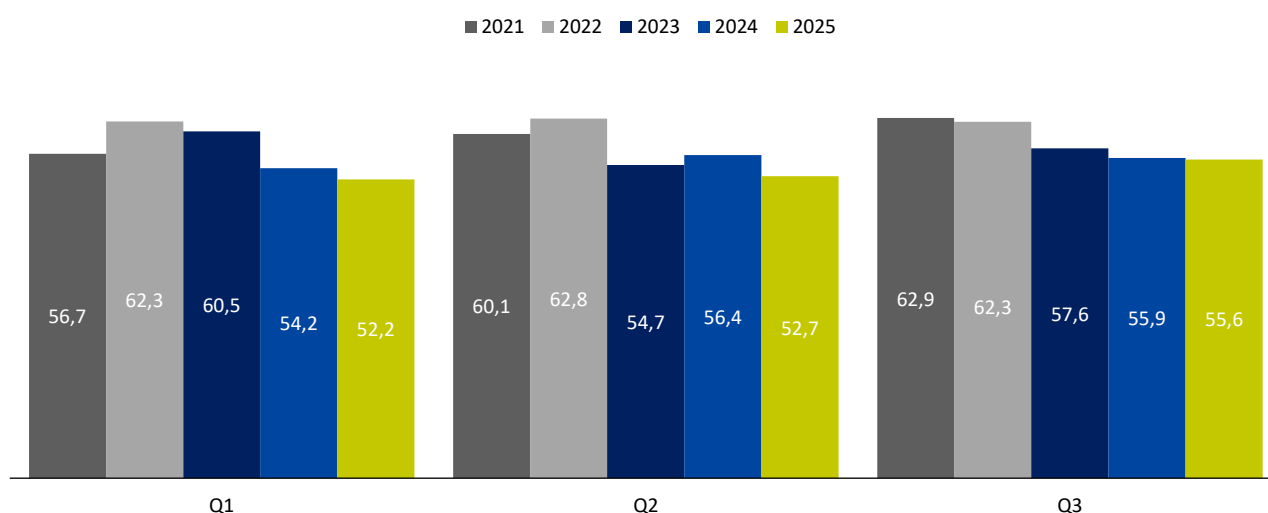
Freight carried by rail over the first 9 months of 2025 confirms the sector's weak condition, with demand in Western Europe still subdued and the international environment deteriorating. Other important factors behind the decline in transport include the war in Ukraine, disruptions and constraints in global trade (including higher customs tariffs, but above all non-tariff barriers that may significantly slow the production of entire sectors), and high production costs in Europe, including electricity prices that are not competitive with major global players.

When analyzing the structure of cargo transported by rail in Poland during the first 9 months of 2025, it should be noted that hard coal (the share of which in the transport structure is gradually decreasing) was still the largest cargo category²⁴, accounting for 28.0% of total transport. The following changes in rail transport year-on-year performance were recorded over that period in the largest cargo categories defined by Statistics Poland:²⁵

- hard coal (down -1.8% yoy to 39.5 million tons),
- aggregates, stone, sand and gravel (down -5.1% yoy to 33.5 million tons),
- refined petroleum products (down -5.1% yoy to 13.3 million tons),
- chemicals, chemical products (down -5.1% yoy to 7.0 million tons),
- metals and metal products (up +5.8% yoy to 7.0 million tons),
- coke, briquettes, gases (down -16.9% yoy to 5.9 million tons),
- iron ores (down -0.04% yoy to 3.8 million tons),
- agricultural products (down -37.8% yoy to 2.6 million tons).

Declines in freight volumes transported by rail compared to the results for the same period in 2024 were recorded in various categories, including: aggregates, sand and gravel (-1.8 million tons), agricultural products (-1.6 million tons), other cargo (-1.3 million tons), coke, briquettes and gases (-1.2 million tons), oil and hard coal refining products (-0.7 million tons each) and, to a lesser degree, chemicals and chemical products (-0.4 million tons). At the same time, during the first 9 months of this year, there was a year-on-year increase in rail transport of, among other categories, metals and metal products (+0.4 million tons), other construction materials (+0.3 million tons), secondary raw materials and scrap (+0.2 million tons), and wood and wood products, cement, lime and gypsum (+0.1 million tons each).²⁶

Figure 5 Rail freight volumes in Poland broken down by quarter in 2021-2025 (million tons)



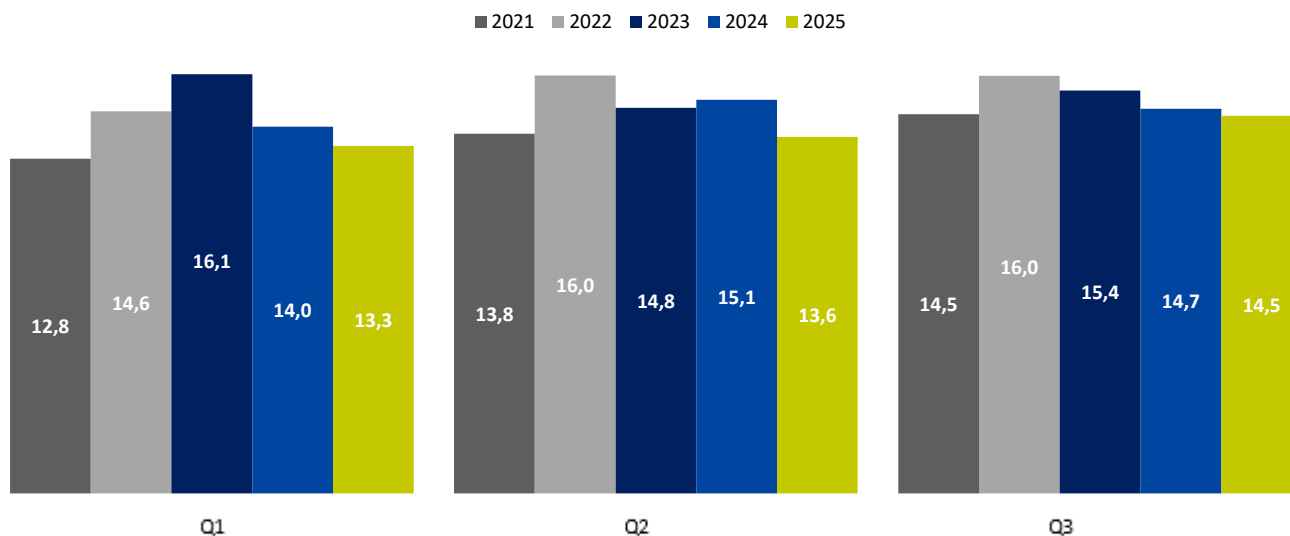
Source: Proprietary material based on the Office of Rail Transport's data

²⁴ Based on the NST classification – data from Statistics Poland - data for the first 8 months of 2025

²⁵ Statistics Poland

²⁶ Statistics Poland

Figure 6 Rail freight turnover in Poland (in billion tkm), by quarter in 2021-2025



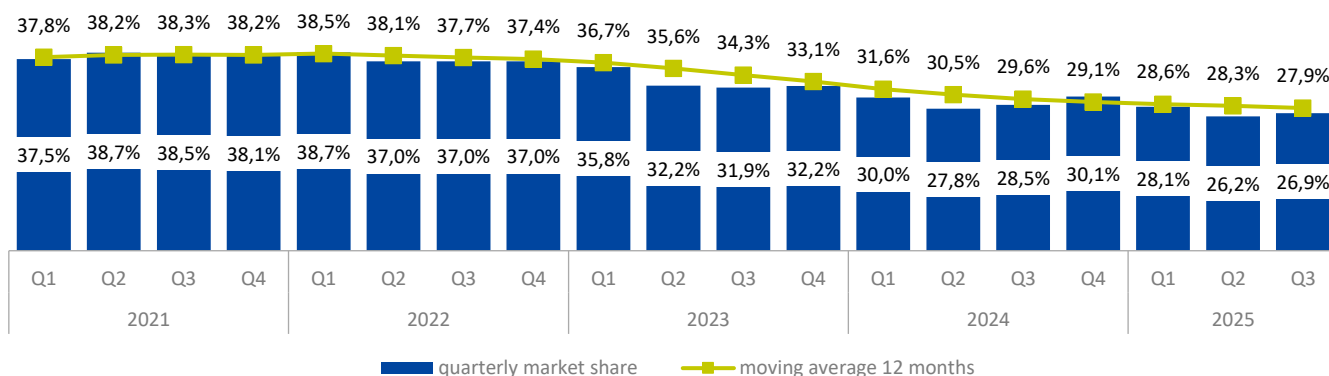
Source: Proprietary material based on the Office of Rail Transport's data

3.2.2 Position of the PKP CARGO Group in the rail freight market in Poland

In 9M 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 31 carriers in the corresponding period of 2024). These included two members of the PKP CARGO Group: PKP CARGO S.A. under restructuring and PKP CARGO Service Sp. z o.o.²⁷

The PKP CARGO Group²⁸ continues to be the leader in the rail freight market in Poland both in terms of share in the transported freight volume and generated freight turnover. The PKP CARGO Group's market share during the first three quarters of 2025 was 27.1 (-1.6 p.p. yoy) in terms of freight volume and 25.8% (-2.2 p.p. yoy).²⁹ Concurrently, the respective market shares of the PKP CARGO Group's parent company, that is PKP CARGO S.A. under restructuring, were 25.9% (-1.7 p.p. yoy) in terms of freight volume and 25.6% (-2.1 p.p. yoy) in terms of freight turnover.³⁰

Figure 7 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

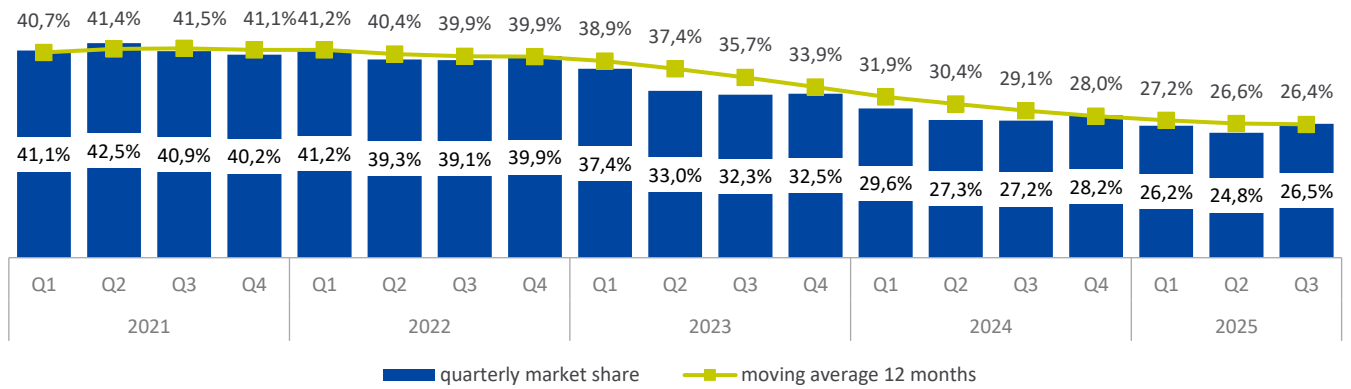
²⁷ Office of Rail Transport

²⁸ The PKP CARGO Group's freight volume takes into account cargo transported by PKP CARGO International a.s. in Poland.

²⁹ PKP CARGO Group and Office of Rail Transport data

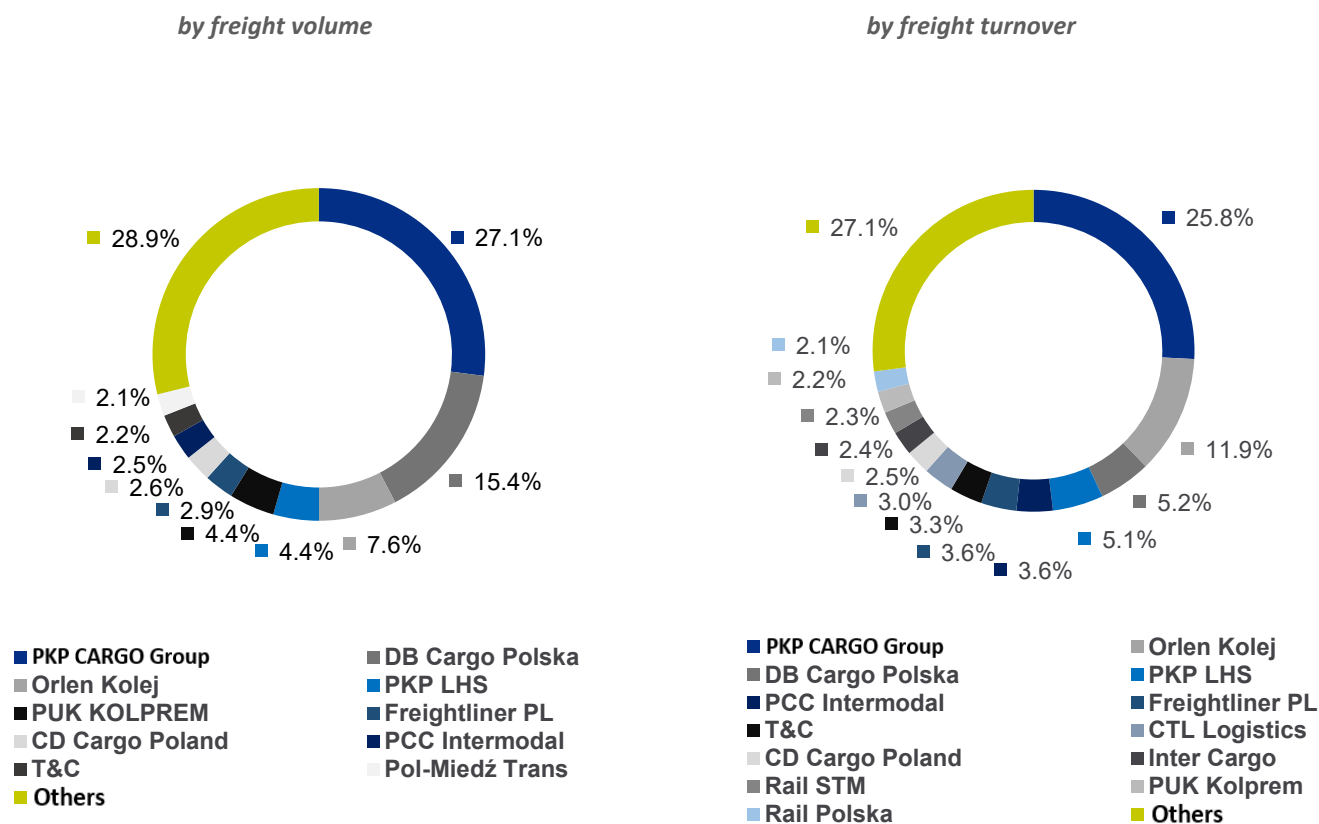
³⁰ Office of Rail Transport

Figure 8 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

Figure 9 Market shares of the largest rail operators in Poland in the first 3 quarters of 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 9M 2025 in terms of freight volume were the following: DB Cargo Polska, Orlen Kolej, PKP LHS, PUK Kolprem, Freightliner PL, CD Cargo Poland, PCC Intermodal, T&C and Pol-Miedź Trans. These are operators with a share of over 2% in the rail transport market volume.³¹

In 9M 2025, competing rail carriers transported a total of 117.1 million tons of cargo (-1.4% yoy) on the Polish market. The largest competitor in terms of volume handled was DB Cargo Polska, with a 15.4% market share and 24.7 million tons transported in 9M of this year (+1.8 million tons, or +7.7% compared to the volume transported in the corresponding period of 2024). This carrier gained +1.6 p.p. yoy in market share in the first three quarters of 2025 (the largest increase in market share among the PKP CARGO Group's competitors). The largest decline in market share among the competitors in 9M of this year was recorded by PKP LHS (-0.7 p.p. yoy) with a volume decline of -16.2% yoy.³²

At the same time, in the period under analysis, freight turnover of PKP CARGO Group's competitors decreased by -2.7% yoy to 30.7 billion tkm. In this respect, the market shares of IGL and PCC Intermodal increased the most in year-on-year terms (+0.6 p.p. each). Significant declines in market share among competitors were recorded by PKP LHS (-0.8 p.p. yoy) and T&C (-0.6 p.p. yoy).³³

3.2.3 Rail freight transport market in the Czech Republic

In H1 2025, a total of 269.1 million tons of cargo was transported in the Czech Republic (+2.5% yoy) and freight turnover stood at 42.8 billion tkm (-0.6% yoy).³⁴ In this period, a noticeable yoy decline was recorded in water transport (or -18.6% yoy in terms of freight volume and -14.3% yoy in terms of freight turnover), with an increase in road transport by +1.7% y/y in

³¹ Office of Rail Transport

³² proprietary material based on Office of Rail Transport data

³³ proprietary material based on Office of Rail Transport data

³⁴ Ministry of Transport of the Czech Republic, Czech Statistical Office. Data for Q3 2025 will be available around the end of Q4 2025 and the beginning of Q1 2026 (for rail transport, road transport and waterway transport).

terms of freight volume and +0.2% y/y in terms of freight turnover. In turn, in rail transport, freight volume increased by +7.6% y/y, but freight turnover declined by -3.8% y/y.

In H1 2025, the average haul of cargo in the market decreased by -3.0% yoy to 158.9 km, with the road transport segment recording a decrease in the average haul by -1.4% yoy (to 156.7 km) and the rail transport segment showing a decline by -10.6% yoy (to 167.9 km). Only water transport recorded an increase in the average haul of goods carried (+5.3% yoy).³⁵

Table 12 Freight transport market in the Czech Republic in H1 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	269.1	6.7	2.5%	42.8	-0.2	-0.6%	158.9	-5.0	-3.0%
Road transport	225.5	3.7	1.7%	35.3	0.1	0.2%	156.7	-2.3	-1.4%
Rail transport	43.2	3.0	7.6%	7.3	-0.3	-3.8%	167.9	-19.9	-10.6%
Other land transport segments	0.4	-0.09	-18.6%	0.2	-0.03	-14.3%	428.8	21.8	5.3%

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

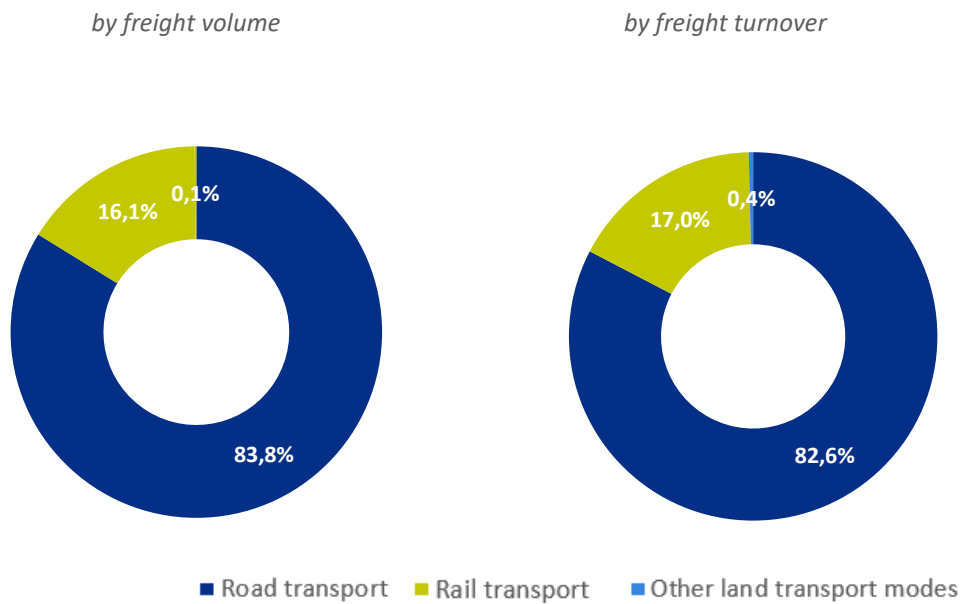
In H1 2025, rail transport in the Czech Republic recorded a noticeable increase in freight volume to 43.2 million tons (+7.6% yoy) with a concurrent decrease in freight turnover to 7.3 billion tkm (-3.8% yoy).³⁶ In the same period, cargo operations carried out by road increased by +1.7% (to 225.5 million tons) in terms of freight volume and by +0.2% (to 35.3 billion tkm) in terms of freight turnover. These results translated into a noticeable increase in the share of rail transport in terms of freight volume (+0.8 p.p. yoy), with a similar decrease in the share of road transport (-0.7 p.p. yoy). At the same time, rail recorded a decrease in its share in terms of freight turnover (-0.6 p.p. yoy) with a corresponding increase in the share of road transport (+0.6 p.p. yoy).³⁷

³⁵ Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)

³⁶ Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)

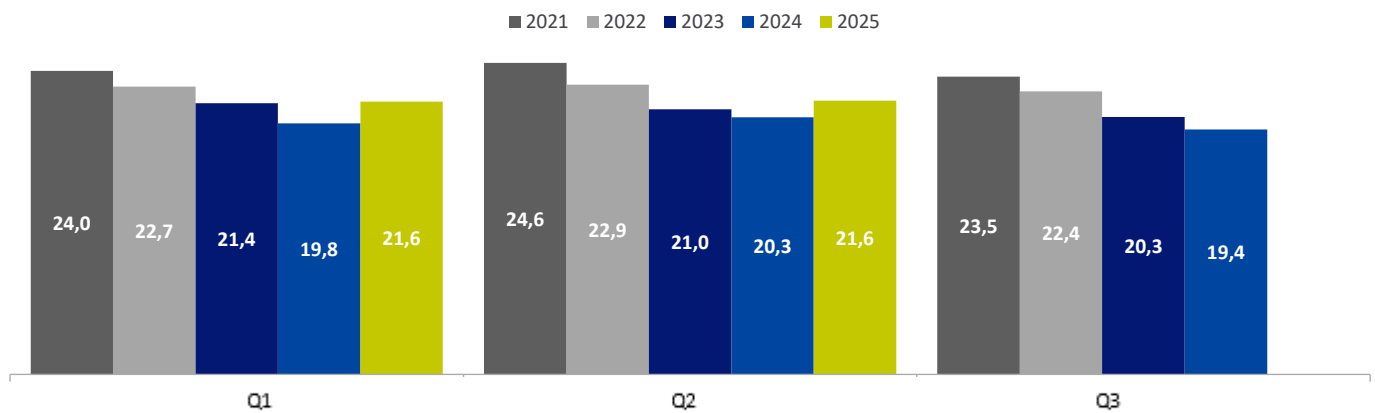
³⁷ Ministry of Transport of the Czech Republic, Czech Statistical Office (data are for rail, road and water transport)

Figure 10 Shares of various modes of transport in the transport market in the Czech Republic in H1 2025:



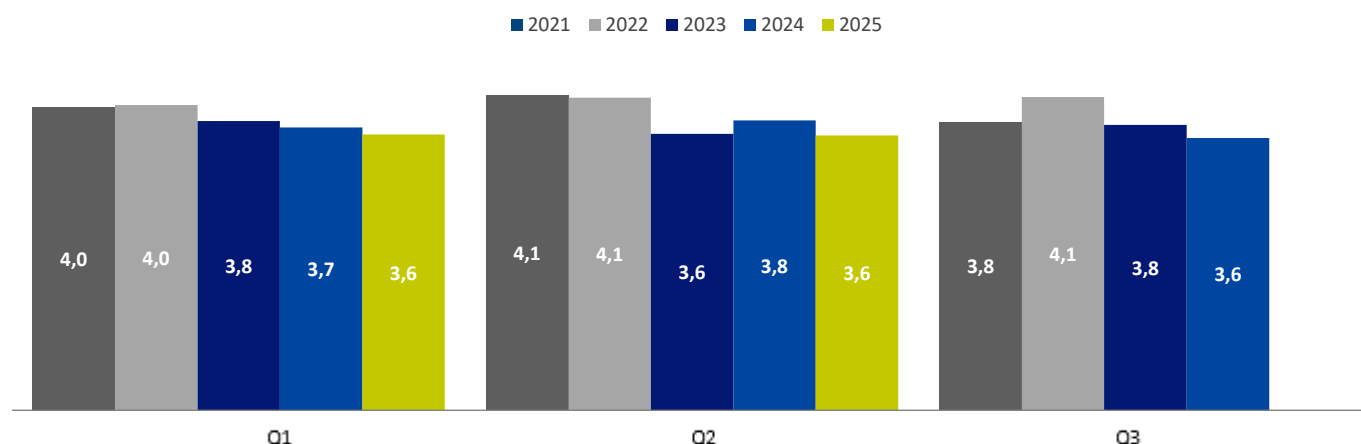
Source: Proprietary material based on data published by the Ministry of Transport of the Czech Republic

Figure 11 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

Figure 12 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

3.2.4 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), at the end of September 2025, there were 102 operators licensed to transport cargo on the Czech rail freight market, including two PKP CARGO Group companies: PKP CARGO S.A. under restructuring and PKP CARGO International a.s.³⁸

PKP CARGO International a.s. posted noticeable growth in its key parameters (freight volume and freight turnover) over the first 9 months of 2025. A certain revival in industry driven by changes in customs tariffs between the European Union and the United States, as well as a slight upturn in industrial processing in Europe, has somewhat boosted transport activity in the Czech Republic, although the magnitude of this impact remains limited.

In the first three quarters of this year, PKP CARGO International a.s. transported 4.1 million tons of freight (+6.6% yoy) and generated freight turnover of 0.4 billion tkm (+2.2% yoy). At the same time, PKP CARGO International's average haul decreased to 107.4 km (-4.1% yoy).³⁹ Solid fuels remained the largest cargo category in terms of freight volume, their share in the company's transport structure having declined from 53.6% during the first three quarters of 2024 to 49.1% during the corresponding period of 2025 (by -4.5 pp. yoy). Intermodal transport remains in second place in terms of significance, with its share in the total volume down in 9M of this year to 16.9% (from 19.0% in the corresponding period of last year).

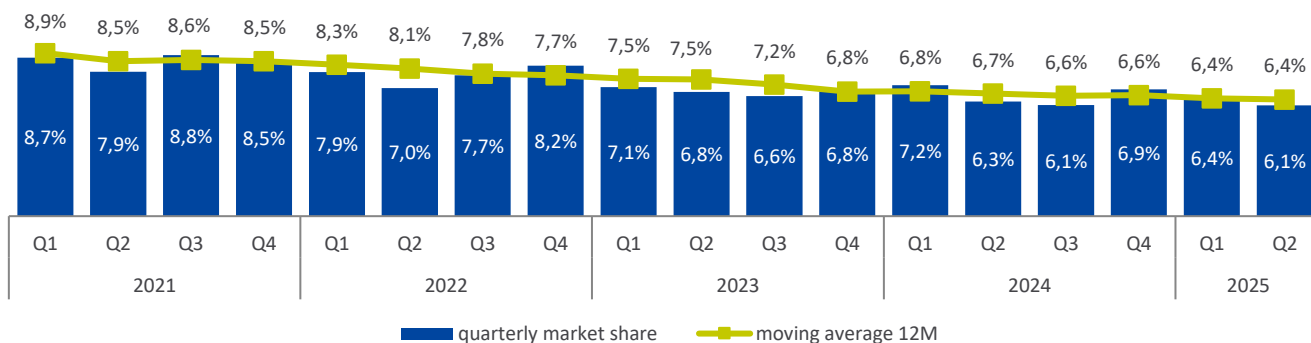
The largest increase in volume in this period was recorded in the transport of metals and ores (+290.1 thousand tons, or +118.7% yoy), chemical products (+44.9 thousand tons, or +15.7% yoy), aggregates and construction materials (+36.7 thousand tons, or +52.6% yoy), and other cargo (+32.5 thousand tons, or +47.8% yoy). In turn, the largest decrease in volume was recorded in the liquid fuels segment (-74.0 thousand tons, or -20.4% yoy), solid fuels (-50.1 thousand tons, or -2.4% yoy) and intermodal transport (-39.0 thousand tons, or -5.3% yoy). It should be emphasized that during the first three quarters of this year, despite the decline in the volume of solid fuels, the company increased its hard coal freight turnover (up +99.6 thousand tons, or +8.7% yoy) and its share in the transport structure accounted for 30.1% of all freight (up +0.6 p.p.).⁴⁰

³⁸ SŽDC (list of carriers on national and regional tracks, updated on 19 August 2025)

³⁹ PKP CARGO International's own statistics

⁴⁰ PKP CARGO International's own statistics

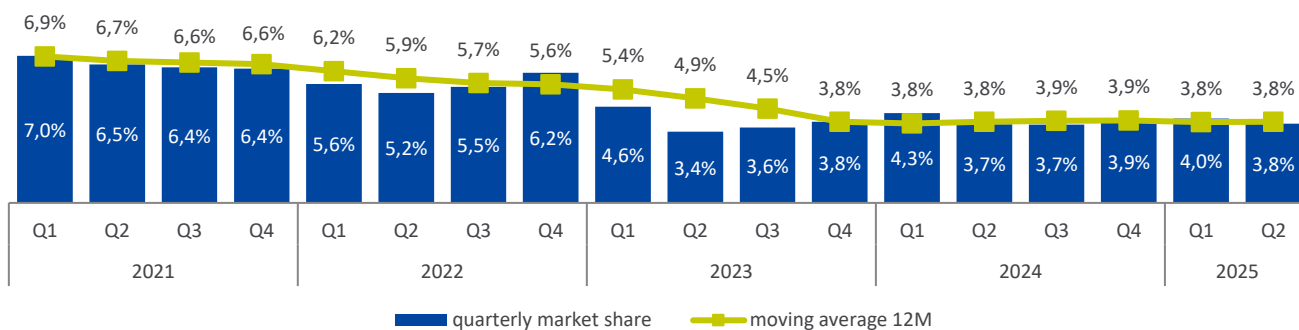
Figure 13 PKP CARGO International a.s.'s quarterly market shares in total freight volume in the Czech Republic in 2021-2025*



* data for Q3 2025 will be available at the end Q4 2025 and the beginning of Q1 2026

Source: proprietary material based on data from the Czech Ministry of Transport, the Czech Statistical Office and PKP CARGO International

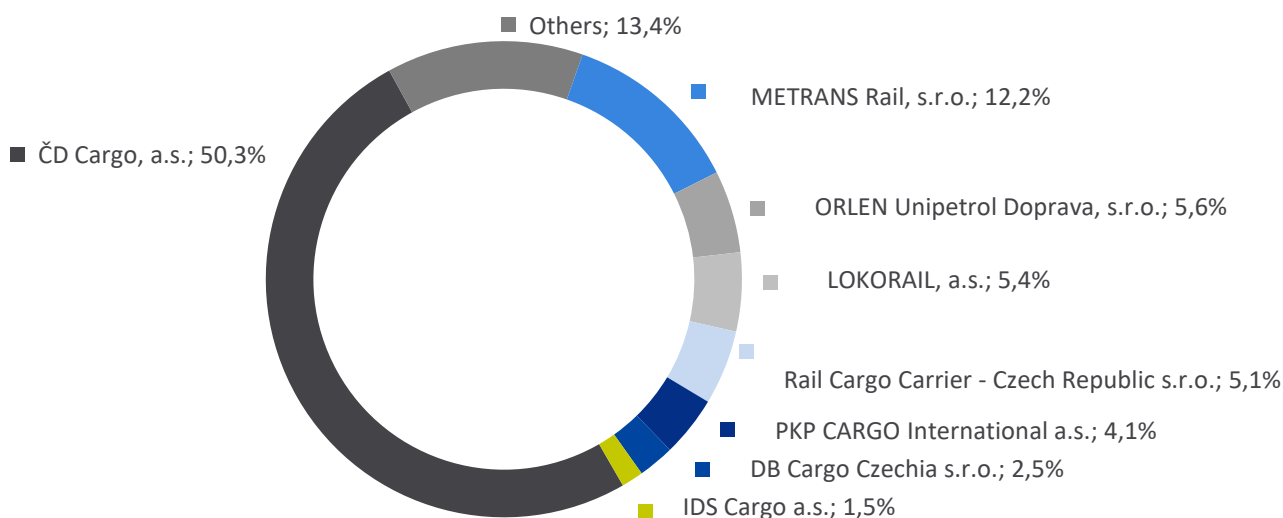
Figure 14 PKP CARGO International a.s.'s quarterly market shares in total freight turnover in the Czech Republic in 2021-2025*



* data for Q3 2025 will be available at the end Q4 2025 and the beginning of Q1 2026

Source: proprietary material based on data from the Czech Ministry of Transport, the Czech Statistical Office and PKP CARGO International

Figure 15 Market shares of the biggest rail operators by operational freight turnover in the Czech Republic in the first three quarters of 2025 (btkm)



Source: SŽDC (Czech rail infrastructure manager)

According to SŽDC data on market shares in rail transport in terms of freight turnover, in the first three quarters of 2025, PKP CARGO International recorded a tiny year-on-year decline in market share (-0.03 p.p. to 4.1%).⁴¹ The company maintains sixth position among operators on the Czech market, with visible shifts in the performance of individual carriers.

ČD Cargo a.s. decreased its market share yoy to 50.3% (-0.5 p.p.), although it still maintains its clear leading position on the Czech rail freight market in terms of freight turnover. Metrans Rail recorded a high year-on-year increase in market share in the first three quarters of 2025 (+1.6 p.p. to 12.2%, strengthening its position as the market runner-up). Positive results were also reported by ORLEN Unipetrol Doprava (+0.8 p.p. yoy to nearly 5.6%; the carrier is a member of the Orlen Group, which still ranks third on the market, despite the continuing difficult situation on the Czech chemical market) and DB Cargo Czechia s.r.o. (+0.2 p.p. yoy to nearly 2.5%).⁴²

In turn, the following companies saw a significant decrease in their market share yoy: IDS Cargo a.s., a logistics operator providing transport services in the Czech Republic and Slovakia (-0.4 p.p. to nearly 1.5%), Rail Cargo Carrier – Czech Republic (-0.2 p.p., a decrease in market share to nearly 5.1%) and LOKORAIL a.s. (-0.1 p.p. and a slight decrease in market share to 5.4%).⁴³

The list of the largest rail operators on the Czech market for 9M of this year, compiled by SŽDC, does not include the independent performance of PKP CARGO S.A., as it did not exceed the threshold of 1% market share in terms of operational turnover (expressed in train-kilometers), making SŽDC also omit the Company's result in terms of market share in total freight turnover in tkm. In 9M 2025, compared to the same period last year, PKP CARGO's independent transport in the Czech Republic increased slightly. Transit transport of paper, concrete rail sleepers, automotive products and metals increased. Fertilizer was transported to the Czech Republic and in transit to Slovakia, which was not the case in 2024. The transport of hard coal, coke and wood declined.⁴⁴

3.2.5 PKP CARGO Group's rail transport business

The data on the transport activity conducted by the PKP CARGO Group in 9M 2025 and 9M 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 members of the Group, 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 13 Freight turnover of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024

Item	9M 2025	9M 2024	Change 9M 2025/ 9M 2024		9M 2025	9M 2024	Q3 2025	Q3 2024	Change Q3 2025/ Q3 2024	
	(million tkm)		%		percentage of total (%)		(million tkm)		%	
Solid fuels ¹	4,018	4,601	-582	-12.7%	34%	34%	1,382	1,407	-25	-1.8%
<i>of which hard coal</i>	3,424	3,718	-293	-7.9%	29%	28%	1,168	1,156	12	1.0%
Aggregates and construction materials ²	2,663	3,295	-632	-19.2%	22%	24%	985	1,182	-197	-16.7%
Metals and ores ³	1,108	871	237	27.2%	9%	6%	455	302	153	50.6%
Chemicals ⁴	1,099	1,307	-209	-16.0%	9%	10%	329	437	-108	-24.7%
Liquid fuels ⁵	288	482	-195	-40.3%	2%	4%	128	148	-20	-13.7%
Timber and agricultural produce ⁶	382	590	-208	-35.2%	3%	4%	125	162	-37	-22.8%
Intermodal transport	1,963	2,006	-43	-2.2%	16%	15%	707	644	63	9.7%
Other ⁷	420	364	56	15.3%	4%	3%	170	118	52	44.0%
Total	11,940	13,517	-1,576	-11.7%	100%	100%	4,281	4,401	-119	-2.7%

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

⁴¹ SŽDC

⁴² SŽDC

⁴³ SŽDC

⁴⁴ PKP CARGO S.A.'s own statistics

Table 14 Freight volume of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024

Item	9M 2025	9M 2024	Change 9M 2025/ 9M 2024		9M 2025	9M 2024	Q3 2025	Q3 2024	Change Q3 2025/ Q3 2024	
	(million tons)		%		percentage of total (%)		(million tons)		%	
Solid fuels ¹	22.2	23.7	-1.5	-6.2%	47%	45%	7.6	7.7	-0.1	-1.8%
<i>of which hard coal</i>	20.0	20.4	-0.4	-1.9%	42%	39%	6.8	6.7	0.1	1.8%
Aggregates and construction materials ²	9.7	12.3	-2.6	-21.3%	20%	24%	3.5	4.3	-0.8	-19.0%
Metals and ores ³	3.9	3.4	0.5	15.3%	8%	6%	1.5	1.1	0.4	34.6%
Chemicals ⁴	3.2	4.0	-0.8	-20.1%	7%	8%	0.9	1.3	-0.4	-27.2%
Liquid fuels ⁵	1.0	1.7	-0.7	-41.5%	2%	3%	0.3	0.5	-0.2	-48.3%
Timber and agricultural produce ⁶	1.3	1.6	-0.3	-16.3%	3%	3%	0.4	0.5	-0.1	-13.3%
Intermodal transport	4.7	4.5	0.2	5.0%	10%	9%	1.6	1.5	0.1	9.4%
Other ⁷	1.4	1.1	0.3	26.9%	3%	2%	0.5	0.4	0.1	28.6%
Total	47.4	52.2	-4.8	-9.2%	100%	100%	16.2	17.2	-1.0	-5.6%

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

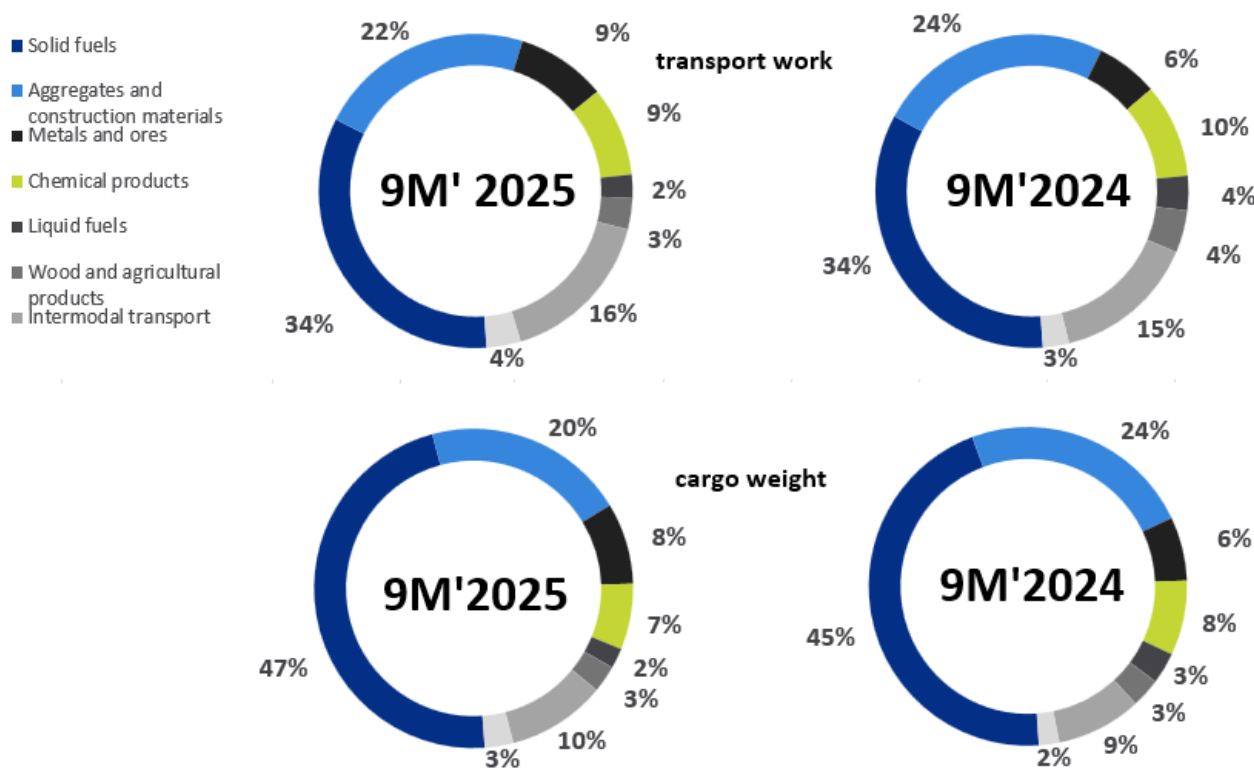
Table 15 Average haul of the PKP CARGO Group in 9M 2025 and Q3 of 2025 and 2024

Item	9M 2025	9M 2024	Change 9M 2025/ 9M 2024		Q3 2025	Q3 2024	Change Q3 2025/ Q3 2024	
	(km)		%		(km)		%	
Solid fuels ¹	181	194	-13	-6.9%	183	183	0	0.0%
<i>of which hard coal</i>	171	182	-11	-6.1%	171	172	-1	-0.7%
Aggregates and construction materials ²	275	268	7	2.6%	285	278	8	2.8%
Metals and ores ³	284	257	27	10.3%	299	268	32	11.9%
Chemicals ⁴	347	330	17	5.2%	350	338	12	3.5%
Liquid fuels ⁵	296	291	6	2.0%	497	297	199	67.1%
Timber and agricultural produce ⁶	294	380	-86	-22.6%	301	338	-37	-11.0%
Intermodal transport	414	445	-30	-6.8%	444	443	1	0.3%
Other ⁷	306	337	-31	-9.2%	341	304	36	12.0%
Total	252	259	-7	-2.7%	264	256	8	3.1%

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.

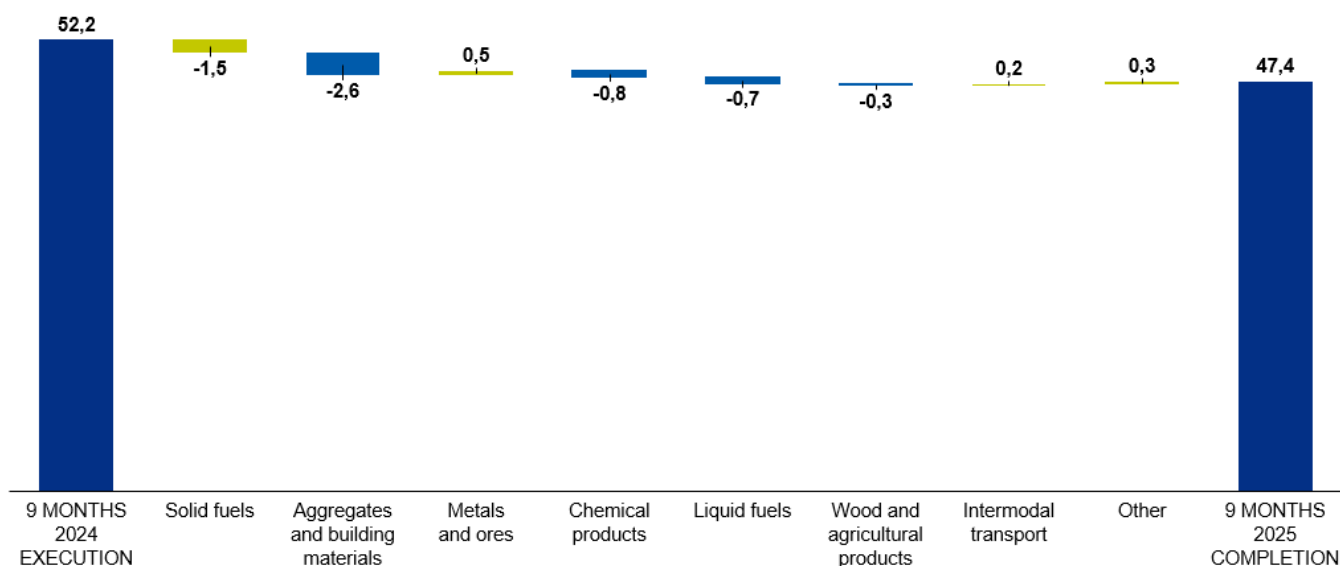
Figure 16 Structure of the PKP CARGO Group's freight turnover and freight volume in 9M of 2025 and 2024



Source: Proprietary material

During the first three quarters of 2025, the PKP CARGO Group transported a total of 47.4 million tons of freight.

Figure 17 Freight volume of the PKP CARGO Group in 9M 2025 compared to the corresponding period in 2024



Source: Proprietary material

Explanation of key factors that affected freight volume in various cargo categories in 9M 2025:



SOLID FUELS

- The transport of solid fuels in the first 9 months of 2025 was lower than in the same period a year earlier.
- gradual decline in the share of hard coal as a fuel due to the adaptation of businesses to the requirements of climate policy,
- there was no contract for lignite supplies to power plants (for one of the customers),
- reduced demand for coal for coke production for the metallurgical sector due to lower steel production,
- decrease in the average haul of hard coal by 13 km (-6.9%) in connection with the changed freight routes.



AGGREGATES AND
CONSTRUCTION
MATERIALS

- The transport of aggregates and construction materials in the first 9 months of 2025 was below the level recorded in the same period of 2024.
- technological and maintenance shutdowns in mineral mines also occurred,
- 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,
- PKP CARGO INTERNATIONAL – lower demand for transport – reduction in the production level of one of the customers in Hungary,
- increase in the average haul by 7 km (+2.6%) due to a change in the structure/directions of deliveries, mainly for the needs of infrastructural investments in various parts of Poland.



METAL
AND ORES

- The transport of ores and metals in the first 9 months of 2025 was higher than in the corresponding period last year.
- increased demand for scrap metal from the steel industry,
- PKP CARGO INTERNATIONAL – increased customer demand for transport to Ostrava,
- increase in the average haul by 27 km (+10.3%) – change in the structure of freight routes.



CHEMICAL
PRODUCTS

- The transport of chemicals in the first 9 months of 2025 was lower than in the first 9 months of the previous year.
- reduced hydrocarbon and fertilizer transport operations – limited delivery of shipments from the East due to the embargo in force,
- transport carried out by one of the customers using its own carrier,
- increase in the average haul by 17 km (+5.2%) – decrease in the share of short-distance transport to Ukraine near the border.



INTERMODAL
TRANSPORT

- Intermodal transport in the first 9 months of 2025 was slightly higher than in the corresponding period of the previous year.
- increased customer demand for transport through Polish seaports, signing of new contracts,
- decrease in the average haul by 30 km (-6.8%) due to a change in the structure of transport operations.



LIQUID
FUELS

- Fuel transport in the first 9 months of 2025 was lower than in the first 9 months of 2024.
- fuel transport to Ukraine was carried out using a customer's own traction,
- reduced volume of orders for petroleum coke to Ukraine,
- increase in the average haul by 6 km (+2.0%).



WOOD AND
AGRICULTURAL
PRODUCTS

- The transport of timber and agricultural products in the first 9 months of 2025 was lower than in the same period of the previous year.
- 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,
- decrease in the average haul by 86 km (-22.6%) as a result of a decrease in the share of transit transport of grain, feed and timber.



OTHERS

- The transport of other cargo in the first 9 months of 2025 was higher than in the corresponding period of the previous year.
- transportation services in connection with a new customer contract for the export of mining waste,
- decrease in the average haul by 31 km (-9.2%).

3.3 Other services

The PKP CARGO Group does not distinguish operating segments of its activity, since it has one main product, which incorporates all the material services provided by the Group. The Group conducts its business within one main segment – domestic and international cargo freight and provision of comprehensive logistics services related to rail freight. The Management Board of the Parent Company analyzes financial data in the layout in which they were presented in the Quarterly Condensed Consolidated Financial Statements of the Group. The Group additionally provides services related to rolling stock repairs, infrastructure maintenance and land reclamation services, but they are not material for the Group's business and therefore are not treated as separate operating segments.

3.4 Headcount

Since the beginning of 2025, the PKP CARGO Group recorded a decrease in headcount by 1,058 persons, of which PKP CARGO by 728 persons.

Figure 18 Headcount in the PKP CARGO Group as at 30 September 2025 and 31 December 2024

Employment in the group (persons) as of:	Worker position in the group (persons) as of:	Non-worker positions in the group (persons) as of:
30/09/2025	30/09/2025	30/09/2025
13 676	10 099	3 577
31/12/2024	31/12/2024	31/12/2024
14 734	10 997	3 737

Source: Proprietary material

3.5 PKP CARGO Group's investments

In 9M 2025, the PKP CARGO Group incurred capital expenditures of PLN 304.2 million, down 42.9% 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 inspections of P3 rolling stock). Capital expenditures also include right-of-use assets (mainly lease of real estate) resulting from IFRS 16.

The majority of the Group's capital expenditures during the first 9 months of 2025 were earmarked for the execution of investment tasks associated with rolling stock, mainly for periodic repairs and periodic check-ups of rolling stock (the number of periodic repairs and periodic inspections performed in this period is derived from the cycles specified in the Maintenance System Documentation (DSU) approved by the Office of Rail Transport) and upgrades of locomotives, in the total amount of PLN 238.8 million (or 78.5% of total capital expenditures). Moreover, the Group incurred capital expenditures on construction projects of PLN 3.8 million, purchases of machinery, equipment and other workshop and office equipment in the amount of PLN 4.3 million, and on computerization, that is the purchase of computer hardware and intangible assets (software) in the amount of PLN 2.6 million, and PLN 54.7 million on right-of-use assets, including: PLN 48.6 million on property leases and PLN 6.1 million on other rights.

Table 16 Capital expenditures on property, plant and equipment, intangible assets and right-of-use assets in the PKP CARGO Group in 9M 2025 as compared to 9M 2024 (PLN million)

Item	9 months 2025	9 months 2024	Change 2025-2024	Change 2025-2024 %
Investment construction activity	3.8	13.7	-9.9	-72.3%
Locomotive upgrades	41.9	5.6	36.3	648.2%
Workshop machinery and equipment	3.6	6.5	-2.9	-44.6%
ICT development	2.6	3.7	-1.1	-29.7%
Other	0.7	4.2	-3.5	-83.3%
Components in overhaul, including:	196.9	343.3	-146.4	-42.6%
<i>Repairs and periodic inspections of locomotives</i>	62.9	66.1	-3.2	-4.8%
<i>Repairs and periodic inspections of wagons</i>	134.0	277.2	-143.2	-51.7%
Right-of-use assets,* of which related to:	54.7	155.5	-100.8	-64.8%
<i>Real properties</i>	48.6	71.8	-23.2	-32.3%
<i>Rolling stock</i>	3.4	71.9	-68.5	-95.3%
<i>Other rights</i>	2.7	11.8	-9.1	-77.1%
Total	304.2	532.5	-228.3	-42.9%

* Expenditures on right-of-use assets do not include increases resulting from the sale and leaseback of transport/transshipment equipment for 9M 2024 in the amount of PLN 6.2 million.

Source: Proprietary material

3.6 Key information and events in the first three quarters of 2025 and until the report publication date

3.6.1. Major decisions and events within the framework of remedial proceedings

- On 30 June 2025, the Company's Restructuring Administrator submitted to the competent court a Restructuring Plan prepared in compliance with Article 10 of the Restructuring Law (Journal of Laws of 2022, item 2309, as amended). The Restructuring Plan provides for the implementation of restructuring measures aimed at restoring the Company's profitability, ensuring its long-term development and helping it regain its ability to settle its liabilities. The scheduled horizon for the implementation of key restructuring initiatives covers the period from July 2025 to December 2026.
- On 30 June 2025, the PKP CARGO Management Board also submitted Composition Proposals for Creditors to the competent court. The Composition Proposals, which are an integral part of the Restructuring Plan, provide for the breakdown of Creditors into groups corresponding to specific categories of interests. The purpose of the proposed breakdown into nine groups is to enable a more flexible approach to different categories of liabilities, increasing the likelihood of the composition being accepted and effectively implemented.

As at the date of publication of this report, both of the said documents are under review by the Council of Creditors, which on 14 November 2025 requested the Judge-Commissioner to extend the deadline for issuing its opinion on those documents until 31 January 2026, indicating that this will allow its members to thoroughly analyze the materials submitted by the Company and the Administrator and to formulate a final, reasoned position on the Restructuring Plan and the Composition Proposals.

On 1 December 2025, as a consequence of the petition, the Judge-Commissioner issued an order giving consent to the extension of the deadlines for the Council of Creditors of PKP CARGO S.A. under restructuring to express its opinion on the Restructuring Plan and Composition Proposals, setting the new deadline for their submission on 2 February 2026. At the same time, given the circumstances of the case, the Judge-Commissioner obligated the Company and the Administrator to cooperate with the Council of Creditors regarding the said documents, and set a deadline for the Company to submit the final content of the Composition Proposals to be voted on by 27 February 2026. In the Order, the Judge-Commissioner emphasized that the above deadlines are, in principle, final, and their extension will be possible only to a limited extent and due to exceptional circumstances different from those raised previously, solely upon a written and substantiated petition from the Council of Creditors or the Administrator; the Judge-Commissioner simultaneously stated that the composition voting procedure will be carried out without undue delay, immediately after obtaining the documents mentioned above.

- The proceedings concerning the sale of the Company's assets were finalized on 9 September 2025, resulting in the disposal of 6,696 freight cars withdrawn from operation for a total of PLN 123.3 million.
- The process of selling real estate located in Warsaw, in the Praga Północ district, at ul. Gołędzinowska, with a starting price of PLN 55 million, is ongoing and currently involves negotiations with a single bidder.

The Company continues its ongoing analysis of the usefulness of real estate and rolling stock and the most effective way to deploy both in current operations as well as in any potential sale of assets that are operationally redundant or cost-inefficient. Any further asset disposals will require the Judge-Commissioner's consent before the Restructuring Plan is approved.

- On 1 October 2025, the Council of Creditors passed Resolution No. 7 on changing the Restructuring Administrator appointed in the Company's remedial proceedings. The resolution was submitted to the District Court for the Capital City of Warsaw.
- On 18 November 2025, after the Restructuring Administrator received information on an agreement reached between the Council of Creditors, the Company and its main shareholder regarding a jointly accepted candidate for the administrator of PKP CARGO S.A. under restructuring, and bearing in mind the interests of the Company, its creditors and its employees, the Restructuring Administrator tendered his resignation from this function to the National Debt Register, addressed to the District Court for the Capital City of Warsaw, and requested a change of administrator for PKP CARGO S.A. under restructuring.

By the publication date of this report, the District Court has not considered the Council of Creditors' petition or the Administrator's petition regarding the change of the Company's Restructuring Administrator.

- On 26 November 2025, the Company's Management Board decided to submit a motion to the Shareholder Meeting to adopt a resolution on reducing the share capital of PKP CARGO S.A. under restructuring in order to cover the Company's loss and amend the Company's Articles of Association, and to adopt a resolution on covering the loss disclosed in the Company's Standalone Financial Statements for 2024.

In line with the Management Board's request:

- the reduction of the Company's share capital envisages a reduction 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, 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 procedure for reducing the share capital will be carried out while keeping the number of all shares of every series unchanged and will occur without conducting convocation proceedings. The purpose of reducing the share capital will be to offset the loss incurred by PKP CARGO S.A. under restructuring in 2024 in the amount of PLN 2,412,728,806.03, where the amount achieved by reducing the Company's share capital, i.e. PLN 2,194,558,933.00 will be allocated to cover the loss. Ultimately, the loss remaining after the reduction of the Company's share capital in the amount of PLN 218,169,873.03 will be covered from the Company's supplementary capital. The operation of reducing the share capital will be of a strictly accounting nature and will serve to adjust its amount to the level of the incurred loss,
- the Company's share capital may be increased within the confines of authorized capital by means of one or more consecutive share capital increases, up to a total amount not greater than PLN 33,590,187.00. The authorization will be granted for 3 years.

The Management Board believes that adopting these resolutions is in the best interest of the Company, its shareholders, and its Creditors.

The publication of the said confidential information was postponed until the Supervisory Board issued its opinion on the Management Board's request submitted to the Shareholder Meeting, that is until 1 December 2025.

Since the Supervisory Board did not adopt a resolution on 1 December 2025, opining on the motion to authorize a share capital increase within the authorized capital, the Management Board decided not to submit this motion to the Shareholder Meeting of PKP CARGO S.A. under restructuring.

3.6.2 Judicial restructuring of the subsidiary PKP CARGOTABOR Sp. z o.o. under restructuring

- On 14 March 2025, the company submitted to the District Court for the Capital City of Warsaw in Warsaw a Restructuring Plan ("Plan") prepared for the purposes of the remedial proceedings conducted under reference number WA1M/GRs/8/2024, which was approved by the Judge-Commissioner on 11 June 2025. The company's Plan provides for comprehensive measures in four key areas: management, human resources, operations and finance. It provides for the implementation of restructuring measures aimed at restoring the company's profitability and ability to settle its liabilities.

As at the publication date of this report, the case is in progress.

- On 11 September 2025, the Restructuring Administrator of PKP CARGOTABOR Sp. z o.o. under restructuring sent a request for proposals regarding the possibility of acquiring the entire enterprise – the company, indicating that the company is ready to sell its assets both as an operating enterprise and as elements of distinct units. Therefore, as part of one of the restructuring scenarios, the company took steps to explore the possibility of selling its assets.

3.6.3 Optimization and corrective measures in PKP CARGO's employment area

During the first three quarters of H1 2025, the Company's Management Board took steps to optimize the Company's employment area to ensure financial stability, improve profitability and align headcount with existing operational needs. Actions taken include:

- The implementation of organizational changes on 1 August 2025 brought structural and organizational transformations leading to the creation of a single employer – PKP CARGO S.A. under restructuring – and triggered the transfer of employees from the Company’s existing plants under Article 23¹ of the Labor Code.
- consultations were held with the Company’s trade unions on the new Bonus Bylaws of PKP CARGO S.A. under restructuring and the new Labor Bylaws of PKP CARGO S.A. under restructuring, which, following the introduction of a single-employer structure, replaced the existing rules in force at the Company’s Head Office and Units,
- implementation of the procedure of mass layoffs 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 completing the mass layoff procedure was set for 30 September of this year, and the Company carried it out pursuant to Article 36¹ of the Labor Code, that is with the notice period shortened to one month. According to data available on the date of this report’s publication, 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. In connection with the said process, a restructuring provision for mass layoffs of PLN 24.3 million was recognized as at 30 September 2025. The costs of the mass layoffs were financed from proceeds from the sale of freight wagons withdrawn from service. Due to the completion of the final formalities related to the mass layoff process, detailed figures will be presented in the Company’s annual report for 2025.
- on 8 October 2025, the repayment process of the final past due employee benefits in the total amount of PLN 57.73 million was completed. These benefits comprised overdue retirement and disability severance payments, jubilee awards and compensation for unused vacation, including employee receivables outstanding between August 2024 and 3 October 2025. These liabilities were paid at the principal amount, without interest. The funds for these payments were sourced from the Company’s current operating activities.

3.6.4. Other key information and events

- On 25 March 2025, the Company’s Management Board decided to enter into 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 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.
- On 3 April 2025, a meeting was held between the Management Board of the subsidiary PKP CARGOTABOR Sp. z o.o. and the Trade Unions, at which an agreement was signed together with the Rules for Awarding Bonuses to Employees of PKP CARGOTABOR sp. z o.o. under restructuring.
- On 19 April 2025, the Judge-Commissioner issued a Decision pursuant to Article 298(1), (2) and (3) of the Restructuring Law, accepting fully the Administrator’s petition and granting consent for the Company’s 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 (“Valentine’s Day Agreement”), with subsequent annexes to the Agreement, with effect from the date of commencement of the Company’s remedial proceedings, that is from 25 July 2024. On 28 October 2025, the District Court for the Capital City of Warsaw in Warsaw issued a Decision amending the Judge-Commissioner’s Decision by dismissing the Administrator’s petition.
- 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 30 July 2025, the Ordinary Shareholder Meeting of PKP CARGO S.A. under restructuring which had been convened for 30 June 2025, after resuming its session, adopted a resolution on amending the Company’s Articles of Association, including § 26 sec. 2 thereof. 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), and, consequently, the Company's Articles of Association stipulate that the Audit Committee of the Supervisory Board of PKP CARGO S.A. will be responsible for supervising sustainability reporting. The amendments to the Company's Articles of Association were registered in court on 6 August 2025.

- On 31 July 2025, PKP CARGO S.A. under restructuring and PKP Polskie Linie Kolejowe S.A. signed Annex 2 to the Letter of Intent of 12 June 2024, the purpose of which is to continue joint activities aimed at the acquisition by PKP Polskie Linie Kolejowe S.A. from the Company of 100% of shares in CARGOTOR Sp. z o.o. In line with the Annex, the parties are required to execute this transaction no later than by 30 September 2025. Despite the expiry of the deadline specified in the Annex to the Letter of Intent, the Company indicates that discussions regarding this project are underway.
- On 11 August 2025, PKP CARGO S.A. under restructuring 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 is 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 Voivodship until 31 December 2026.
- On 5 November 2025, the Company presented its view that there are no legal grounds for pursuing claims against PKP Polskie Linie Kolejowe S.A. ("PKP PLK") 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 charges 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.
- On 1 December 2025, the PKP CARGO Supervisory Board approved the execution of an agreement with PKP Polskie Linie Kolejowe S.A. to use throughput capacity for cargo transport 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 PLN 406.8 million, or PLN 500.4 million with VAT. The agreement includes standard clauses on mutual contractual penalties. This is a regular agreement concluded by the Company on an annual basis.

4. Analysis of the financial situation and assets of the PKP CARGO Group

4.1 Economic and financial highlights of the PKP CARGO Group

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

Table 17 Financial highlights of the PKP CARGO Group

PKP CARGO Group	PLN million ⁴⁵		in EUR million	
	9M 2025	9M 2024	9M 2025	9M 2024
Exchange rates (PLN/EUR)			4.2365	4.3022
Operating revenue	2,834.6	3,407.8	669.1	792.1
Operating profit / (loss)	90.8	-792.2	21.4	-184.1
Profit / (loss) before tax	-3.5	-928.4	-0.8	-215.8
Net profit / (loss)	-10.4	-795.7	-2.5	-185.0
Total comprehensive income attributable to the owners of the parent company	-20.5	-854.4	-4.8	-198.6
Weighted average number of shares	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
Earnings / (loss) per share (PLN)	-0.23	-17.77	-0.05	-4.13
Diluted earnings / (loss) per share (PLN)	-0.23	-17.77	-0.05	-4.13
Net cash flow from operating activities	254.2	890.3	60.0	206.9
Net cash flow from investing activities	-94.9	-352.1	-22.4	-81.8
Net cash flow from financing activities	-177.1	-293.5	-41.8	-68.2
Movement in cash and cash equivalents	-17.8	244.7	-4.2	56.9
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
Exchange rates (PLN/EUR)			4.2692	4.2730
Non-current assets	4,920.1	4,996.3	1,152.5	1,169.2
Current assets	1,391.2	1,443.0	325.9	337.7
Non-current assets classified as held for sale	88.2	0.3	20.6	0.1
Share capital	2,239.3	2,239.3	524.5	524.1
Equity attributable to the owners of the parent company	725.7	746.2	170.0	174.6
Non-current liabilities	2,128.3	2,378.7	498.5	556.7
Current liabilities	3,545.5	3,314.7	830.5	775.7

Source: Quarterly Condensed Consolidated Financial Statements of the PKP CARGO under restructuring Group for the period of 9 months ended 30 September 2025, prepared in accordance with EU IFRS

⁴⁵ To facilitate the reading of this document, some figures have been rounded off, which will not cause any significant deviations in the presented data. In all cases of possible distortions, the data are presented with greater accuracy.

Table 18 Financial highlights of PKP CARGO S.A.

PKP CARGO S.A.	PLN million ⁴⁶		in EUR million	
	9M 2025	9M 2024	9M 2025	9M 2024
Exchange rates (PLN/EUR)			4.2365	4.3022
Operating revenue	2,032.4	2,597.2	479.7	603.7
Operating profit / (loss)	96.1	-729.9	22.7	-169.7
Profit / (loss) before tax	-35.4	-859.0	-8.4	-199.7
Net profit / (loss)	-43.2	-738.7	-10.2	-171.7
Total comprehensive income attributable to the owners of the parent company	-73.8	-770.6	-17.4	-179.1
Weighted average number of shares	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
Earnings / (loss) per share (PLN)	-0.96	-16.49	-0.23	-3.83
Diluted earnings / (loss) per share (PLN)	-0.96	-16.49	-0.23	-3.83
Net cash flow from operating activities	162.5	826.9	38.4	192.2
Net cash flow from investing activities	-74.9	-328.9	-17.7	-76.4
Net cash flow from financing activities	-158.4	-287.2	-37.4	-66.8
Movement in cash and cash equivalents	-70.8	210.8	-16.7	49.0
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
Exchange rates (PLN/EUR)			4.2692	4.2730
Non-current assets	4,614.1	4,716.6	1,080.8	1,103.8
Current assets	889.7	995.4	208.4	233.0
Non-current assets classified as held for sale	88.2	0.3	20.6	0.1
Share capital	2,239.3	2,239.3	524.5	524.1
Equity	437.1	510.9	102.4	119.6
Non-current liabilities	1,794.0	2,046.0	420.2	478.8
Current liabilities	3,360.9	3,155.4	787.2	738.5

Source: Quarterly Financial Information of PKP CARGO S.A. under restructuring for the period of 9 months ended 30 September 2025, prepared in accordance with EU IFRS.

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 Quarterly Condensed Consolidated Financial Statements of the PKP CARGO under restructuring Group and the Quarterly Financial Information of PKP CARGO S.A. under restructuring for the period of 9 months ended 30 September 2025:

- exchange rate in force on the last day of the reporting period: 30 September 2025: EUR 1 = PLN 4.2692; 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 – 30 September 2025: EUR 1 = PLN 4.2365, 1 January – 30 September 2024: EUR 1 = PLN 4.3022.

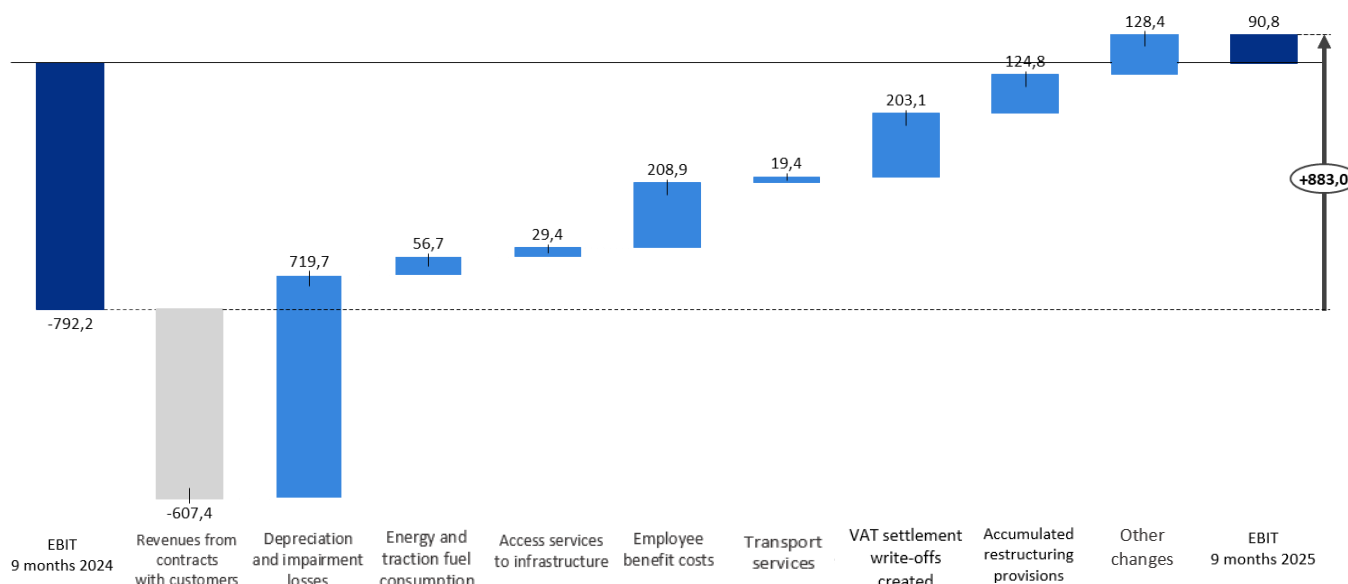
⁴⁶ To facilitate the reading of this document, some figures have been rounded off, which will not cause any significant deviations in the presented data. In all cases of possible distortions, the data are presented with greater accuracy.

4.1.2. Analysis of selected financial highlights of the PKP CARGO Group

Statement of profit or loss of the PKP CARGO Group

During the first 9 months of 2025, EBIT reached PLN 90.8 million, marking an improvement compared to the corresponding period of 2024 by PLN 883.0 million.

Figure 19 EBIT in 9M 2025 as compared to the corresponding period in 2024 (PLN million)



Source: Proprietary material

The following is a description of the most significant deviations affecting EBIT in the first 9 months of 2025 as compared to the first 9 months of 2024:

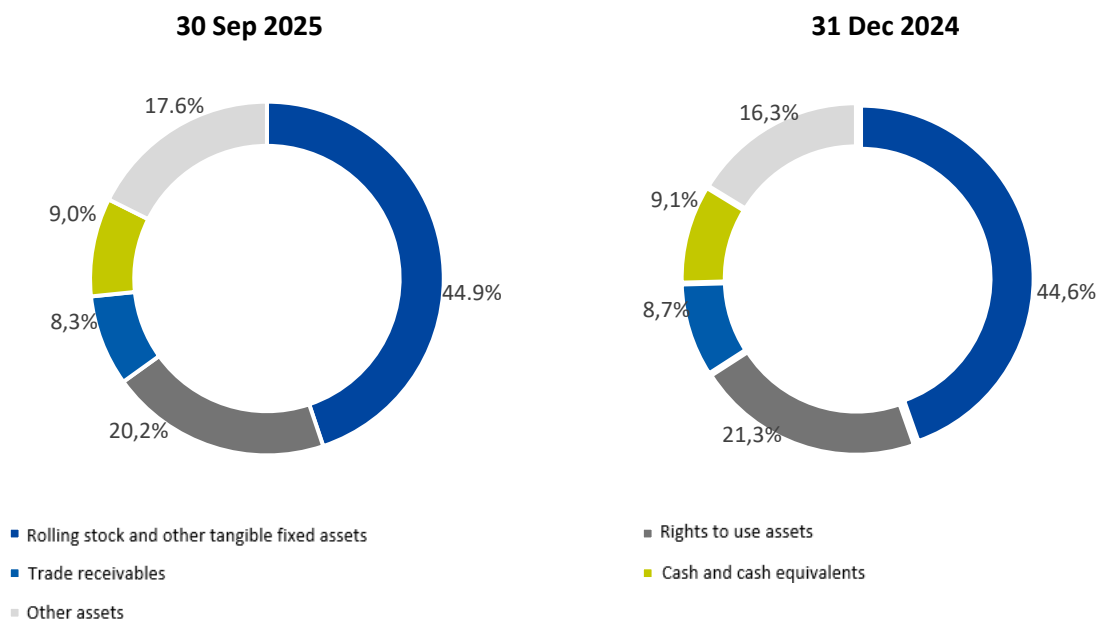
- decrease in revenues from contracts with customers (including predominantly revenues from transport and freight forwarding services) as a direct consequence of a decline in freight volume and unit freight rates. The details pertaining to the PKP CARGO Group's transport services are described in section 3.2.5 PKP CARGO Group's rail transport business;
- decrease in depreciation and impairment losses, mainly as a result of impairment losses recognized in 2024 and 9M 2025, which resulted in a lower base of depreciable fixed assets;
- 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 benefit costs as a result of the Group's restructuring and the furlough program carried out in 2024. Detailed information on the changes in headcount is presented in section 3.4 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,
- as at 30 September 2025, no impairment losses were recognized on VAT settlements, and restructuring provisions decreased.

Statement of financial position of the PKP CARGO Group

ASSETS

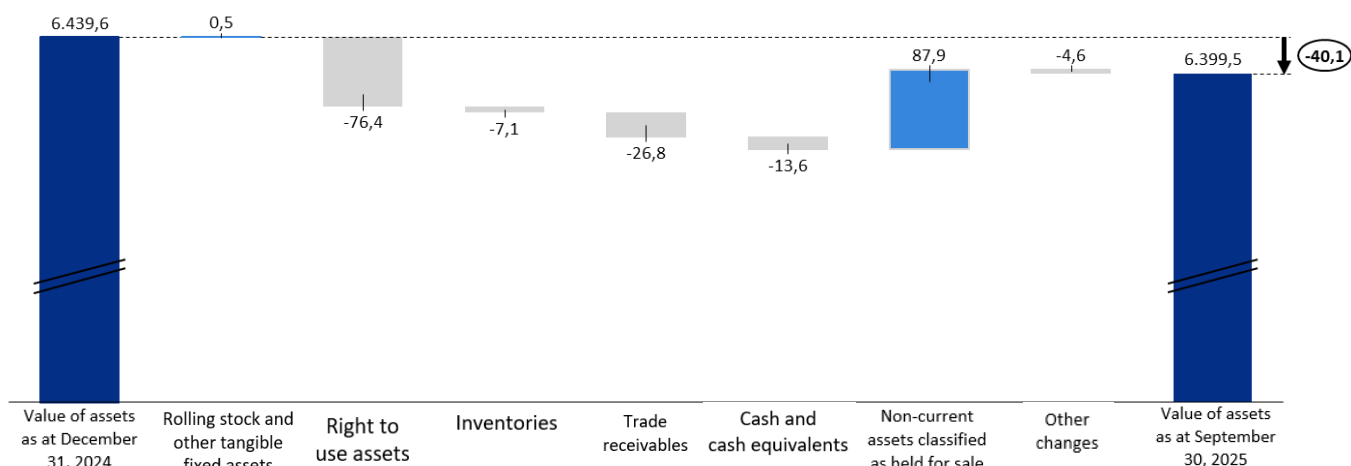
The biggest share in the PKP CARGO Group's asset structure as at 30 September 2025 was held by rolling stock and other property, plant and equipment, which in aggregate accounted for 44.9% of total assets, compared to 44.6% as at 31 December 2024. Among current assets, the biggest share in total assets during the period was attributable to cash, the value of which accounted for 9.0%, compared to 9.1% as at 31 December 2024.

Figure 20 Structure of assets – as at 30 September 2025 and 31 December 2024



Source: Proprietary material

Figure 21 Movement in the Group's assets in the first 9 months of 2025 (PLN million)



Source: Proprietary material

The most significant changes affecting the value of assets as at 30 September 2025 as compared to 31 December 2024 are discussed 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 of selected rolling stock and "Other property, plant and equipment" to "Non-current assets classified as held for sale" for items earmarked for disposal; moreover,

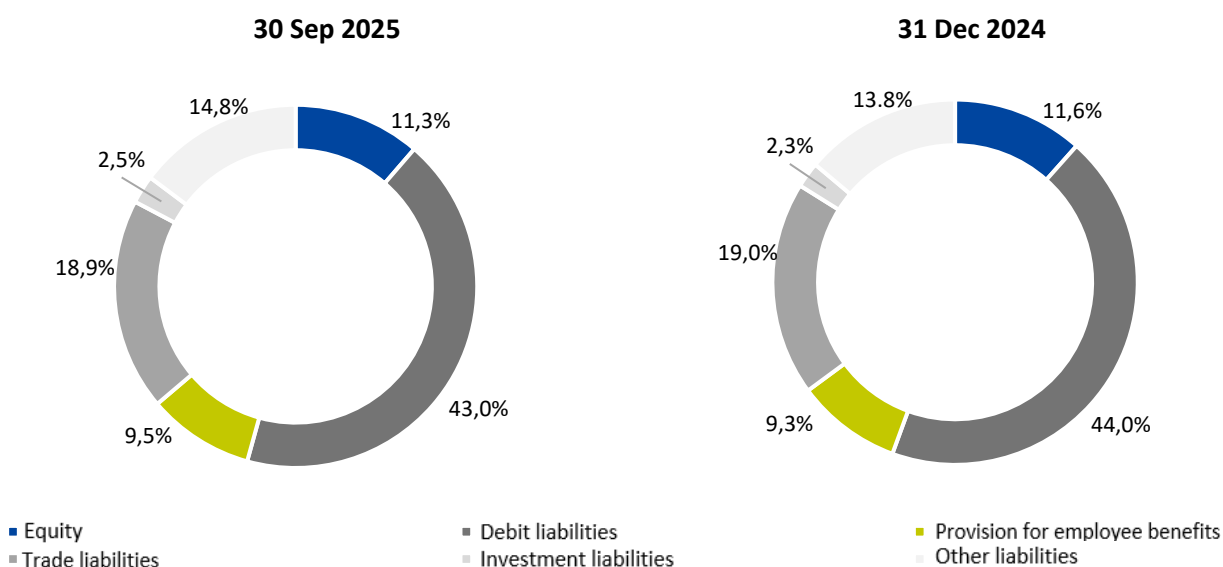
redundant rolling stock was sold and impairment losses on rolling stock were updated based on test results as at 30 June 2025;

- decrease in the right-of-use assets as a result of higher depreciation cost exceeding the over new rights; moreover, some of the leased properties were returned to the owner;
- 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 [4.1.3 Statement of cash flows of the PKP CARGO Group](#);
- 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

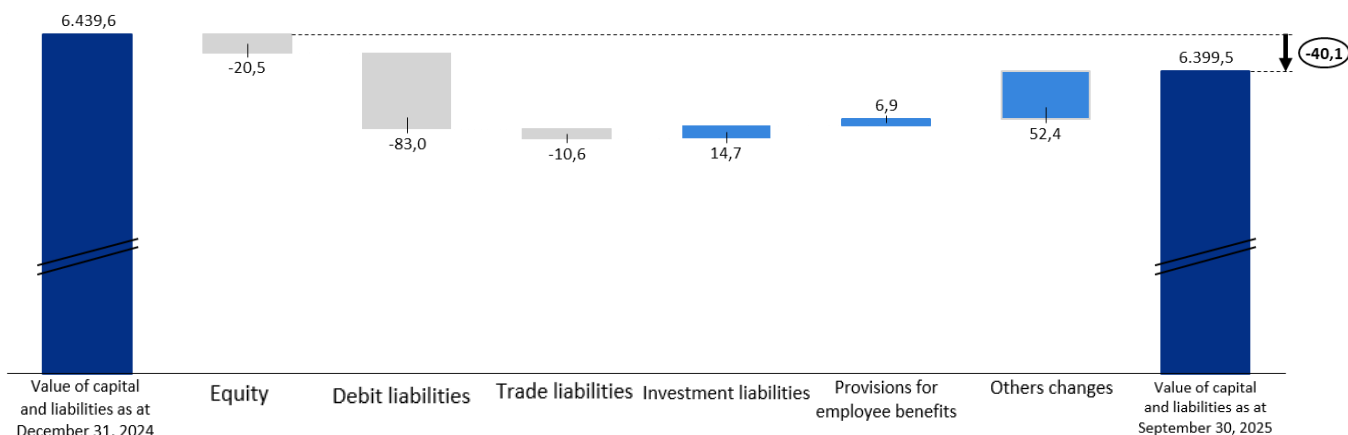
The largest share in the structure of the PKP CARGO Group's equity and liabilities was held by debt liabilities, which accounted for 43.0% of total equity and liabilities, compared to 44.0% as at 31 December 2024. In this period, equity accounted for 11.3% of total equity and liabilities, compared to 11.6% as at 31 December 2024.

Figure 22 Structure of the Group's equity and liabilities as at 30 September 2025 and 31 December 2024.



Source: Proprietary material

Figure 23 Movement in the Group's equity and liabilities in the first 9 months of 2025 (PLN million)



Source: Proprietary material

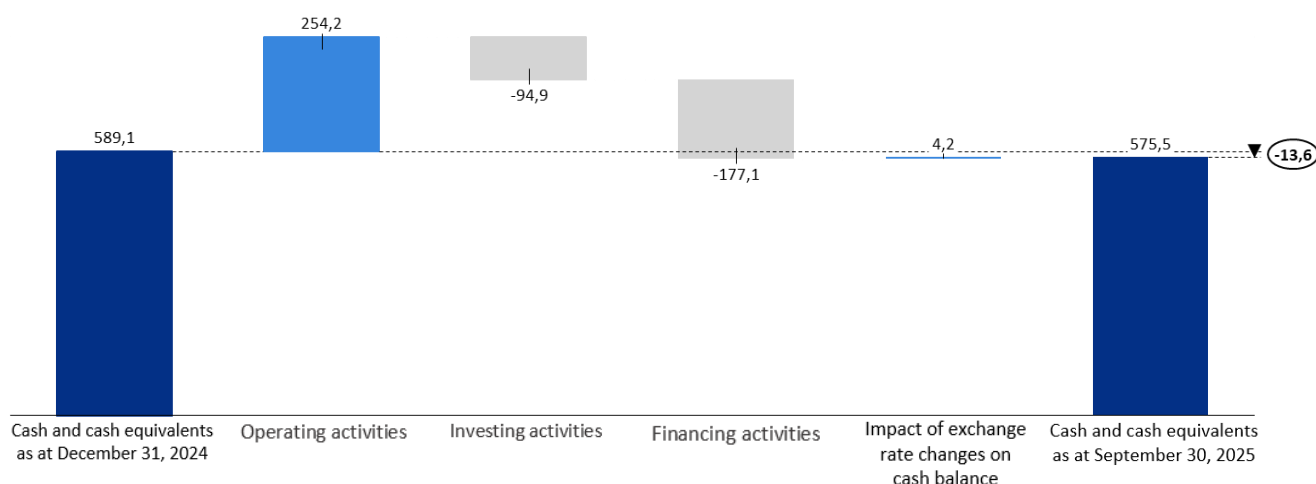
The most significant changes affecting the value of equity and liabilities as at 30 September 2025 compared to 31 December 2024 are explained below:

- equity declined due to the net loss reported by the PKP CARGO Group for the first 9 months of 2025 (item “Retained earnings/uncovered losses”) and negative other comprehensive income for the period, mainly from actuarial losses on employee benefits, partly offset by positive exchange-rate differences from the translation of foreign entities’ financial statements;
- decrease in debt liabilities, largely as a result of loan and lease repayments in 9M 2025;
- decrease in trade payables, mainly as a result of a decrease in trade payables caused by a decrease in freight turnover and gradual repayment of liabilities;
- investment liabilities increased, driven, among other factors, by locomotive modernization and rolling-stock repairs and periodic inspections;
- the increase in “Other changes” reflects higher restructuring provisions, higher VAT settlements and higher other settlements, mainly those related to contributions to the Company Social Benefits Fund, combined with a reduction in public-law liabilities and employee-related settlements.

4.1.3 Statement of cash flows of the PKP CARGO Group

The value of cash and cash equivalents as at 30 September 2025 decreased by PLN 13.6 million compared to 31 December 2024.

Figure 24 Cash flows of the PKP CARGO Group in the first 9 months of 2025 (PLN million)



Source: Proprietary material

The most significant factors affecting the value of cash and cash equivalents in 9M 2025 compared to 31 December 2024 were:

- positive cash flows from operating activities were achieved concurrently with, among others, loss before tax of PLN 3.5 million, depreciation and impairment allowances of PLN 191.1 million and positive cash flows from changes in working capital of PLN 82.0 million;
- negative cash flows from investing activities, primarily as a result of expenditures on the acquisition of non-financial non-current assets in the amount of PLN 245.1 million (mainly rolling stock investments), with simultaneous proceeds from the sale of non-operating assets in the amount of PLN 133.5 million (mainly rolling stock);
- negative cash flows from financing activities, mainly as a result of the repayment of loans and leases with interest in the amount of PLN 198.0 million, with simultaneous inflows from the Guaranteed Employee Benefits Fund in the amount of PLN 10.2 million and PLN 11.9 million in obtained grants.

4.1.4 Selected financial and operating ratios of the PKP CARGO Group

The table below presents the PKP CARGO Group’s key financial and operating ratios in the first 9 months of 2025 compared to the corresponding period of the previous year.

Table 19 Key financial and operating ratios of the PKP CARGO Group in 9M 2025 as compared to the corresponding period of 2024

Item	9M 2025	9M 2024	Change	Rate of change
			2025 - 2024	2025 - 2024
EBITDA margin ¹	9.9%	3.5%	6.4	182.9%
Net profit margin (ROS) ²	-0.4%	-23.3%	22.9	-
ROA ³	-25.4%	-10.0%	-15.4	-
ROE ⁴	-224.2%	-34.7%	-189.5	-
Average distance covered per locomotive (km per day) ⁵	184.8	185.4	-0.6	-0.3%
Average gross train tonnage per operating locomotive (tons) ⁶	1,426.0	1,437.0	-11.0	-0.8%
Average running time of train locomotives (hours per day) ⁷	11.2	11.6	-0.4	-3.4%
Freight turnover per employee (thousands tkm/employee) ⁸	841.9	741.6	100.3	13.5%

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 profit 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 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 respective 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, which reflect the freight volume and the degree of utilization of traction vehicles.

The factors which had the highest impact on the above indicators in the first 9 months of 2025 compared to the corresponding 9 months of 2024 were as follows:

- in 9M 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 4.1. [Key economic and financial figures of the PKP CARGO Group](#);
- in 9M 2025, ROA and ROE decreased, largely as a consequence of impairment losses on assets in 2024 and H1 2025;
- decrease in average daily mileage of locomotives as a result of a decrease in freight turnover;
- decrease in the average gross train tonnage per locomotive as a result of the transport process being carried out with a decrease in transport volumes;
- increase in the freight turnover per employee ratio, mainly due to a 22.2% decrease in average employment accompanied by a 11.7% decrease in freight turnover.

4.2 Factors that will affect financial performance in the next quarter

Armed conflict in Ukraine

The impact of the war in Ukraine on the rail freight market in Poland and the region remains substantial, and this unfortunately also weighs on the performance of PKP CARGO Group companies, including PKP CARGO S.A. under restructuring. The war causes a decrease in the freight volume and revenues as well as an increase in costs because of longer transport routes compared to a period potentially devoid of military conflicts. The failure of attempts at peace talks points to the aggressor's ability to continue, unfortunately, hostilities for a long time. Freight volumes along the north-east direction show a clear decline, with consequences in many branches of the economy, including the road and rail transport sectors.

Bulk cargo subject to restrictions include fuel, ores, metals and metal products, cement and wood. PKP CARGO Group companies naturally participated in the carriage of freight along this route before the outbreak of the full-scale conflict which caused a considerable decrease in transport activity in the east of Poland. The long-term nature of the conflict and sanctions may effectively cut Polish businesses off from the Belarusian and Russian markets, but at the same time foundations are being established for closer economic relations with Lithuania, Latvia and Estonia, and also naturally with Ukraine.

Even though increased trade exchange between Poland and Ukraine has been halted by a greater utilization of sea transport from the region of the Black Sea (including major agricultural produce), the importance of Poland as a logistical hub is not greatly reduced as it is from here that a considerable amount of goods are transported to Poland's eastern neighbor. It is a key opportunity for growing commercial relations in the future, especially in the context of a possible termination of military activities and reconstruction of Ukraine. At the same time, in Poland, the role of sea ports has been growing significantly as main windows onto the world for the Polish economy, considering the fact that rail transport operations along the north-south direction have become more important at the expense of the east-west direction. This simultaneously generates the opportunity for a significant improvement in the area and therefore a potential increase in rail transport operations and revenues. A recovery of transport operations involving large volumes of cargo on the "New Silk Road" is gradually taking place, but this is highly contingent on the commercial situation and accessible alternative sea routes, which may contribute to a clear increase in transit operations, especially those carried out by PKP CARGO S.A. under restructuring. Another threat to the NSR may be in turn the worsening of relations of the US and the EU with China, which might effectively halt the completion of cargo transports.

Undoubtedly, the Group's organizational units which are most strongly affected by the limitations caused by the outbreak of war are those for which north east Poland is the main area of operation because of the location of the infrastructure, including logistical bases. It is impossible to dislocate the units to different areas of Poland, therefore the impact forces us to adjust further to changes in directions of providing services, changes to the transported range of goods and different customers. Only the end of hostilities may bring an impulse for development.

PKP CARGO Group companies are monitoring all organizational and legal changes related to the provision of transport services, including those directly or indirectly connected with the ongoing conflict.

Infrastructural investments

In next quarter of 2025, it is planned to maintain the line capacity limitations and the disruptions related to performed investments and maintenance and repair work at the current or higher level due to the work on subsequent stages of the National Railway Program and the expansion of its projects until 2027. The access to the infrastructure along the eastern direction may be more difficult or may require considerable changes of routes in connection with closing the Polish-Belarusian border from 12 to 24 September 2025 and a possible risk of further closings of border crossings in the next quarter.

Employment – Company-Level Collective Bargaining Agreement

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 and aligning employment levels with current railway-market conditions. The Company-Level Collective Bargaining Agreement, in force since 1 January 2005, shapes the employee compensation system at PKP CARGO S.A. under restructuring and strongly affects the Company's current cost structure. For this reason, its provisions need to be adapted to the dynamics of the business and economic environment. Savings will be sought primarily in those employee compensation components that are sporadic, irregular and do not determine the level of monthly pay. With this in view, the Management Board of PKP CARGO S.A. under restructuring presented the employee side with proposals for general directions of change, including a plan to incorporate some additional components into base pay, discontinue certain existing benefits and replace them with a new incentive scheme. A key premise of the modernized employee compensation system is to link base pay to a bonus tied to work performance. Despite the differences voiced, both parties acknowledge the necessity of change and have declared their willingness to continue negotiations. In Q3 2025, the Company launched a job evaluation process, which will be one of the first major steps toward developing new rules for the Company-Level Collective Bargaining Agreement, carried out in cooperation with external experts specializing in the evaluation of key positions in Polish companies, including those in the rail and power sectors. The methodology and timetable for this work were presented to the employee side at a meeting held as part of the negotiations on 29 September of this year, and PKP CARGO S.A. under restructuring also appointed a Bonus Team tasked with preparing new incentive guidelines. The restructuring of the employee compensation system and amendments to the Company-Level Collective Bargaining Agreement also follow from formal considerations, as the current Collective Bargaining Agreement remains in force for a 24-month notice period until 11 June 2026.

These measures, along with other corrective programs being implemented, are among the factors aimed at ensuring liquidity in the Company in order to enable it to fulfill all its obligations on an ongoing basis. Despite the difficult circumstances in the labor and social areas, this is the only way to rebuild the PKP CARGO's strong position and, in the long run, to maintain as many needed jobs as possible and improve the Company's financial standing.

In addition to the factors mentioned above, the macroeconomic environment described in section 3 of this report and the approval and implementation of the Restructuring Plan will impact the Group's financial performance in the next quarter.

4.3 Information about production assets

4.3.1 Rolling stock

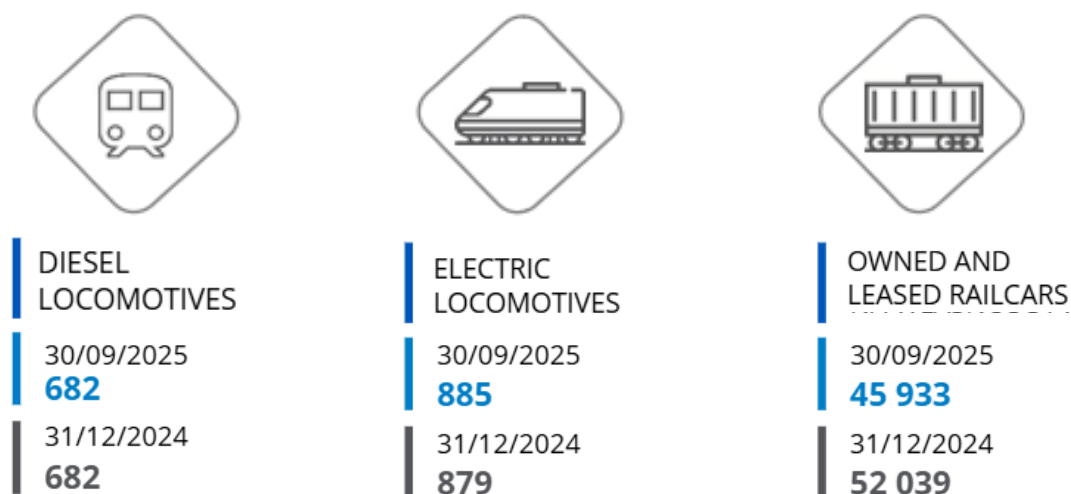
The PKP CARGO Group's rolling stock is maintained by repair shops operating in PKP CARGO and its subsidiaries. The PKP CARGO Group's rolling stock repair and maintenance organization has the competences to repair and maintain wagons, electric locomotives at all the maintenance levels from P1 to P5. In 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 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 (that is, in Q3 2025), 6,696 of the rail cars referred to above were sold for the total net amount of PLN 123.3 million. The Company will continue with the sale of the remaining redundant wagons.

Figure 25 Structure of rolling stock used by the PKP CARGO Group



Source: Proprietary material

4.3.2 Real estate

In the transport process, due to the necessity to guarantee appropriate maintenance and repair support, real estate plays an important role. The majority of real estate held by the PKP CARGO Group is used on the basis of long-term lease and rental agreements. The table below presents changes in real estate owned and used by the PKP CARGO Group during the first 9 months of 2025.

Table 20 Real estate owned and used by PKP CARGO Group as at 30 September 2025 as compared to 31 December 2024

Item	30 Sep 2025	31 Dec 2024	Change 2025-2024
Land - owned, in perpetual usufruct and leased from other entities [ha]	1,342.48	1,363.42	-20.94
Buildings - owned, leased and rented from other entities [sqm]	665,056	681,514	-16,458

Source: Proprietary material

The reduction in the number of mainly leased properties over the first three quarters of 2025 resulted from ongoing demand analyses and flexible adaptation to the Company's operational needs.

5. Other key information and events

5.1 Management Board's stance with respect to the possibility of realizing previously published result forecasts for the year

PKP CARGO has not published any financial forecasts for 2025.

5.2 Material proceedings pending before courts, arbitration bodies or public administration authorities

During the first three quarters of 2025, neither PKP CARGO S.A. nor its subsidiaries participated in any major proceedings pending before courts, arbitration bodies or public administration authorities in cases concerning liabilities or receivables of PKP CARGO S.A. under restructuring or its subsidiaries.

5.3 Information on transactions with related parties

In 9M 2025, no member of the PKP CARGO Group entered into any transactions with related parties on non-market terms.

5.4 Information on extended guarantees and sureties for loans or borrowings

PKP CARGO S.A. and its subsidiaries did not extend any sureties for loans or borrowings and did not grant guarantees to a single entity or subsidiary of such entity whose total amount would be material.

5.5 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

In addition to the actions taken by the Company's Management Board to ensure financial stability and further growth of the Company, as described in this report, other corrective measures are being taken gradually to generate savings. The Management Board is taking measures, aiming, among others, to optimize costs and to ensure the availability of instruments to support the financing of the Company's operating activities in the medium term. In the course of managing the liquidity position, the levels of trade receivables and payables are monitored on an ongoing basis.

The key and overriding goal in next periods is to bring the assumptions of the Restructuring Plan into reality.

Restructuring Administrator of PKP CARGO S.A. under restructuring

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

Warsaw, 1 December 2025