

Supplement to Current Report No. 52/2025 of June 30, 2025 – Settlement Proposals for Creditors

Current report 52/2025/K dated February 19, 2026

Legal basis (selected in ESPI):

Article 17(1) MAR – confidential information

The administrator of the rehabilitation estate of PKP CARGO S.A. under restructuring (the “Company”, “Issuer”) supplements current report No. 52/2025 of June 30, 2025 by providing more detailed information.

The Settlement Proposals set out below constitute an integral part of the Company's Restructuring Plan and have been prepared in accordance with the Restructuring Law and as at the date of its submission to the competent restructuring court, i.e. June 30, 2025.

On February 2, 2026, the Creditors' Council of PKP CARGO S.A. under restructuring, in proceedings before the District Court for the Capital City of Warsaw in Warsaw, 18th Commercial Division, in the matter of presenting to the Judge Commissioner and the Restructuring Court an opinion on the Restructuring Plan and the Arrangement Proposals, adopted a resolution in which it decided that at this stage it refrains from expressing an unequivocally positive or negative opinion on the Restructuring Plan and at the same time raises an objection to its content and requests the Judge-Commissioner to oblige the Company's Management Board to supplement it. At the same time, the Creditors' Council recommended that the Arrangement Proposals be discussed again with the members of the respective interest groups, as the proposals in their current form carry a significant risk of not being accepted by the creditors, but with the proviso that the opinion does not represent the position of the members of the Creditors' Council regarding the possible acceptance or non-acceptance of the Arrangement Proposals (“Resolution”). The Company announced the Resolution in question in current report No. 8/2026.

Pursuant to the decision of the Judge-Commissioner, the deadline for submitting the final content of the Arrangement Proposals to be put to a vote was set for February 27, 2026, as announced by the Company in Current Report No. 111/2025. In view of the above, the Arrangement Proposals for Creditors presented in the report may be subject to change.

The Arrangement Proposals for Creditors (“Arrangement Proposals”) submitted to the competent court on June 30, 2025 provided for the division of Creditors into groups corresponding to specific categories of interests (“Groups”).

For each of the separate Groups of Creditors, the Company presented separate proposals for restructuring their liabilities, in accordance with Article 156(1) and (2) of the Restructuring Law.

These proposals have been prepared taking into account:

- the Company's current and projected financial capabilities,
- the need to restore its long-term ability to pay its debts,
- the need to maintain operational continuity and carry out its core business activities,
- the principle of equal treatment of creditors within a given group.

Under the proposed arrangement, in particular with regard to the level of debt reduction, repayment schedule, collateral, and additional mechanisms (e.g., cash sweep), the Arrangement Proposals provided for the division of Creditors into the following 9 Groups:

- Group I – The State Treasury with receivables from taxes constituting state budget revenue, as well as other public law creditors, excluding the Social Insurance Institution (ZUS) – PLN 214.34 million.

Number of creditors – 43;

- Group II – Banks and Financial Institutions – creditors with claims arising from loans and other financial liabilities of this nature – PLN 1,305.24 million

Number of creditors – 4;

- Group III – key suppliers – creditors with claims arising from all commercial contracts and transactions, in particular for supplies and services, as well as investment claims – PLN 749.54 million

Number of creditors – 5;

- Group IV – creditors with claims arising from all commercial contracts and transactions, in particular claims for supplies and services and investment claims, whose total claims exceed PLN 50,000.00 – PLN 234.9 million

Number of creditors – 243;

- Group V – creditors with claims arising from all commercial contracts and transactions, in particular claims for supplies and services and investment claims, whose total claims do not exceed PLN 50,000.00 – PLN 9.72 million

Number of creditors – 880;

- Group VI – creditors who, as at June 30, 2025, are companies from the PKP CARGO S.A. Capital Group undergoing restructuring (understood as a group of related companies, together with the parent company – PKP Cargo S.A. under restructuring), with commercial receivables and receivables under the joint cash management system (cash pooling) – PLN 306.36 million,

Number of creditors – 12;

- Group VII – creditors who are entitled to claims listed in Article 151(2) of the Restructuring Law, i.e., claims not covered by the arrangement by operation of law, i.e., claims secured on the debtor's property by a mortgage, pledge, or registered pledge, in the part covered by the value of the collateral – PLN 57.97 million,

Number of creditors: 7;

- Group VIII – Social Insurance Institution – PLN 59.63 million,

Number of creditors: 1;

- Group IX – creditors from all Groups except creditors from Groups I, VI, and VIII who declare their willingness to convert part or all of their claims into newly issued shares in the share capital of PKP Cargo S.A. under restructuring,

where in the scope of:

- Group I – the proposed satisfaction included repayment of 100% of the principal amounts due and any interest accrued up to the date of commencement of the rehabilitation proceedings, with the cancellation of claims for interest due for the period after the date of commencement of the proceedings until the end of the arrangement. The reduction applies to all types of interest, regardless of their legal nature.
- Groups II, III, IV, and VII – the proposed settlement included repayment of 100% of the principal amounts due, with the cancellation of interest accrued since the date of commencement of the rehabilitation proceedings and without the calculation of any interest or incidental benefits arising from the claims.
- Group V – the proposed settlement provided for repayment of 100% of the principal amounts due within 6 months of the decision approving the arrangement becoming final, with the cancellation of interest accrued from the date of commencement of the rehabilitation proceedings and without the accrual of any interest or incidental benefits arising from the claims.

- Group VI – the proposed settlement included repayment of 5% of the principal amounts due, with the cancellation of interest accrued since the date of commencement of the rehabilitation proceedings and without charging any interest or incidental benefits arising from the claims.
- Group VIII – the proposed satisfaction included repayment of 100% of principal and incidental receivables, in particular interest – both accrued before and after the date of commencement of the rehabilitation proceedings,
- Group IX – proposed satisfaction through acquisition of newly issued PKP CARGO shares with a value equal to the nominal value of the converted debt.

As at June 30, 2025, the total debt under arrangement liabilities amounted to PLN 2,937.75 million, while the total proposed satisfaction of arrangement liabilities amounted to PLN 2,647 million, including: PLN 2,647.75 million in principal and interest on arrangement liabilities,

- proposed settlement of liabilities for Groups I, II, III, and VII in the amount of PLN 454 million in 2029-2035, PLN 70 million each year, and PLN 1,873 million in 2036,
- proposed settlement of liabilities for Group IV up to PLN 50,000 per contractor in the amount of PLN 6.3 million in 2027 and 2028, PLN 34 million in 2029-2035 at PLN 4.9 million per year, and PLN 188 million in 2036,
- proposed settlement of liabilities for Group V in the amount of PLN 5 million (50%) in 2027 and PLN 5 million (50%) in 2028,
- proposed settlement of liabilities for Group VI on a one-off basis in 2028,
- Proposed settlement of liabilities for Group VIII in the amount of PLN 30 million (50%) in 2027 and PLN 30 million (50%) in 2028.

Other important information regarding the Settlement Proposals:

Distribution of Free Funds („Cash Sweep”)

- The distribution of free funds means the mandatory early repayment of arrangement claims from the surplus cash held by the Company at the end of the previous financial year, above a specified minimum level.
- The Cash Sweep amount will be calculated according to the following formula:

$$\text{Cash Sweep} = A - B - C - D$$

where:

 - A – cash balance of the Company as at December 31 of the previous Financial Year,
 - B – total amount of Arrangement Claims installments planned to be paid in the current Financial Year in accordance with the repayment schedule.
 - C – Minimum level of cash required to secure the Company's current operations (set at PLN 100 million, increased by repayments of new owner loans for a given year)
 - D – cumulative funds obtained from the owner, the State Treasury, or related entities, unused as of the Cash Sweep settlement date.
- Owner loans granted are not subject to the Free Funds Distribution mechanism. The terms and conditions of owner loans and the benefits derived from them will be excluded from the Free Funds Distribution mechanism.
- For the purposes of the Cash Sweep calculation, the following are excluded from the calculation of cash balances: (i) proceeds from Permitted Financing obtained during the repayment period of arrangement liabilities intended for financing capital investments, provided that these funds have not yet been spent in accordance with their intended purpose, and (ii) the corresponding

investment expenses incurred from these funds. The purpose of the above exclusion is to ensure that the impact of investment financing and its allocation on the calculation of the cash surplus subject to the Cash Sweep mechanism is neutral. Funds obtained for investments remain excluded from Cash Sweep until they are used for investment purposes in accordance with their intended purpose.

- If the result of the above calculation is equal to or less than zero, the Company shall not be obliged to make any Cash Sweep payment in the given Financial Year.
- Of the positive Cash Sweep value, 30% is transferred to the early repayment of Arrangement Debts, while 70% remains with the Company.
- The Cash Sweep payment may not violate the financial covenants during the repayment period of the arrangement obligations.
- Cash Sweep is determined on the basis of the Company's audited annual financial statements for the previous Financial Year and approved by June 30, with payment due within 30 days of the date of determination.
- The cash sweep mechanism will apply from 2027.

Conditions precedent

- Obtaining consent from the relevant authorities (e.g., management board, shareholders' meeting) to accept and execute the arrangement.
- Approval of the arrangement by the court and no appeal within the statutory period.
- Conclusion of a restructuring agreement with creditors.

Financial covenants

- Net debt/EBITDA ratio – a financial ratio reflecting the relationship between the Company's consolidated net debt and its adjusted operating result before interest, income taxes, depreciation, and amortization (EBITDA), which is a key measure of the Company's ability to generate cash to service its debt.
- The Net Debt/EBITDA ratio may be used as an element in assessing the Company's financial position, as well as a measure for determining compliance with financial covenants or conditions for additional debt eligibility.

Obligations under the Restructuring Plan

- Implementation of restructuring measures in accordance with the approved restructuring plan.
- Regular reporting of progress in the implementation of the restructuring plan to the Creditors' Council.

Permitted financing

- Recapitalization or loans from PKP S.A. or related entities for the purpose of financing investments or other pro-development activities.

Owner financing

- It includes funds obtained from PKP S.A., the State Treasury, or other entities indirectly or directly related to it.
- It may be granted in the form of a new issue of shares, loans, or other instruments.
- In the case of a new issue of shares, the payment of dividends, if determined, will not be limited by creditors in relation to the newly issued shares.
- These funds will not be used to repay creditor liabilities, including being excluded from the Distribution of Free Funds.

Permitted reorganization

- Consent to spin off coal operations, including sale, contribution in kind, disposal of an organized part of the enterprise, or liquidation of assets related to this segment of operations.
- Consent to optimization measures in the Capital Group's structure, including, among others, the creation or consolidation of a Shared Services Center (SSC), harmonization of areas of competence, and allocation of central functions.
- Consent to mergers of companies within the Group, transfer of competences between entities, reorganization of operational structures, as well as other organizational changes in subsidiaries, provided that the Debtor participates in them directly or indirectly and that these activities remain consistent with the objectives and assumptions of the restructuring plan.

Information and control clauses

- Obligation to report quarterly to the creditors' council (financial statements/quarterly, semi-annual, and annual reports).