

Approval by the Supervisory Board of the PKP CARGO Capital Group’s Restructuring Strategy for 2025–2031

Current report No 32/2026 dated April 28, 2026

Legal basis (selected in ESPI)

Article 17 (1) MAR – confidential information

The administrator of the restructuring estate of PKP CARGO S.A. under restructuring (“the Company”, “PKP CARGO”) announces that today the Company’s Supervisory Board approved the “Restructuring Strategy of the PKP CARGO Capital Group for 2025–2031” (“Restructuring Strategy,” “RS”).

The proposed Restructuring Strategy calls for the systematic development of the Capital Group based on strategic initiatives and key projects aimed at regaining financial stability and restoring sustainable profitability in its operating activities.

RS’s priority is to implement the planned restructuring measures and to successfully conclude and execute an arrangement with the Creditors; the initiatives proposed in this document serve as a starting point for discussions with the Creditors, particularly regarding the forms, deadlines, and amounts of future payments under the agreements to be concluded.

At the same time, RS is focusing on expanding its product portfolio in promising market segments, improving cost and process efficiency, and implementing initiatives that support business transformation and enhance liquidity across the entire Group, hence it identifies key optimization, operational, and organizational measures aimed at achieving a sustainable improvement in the Group’s operational efficiency and competitiveness in the freight transport market.

The key pillars of the Restructuring Strategy are:

1. organic growth—gradual improvement of performance through internal reorganization and process optimization, as well as acquisitions should the financial situation improve,
2. growth and regaining lost market share – focusing on segments with high growth potential, particularly specialized and intermodal transport,
3. effective fleet management – rationalizing maintenance expenditures and increasing fleet operational availability to improve operational efficiency,
4. disposal of non-operating assets – sale of excess non-operating assets in the form of rolling stock and real estate that are not critical to the Group’s core business,
5. cost reduction – increasing work efficiency, better utilization of resources, and streamlining operational processes,
6. synergies within the Group – clarifying roles and functions within the Group, creating centers of excellence, developing a common product offering, and eliminating internal “cannibalization” among Group companies.

The Restructuring Strategy also outlines nine strategic initiatives, including:

1. sales stimulation,
2. international expansion,
3. improving operational efficiency,
4. enhancing the effectiveness of sales teams,
5. information management,
6. asset optimization,
7. optimizing administrative staffing,
8. restructuring the Capital Group,
9. establishing a Project Management Office (PMO) to oversee strategy implementation.

Impact of the strategic initiatives outlined in the Restructuring Strategy on the Capital Group's performance:

- PKP Cargo Group's revenue will grow at an average annual CAGR of 6.4% between 2025 and 2031,
- as a result of the implemented strategic initiatives, the EBITDA margin will increase to 26% in 2031,
- in 2031, it will be possible to achieve EBITDA of approximately PLN 1,507 million,
- The Group regains profitability at the net income level starting in 2026, the share of employee benefit costs in total costs will be significantly reduced – from the current approx. 43% to approx. 32%,
- the net profit margin will rise rapidly to 9% in 2027, then grow steadily to approximately 12% in 2031,
- starting in 2026, the Group will generate positive cash flow,
- the revenue structure will change, including a decrease in the share of revenue from hard coal transport to 13% and an increase in the share of intermodal transport to 19% in 2031,
- a gradual recovery of PKP CARGO's market share—to 32% in 2031.

The Restructuring Strategy outlines key strategic initiatives, namely, expansion of the intermodal and operator services portfolio,

- intensification of sales in international corridors along key growth corridors, including the Baltic-Adriatic corridor, the New Silk Road, and routes between Poland and Central and Eastern Europe (CEE),
- optimization of processes and costs across the entire Group—introduction of segment-based management, optimization of internal processes, and centralization of selected functions,
- development of value-added services at terminals and sidings—expansion of the terminal offering to include warehousing, cross-docking, and customs services; siding facilities – comprehensive customer service covering shunting, transport, and additional technical services,
- improvements to IT systems for resource management and customer relations, process automation,
- conclusion and effective implementation of an agreement with creditors at PKP CARGO and PKP CARGOTABOR.

The Foundations of PKP CARGO Group's Development:

- human capital and employee engagement – motivation, skills development, workplace safety,
- trust of owners and shareholders – transparency and stable performance,
- public interest and social responsibility – role in the transport system and its impact on the economy,

- relationships with customers and business partners – long-term cooperation with suppliers and customers,
- adaptability and continuous improvement – response to market changes, energy transition, digitalization.

The approved Restructuring Strategy outlines ways to overcome current obstacles and sets out the direction for corrective measures through:

- significant cost cuts and workforce optimization, revisions to the Collective Bargaining Agreement, and the implementation of a new incentive system,
- debt reduction and improved liquidity through the conclusion and effective implementation of Arrangement Proposals, curtailment of capital expenditures, recapitalization or government assistance, and the disposal of excess and unprofitable real estate and rolling stock,
- reorganization of the Group's structure and a focus on the core business, consolidation of repair and logistics operations within the Group, divestment of certain subsidiaries that are unpromising or not directly related to freight transport,
- investments in digitalization and operational efficiency, automation and integration of transport planning and execution systems, standardization of IT infrastructure, and digitization of customer services,
- diversification of the market and service offerings, moving away from coal and developing the intermodal transport segment, rebuilding relationships with lost customers; investments in intermodal infrastructure and equipment will be necessary, along with a comprehensive door-to-door and last-mile offering,
- strengthening PKP CARGO INTERNATIONAL's position in foreign markets, cooperation with railways in neighboring countries, and integration with the logistics ecosystem (seaports, large inland terminals, intermodal operators),
- support from the owner and the regulatory environment at both the national and EU levels.

The approved Restructuring Strategy will lay the groundwork for the future Development Strategy, expanding the Group's plans to include growth-oriented initiatives such as capital projects, external financing, and potential acquisitions.

Attached, the Company provides detailed information regarding the individual strategic initiatives set forth in the Restructuring Strategy.