PKPCARGO

2026
Q1

Other Information for Quarterly Consolidated Raport

of the PKP CARGO S.A. under restructuring Capital Group

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ADDITIONAL INFORMATION TO THE CONSOLIDATED QUARTERLY REPORT FOR Q1 2026

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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[1] under restructuring Group ("PKP CARGO Group") is a rail freight operator in Poland and the European Union ("EU") that has provided comprehensive logistics services for years. The Group's development is focused on enhancing and extending its operations in terms of its product range and geographic area. 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 services and forwarding services.
The PKP CARGO Group holds licenses to carry out rail freight operations in the following 9 EU countries: Lithuania, Slovakia, Hungary, Slovenia, Austria, Czechia, Germany, the Netherlands and Poland.

As at 31 March 2026, the PKP CARGO under restructuring Group consisted of the following entities:

a) 19 subsidiaries of PKP CARGO S.A. under restructuring, controlled directly or indirectly (by entities controlled by PKP CARGO S.A.), including:
   - 9 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 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).

Moreover, as at 31 March 2026, PKP CARGO S.A. under restructuring or PKP CARGO's (direct or indirect) subsidiaries held shares in 7 companies that were not controlled or jointly controlled by PKP CARGO or PKP CARGO's subsidiaries, including:

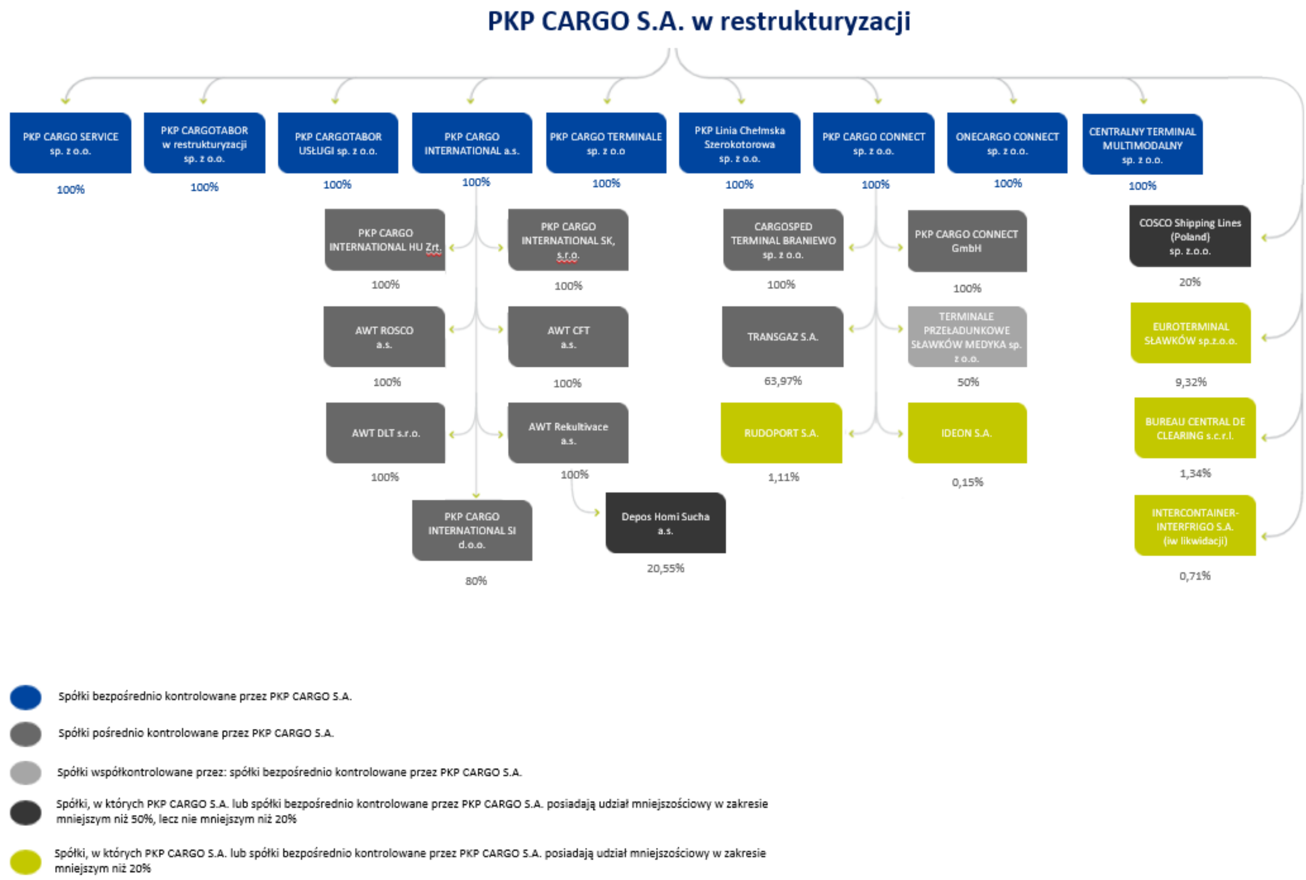
- 4 companies in which PKP CARGO directly holds a minority stake;

[1] Whenever the following is referred to herein:
- 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.

- 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 held shares as at 31 March 2026:

Figure 1 Structure of capital links with companies in which PKP CARGO S.A. under restructuring or its subsidiaries hold an equity stake as at 31 March 2026



Source: Proprietary material

In Q1 2026, the following changes were made to the structure of capital links:

- On 16 January 2026, PKP CARGO S.A. under restructuring sold all 20,181 shares it held in CARGOTOR sp. z o.o. with its registered office in Warsaw with a total par value of PLN 20,181,000.00, representing a 100% equity stake in CARGOTOR sp. z o.o., for PLN 28.8 million to PKP Polskie Linie Kolejowe S.A. with its registered office in Warsaw through the execution of a Purchase Agreement. The transfer of title to the shares to PKP Polskie Linie Kolejowe S.A. was effected on the date the price was credited to PKP CARGO's bank account, that is on 16 January 2026.
- On 23 January 2026, an entry was made in the National Court Register – Międzynarodowa Spedycja MIRTRANS Sp. z o.o. under liquidation was struck from the register of commercial undertakings. The entry became final on 31 January 2026, as a result of which the company ceased to exist as a legal entity and ceased to be a related party of PKP CARGO S.A. under restructuring.

In the period between the end of Q1 2026 and the date of approval of this report, the following changes were made to the structure of capital links:

- On 2 April 2026, a Purchase Agreement was entered into by and between PKP CARGO CONNECT Sp. z o.o. (a direct subsidiary of PKP CARGO, in which PKP CARGO held a 100% equity stake) and EUROTERMINAL SŁAWKÓW Sp. z o.o. with its registered office in Sławków, under which PKP CARGO CONNECT Sp. z o.o. sold all 21,407 shares it held in Terminale Przeładunkowe Sławków – Medyka Sp. z o.o. with its registered office in Sławków (representing 50% of the equity stake in Terminale Przeładunkowe Sławków – Medyka Sp. z o.o.) to EUROTERMINAL SŁAWKÓW Sp. z o.o. for a total price of PLN 11.5 million.

In 2026 and until the date of approval of this report, apart from the events enumerated above, no other changes were made to the Group's organization resulting from a merger, obtaining or losing control over subsidiaries or long-term investments, or a demerger, restructuring or discontinuation of business.

1.2 Consolidated entities

The Quarterly Condensed Consolidated Financial Statements of the PKP CARGO under restructuring Group for the period of 3 months ended 31 March 2026 encompass PKP CARGO 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. under liquidation ("PKP CARGOTABOR USŁUGI under 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. As of 16 January 2026, the company was no longer a member of the PKP CARGO Group.
PKP CARGO CONNECT Sp. z o.o. ("PKP CARGO CONNECT")	Freight forwarding and logistics services in Poland and abroad. The company provides comprehensive logistics services using rail and vehicle, marine and inland water transportation by organizing transport, transshipment, storage, warehousing, packaging and distribution. Customs clearance services to customers of the PKP CARGO Group.
PKP CARGO INTERNATIONAL a.s. ("PKP CARGO INTERNATIONAL")	Comprehensive handling of rail freight transport services (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.

Moreover, the list of companies accounted for under the equity method is presented in **Note 5.4 to the Quarterly Condensed Consolidated Financial Statements** of the PKP CARGO under restructuring Group for the 3 months ended 31 March 2026, prepared in accordance with EU IFRS.

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. The company specializes in the transportation and handling of containers, especially in the port of Hamburg and at railway terminals in Germany.
PKP CARGO INTERNATIONAL SK s.r.o.	Comprehensive rail transport services in Slovakia.
PKP CARGO INTERNATIONAL Sl d.o.o.	Comprehensive rail transport services in Slovenia.

2. Information about the Parent Company

2.1 Composition of the Management Board and Supervisory Board of PKP CARGO S.A. under restructuring

MANAGEMENT BOARD

Table 3 Composition of the PKP CARGO S.A. under restructuring Management Board

Name	Position	Period in office	
		from	to
Zbigniew Prus	President of the Management Board	2 February 2026	to date
Paweł Miłek	Vice-President of the Management Board, Management Board Member in charge of Restructuring	1 January 2025	to date
Michał Łotoszyński	Management Board Member in charge of Finance	17 February 2025	to date

Source: Proprietary material as at the publication date of this report

In Q1 2026 and until the date of publication of this report, the following changes occurred in the Company's Management Board:

On 28 January 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:
- as of 2 February 2026, that is as of the end of day on 1 February 2026, terminate the delegation of Ms. Monika Starecka – a Supervisory Board Member to discharge temporarily the duties of Management Board Member and discharge the duties of the President of the Management Board;
- appoint Mr. Zbigniew Prus, entrusting him with discharging the function of President of the Management Board, effective as of 2 February 2026.

On 23 February 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:
- dismiss Mr. Sebastian Miller from the function of Management Board Member in charge of Operations, effective as of 23 February 2026.

On 23 March 2026, the PKP CARGO S.A. under restructuring Supervisory Board adopted a resolution to:
- dismiss Mr. Artur Warsocki from the function of Management Board Member in charge of Commerce, effective as of 23 March 2026.

SUPERVISORY BOARD

Table 4 Composition of the PKP CARGO S.A. under restructuring Supervisory Board

Name	Position	Period in office	
		from	to
Bogusław Nadolnik	Supervisory Board Member Supervisory Board Chairman	13 May 2024 6 February 2025	to date
Monika Starecka	Supervisory Board Member Supervisory Board Vice-Chairman	19 April 2024 28 January 2026	to date
Michał Wnorowski	Supervisory Board Member	29 June 2022	to date
Robert Stępień	Supervisory Board Member	13 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
Jacek Męcina	Supervisory Board Member	29 December 2025	to date
Anna Maria Ślęzak	Supervisory Board Member	2 February 2026	to date

Source: Proprietary material as at the publication date of this report

In Q1 2026 and until the date of publication of this report, the following change occurred in the Company’s Supervisory Board:

- on 29 January 2026, PKP S.A., acting pursuant to § 19(2) and (6) of the Company’s Articles of Association, appointed, as of 2 February 2026, Ms. Anna Maria Ślęzak to the Supervisory Board for the joint 8th term of office.

SUPERVISORY BOARD AUDIT COMMITTEE

Table 5 Composition of the Audit Committee of the PKP CARGO S.A. under restructuring Supervisory Board

Name	Position	Period in office	
		from	to
Michał Wnorowski	Committee Chairman	23 August 2022	to date
Marzena Piszczek	Committee Member	27 November 2024	to date
Monika Starecka	Committee Member	1 February 2025	to date
Piotr Babski	Committee Member	14 January 2026	to date
Anna Ślęzak	Committee Member	9 March 2026	to date

Source: Proprietary material as at the publication date of this report

In Q1 2026 and until the date of publication of this report, the following change occurred in the composition of the Supervisory Board Audit Committee:

- on 14 January 2026, the Company's Supervisory Board appointed Mr. Piotr Babski to its Audit Committee.

NOMINATION COMMITTEE

Table 6 Composition of the PKP CARGO S.A. under restructuring Supervisory Board Nomination Committee

Name	Position	Period in office	
		from	to
Marzena Piszczek	Committee Chairwoman	27 November 2024	to date
Robert Stępień	Committee Member	16 May 2024	to date
Monika Starecka	Committee Member	6 February 2025	to date
Bogusław Nadolnik	Committee Member	14 January 2026	to date

Source: Proprietary material as at the publication date of this report

In Q1 2026 and until the date of publication of this report, the following change occurred in the composition of the Nomination Committee:

- on 14 January 2026, the Supervisory Board appointed Mr. Bogusław Nadolnik to the Nomination Committee.

STRATEGY, RESTRUCTURING AND SUSTAINABILITY COMMITTEE

Table 7 Composition of the PKP CARGO S.A. under restructuring Supervisory Board Strategy, Restructuring and Sustainability Committee

Name	Position	Period in office	
		from	to
Anna Ślęzak	Committee Chairwoman	23 February 2026	to date
Michał Wnorowski	Committee Member	12 July 2022	to date
Bogusław Nadolnik	Committee Member	16 May 2024	to date
Piotr Babski	Committee Member	28 April 2025	to date
Jacek Męcina	Committee Member	14 January 2026	to date

Source: Proprietary material as at the publication date of this report

In Q1 2026 and until the date of publication of this report, the following changes occurred in the composition of the Strategy, Restructuring and Sustainability Committee:

- on 14 January 2026, the Supervisory Board appointed Mr. Jacek Męcina to the Strategy, Restructuring and Sustainability Committee,
- on 23 February 2026, the Supervisory Board appointed Ms. Anna Ślęzak to the Strategy, Restructuring and Sustainability Committee, following which the Committee entrusted her with the function of Chairwoman.

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

On 14 January 2026, pursuant to Resolution No. 2/2025 of the Extraordinary Shareholder Meeting of PKP CARGO S.A. under restructuring dated 29 December 2025, the reduction of the Company's share capital to PLN 44,786,917 by decreasing the par value of all its shares by PLN 49.00, that is from PLN 50.00 per share to PLN 1.00 per share, was entered in the register of commercial undertakings. The reduction in the PKP CARGO S.A. under restructuring's share capital was carried out while keeping the number of all shares of every series unchanged.

The structure of PKP CARGO S.A. under restructuring's share capital as at 31 March 2026 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 from 29 April 2026, to the delivery date of this report, no changes occurred regarding entities holding, directly or indirectly, significant equity stakes in PKP CARGO S.A.

Table 9 Structure of significant shareholders of PKP CARGO S.A. under restructuring as at 29 April 2026 and 29 May 2026

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

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

Source: Proprietary material

2.4 Listing of shares held by management and supervisory board members

The holdings of shares in the Company or rights to such shares by members of the Company's Management Board or Supervisory Board in the period from the date of publication of the previous periodic report, that is from 29 April 2026, to the delivery date of this report were as follows:

Table 10 PKP CARGO S.A. under restructuring shares held by Management Board members

Name	Number of PKP CARGO S.A. shares held by Management Board member
as at 29 May 2026	
Paweł Głodek	0
Zbigniew Prus	0
Paweł Miłek	47,000
Michał Łotoszyński	0
as at 29 April 2026	
Paweł Głodek	0
Zbigniew Prus	0
Paweł Miłek	47,000
Michał Łotoszyński	0

Source: Proprietary material

Table 11 PKP CARGO S.A. under restructuring shares held by Supervisory Board members

Name	Number of PKP CARGO S.A. shares held by the Supervisory Board member
as at 29 May 2026	
Bogusław Nadolnik	0
Monika Starecka	0
Michał Wnorowski	0
Marzena Piszczek	0
Robert Stępień	0
Piotr Babski	0
Tomasz Pietrek	46
Jacek Męcina	0
Anna Maria Ślęzak	0
as at 29 April 2026	
Bogusław Nadolnik	0
Monika Starecka	0
Michał Wnorowski	0
Marzena Piszczek	0
Robert Stępień	0
Piotr Babski	0
Tomasz Pietrek	46
Jacek Męcina	0
Anna Maria Ślęzak	0

Source: Proprietary material

To the Company's knowledge, as at 29 April 2026 and as at the delivery date of this report, none of the members of the Issuer's Management Board or Supervisory Board holds any shares or ownership interests in PKP CARGO S.A.'s related parties.

3. Core lines of business of the PKP CARGO under restructuring Group

3.1 Macroeconomic environment

Rising geopolitical tensions and the continuation of confrontational policies by global powers are curbing global trade and hampering the growth of production capacity utilization across Europe. The primary area of contention is the visions for shaping the world, as presented by the United States and China, also affecting the development of trade relations on a global scale. Unfortunately, despite ongoing talks, this rivalry leads to tangible losses not only for the parties involved but, above all, affects third countries, which bear the brunt of the costs of instability and volatility in the international environment.

The forecasts published in April 2026 by the International Monetary Fund (IMF) indicate that, assuming a relatively short-lived conflict in the Middle East (the baseline scenario assuming the conflict will last several weeks), global GDP growth in 2026 and 2027 will reach +3.1% yoy and +3.2% yoy, respectively, reflecting a short-term slowdown by -0.2 percentage points relative to previous forecasts and a return to the previously projected path in the following year. However, in a situation of prolonged market turbulence, this scenario may be considered somewhat optimistic, according to the authors. For low-income economies that import energy, the growth rate is expected to slow down by approximately -0.5 percentage points over the cumulative two-year period (2026-2027). Developed countries that are net energy importers will see growth reduced by -0.2 percentage points during this period, whereas for energy-exporting economies, the change will be positive or at least neutral. In the event of a more prolonged conflict under the adverse scenario, global GDP is expected to decline by -0.8 p.p. in 2026 and -0.2 p.p. in 2027, with inflation rising by +1.5 p.p. and +0.4 p.p., respectively, and in the extreme case – that is with significant and prolonged effects of the crisis – GDP will decline by -1.3 percentage points in 2026 and -1.0 percentage points in 2027, with inflation rising by +1.9 and +2.6 percentage points, respectively.
IMF analysts expect inflation to increase from +4.1% yoy in 2025 to +4.4% yoy in 2026, and then to decline to +3.7% yoy in 2027. In 2026, emerging Asian economies will see a relatively high growth rate of +4.9% yoy (with India at +6.5% yoy and China at +4.4% yoy). In 2027, a slight slowdown in growth will ensue for this group of countries (a correction by -0.1 p.p. yoy). In highly developed countries, GDP growth in 2026 will be +1.8% yoy and +1.7% yoy in 2027. In 2026, in the United States and the Eurozone, the GDP growth rate will be +2.3% and +1.1% yoy, respectively (in both these areas, the growth rate is expected to be similar in 2027). In Germany, GDP will grow by +0.8% yoy in 2026, followed by +1.2% yoy in 2027. Economic growth for Poland this year will see a noticeable decline by -0.3 p.p. yoy (to +3.3% yoy), whereas in 2027, the slowdown in growth will deepen to +2.4% yoy, which will result, among other factors, from the exhaustion of the National Recovery Facility and the relatively high base in previous years.[2]

In March 2026, consumer prices (HICP) in the European Union were +2.8% yoy higher (after an increase of +2.5% yoy in March 2025 and +2.1% yoy in February of this year). Year-on-year price growth was recorded in all EU countries, with the highest rates in Croatia (+4.6% yoy), Lithuania (+4.4% yoy), Luxembourg (+3.8% yoy), Slovakia (+3.7% yoy), Ireland (+3.6% yoy), Estonia (+3.5% yoy) as well as in Spain, Greece and Latvia (all +3.4% yoy). Poland is another country with a significant rate of price growth, which stood at +3.2% yoy. Austria (+3.1% yoy) also exceeded the EU average. Conversely, the lowest rate of inflation was recorded in Denmark, where the index stood at +1.0% yoy. Among European Union economies with significant economic potential, prices rose the most in Germany (+2.8% yoy) and France (+2.0% yoy).[3]

Although further signs of the expected growth in the European economy are emerging, including in the form of PMI readings for 2026, there are still no clear signs of a recovery, such as an increase in demand in European markets. A factor hindering significant growth is the escalation of the conflict in the Middle East, which has the potential to effectively slow down and constrain industrial activity. The HCOB Eurozone Manufacturing PMI, a barometer of economic conditions in the Eurozone manufacturing sector, increased to 51.6 points in March 2026, indicating a gradual improvement in the Eurozone

[2] www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[3] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_spoleczno-gospodarcza_w_Unii_Europejskiej_i_w_wybranych_krajach.html – as at 27 April 2026)

manufacturing sector (a reading above 50.0 points, after many months of hovering around the neutral 50-point mark). In March 2026, the PMI for the German industrial sector increased to 52.2 points (marking another positive reading following February's figures), which may contribute to increased production in Poland due to strong economic ties. Both indices have shown a noticeable improvement this year compared to December 2025 (by +2.8 p.p. and +3.1 p.p., respectively), however, serious structural problems still exist in the European economy, which, along with the unfavorable impact of the international environment, suppress the potential expansion of the European Union's industry, with the unfortunate consequences in the form of lower capacity utilization among Polish manufacturers as well.[4]

During the first 2 months of 2026, foreign trade turnover (expressed in EUR) was lower than the year before in most European Union countries, with exports having declined in 21 countries and imports in 19 countries.[5]

The current international situation implies a slowdown of or end to the economic recovery that was emerging at the beginning of this year as well as a return to a relatively low growth rate on a global scale. Domestic economic performance, when compared to developed economies and Eurozone countries, looks quite favorable, but further problems faced by Poland's main trading partners will exert an impact on the country's industrial output. This notwithstanding, constraints on production capacity in more distant markets present certain opportunities for commercial undertakings operating within the European Union, including domestic businesses. The search for alternative supply sources may also lead to changes in EU policy, which should serve as a temporary stimulus to increase the involvement of domestic players and – if systemic legal solutions are implemented – also to a long-term increase in the importance of intra-EU trade. The impact of U.S. tariffs is weaker than anticipated on account of the U.S. judiciary challenging the method of implementing the rates as well as negotiations leading to a reduction in the actual burden. However, a number of global imbalances across numerous markets are destabilizing the international trade system, leading to a high degree of market uncertainty, disruptions and additional costs in supply chains, causing increases in market prices and potentially reducing international trade volumes (including the business of transport market companies).

Economy in Poland

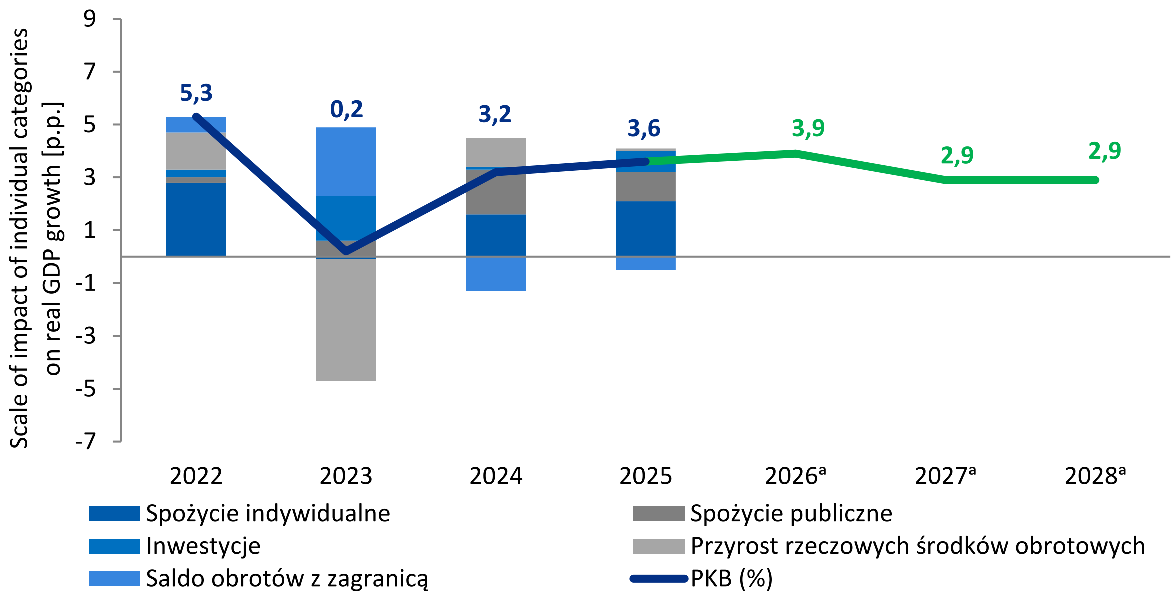
Increase in sold industrial output in Q1 2026 by +2.9% yoy (compared to the increase by +0.8% yoy in Q1 2025). The positive, albeit relatively low, performance of industrial processing (accounting for over four-fifths of the sector's revenue), which grew by +2.0% year-on-year, effectively offset the higher production growth rates in other sectors (amid weather conditions that curbed activity in certain areas). Good, or even very good, performance was reported in the following sectors: water supply, sewage and waste management, land reclamation (+4.8% yoy), electricity, gas, steam and hot water supply (+11.2% yoy), and mining and quarrying (+15.4% yoy).[6]

Year-on-year production growth in Q1 2026 was recorded in 21 industrial sectors (out of 34 sectors), including, among others, the manufacturing of: machinery and equipment (+11.1%), paper and paper products (+4.5%), rubber and plastic products (+1.7%), motor vehicles, trailers and semi-trailers (+0.8%), and wood products (+0.7%). An increase in production was also recorded for the whole mining and quarrying section (+15.4% yoy), which includes the extraction of hard coal and lignite (up +9.0% yoy). A year-on-year decline in activity was recorded in 13 industrial sectors, including the manufacturing of: metals (-9.4%), products from other non-metallic raw materials (-4.5%), metal products (-2.3%), furniture (-2.2%), and chemicals and chemical products (-0.6%).[7]
According to Statistics Poland's preliminary estimates, the rate of GDP growth in 2025 was +3.6% yoy (compared to +3.2% yoy in 2024, after a +0.2 p.p. adjustment).[8]

[4] IHS Markit (www.pmi.spglobal.com/Public/Release/PressReleases – reports for each month)
[5] Statistics Poland (ssgk.stat.gov.pl/Sytuacja_spoleczno-gospodarcza_w_Unii_Europejskiej_i_w_wybranych_krajach.html – as at 27 April 2026)
[6] Statistics Poland (ssgk.stat.gov.pl/Przemysl.html – as at 27 April 2026 for entities with more than 9 employees)
[7] Statistics Poland (ssgk.stat.gov.pl/Przemysl.html, as at 27 April 2026 for entities with more than 9 employees, and Statistical Bulletin No. 03/2026, Table 46)
[8] Statistics Poland (publikacje.new.stat.gov.pl/portal-publikacje/produkt-krajowy-brutto-zaktualizowany-szacunek-wedlug-kwartalow-za-lata-2024-2025)

According to a preliminary estimate by Statistics Poland (GUS), gross domestic product in Q1 2026 (non-seasonally adjusted data) increased by +3.4% yoy (compared to a +3.2% yoy increase in Q1 of the previous year and a +4.1% yoy increase in Q4 of last year).[9]

Figure 2 Real GDP growth rate in Poland in 2022-2025, its decomposition and forecasts for 2026-2028 – seasonally unadjusted data



a – macroeconomic forecasts of the National Bank of Poland for 2026-2028 (March 2026)
Source: Proprietary material based on data published by Statistics Poland and the National Bank of Poland

Prices of consumer goods and services in Q1 2026 increased by +2.4% yoy (compared to a +4.9% yoy increase in Q1 2025).[10] At the same time, industrial output prices dropped by -1.8% yoy (compared to a decline of -1.1% yoy in Q1 of the previous year), with an increase in construction and assembly output prices by +4.2% yoy (compared to +3.7% yoy in Q1 of the previous year).[11]

The business climate index for manufacturing (GUS) improved significantly in Q1 2026. This year, the index readings improved from -11.6 in December of last year to -5.2 in March 2026 (reaching a quarterly high of -3.2 in February). The average value of the index for Q1 2026 (-4.2) is noticeably higher than the average reading for the quarters of the last two years (average values ranging from -11.6 to -6.6) and is only slightly lower than the value recorded in Q3 2021 (-2.0), which has not improved in four and a half years. The monthly value in March of this year and the quarterly value might have come even closer to the neutral level, but the outbreak of war in the Middle East effectively dampened positive sentiment. This means that the number of businesses expecting an improvement in the economic standing in the coming months is gradually increasing in relation to the number of businesses expecting the opposite to occur. Despite an improvement compared to previous years, the situation remains difficult. With a limited number of new orders and reduced external demand, it is impossible to fully utilize existing manufacturing capacity, which translates into domestic industrial output results that are still weaker than expected.[12]

Forecasts: the National Bank of Poland's March 2026 inflation and growth projection anticipates an acceleration in GDP growth in 2026, followed by a lower rate of growth in 2027-2028. According to NBP analysts' forecasts, GDP growth is expected to reach +3.9% yoy in 2026, followed by +2.9% in 2027 and 2028. Inflation is anticipated to stabilize between 2026 and 2028, as the central path of the projection indicates anticipated consumer price inflation at +2.3% yoy in 2026, +2.4% yoy in 2027 and

[9] Statistics Poland (new.stat.gov.pl/portal-publikacje/szybki-szacunek-produktu-krajowego-brutto-za-1-kwartal-2026)
[10] Statistics Poland (ssgk.stat.gov.pl/Ceny_towarow_i_uslug_konsumpcyjnych.html – as at 27 April 2026)
[11] Statistics Poland (ssgk.stat.gov.pl/Ceny_produkcji_sprzedanej_przemyslu_oraz_budowlano-montazowej.html – as at 27 April 2026)
[12] Statistics Poland, Statistical Bulletin, Table 62, column C

+2.3% yoy in 2028.[13] However, these forecasts did not take into account the escalation of the situation in the Middle East, which will bring about a slight decline in economic growth and a noticeable increase in inflation.

In Q1 2026, the primary factors affecting the situation in key sectors of Polish industry were:

- Decline in hard coal output to 10.7 million tons (-0.5 million tons, or -4.6% yoy)[14];
- Increase in domestic hard coal sales to 11.5 million tons (+0.4 million tons yoy, or +3.2% yoy)[15];
- Large stockpiles of hard coal in the mines' storage yards – as at the end of March 2026, stockpiles stood at nearly 3.7 million tons (down by -0.9 million tons compared to the end of 2025, or -20.5% yoy)[16];
- Increase in hard coal imports (Eurostat data) – imports of this commodity to Poland during the first 2 months of 2026 increased by +7.8% yoy, to 1.2 million tons (that is by +0.1 million tons)[17];
- Price decline on the Polish hard coal market, amid fluctuations in commodity prices on the international market – the average PSCMI1 value for the commercial power sector was PLN 308.63 per ton (-14.7% yoy and -4.2% qoq), while PSCMI2 for the heating sector reached PLN 396.31 per ton (-16.8% yoy and -5.9% qoq)[18];
- Rise in hard coal prices at ARA ports – last year ended with prices below USD 97.0 per ton. Subsequently, as a result of escalating tensions and the conflict spreading to other Gulf countries (amid very sharp price increases for other energy commodities, particularly natural gas), by the end of March of this year prices reached USD 127.9 per ton[19];
- Increase in electricity consumption in Poland at a rate of +5.3% yoy to 46.8 TWh[20];
- Increase in the country's electricity output by +3.3% yoy to 47.3 TWh[21];
- Slight increase in the significance of hard coal in the domestic energy mix – the share of hard coal in total electricity generation rose to 46.4% (+1.7 p.p. yoy)[22];
- Decrease in construction and assembly output by -7.0% yoy (vs. +0.2% yoy increase in Q1 2025)[23];
- Sharp decrease in Poland's cement output by -25.3% yoy to 2.5 million tons, with a simultaneous decrease in cement clinker output by -22.3% yoy to 1.7 million tons[24];
- Decrease in steel production in Poland by -12.0% yoy to 1.7 million tons[25];
- Increase in the production of selected steel products in Poland: increase in the production of hot-rolled products by +2.9% yoy to 2.1 million tons, thin sheets by +3.4% yoy to 0.3 million tons, cold-rolled bars and sheets by +3.7% yoy to 0.4 million tons, and bars and flat products by +8.3% yoy to 0.9 million tons[26];
- Decline in the production of hot-rolled billets and bars by -18.3% yoy to 0.3 million tons[27];
- Decline in coke production in Poland by -3.5% yoy to 1.8 million tons[28].

Czech economy

Industrial output in the Czech Republic in Q1 2026 shrank by -0.3% yoy (current prices, unadjusted data), following an increase by +0.5% yoy in Q4 of last year and +0.6% yoy in Q1 of last year. In Q1 2026, hard coal and lignite output declined significantly (-8.6% yoy), coupled with, among other items, the output of paper and paper products (-5.3% yoy) as well as machinery and equipment (-4.5% yoy). During this period, increases were reported in the output of motor

[13] https://nbp.pl/projekcja-inflacji-i-pkb-marzec-2026/
[14] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/wydobycie-i-sprzedaz-wegla-kamiennego-ogolem
[15] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/wydobycie-i-sprzedaz-wegla-kamiennego-ogolem
[16] Industrial Development Agency / polskirynekwegla.pl/raport-dynamiczny/stan-zapasow-wegla-kamiennego-caly-okres-czasu
[17] Eurostat – European Commission / Eurostat / International Trade (EU trade since 2002 by HS2-4-6 and CN8) – as at 8 May 2026.
[18] Industrial Development Agency (ARP) – releases (polskirynekwegla.pl/krajowe-indeksy-weglowe-notowanie-z-marca-2026-r)
[19] WNP (wnp.pl/gornictwo/notowania/ceny_wegla/)
[20] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)
[21] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)
[22] Polskie Sieci Elektroenergetyczne (https://www.pse.pl/dane-systemowe/funkcjonowanie-kse/raporty-miesieczne-z-funkcjonowania-kse/raporty-miesieczne)
[23] Statistics Poland (ssgk.stat.gov.pl/Budownictwo.html – as at 27 April 2026 for construction enterprises with more than 9 employees
[24] Statistics Poland (new.stat.gov.pl/portal-publikacje/produkcja-wazniejszych-wyrobow-przemyslowych-w-marcu-2026-r)
[25] Statistics Poland (new.stat.gov.pl/portal-publikacje/produkcja-wazniejszych-wyrobow-przemyslowych-w-marcu-2026-r)
[26] Statistics Poland (new.stat.gov.pl/portal-publikacje/produkcja-wazniejszych-wyrobow-przemyslowych-w-marcu-2026-r)
[27] Statistics Poland (new.stat.gov.pl/portal-publikacje/produkcja-wazniejszych-wyrobow-przemyslowych-w-marcu-2026-r)
[28] Statistics Poland (new.stat.gov.pl/portal-publikacje/produkcja-wazniejszych-wyrobow-przemyslowych-w-marcu-2026-r)

vehicles, trailers and semi-trailers (+1.6% yoy), rubber and plastic products (+1.8% yoy), metals (+4.3% yoy), metal products (+4.8% yoy) as well as wood and wood products (+10.2% yoy).[29]

In Q1 2026, the value of new orders increased by +4.3% yoy (current prices, unadjusted data), following a +9.4% yoy increase in Q4 of last year and a -0.1% yoy decline in Q1 of last year. The improvement resulted from an increase in the value of foreign orders (+4.8% yoy) and domestic orders (+3.3% yoy).[30] The growth in external orders points to a gradual recovery in demand from the European Union, although significant fluctuations occurred between quarters, driven, among other factors, by an unstable international environment and problems in major EU economies. As predicted, the negative performance of domestic orders observed in Q4 2025 is no longer continuing this year. It represented an unfavorable exception to the trend of growth in such orders over the previous two years.

According to preliminary CSU estimates, price- and seasonally-adjusted GDP growth in Q1 2026 was +2.1% year-on-year and +0.2% quarter-on-quarter. Year-on-year GDP growth was driven exclusively by domestic demand, particularly household consumption and investment, with an adverse impact from the international trade balance. Employment also improved slightly (by +0.7% year-on-year).[31]

In Q1 2026, inflation reached +1.6% yoy (after an increase by +2.2% yoy in Q4 of last year and by +2.7% yoy in Q1 of last year), which means that for nine quarters now, price growth has remained below the +3.0% yoy threshold.[32]

Forecasts by the Czech Ministry of Finance predict GDP growth (data seasonally adjusted and adjusted for the number of business days) of: +2.2% yoy in 2026 and 2027, and then +2.7% yoy in 2028. In these years, consumer price index (CPI) is to reach: +2.5% yoy, +2.8% yoy and +2.3% yoy, respectively.[33]

Impact of the geopolitical situation on the PKP CARGO Group's operations

The geopolitical situation has a multidimensional impact on the operation of the transport market in Poland, including rail operators, and therefore also the PKP CARGO Group. Poland's location on NATO's eastern flank, directly next to the zone of the violent conflict between Russia and Ukraine, translates into a limitation of potentially feasible exchange in the Eastern direction, including by reducing the potential of intermodal connections. The present situation results from attempts to change the still prevailing world order, with the central position of the United States, which are increasingly stronger pursued by other power poles, including especially China. The desire to have their position fixed and accepted is certainly shared by many more countries, including Russia, which is trying to rebuild its zone of influence in Europe. The divergence of interests among major world powers is leading to a restructuring of supply chains and economic ties, which has a real impact on the demand for transportation services and the revenue generated from them.

Following the gradual reduction of tariffs and trade barriers as a result of negotiations and court rulings, which, however, remain noticeably higher than pre-2025 levels, the pressure to increase burdens due to market turmoil is mounting once again with the protection of key industries by the United States and China. The European Union is also gradually introducing measures to protect the internal market. Even though the measures are highly restricted, they can nevertheless, in connection with other instruments (e.g. CBAM), bring effects of supporting production in Europe, including Poland. Any changes in the above influence possible fluctuations (i.e. higher variability) in transports, and therefore also the level of revenues of rail operators, including those being part of the PKP CARGO Group.

Another energy crisis in Europe triggered by the war in Iran (a conflict that affects all the global economies, regardless of their geographical location) is leading to further reductions in consumption on the continent and in global terms (the need to purchase energy commodities and fuels instead of purchasing other goods), i.e. it contributes to stifling the recovery looming

[29] Czech Statistical Office / Sales from industrial activity: unadjusted data – published on 7 May 2026
[30] Czech Statistical Office / New industrial orders by selected CZ-NACE divisions: unadjusted data published on 7 May 2026
[31] Czech Statistical Office (csu.gov.cz/rychle-informace/gdp-preliminary-estimate-1st-quarter-of-2026)
[32] Czech Statistical Office (data.csu.gov.cz/datastat/data/VYBER/CEN0101ET02?vSel=1) – as at 7 May 2026
[33] mf.gov.cz/en/fiscal-policy/macroeconomic-analysis/macroeconomic-forecast/2026/macroeconomic-forecast-april-2026-63635

on the horizon, and thus dampens positive signals indicating the potential for increased freight transport and the provision of transport-related services, both in Poland and within the network of interconnected economies. However, because of the military operations in the Persian Gulf region and the presence of a diverse range of production there, to a large extent export-oriented, this crisis is also having a significant impact on numerous industries, including, in particular, the chemical, steel, and agricultural sectors. This could lead to either a temporary decline in domestic sales or an increase in them, in connection with the need to replenish inventories.

The geopolitical situation is fraught with the risk of high uncertainty of what the major powers will do, where not only purely economic measures but also politically motivated moves on the international arena – including, in extreme cases, military actions – affect the operation of global markets, disrupt them, and even break up and rebuild economic ties. The significant impact of the situation on numerous smaller businesses generates changes in supply chains, leads to the transformation and restructuring of entire industries and results in additional costs. The additional burdens on the economies limit the impact of positive factors exerting influence in the opposite direction (such as the use of artificial intelligence), which contribute to increasing the potential for growth in trade and business activity. Unfortunately, numerous disruptions are not conductive to increasing production for external markets, due to, among others, higher costs of importing energy commodities, which is hindering demand and leading to underutilization of domestic production capacity, as well as resulting in limited demand for transportation services.

The impact of the current geopolitical situation is clearly negative. Such factors as high market uncertainty, which is reducing investment levels; constraints on demand and production, which are contributing to a decline in freight volumes and revenues; rising business operating costs; a continuing decline in trade with the East and the perception of Poland as a country in a high-risk zone – all of them have an adverse effect on freight volumes.

3.2 Freight activity

3.2.1 Rail transport market in Poland

In Q1 2026, there were altogether 132 rail operators operating on the Polish rail freight market and holding an active license issued by the President of the Office of Rail Transport for the conduct of rail freight operations (compared to 133 rail operators in the corresponding period of 2025).[34] Among these companies were three members of the PKP CARGO Group: PKP CARGO S.A. under restructuring, PKP CARGO SERVICE Sp. z o.o. and PKP CARGO INTERNATIONAL a.s.

In the period, Poland's rail freight transport continued to show the adverse trends observed in recent years, although the freight volume, in spite of difficult weather conditions, dropped only slightly on a year-on-year basis. In Q1 2026, over 51.8 million tons of cargo was transported by rail, which means that the volume on the market decreased by -0.3 million tons yoy (-0.7% yoy). Completed freight turnover exceeded 13.4 billion tkm and increased by +0.1 billion tkm yoy (+0.7% yoy).[35] The average haul grew by +1.3% compared to the corresponding quarter of 2025, reaching 259 km. The results show a gradual change in the nature of the rail market in Poland, where the scale of freight volume is declining, while dispersed cargo streams and intermodal transport are becoming increasingly important. At present, among rail operators, the improvement of operational effectiveness has become the first priority rather than fight for volumes.

During Q1 2026, the largest negative growth rate in transport was recorded in January (-8.3% yoy, with the total volume of 16.1 million tons), when difficult weather conditions took place clearly limiting production and transports, which translated into the largest decrease in volume in year-on-year terms (i.e. by -1.5 million tons). A not much better result was recorded in February, when nevertheless there was a noticeable better weather in the second half of the month, which contributed to limiting the extent to which results were decreased (the total transports of 16.4 million tons, or -1.8% yoy).[36]

[34] Office of Rail Transport (dane.utk.gov.pl/sts/rejestry/rejestr-licencjonowanyc/16733,Wykaz-przedsiebiorcow-posiadajacych-licencje-przewoznika-kolejowego-wydana-przez.html – as at 4 March 2026)
[35] Office of Rail Transport
[36] Office of Rail Transport

In March 2026, results of cargo freight brought already certain signs of recovery, and March turned out to be the best month for rail transport in Q1 2026 – in terms of volume performance, when rail operators transported 19.3 million tons of cargo, and the growth rate reached +7.9% yoy (or +1.4 million tons yoy). This confirms the potential of rail transport for possible expansion if the international situation becomes more or less normal and demand gradually improves in Europe. The situation, however, remains difficult, especially in view of the rapidly changing environment.

Signs of recovery in the rail market can be also clearly seen in the results of the intermodal segment. Data published by the Office of Rail Transport for 2025 show that the economic situation in that market segment continues to be good in spite of the decrease in total rail freight recorded at the time, the variable geopolitical situation and serious challenges in the international trade. After two worse years in 2022 and 2023, intermodal transport increased in 2024 and 2025. In 2025, within the segment, rail transports amounted to 28.4 million tons (+2.6% yoy) and completed freight turnover stood at 9.6 billion tkm (+2.8% yoy); the number of ITU also grew up to 1.8 million units (+4.9% yoy) and TEU up to 2.9 million (+7.4% yoy). These have been the highest figures in the history of statistics at the Office of Rail Transport. Although the results for the year were not spectacular yet, the second half, and especially the fourth quarter already brought a considerable recovery. In Q4, an increase in the number of transported units was recorded on a quarter-on-quarter basis, by +15.1% yoy, a growth in TEU by +16.8% yoy, cargo weight higher by +15.1% yoy as well as an increase in the completed freight turnover by +15.3% yoy. In 2025, PKP CARGO S.A. under restructuring achieved the best result in the market of intermodal transport in terms of transported volume and the second-best result in terms of freight turnover. In spite of cut-throat competition for customers with a numerous group of companies specialized in the segment, PKP CARGO managed to retrieve a noticeable portion of shares in the weight of transported cargo (+3.2 p.p. yoy), with a slightly lower but clear improvement in the share of freight turnover (+0.8 p.p. yoy), reaching total shares of 19.7% in freight volume and 19.5% in freight turnover. The market shares of PKP CARGO in the market of intermodal transport in Q4 2025 (21.5% in terms of freight volume and 21.5% in terms of freight turnover) were significantly higher from the result in Q4 2024 in terms of freight volume (+5.3 p.p. yoy) and in terms of freight turnover (+4.4 p.p. yoy). This means a significant strengthening of PKP CARGO S.A. under restructuring in this area. There is strong competition on the intermodal market to win transport contracts, which exerts an adverse impact on service margins, especially given the limited demand in other areas of rail transport. In 2025, intermodal transport services were provided already by 39 companies.[37]

When analyzing the structure of cargo transported by rail in Poland during the first two months of 2026, it should be noted that hard coal (the share of which in the transport structure is gradually decreasing) was still the largest cargo category,[38] accounting for 33.6% of total transports (the high result because of, among others, temperatures lower than average and lower transport levels in the other cargo categories). The following changes in rail transport year-on-year performance were recorded over that period in the largest cargo categories defined by Statistics Poland:[39]

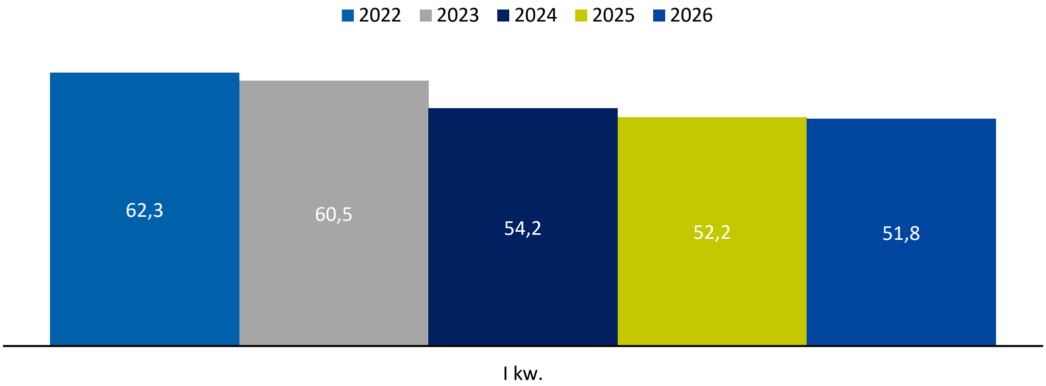
- hard coal (down -1.2% yoy to 10.8 million tons),
- aggregates, sand and gravel (down -34.9% yoy to 4.6 million tons),
- refined petroleum products (up +24.6% yoy to 3.7 million tons),
- metals and metal products (up +0.1% yoy to 1.6 million tons),
- chemicals, chemical products (down -7.8% yoy to 1.6 million tons),
- coke, briquettes, gases (down -10.5% yoy to 1.3 million tons),
- agricultural products (up +6.1% yoy to 0.8 million tons),
- iron ores (down -31.9% yoy to 0.7 million tons).

The greatest decline in freight volumes transported by rail compared to the results in of the first 2 months in 2026 was recorded in transports of aggregates, sand and gravel (-2.5 million tons). Apart from that, volumes decreased for, among others, iron ores (-0.3 million tons), cement, lime and gypsum and coke, briquettes and gases (-0.2 million tons each). Decreases of -0.1 million tons were also recorded in transports of chemicals and chemical products, hard coal and secondary raw materials, including especially scrap. At the same time, during the first 2 months of 2025, the market saw a significant year-on-year

[37] Office of Rail Transport (dane.utk.gov.pl/sts/transport-intermodalny)
[38] Based on the NST classification – data from Statistics Poland – data for the first 2 months of 2026
[39] Statistics Poland

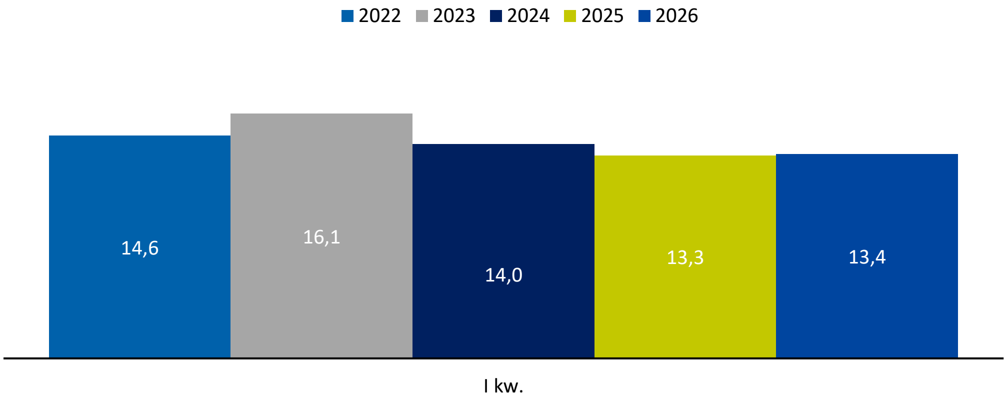
increase in rail transport of other cargo (+0.8 million tons) and refined petroleum products (+0.7 million tons). The other major cargo categories recorded a minimum growth in transports.[40]

Figure 3 Rail freight volumes in Poland in the first quarters of 2022-2026 (million tons)



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

Figure 4 Rail freight turnover in Poland in the first quarters of 2022-2026 (billion tkm)



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

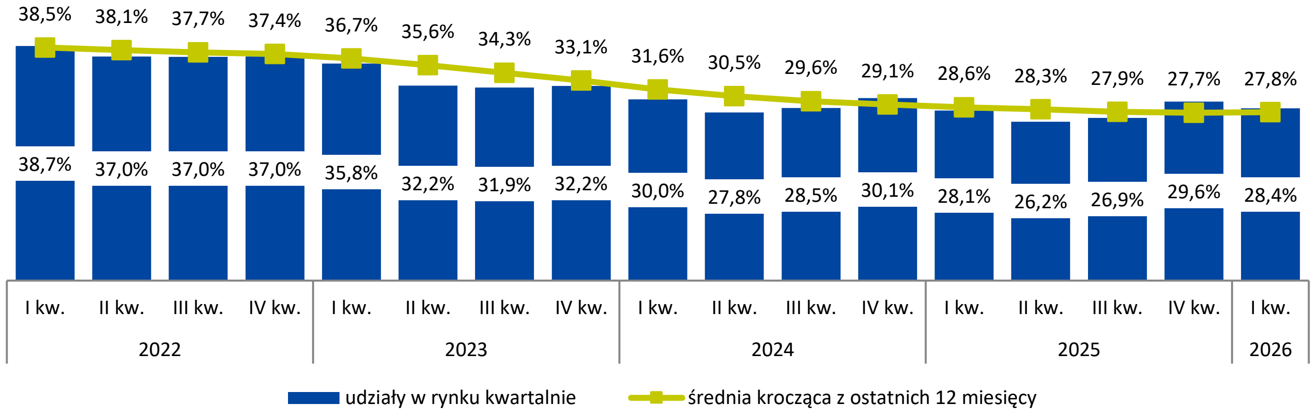
In Q1 2026, according to data from the Office of Rail Transport, 34 rail operators performed transport operations whose market share in terms of freight volume transported exceeded the 0.5% threshold (compared to 33 rail operators in Q1 2025). These included two member companies of the PKP CARGO Group: PKP CARGO S.A. under restructuring and PKP CARGO Service Sp. z o.o.[41]

The PKP CARGO Group[42] continues to be a strong leader in the rail freight market in Poland both in terms of share in the transported freight volume and generated freight turnover. In Q1 2026, the PKP CARGO Group clearly strengthened its market position, improving its shares, which were 28.4% (+0.4 p.p. yoy) in terms of freight volume and 28.5% in terms of freight turnover (+2.3 p.p. yoy).[43] The market shares of the parent company of the PKP CARGO Group, that is PKP CARGO S.A. under

[40] Statistics Poland
[41] Office of Rail Transport
[42] The PKP CARGO Group's freight volume takes into account cargo transported by PKP CARGO International a.s. in Poland.
[43] PKP CARGO Group and Office of Rail Transport data

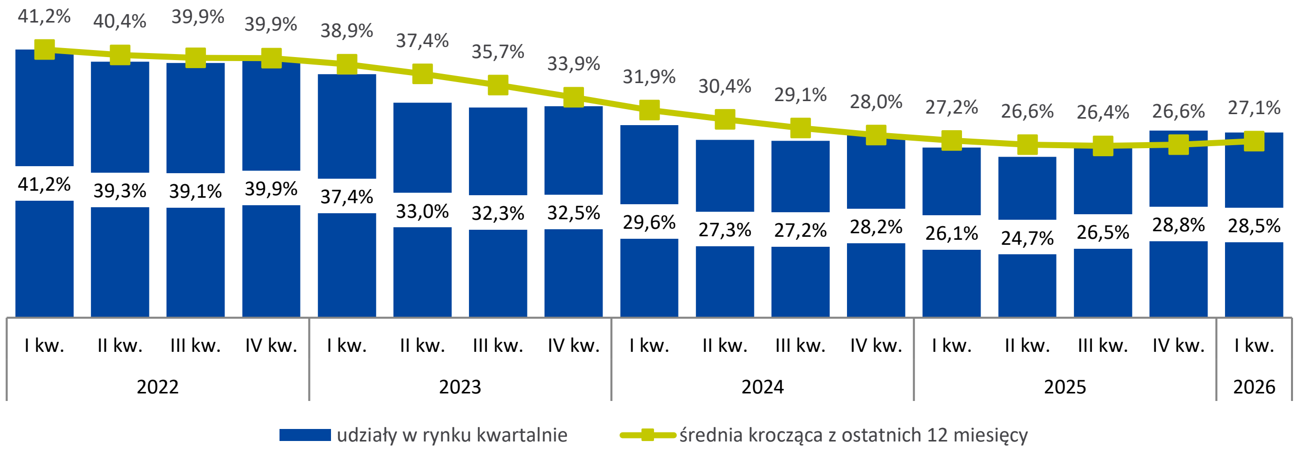
restructuring, also increased at the time, and were 27.6% (+0.7 p.p. yoy) in terms of freight volume and 28.3% (+2.4 p.p. yoy) in terms of freight turnover.[44]

Figure 5 Quarterly shares of the PKP CARGO Group in freight volume in Poland in 2022-2026



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

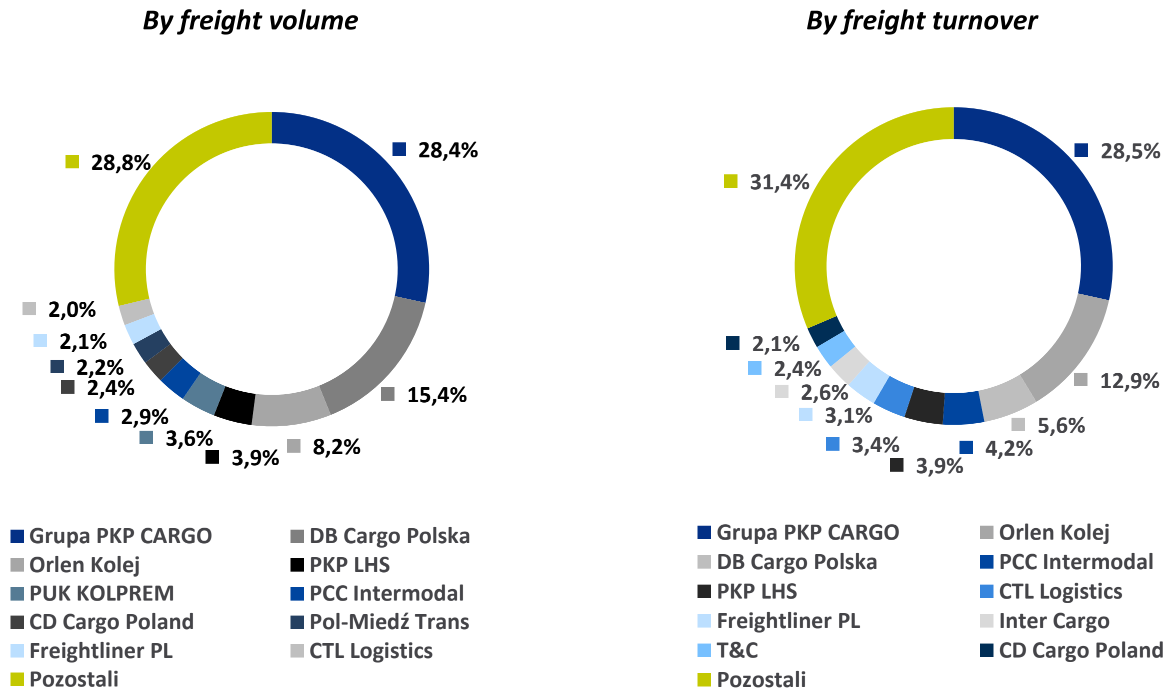
Figure 6 Quarterly shares of the PKP CARGO Group in total freight turnover in Poland in 2022-2026



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

[44] Office of Rail Transport

Figure 7 Market shares of the largest freight rail operators in Poland in Q1 2026



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

The Group's main competitors on the Polish rail freight market in Q1 of this year in terms of freight volume were the following operators: DB Cargo Polska, Orlen Kolej, PKP LHS, PUK Kolprem, PCC Intermodal, CD Cargo Poland, Pol-Miedź Trans, Freightliner PL and CTL Logistics. These are operators with a share of over 2% in the rail freight transport market volume.[45]

In Q1 2026, competing rail carriers transported a total of 37.1 million tons of cargo (-1.2% yoy) on the Polish market. The largest competitor in terms of transported volume was DB Cargo Polska, with a 15.4% market share and transported volume of 8.0 million tons in Q1 2026 (-0.2 million tons, or -2.3% compared to the volume transported in Q1 2025). The rail operator lost -0.3 p.p. of the market share year-on-year. The biggest increases in the shares were recorded for the following operators: Orlen Kolej and Dolkom (+0.8 p.p. yoy each), and also, to a lesser extent, Service and Logistics Group and PCC Intermodal (+0.5 p.p. yoy each). The largest decline in market share among the competitors in Q1 2026 was recorded by PUK Kolprem (-1.0 p.p. yoy) and PKP LHS (-0.7 p.p. yoy), with a volume decline of -22.0% yoy and -15.9% yoy, respectively.[46]

At the same time, in Q1 2026, freight turnover of PKP CARGO Group's competitors decreased by -2.5% yoy to 9.6 billion tkm. In this respect, the market shares which increased the most in year-on-year terms were those of Service and Logistics Group and Orlen Kolej (+0.8 p.p. yoy each) as well as PCC Intermodal (+0.6 p.p. yoy). On the other hand, significant declines in market shares among competitors were recorded by PKP LHS (-1.5 p.p. yoy) and T&C, CD Cargo Poland and for other smaller rail operators in total (-0.7 p.p. yoy each).[47]

[45] Office of Rail Transport
[46] proprietary material based on Office of Rail Transport data
[47] proprietary material based on Office of Rail Transport data

3.2.4 PKP CARGO Group's rail transport business

The data on the transport activity completed by the PKP CARGO Group during Q1 2026 and Q1 2025 are presented in the consolidated data of PKP CARGO S.A. under restructuring, PKP CARGO SERVICE Sp. z o.o. and the PKP CARGO INTERNATIONAL Group companies. 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 12 Freight turnover of the PKP CARGO Group in Q1 2026 and Q1 2025

Description	Q1 2026	Q1 2025	Change 2026/2025		Q1 2026	Q1 2025
	(million tkm)			*%*	*percentage of total (%)*	
Solid fuels[1]	1,703	1,502	201	13.4%	40	39%
of which hard coal	1,468	1,300	168	12.9%	34%	33%
Aggregates and construction materials[2]	509	730	-221	-30.3%	12%	19%
Metals and ores[3]	473	306	167	54.8%	11%	8%
Chemicals[4]	333	390	-56	-14.4%	8%	10%
Liquid fuels[5]	156	71	85	119.3%	4%	2%
Timber and agricultural produce[6]	143	136	7	5.3%	3%	4%
Intermodal transport	842	631	211	33.5%	20%	16%
Other[7]	148	121	28	23.0%	3%	3%
Total	**4,307**	**3,885**	**422**	**10.9%**	**100%**	**100%**

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.

Table 13 Freight volume of the PKP CARGO Group in Q1 2026 and Q1 2025

Description	Q1 2026	Q1 2025	Change 2026/2025		Q1 2026	Q1 2025
	(million tons)			*%*	*percentage of total (%)*	
Solid fuels[1]	8.9	8.2	0.7	8.7%	55%	51%
of which hard coal	8.0	7.4	0.6	8.7%	50%	46%
Aggregates and construction materials[2]	1.9	2.7	-0.8	-30.6	12%	17%
Metals and ores[3]	1.3	1.1	0.1	11.9%	8%	7%
Chemicals[4]	1.0	1.2	-0.2	-17.5	6%	7%
Liquid fuels[5]	0.3	0.4	-0.1	-22.3%	2%	2%
Timber and agricultural produce[6]	0.5	0.5	0.1	15.6%	3%	3%
Intermodal transport	1.8	1.6	0.2	14.4%	11%	10%
Other[7]	0.5	0.4	0.1	17.5%	3%	3%
Total	**16.1**	**16.0**	**0.1**	**0.6%**	**100%**	**100%**

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

In Q1 2026, the PKP CARGO Group transported a total of 16.1 million tons of freight volume.

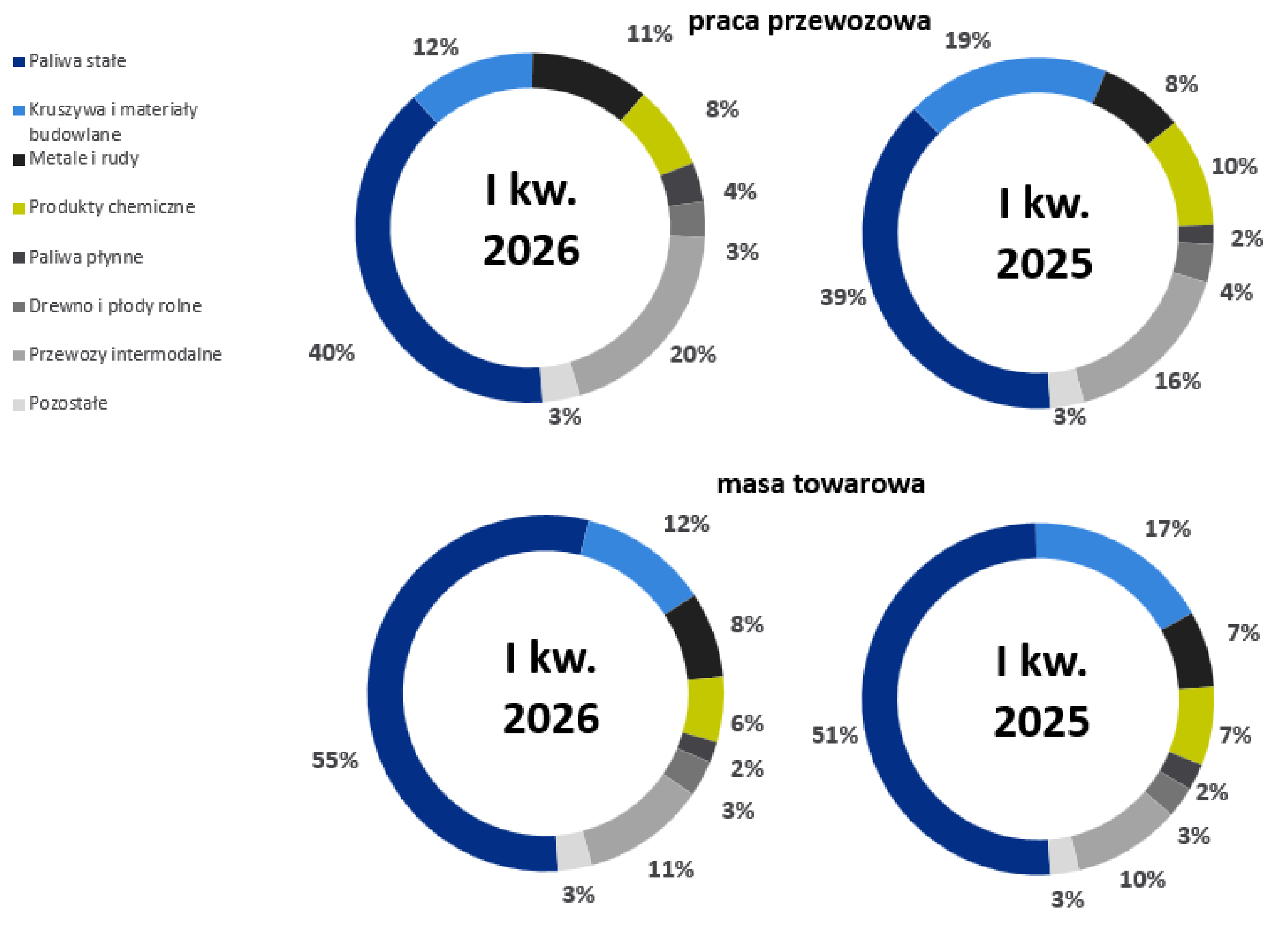
Table 14 Average haul of the PKP CARGO Group in Q1 2026 and Q1 2025

Description	Q1 2026	Q1 2025	Change 2026/2025	
	(km)			%
Solid fuels[1]	192	*184*	8	4.3%
of which hard coal	182	176	7	3.9%
Aggregates and construction materials[2]	267	266	1	0.3%
Metals and ores[3]	376	272	104	38.3%
Chemicals[4]	349	336	13	3.8%
Liquid fuels[5]	512	181	331	182.4%
Timber and agricultural produce[6]	270	297	-27	-9.0%
Intermodal transport	465	398	66	16.7%
Other[7]	300	287	14	4.7%
Total	**267**	**242**	**25**	**10.2%**

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

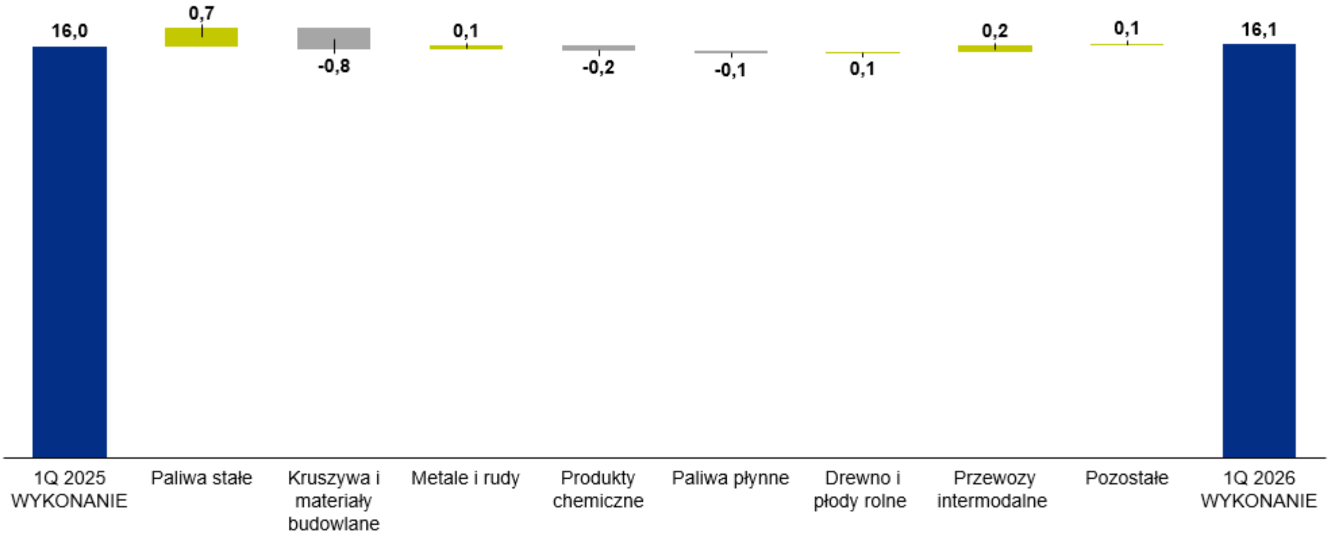
In Q1 2026, the average haul of freight transported by rail by the PKP CARGO Group was 267 km (the haul increased by 25 km yoy).

Figure 8 Structure of the PKP CARGO Group's freight turnover and freight volume in Q1 2026 and 2025



Source: Proprietary material

Figure 9 Freight volume of the PKP CARGO Group in Q1 2026 compared to the corresponding period in 2025



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

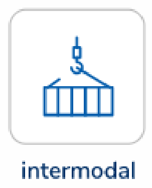
Explanation of key factors that affected freight volume in various cargo categories in Q1 2026:

- A growth in demand for hard coal as a fuel in the winter season,
- an increased share of hard coal in connection with higher gas prices,
- higher domestic transport of coke,
- increase in the average haul of solid fuels by 8 km (+4.3%) in connection with the changed structure of freight routes.

- Difficult weather conditions in winter,
- technological and maintenance shutdowns in mineral mines also occurred,
- delays in road construction investments,
- competition from other rail and road carriers,
- growth in average haul by 1 km (+0.3%), in connection with the changed structure and directions of deliveries.

- Increased demand of the steel industry for secondary raw materials as input to production,
- increase in transports of imported metallurgical products by sea,
- increase in the average haul by 104 km (+38.3%) – change in the structure of freight routes.

- Reduced hydrocarbon and fertilizer transport operations – limited delivery of shipments from the East due to the embargo in force,
- problems of domestic manufacturers of fertilizers with sales because of high prices of gas,
- increase in the average haul by 13 km (+3.8%) – decrease in the share of short-distance transport to Ukraine near the border.



- Continuation of contracts entered into in the previous year for regular transports of containers and regular transports of semi-trailers along Polish and international routes, including the New Silk Road,
- entering into new contracts for cabotage transport services between the Czech Republic and Germany,
- increasing transports of wood chips in containers along domestic routes,
- increase in the average haul by 66 km (+16.7%) due to a change in the structure of transport operations.

- Transport carried out by customers using their own rail carriers,
- increase in the average haul by 331 km (+182.4%) – a decrease in the share of short-distance transport to Ukraine near the border.

- Greater demand for transports of agricultural produce,
- decrease in the average haul by 27 km (-9.0%) as a result of a decrease in the share of transit transport of grain, feed and timber.

- A slight growth of transports of other cargo,
- growth in average haul by 14 km (+4.7%).

3.3 Information on business segments

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 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

The table below presents data on changes in the employment status of the PKP CARGO Group as at 31 March 2026 and at yearend 2025.

Figure 10 Structure of the PKP CARGO Group's headcount as at 31 March 2026 and 31 December 2025

ZATRUDNIENIE W **GRUPIE** (OSOBY) STAN NA:
31/03/2026 **12 452**
31/12/2025 **12 958**

STANOWISKA ROBOTNICZE W **GRUPIE** (OSOBY) STAN NA:
31/03/2026 **9 111**
31/12/2025 **9 500**

STANOWISKA NIEROBOTNICZE W **GRUPIE** (OSOBY) STAN NA:
31/03/2026 **3 341**
31/12/2025 **3 458**

Source: Proprietary material

Since the beginning of 2026, the PKP CARGO Group recorded a decrease in headcount by 506 persons, including 303 persons just in PKP CARGO S.A. The lower headcount in the Group was caused, among others, by changes to the structure of the PKP CARGO Group in January 2026, i.e. the sale of the CARGOTOR subsidiary as well as the natural turnover of employees, with full-time jobs not being replaced.

3.5 PKP CARGO Group's investments

In Q1 2026, the PKP CARGO Group incurred capital expenditures of PLN 106.3 million, up 4.2% compared to the corresponding period of 2025. These expenditures were spent on the acquisition of property, plant and equipment and intangible assets in the form of procurement, modernization and the overhaul component (periodic repairs of P4 and P5 rolling stock and periodic checkups of P3 rolling stock). Capital expenditures also include right-of-use assets (mainly lease of real estate) resulting from IFRS 16.

Table 15 Capital expenditures on property, plant and equipment, intangible assets and right-of-use assets in the PKP CARGO Group in Q1 2026 as compared to Q1 2025 (PLN million)

Description	Q1 2026	Q1 2025	Change 2026-2025	Change 2026-2025 %
Investment construction activity	1.2	0.3	0.9	300.0%
Locomotive upgrades	0.5	8.1	-7.6	-
Workshop machinery and equipment	0.6	0.2	0.4	200.0%
ICT development	0.7	0.4	0.3	75.0%
Other	0.1	0.0	0.1	-
Components in overhaul, including:	77.5	66.4	11.1	16.7%
Repairs and periodic inspections of locomotives	*16.6*	*28.3*	*-11.7*	*-41.3%*
Repairs and periodic inspections of wagons	*60.9*	*38.1*	*22.8*	*59.8%*
Right-of-use assets, including in terms of:	25.7	26.6	-0.9	-3.4%
Real properties	*19.8*	*22.1*	*-2.3*	*-10.4%*
Locomotives	*5.5*	*0.2*	*5.3*	*-*
Other rights	*0.4*	*4.3*	*-3.9*	*-90.7%*
Total	**106.3**	**102.0**	**4.3**	**4.2%**

* Expenditures for right-of-use assets for Q1 2026 do not include increases resulting from leaseback of locomotive amounting to PLN 6.9 million.

Source: Proprietary material

The majority of the Group's capital expenditures during Q1 2026 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) of the rolling stock approved by the Office of Rail Transport), in the total amount of PLN 78.0 million (or 73.4% of total capital expenditures). Moreover, the Group incurred capital expenditures on construction projects of PLN 1.2 million, purchases of machinery, equipment and other workshop equipment as well as cars in the amount of PLN 0.7 million, and on computerization, that is the purchase of computer hardware and intangible assets (software) in the amount of PLN 0.7 million, and PLN 25.7 million on right-of-use assets, including: PLN 19.8 million on property leases, PLN 5.5 million on repairs of leased locomotives and PLN 0.4 million on other rights.

3.6 Major decisions and events which occurred within the framework of pending remedial proceedings

On 29 May 2026, the Company's Management Board approved and submitted to the competent court the Composition Proposals, which defined the manner of restructuring of PKP CARGO's liabilities that were subject to the composition agreement by operation of law, including the manner and conditions for satisfying PKP CARGO's Creditors. The aggregate amount of claims covered by the composition agreement, according to the main and supplementary lists of creditors' claims as at 29 May 2026, is PLN 2,963,095,710.67.

The Composition Proposals provide for the classification of creditors into 7 (seven) groups encompassing respective categories of interests in accordance with Article 161 of the Restructuring Law Act of 15 May 2015 ("RL").

Group I – Tax Claims – claims of the State Treasury arising from taxes that constitute state budget revenue within the meaning of Article 6 of the Tax Code Act of 29 August 1997 excluding other statutory and government claims that fall outside the definition of tax. Repayment of 75% of claims arising from principal amounts; cancellation of the remaining portion of claims; full cancellation of all ancillary claims.[48] The payment in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final.

Group II – Category I commercial claims and claims under lease agreements – creditors with claims under lease agreements and commercial creditors with claims under any commercial contracts and transactions, irrespective of the legal or factual basis of such contracts or transactions, in particular arising from the supply of goods and services and investment contracts, where the aggregate amount of claims arising from principal amounts is less than or equal to PLN 50,000.00, not classified in other groups. Repayment of 100% of claims arising from principal amounts; full cancellation of all ancillary claims. The payment in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final.

Group III – Category II commercial claims – commercial creditors with claims as in Group II, except that the aggregate amount of claims arising from principal amounts is greater than PLN 50,000.00 but less than or equal to PLN 600,000, not classified in other groups. Repayment of 50% of claims arising from principal amounts; cancellation of the remaining portion of claims; full cancellation of all ancillary claims. The payment in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final.

Group IV – Claims held by banks, credit institutions, financial institutions and other entities arising from financing granted to the Company, or Category III commercial claims – financial creditors with claims arising from loans and borrowings and other financial obligations of such nature (Banks and Financial Institutions), and commercial creditors with claims under any

[48] Ancillary claims should be understood as claims arising from interest, both due as at the opening date of the remedial proceedings and due for the period after the opening date of the remedial proceedings; this reduction applies to all types of interest, irrespective of their legal nature; full cancellation of all ancillary claims, such as claims arising from costs and other ancillary claims (including commissions, compensation for debt recovery costs, enforcement costs, reminders, fees or other ancillary claims), as well as costs of pursuing claims, incurred up to the day preceding the opening date of the Company's remedial proceedings

commercial contracts and transactions, irrespective of the legal or factual basis of such contracts or transactions, in particular arising from the supply of goods and services and investment contracts, where the aggregate amount of claims arising from principal amounts is greater than PLN 600,000.00, not classified in other groups. Satisfaction of 50% of claims arising from principal amounts; cancellation of the remaining portion of claims; full cancellation of all ancillary claims. Satisfaction of 50% of claims will be effected as follows: 25% of the claim amount will be repaid in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final; the subsequent 25% of the principal amount will be satisfied through subscription for a new issue of shares of PKP CARGO S.A. under restructuring, i.e. through conversion of 25% of the principal amount into shares in the increased share capital of the Company, as referred to in Article 156(1)(4) of the RL.

Group V – Claims of entities controlled by the State Treasury, irrespective of the amount of such claims. Creditors with claims under any commercial contracts and transactions, irrespective of the legal or factual basis of such contracts or transactions, in particular claims arising from the supply of goods and services and investment contracts, irrespective of the amount of such claims, that are entities from the railway industry controlled by the State Treasury (with a majority stake held by the State Treasury, for which the State Treasury is the ultimate parent), namely: Polskie Koleje Państwowe S.A. (KRS no.: 0000019193), PKP Polskie Linie Kolejowe S.A. (KRS no.: 0000037568), PGE Energetyka Kolejowa S.A. (KRS no.: 0000322634), as well as companies that are subsidiaries of Polskie Koleje Państwowe S.A. (KRS no. 0000019193) or related to that company, namely: PKP INTERCITY S.A. (KRS no.: 0000296032), PKP INFORMATYKA Sp. z o.o. (KRS no.: 0000042646), CS NATURA TOUR Sp. z o.o. (KRS no.: 0000155205), PKP LINIA HUTNICZA SZEROKOTOROWA Sp. z o.o. (KRS no.: 0000062888) and PKP TELKOL Sp. z o.o. (KRS: no. 0000504917). Satisfaction of 50% of claims arising from principal amounts; cancellation of the remaining portion of claims; full cancellation of all ancillary claims. Satisfaction of 50% of claims will be effected through subscription for a new issue of shares in PKP CARGO S.A. under restructuring, i.e. through conversion of 50% of the principal amount into shares in the increased share capital of the Company, as referred to in Article 156(1)(4) of the RL.

Group VI – Social Insurance Institution (ZUS) – repayment of 100% of claims arising from principal amounts and ancillary claims, in particular interest – accrued both before and after the opening date of the remedial proceedings. The payment in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final.

Group VII – Claims of entities belonging to the PKP CARGO Group and other claims not classified in Groups I-VI – creditors that as at 25 July 2024 belong to the PKP CARGO S.A. under restructuring Group (understood as a group of entities related to the Parent Company PKP CARGO S.A. under restructuring) with any claims held, irrespective of the basis of their origin or the amount of such claims, and other creditors with claims not classified into any of the remaining groups. Repayment of 5% of claims arising from principal amounts; cancellation of the remaining portion of claims; full cancellation of all ancillary claims. The payment in a single installment by the last day of the 12th month following the month in which it was announced that the ruling approving the composition agreement had become final.

Common proposals for Group IV and Group V creditors – the conversion of claims into shares in the increased share capital of the Company, as referred to in Article 156 (1)(4) of the RL, will be effected on the following terms:

- the conversion is into shares of PKP CARGO with a par value of PLN 1.00 each, which will be subscribed for at an issue price of PLN 12 (twelve) per share, provided that, if the claim amount must be rounded to align it with an appropriate multiple of the per share value, the rounding will be made down to the nearest multiple of the per share value, and the difference arising between the amount of the claim and the value of shares in the share capital will be cancelled;
- the number of shares allocated to Group IV and Group V creditors will be equal to the quotient of: (i) the amount of the converted claim held by the respective creditor, and (ii) the issue price. The portion of the converted claim not allocated to cover shares due to rounding will be cancelled by the power of the composition agreement;
- the newly created shares will be subscribed for in exchange for a contribution in the form of a portion of the monetary claim equal to the product of the number of shares being subscribed for in the conversion and the issue price per share. The contribution will be made by setting off the claim being converted against PKP CARGO S.A.'s claim for the

contribution in an amount equal to the product of the issue price per share (PLN 12) and the number of shares being subscribed for. The set off will be of an executory nature. The set off will take effect when the ruling approving the composition agreement comes into effect and at that moment the subscribed shares will be deemed to have been paid up in full;

- the subscription for shares will constitute performance of this part of the composition agreement;
- the composition agreement for Group IV and Group V claims provides for conversion of claims into shares in the increased share capital of PKP CARGO, pursuant to Article 169(3) of the RL; by virtue of the composition agreement, the share capital will be increased by PLN 58,846,523.00, i.e. from PLN 44,786,917.00 to PLN 103,633,440.00, by creating – through conversion of claims classified in Groups IV and V under the composition agreement – 58,846,523 new Series D Shares with a par value of PLN 1.00 each ("Series D Shares");
- all Series D Shares will be dematerialized ordinary bearer shares;
- the par value of each newly created and issued share in connection with the conversion of claims classified in Groups IV and V will be PLN 1.00. The total par value of all newly issued shares in connection with the conversion of claims classified in Groups IV and V will be PLN 58,846,523;
- the issue price of each newly created share in connection with the conversion of claims classified in Groups IV and V will be PLN 12. The total issue price of all newly issued shares will be PLN 706,158,276.00;
- the newly created Series D Shares will be subscribed for while excluding the pre-emptive rights and subscription rights of existing shareholders of PKP CARGO;
- Series D Shares will participate in dividends starting from 1 January of the calendar year following the year in which the ruling to register the share capital increase in the Register of Commercial Undertakings of the National Court Register becomes final;
- the composition agreement replaces all actions required for increasing the share capital of a joint-stock company (including the Shareholder Meeting resolution), joining the company, subscribing for shares, and making the contribution.
- PKP CARGO is authorized to perform all actions necessary to register the share capital increase in the National Court Register, to undertake all actions leading to the admission and introduction of Series D Shares to trading on the regulated market operated by the Warsaw Stock Exchange S.A. ("WSE"), and to undertake all necessary legal and factual acts, including the filing of appropriate applications and notifications, in accordance with the requirements specified in the provisions of law and regulations, resolutions or guidelines of the WSE, the National Depository for Securities S.A. with its registered office in Warsaw ("KDPW"), and the Polish Financial Supervision Authority, related to applying for admission and introduction of securities to trading on the regulated market operated by the WSE;
- a creditor whose claims are classified in Group IV or Group V and who acquires newly created shares as a result of the conversion undertakes not to dispose of the newly created shares it has acquired without the Company's consent for a period of up to 2 years from the date of subscription for the shares ("Lock-Up"). The "non-disposal" of shares shall be understood, in particular, as a restriction on the following: sale of Shares, gift of Shares, and encumbrance of Shares with any third-party rights, including the establishment of security interests or other limited real rights on the Shares. The aforementioned prohibition will not apply in the case of: disposal of Shares resulting from compliance by the respective creditor with a final court judgment or final administrative decision ordering disposal of the Shares; transfer or disposal of Shares as a result of ongoing bankruptcy, restructuring, or liquidation proceedings or enforcement; or transfer or disposal of Shares to a subsidiary, affiliate, or parent company with the consent of PKP CARGO S.A.
- during the Lock-Up period, PKP CARGO is entitled not to take measures aimed at introducing Series D Shares to trading on the regulated market operated by the WSE. The Company will submit an application to admit Series D Shares to trading in two equal tranches for each creditor whose claim is converted – after 21 and 24 months, respectively, following the date on which it was announced that the ruling approving the composition agreement had become final.

In accordance with the procedure, after the Company presents the final Composition Proposals, the creditors will vote on the Composition Agreement.

A majority of at least two-thirds of the total claims and a majority of the Creditors (half plus one vote) is required.

The court will then determine whether the Composition Agreement is enforceable and whether it would be unfair to any of the parties.
The Company believes that composition agreement may be accepted by the Creditors by the end of 2026.

3.7 Planned increase in the Company's share capital through the issue of new Series M and N Shares

On 29 May 2026, the Company's Management Board adopted draft resolutions of the Shareholder Meeting regarding planned restructuring measures. These measures include an increase in the Company's share capital, the issue of new shares, the issue of subscription warrants, and amendments to the Company's Articles of Association. Subsequently, the Management Board submitted these drafts to the Strategy, Restructuring and Sustainability Committee of the Supervisory Board, which issued a favorable opinion on the draft resolutions. The draft resolutions will be put to a vote at the upcoming Extraordinary Shareholder Meeting, which has been convened for 26 June 2026.

The conditional increase in the share capital will involve an increase by an amount not exceeding PLN 89,500,000 through the issue of up to 89,500,000 Series M ordinary bearer shares ("Series M Shares") with a par value of PLN 1.00 per share. The purpose of the conditional share capital increase is to grant the right to subscribe for Series M Shares to the holders of Series X subscription warrants, which are to be issued with the full exclusion of pre-emptive rights of the Company's existing shareholders (each a "Warrant"). Each individual Series X subscription warrant will entitle the holder to subscribe for 1 Series M bearer share with a par value of PLN 1.00, excluding pre-emptive rights. The issue price of the Series M Shares will be equal to the par value of the Company's shares.

The right to subscribe for Warrants will be granted to employees and management personnel in accordance with the rules set by the Company's Management Board, and to the strategic shareholder – Polskie Koleje Państwowe S.A. ("PKP S.A."). PKP S.A. will be entitled to exercise the right to subscribe for shares vested in the Warrants only to the extent necessary to maintain its current shareholding level in the Company's share capital in connection with the ongoing restructuring process and the planned share issues. As a result of exercising the Warrants, PKP S.A.'s shareholding level in the Company's share capital may not exceed 33.34% or drop below 33.01%. Company employees and management will be granted up to 12,000,000 Warrants. The deadline for exercising the right to subscribe for Series M Shares will expire on 31 December 2031.

The purpose of the issue of Series M Shares is to support the Company's restructuring process by implementing an incentive scheme for employees and management personnel, and to enable the strategic shareholder, PKP S.A., to maintain its existing shareholding in the Company.

The share capital increase will take place through the issue of between 55,000,000 and 90,020,751 Series N ordinary bearer shares ("Series N Shares") with a par value of PLN 1.00, excluding the shareholder Polskie Koleje Państwowe S.A. ("PKP S.A."). The issue price of each Series N Share under the pre-emptive rights, in the event that the shares are subscribed for, will be the higher of: PLN 12 or 80% of the volume-weighted average share price in the period of 50 consecutive trading days on the regulated market of the Warsaw Stock Exchange, with the last trading day falling on 16 December 2026. In the event that shares are subscribed for outside of the pre-emptive rights, the price will be determined via a book-building mechanism, where the price specified in the preceding sentence is the minimum price.

The issue of Series N Shares will be conducted via a subscription aimed primarily at existing shareholders, excluding PKP S.A., whose pre-emptive rights for this issue will be waived entirely. The exclusion of pre-emptive rights is justified by the planned method of the Company's restructuring and is in the best interest of the Parent Company, as well as its shareholders, creditors, and potential investors.

If the existing shareholders do not subscribe for shares in an amount corresponding to the maximum share capital increase amount then – pursuant to Article 436 § 4 of the Commercial Company Code – the remaining Series N Shares may be allocated by the PKP CARGO Management Board to third parties who have expressed an intention to subscribe for shares in the event that not all shares are subscribed for by the existing shareholders.

The purpose of the Series N Share issue is to raise additional capital to finance the restructuring process, in particular to repay composition liabilities, improve the balance sheet structure, and provide funds for the Company's further development and capital expenditures.

The execution of the aforementioned issues of Series M Shares and Series N Shares will require the approval of the Company's Extraordinary Shareholder Meeting convened for 26 June 2026.

According to current assumptions, the proceeds from the planned issues will be earmarked for the following purposes (among others):

- repaying a portion of the liabilities covered by the restructuring proceedings;
- decrease in the Company's debt;
- improving financial liquidity.

The planned measures form part of the Company's restructuring process and are intended, in particular, to raise capital to finance its operations, support the implementation of the composition agreement with Creditors, improve financial liquidity, reduce debt levels, and stabilize the Company's shareholder structure.

3.8 Description of achievements and failures, including significant information and events in Q1 2026, until the date of publication of the report

In addition to the information presented in this report, among the most significant achievements and setbacks, in addition to material information and events that occurred in Q1 2026 up to the date of publication of this report, the Company notes the following:

- On 4 February 2026, as a result of an electronic auction, 2,829 wagons were sold for a total amount of PLN 49.5 million. The Company will continue with the sale of the remaining redundant wagons.
- On 3 March 2026 the Company submitted, in agreement with the General Counsel to the Republic of Poland acting on behalf of the State Treasury, a request to the Regional Court in Warsaw, 4th Civil Division, to the case file number IV C 1433/25, for discontinuance of the proceedings pursuant to Article 178 of the Code of Civil Procedure. The request was submitted due to the fact that the parties have undertaken to resolve the dispute amicably in connection with the statement of claim filed by the Company on 23 December 2025 against the State Treasury. On 16 March 2026, by a decision of the Regional Court in Warsaw, the proceedings were suspended. Discussions are ongoing between the parties aimed at working out an amicable resolution of the dispute.
- On 4 March 2026, the procedure for the sale of 337 decommissioned locomotives was launched.
- On 24 March 2026, PKP CARGOTABOR submitted Composition Proposals to the District Court for the Capital City of Warsaw regarding the remedial proceedings under case no. WA1M/GRs/8/2024.
- On 22 April 2026, the Council of Creditors of PKP CARGOTABOR Sp. z o.o. under restructuring submitted to the case files of the remedial proceedings a letter setting out the approach to the restructuring of the debtor's liabilities. Subsequently, on 23 April 2026, the PKP CARGOTABOR Council of Creditors filed a pleading under the remedial proceedings correcting the proposals and specifying the method of restructuring the liabilities.
- On 27 April 2026, PKP CARGO entered into a Cooperation Agreement with Shung Shin Rolling Stock Technology Ltd. with its registered office in the Republic of Korea ("SSRST"). The subject matter of the Agreement is the establishment of framework principles for cooperation between PKP CARGO and SSRST in the preparation, development and implementation of a project concerning "Rail rolling stock for defense logistics in Poland," which involves the development of modern rail rolling stock intended, among other uses, for the transport of heavy military equipment and to support military mobility and the defense logistics system of the Republic of Poland. Detailed rules regarding the

formation of a special-purpose vehicle to execute the said project as well as the rules for financing and execution of the "Rolling stock as part of the defense logistics in Poland" project will be specified in the investment agreement and financing agreements. The agreement is non-binding and applies for 12 months. During that period PKP CARGO and SSRST will conduct negotiations to conclude detailed cooperation agreements.

- On 28 April 2026, the Company's Supervisory Board approved the PKP CARGO Group's Restructuring Strategy for 2025-2031. This strategy envisions the Group's ongoing development based on 9 strategic initiatives and key projects, aimed at regaining financial stability and restoring sustainable profitability of operations. The priority of the Restructuring Strategy is to implement the planned restructuring measures and to successfully execute and complete a composition agreement with the Creditors; the initiatives proposed therein serve as a point of departure for negotiations with the Creditors, in particular about the forms, deadlines and amounts of future payments under the settlements to be executed. In parallel, the Restructuring Strategy focuses on the development of the product offering in prospective market segments, raising cost and process efficiency, and implementing initiatives supporting business transformation and improvement of liquidity in the entire Group, therefore it defines key optimization, operating and organizational measures aimed at improving the Group's operating effectiveness and competitiveness in the market of freight transports. The Restructuring Strategy is described in greater detail in the Annual Report of PKP CARGO and the PKP CARGO Group for 2025. Detailed information is also available on the Company's website.
- On 11 May 2026, an agreement was signed between PKP CARGO S.A. under restructuring and the Minister of National Defense, defining the framework for cooperation between the Parties in the area of rail transport for national defense purposes. The execution of the Agreement resulted from the need to further strengthen the transport and logistics capabilities used for national defense purposes, including by ensuring appropriate military mobility in the context of a changing geopolitical environment. The agreement is significant in terms of the role played by PKP CARGO in the national logistics security system and will lead to the Company's further growth in the area of specialized rail transport and logistics services.
- On 21 May 2026, the Company's Management Board convened an Ordinary Shareholder Meeting for 19 June 2026 to address, among other matters, the approval of the financial statements of PKP CARGO S.A. under restructuring and the PKP CARGO Group for 2025.
- On 29 May 2026, the Company's Management Board convened an Extraordinary Shareholder Meeting for 26 June 2026 the agenda of which includes an increase in the Company's' share capital, a restriction of preemptive rights by excluding them with respect to PKP S.A. coupled with a conditional increase in the share capital, the issuance of subscription warrants, the exclusion of preemptive rights and – as a result of the foregoing – amendments to the Company's Articles of Association.

4. Analysis of the financial and asset standing of the PKP CARGO under restructuring Group

4.1 Economic and financial highlights of the PKP CARGO Group

4.1.1. Selected financial data of the PKP CARGO under restructuring Group and PKP CARGO S.A. under restructuring

Table 16 Financial highlights of the PKP CARGO under restructuring Group

PKP CARGO Group	in PLN million		in EUR million	
	3M 2026	3M 2025	3M 2026	3M 2025
Exchange rates (PLN/EUR)			**4.2419**	**4.1848**
Operating revenue	924.7	939.6	218.0	224.5
Operating profit / loss	-39.2	-20.4	-9.2	-4.9
Profit / loss before tax	-55.1	-56.7	-13.0	-13.5
Net profit/loss	-45.8	-48.6	-10.8	-11.6
Total comprehensive income attributable to the owners of the parent company	-50.8	-49.3	-12.0	-11.8
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 / losses per share (PLN)	-1.02	-1.09	-0.24	-0.26
Diluted earnings / losses per share (PLN)	-1.02	-1.09	-0.24	-0.26
Net cash flow from operating activities	52.2	90.8	12.3	21.7
Net cash flow from investing activities	-28.1	-56.6	-6.6	-13.5
Net cash flow from financing activities	-67.9	-63.7	-16.0	-15.2
Movement in cash and cash equivalents	-43.8	-29.5	-10.3	-7.0
	31 Mar 2026	**31 Dec 2025**	**31 Mar 2026**	**31 Dec 2025**
Exchange rates (PLN/EUR)			**4.2894**	**4.2267**
Non-current assets	4,759.1	4,912.0	1,109.5	1,162.1
Current assets	1,225.6	1,226.3	285.7	290.1
Non-current assets classified as held for sale	158.5	113.9	37.0	26.9
Share capital	44.8	44.8	10.4	10.6
Equity attributable to the owners of the parent company	725.7	776.5	169.2	183.7
Non-current liabilities	1,774.4	1,916.1	413.7	453.3
Current liabilities	3,643.1	3,559.6	849.3	842.2

Source: Quarterly Condensed Consolidated Financial Statements of the PKP CARGO under restructuring Group for the 3-month period ended 31 March 2026, prepared in accordance with EU IFRS

Table 17 Financial highlights of PKP CARGO S.A. under restructuring

PKP CARGO S.A.	in PLN million		in EUR million	
	3M 2026	3M 2025	3M 2026	3M 2025
Exchange rates (PLN/EUR)			**4.2419**	**4.1848**
Operating revenue	657.5	677.2	155.0	161.8
Operating profit / loss	-64.5	-20.0	-15.2	-4.8
Profit / loss before tax	-74.6	-52.4	-17.6	-12.5
Net profit/loss	-61.9	-44.2	-14.6	-10.6
Total comprehensive income attributable to the owners of the parent company	-66.9	-37.1	-15.8	-8.9
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 / losses per share (PLN)	-1.38	-0.99	-0.33	-0.24
Diluted earnings / losses per share (PLN)	-1.38	-0.99	-0.33	-0.24
Net cash flow from operating activities	52.7	47.2	12.4	11.3
Net cash flow from investing activities	-18.8	-40.1	-4.4	-9.6
Net cash flow from financing activities	-51.3	-60.8	-12.1	-14.5
Movement in cash and cash equivalents	-17.4	-53.7	-4.1	-12.8
	31 Mar 2026	**31 Dec 2025**	**31 Mar 2026**	**31 Dec 2025**
Exchange rates (PLN/EUR)			**4.2894**	**4.2267**
Non-current assets	4,686.0	4,756.9	1,092.5	1,125.4
Current assets	729.2	701.8	170.0	166.0
Non-current assets classified as held for sale	157.9	113.9	36.8	26.9
Share capital	44.8	44.8	10.4	10.6
Equity	493.7	560.6	115.1	132.5
Non-current liabilities	1,531.7	1,613.2	357.1	381.7
Current liabilities	3,547.7	3,398.8	827.1	804.1

Source: Quarterly Financial Information of PKP CARGO S.A. for the period of 3 months ended 31 March 2026 prepared according to EU IFRS

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 3-month period ended 31 March 2026, the following average exchange rates of PLN against EUR, as established by the National Bank of Poland, were used to translate selected financial data:

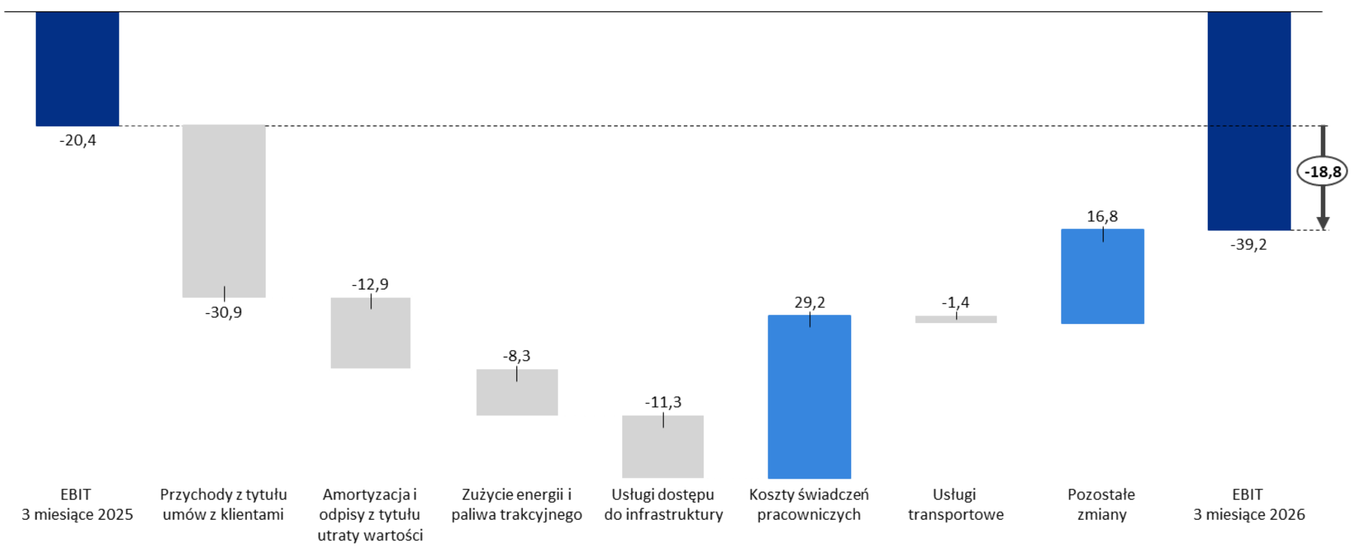
- exchange rate as at the last day of the reporting period: EUR 1 = PLN 4.2894 on 31 March 2026, EUR 1 = PLN 4.2267 on 31 December 2025
- average exchange rate for the period, calculated as the arithmetic mean of the exchange rates in effect on the last day of each month of the respective period: 1 January 2026 – 31 March 2026: EUR 1 = PLN 4.2419, 1 January 2025 – 31 March 2025: EUR 1 = PLN 4.1848.

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 3 months of 2026, EBIT reached PLN -39.2 million, having gone down by PLN 18.8 million compared to the corresponding period of 2025.

Figure 11 EBIT in Q1 2026 as compared to the corresponding period of 2025 (PLN million)



Source: Proprietary material

The following is a description of the most significant deviations affecting EBIT in the first 3 months of 2026 as compared to the 3 months of 2025:

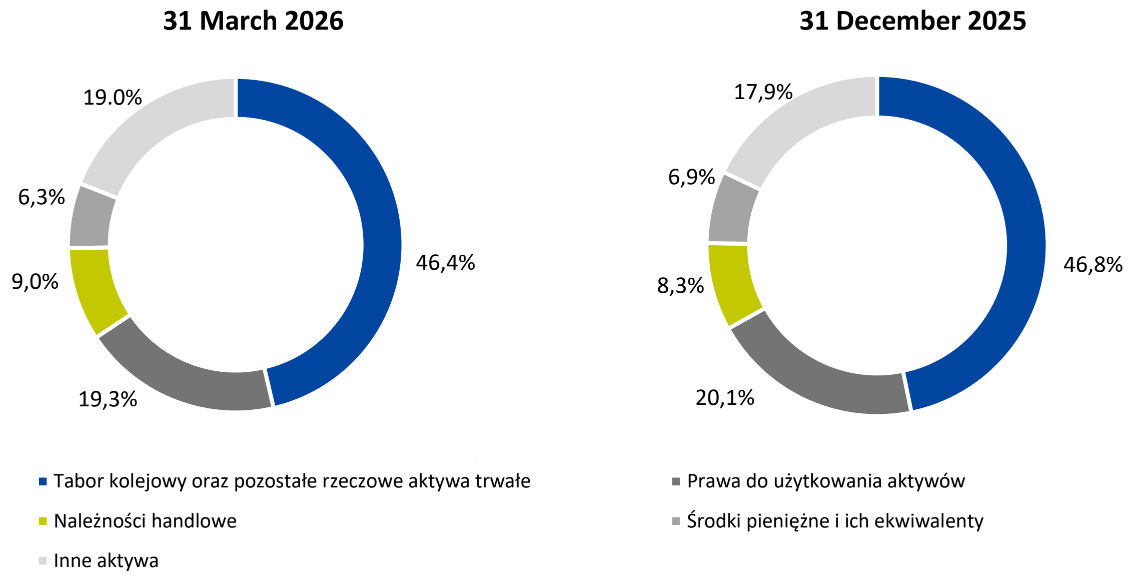
- decrease in revenues from contracts with customers (including predominantly revenues from transport and freight forwarding services) as a direct consequence of a decline in unit freight rates. The details pertaining to the PKP CARGO Group's transport services are described in section **3.2.4 PKP CARGO GROUP'S RAIL TRANSPORT BUSINESS**;
- increase in depreciation and impairment allowances resulting from capital expenditures incurred in 2025 (primarily in the area of rolling stock investments) and the reversal of certain impairment allowances on PKP CARGO Group assets in 2025;
- increase in traction energy and traction fuel costs associated with higher freight turnover;
- increase in the costs of access services to the infrastructure in connection with the increase in freight turnover;
- increase in transportation service costs (including, in particular, freight forwarding) primarily linked to the increase in freight turnover;
- decrease in employee benefit costs caused by restructuring measures – mass layoffs in H2 2025 leading to a lower headcount in Q1 2026. Detailed information on the changes in headcount is presented in section **3.4 HEADCOUNT**;
- decrease in costs under "other changes" resulting from lower material consumption, lower interest expenses on trade payables and other liabilities as well as impairment loss allowances for trade receivables, with simultaneous other operating revenue, in particular the gain on the sale of a subsidiary and non-financial non-current assets.

Statement of financial position of the PKP CARGO Group

ASSETS

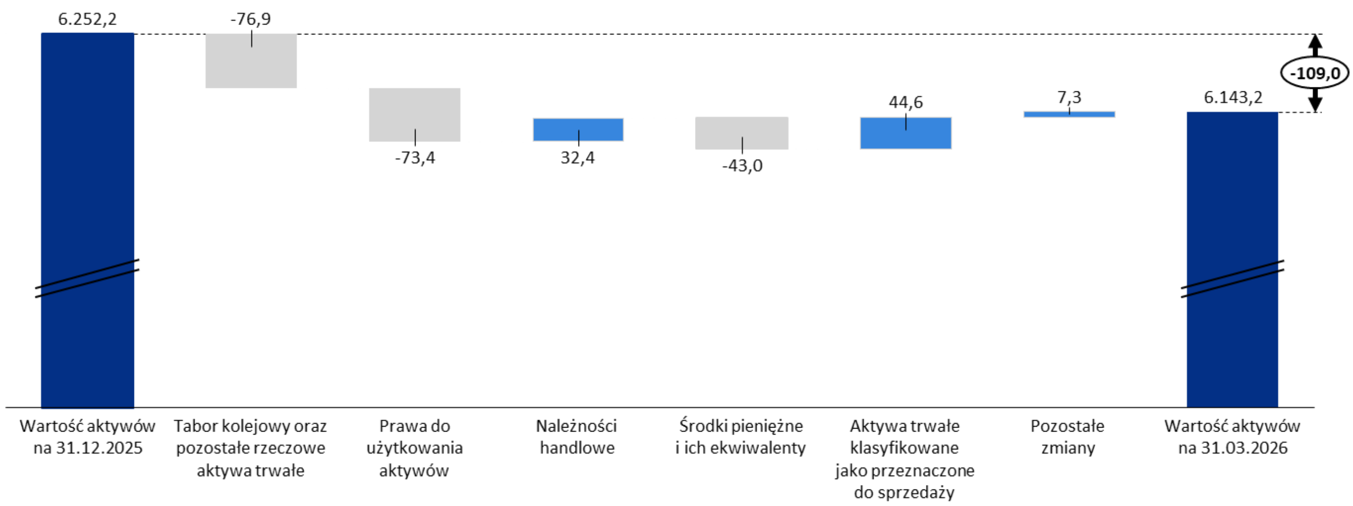
The largest share in the asset structure of PKP CARGO Group as at 31 March 2026 was held by rolling stock and other property, plant and equipment, which together accounted for 46.4% of total assets, compared to 46.8% as at 31 December 2025. Among current assets, the biggest share in total assets during the period was attributable to trade receivables, the value of which accounted for 9.0%, compared to 8.3% as at 31 December 2025.

Figure 12 Asset structure – as at 31 March 2026 and 31 December 2025



Source: Proprietary material

Figure 13 Movement in the Group's assets in Q1 2026 (PLN million)



Source: Proprietary material

The most significant changes affecting the value of assets as at 31 March 2026, as compared to 31 December 2025, are explained below:

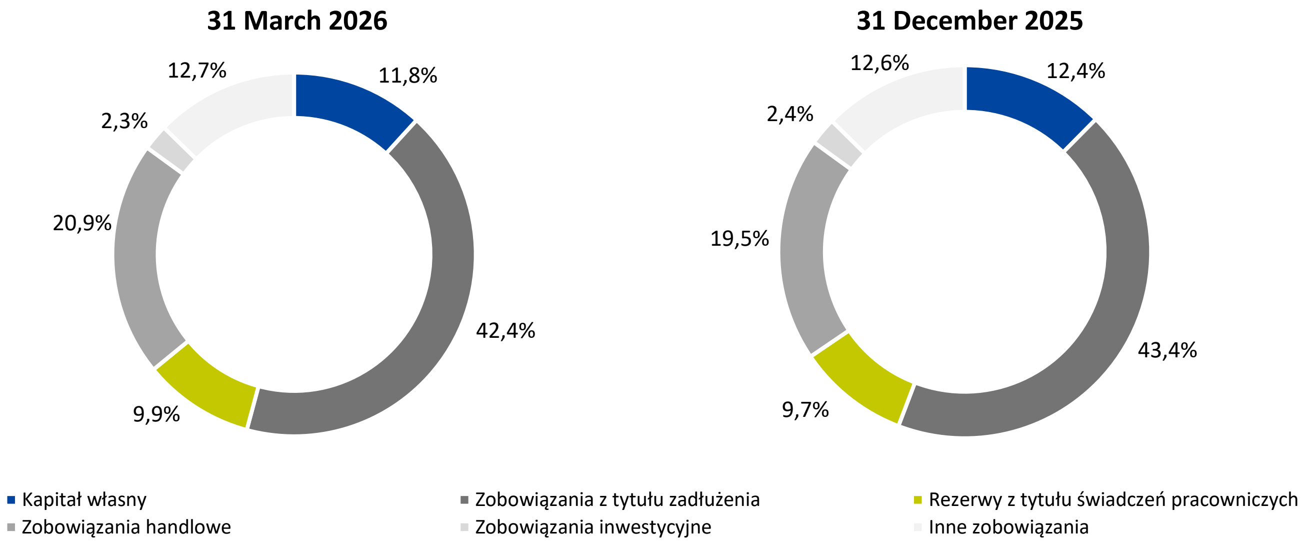
- the primary reason for the decreased value of the rolling stock is the reclassification of the Company's rolling stock and real estate held for sale from "Rolling stock" and "Other property, plant and equipment" to "Non-current assets classified as held for sale". Moreover, a decrease was recorded in the value of other property, plant and equipment in connection with the sale of CARGOTOR Sp. z o.o., as described in **Note 1.5 to the Quarterly Condensed Consolidated Financial Statements;**
- decrease in the right-of-use assets as a result of higher depreciation cost exceeding the over new rights;
- decrease in cash caused by the changes described in section **4.1.3. Cash flow statement of PKP CARGO S.A.;**

- the value of non-current assets classified as held for sale increased, driven by the transfer of rolling stock and real estate intended for disposal from "Rolling stock" and "Other property, plant and equipment", with a concurrent sale of a portion of wagons held for sale.

EQUITY AND LIABILITIES

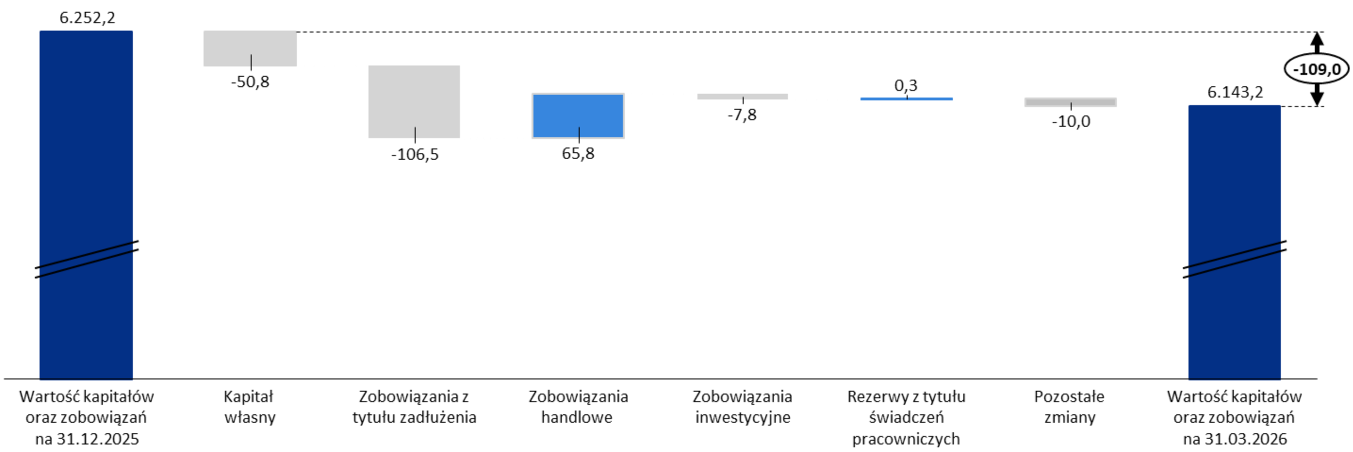
The largest share in the structure of the PKP CARGO Group's equity and liabilities was attributable to debt liabilities, which accounted for 42.4% of total equity and liabilities, compared to 43.4% as at 31 December 2025. In this period, equity accounted for 11.8% of total equity and liabilities, compared to 12.4% as at 31 December 2025.

Figure 14 Structure of the PKP CARGO Group's equity and liabilities – as at 31 March 2026 and 31 December 2025



Source: Proprietary material

Figure 15 Movement in the PKP CARGO Group's equity and liabilities in Q1 2026 (PLN million)



Source: Proprietary material

The most significant changes affecting the value of equity and liabilities as at 31 March 2026, as compared to 31 December 2025, are explained below:

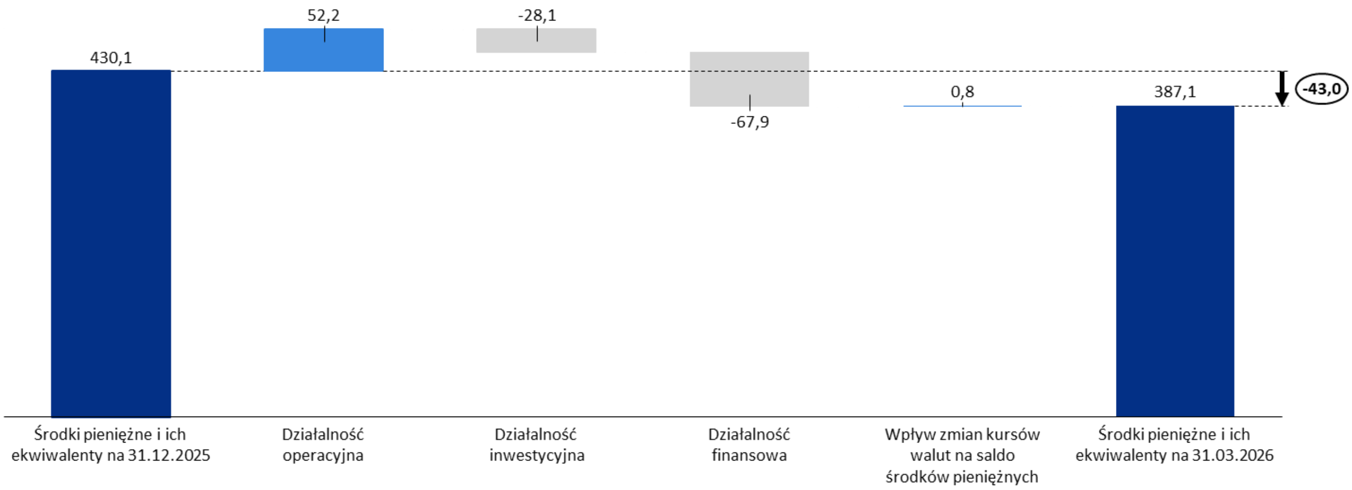
- decrease in equity, primarily caused by the net loss reported by the PKP CARGO Group for the first 3 months of 2026 (retained earnings/uncovered losses);
- decrease in debt liabilities as a result of lease payments;

- increase in trade payables, caused by higher expenses, mainly related to energy, traction fuel and infrastructure access resulting from the increased freight turnover;
- decrease in capital expenditures caused by, among other factors, a lower volume of rolling stock repairs;
- decrease in "other changes", related to a decrease in public-law liabilities and settlements with employees as well as income tax liabilities, accompanied by an increase in VAT settlements and other settlements related to contributions to the Company Social Benefits Fund, coupled with a decrease in "other provisions".

4.1.3 Statement of cash flows of the PKP CARGO Group

The value of cash and cash equivalents as at 31 March 2026 fell by PLN 43.0 million compared to 31 December 2025.

Figure 16 Cash flows in the PKP CARGO Group in Q1 2026 (PLN million)



Source: Proprietary material

The following factors exerted the greatest impact on the value of cash and cash equivalents in Q1 2026, as compared to 31 December 2025:

- positive cash flows from operating activities were achieved despite the loss before tax of PLN 55.1 million, depreciation and impairment allowances of PLN 108.1 million and positive cash flows from changes in working capital of PLN 16.1 million;
- negative cash flows from investing activities resulted mainly from investments in the acquisition of non-financial non-current assets amounting to PLN 90.5 million (mostly investments in rolling stock), offset by proceeds from the sale of non-financial non-current assets (sale of wagons and sale and leaseback of a locomotive). PLN 32.6 million in proceeds from the sale of a subsidiary, CARGOTOR Sp. z o.o., amounting to PLN 25.6 million and dividends received in the amount of PLN 2 million;
- negative cash flows from financing activities, predominantly reflecting the effect of loan repayments and funds received from the Guaranteed Employee Benefits Fund as well as lease payments, including interest, in the amount of PLN 67.9 million.

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 3 months of 2026 compared to the corresponding period of the previous year.

Table 18 Key financial and operating ratios of the PKP CARGO Group in Q1 2026 as compared to the corresponding period of 2025.

Description	3M 2026	3M 2025	Change	Rate of change

			2026-2025	2026-2025
EBITDA margin[1]	7.5%	8.0%	-0.5	-6.3%
Net profit margin (ROS)[2]	-5.0%	-5.2%	0.2	-
ROA[3]	0.9%	-37.0%	37.9	-
ROE[4]	7.7%	-336.2%	343.9	-
Average distance covered per locomotive (km per day)[5]	188.9	187.3	1.6	0.9%
Average gross train tonnage per operating locomotive (tons)[6]	1,465.0	1,431.0	34.0	2.4%
Average running time of train locomotives (hours per day)[7]	11.5	11.4	0.1	0.9%
Freight turnover per employee (thousands tkm/employee)[8]	340.3	269.9	70.4	26.1%

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 respective period).
6. Calculated as the quotient of gross ton-kilometers and train-kilometers in train work in relation to the locomotives driving the train (in dual traction or pushing the train in the given period).
7. Calculated as the quotient of vehicle-hours (i.e. the number of hours of work of the Group's vehicles in the given period) and vehicle-days (i.e. the product of the number of active vehicles and number of calendar days in the given period).
8. Calculated as the ratio of freight turnover to the average headcount (in FTEs) in the Group in the given period.

To assess the performance of the PKP CARGO Group, the following basic financial indicators may be applied: EBITDA margin, net profit margin, ROA, ROE, and the following basic operational indicators: average daily mileage, average daily running time of locomotives and average train weight per locomotive, 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 3 months of 2026 compared to the first 3 months of 2025 were as follows:

- during the first 3 months of 2026, the EBITDA margin deteriorated, largely due to a decline 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 3M 2026, the ROA and ROE ratios improved due to an increase in the profitability of operating activities;
- the slight increase in the average daily haul of locomotives is a result of increased freight turnover;
- decrease in the average gross train tonnage per locomotive as a result of the transport process being carried out;
- increase in the freight turnover per employee ratio, mainly due to a 30.6% decrease in the average headcount accompanied by a 10.9% yoy increase in freight turnover.

4.2 Factors that will affect financial performance in the next quarter

Restructuring proceedings and Strategy pursuit

By resolution of 18 March 2026, the Judge-Commissioner approved the Restructuring Plan submitted by the Restructuring Administrator on 30 June 2025.

The Company has the ability to cover the costs of the proceedings and liabilities arising after its commencement, as well as liabilities that cannot be covered by the composition agreement.

A key factor for the Company in the restructuring process, looking ahead to the coming quarters following the submission of the final Composition Proposals, is the successful execution of a composition agreement with creditors. In PKP CARGO's view, the submitted Composition Proposals are feasible and, at the same time, acceptable to creditors, while remaining considerate of the interests of both the Company and its shareholders. For more details on the final Composition Proposals, see section **3.6 "MAJOR DECISIONS AND EVENTS WHICH OCCURRED WITHIN THE FRAMEWORK OF PENDING REMEDIAL PROCEEDINGS."**

In the coming quarters, the PKP CARGO Group will focus on implementing measures under the PKP CARGO Group Restructuring Strategy for 2025-2031, aimed at restoring financial stability and achieving a sustainable improvement in operating profitability. The priority remains the successful execution and implementation of the composition agreement with the Creditors, improving financial liquidity, ensuring further cost optimization and increasing the Group's operational efficiency. The Strategy also envisions business growth in promising market segments, particularly intermodal and international transport, further optimization of the asset structure and the pursuit of measures supporting the Group's operational and organizational transition. In parallel, the Group will continue its endeavors aimed at rebuilding market share and strengthening its competitive position in the rail freight market.

Liquidity risk

The opening of the restructuring proceedings has protected the Company from the possibility of terminating major contracts with customers, suppliers and financial institutions, and all liabilities incurred before the opening date of the restructuring proceedings on the terms and conditions set forth in the restructuring law, will be covered by the composition agreement. PKP CARGO expects these liabilities to be repaid in future periods under a composition agreement with creditors in accordance with the principles of the Restructuring Law. The Company pays its current liabilities related to its operating activity in the course of remedial proceedings. Liabilities to business partners providing services and materials necessary for the operation of rail transport are paid on an ongoing basis. Both the suppliers of key utilities (traction energy, traction fuel) and essential services (in particular those related to access to rail infrastructure), employees in respect of their current salaries, as well as public law institutions, receive the amounts due.

Armed conflicts in Ukraine and the Middle East

The armed conflict in Ukraine continues to directly affect global supply chains and rail transport routes. PKP CARGO, as a national rail freight operator, focuses its attention on adapting to rapidly changing market challenges. The Group has become involved in handling the movement of products for which transport routes have been disrupted as a result of the conflict initiated by Russia and, exploiting the potential of the Group's rolling stock, actively participates in handling cargo between Poland and Ukraine. The PKP CARGO Group is constantly monitoring and taking corrective actions in terms of the services it offers. Due to the uncertain date of the end of the war in Ukraine, the possibilities for planning operations in the eastern direction are limited. Currently, trade exchange between Poland and Ukraine will be conducted in the context the ongoing conflict. EU sanctions against Russia and Belarus have resulted in a decrease in freight volumes along the New Silk Road to the benefit of a greater activity in the Three Seas Initiative area. The emergence of North-South transportation routes linking the East with Western Europe through the Three Seas Initiative countries may reduce the economic distance between these regions.

Furthermore, the Middle East remains one of the key flashpoints, and because it may affect both the volume of international economic activity and the prices of energy resources, fuels and electricity, it also has the potential to indirectly impact the operating expenses of freight carriers, including the PKP CARGO Group.

New Company-Level Collective Bargaining Agreement

PKP CARGO and the trade unions are conducting negotiations regarding a new Company-Level Collective Bargaining Agreement. The current Company-Level Collective Bargaining Agreement has been terminated and will cease to be in effect on 11 June 2026. Both the Company and its employees need to reach an agreement as soon as possible that will ensure stable and dignified solutions for employees, while also being aligned with the rapidly changing market conditions and the Company's current financial situation. Amendments to the Company-Level Collective Bargaining Agreement may affect the Company's financial performance in future periods.

Infrastructural investments

In the next quarter of 2026, it is expected that the degree of capacity restrictions on lines and border crossings will remain unchanged or increase due to the execution of further stages of the National Railway Program projects until 2030.

Customs and tax risk

For the next quarter, risks remain active related to decisions by customs and tax authorities in which the Company, together with other entities, is held jointly and severally liable for customs and tax liabilities for 2021. The Company's liability results from the nature of joint and several liability for customs and tax liabilities of the entities participating in the supply chain which is based on a guarantee and, as a rule, is not contingent on fault or the exercise of due diligence by the liable entity. In these transactions, the Company was not the importer of the goods, did not own them, and was not the party filing the customs declarations or deciding on the customs procedure. As at the delivery date of this report, the Company has received decisions and requests for security from customs and tax authorities totaling approximately PLN 11.1 million. The Company continues to take active measures regarding this matter. However, under a pessimistic scenario, the impact on the financial performance of the Company and the Group may be significant.

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

The PKP CARGO under restructuring Group has not published any financial forecasts for 2026.

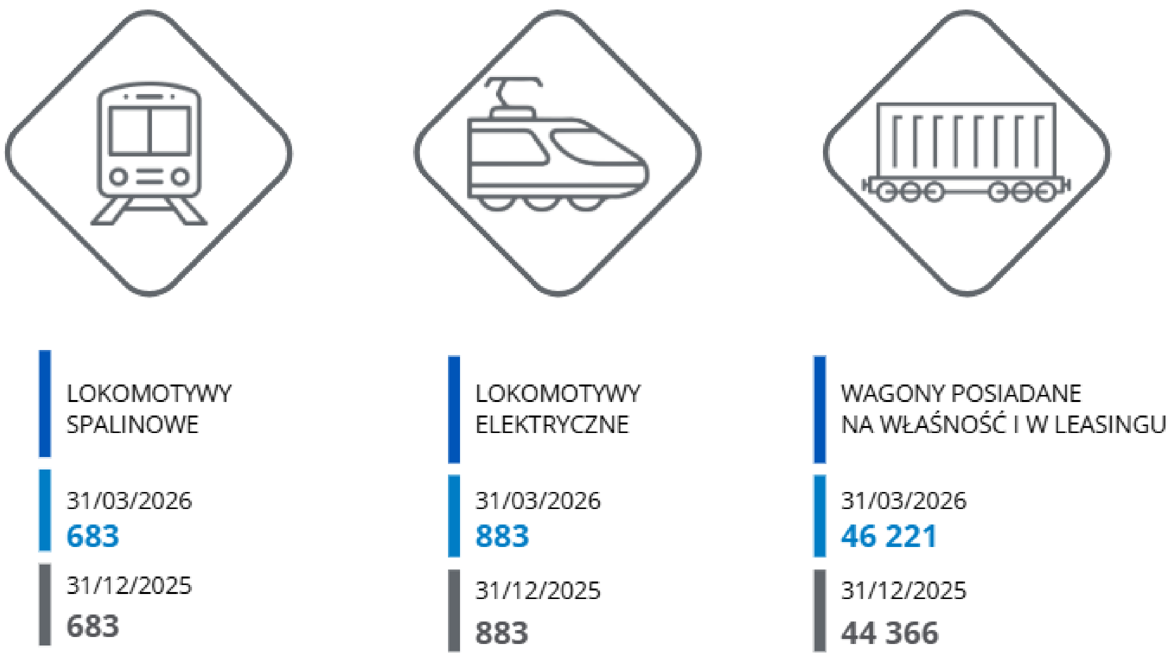
4.4 Information about production assets

4.4.1 Rolling stock

The PKP CARGO Group's rolling stock is maintained by repair shops operating within the structures of PKP CARGO S.A. under restructuring and in subsidiaries. The PKP CARGO Group's rolling stock repair and maintenance organization is qualified to repair and maintain wagons, electric locomotives at all the maintenance levels from P1 to P5 and to repair diesel locomotives at maintenance levels from P1 to P4. 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 number of current repairs of the rolling stock depends on the freight turnover level.
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, which carries out the full range of repairs of electric machines used in the locomotives operated by the PKP CARGO Group.

Figure 17 Structure of rolling stock used by the PKP CARGO under restructuring Group



Source: Proprietary material

4.4.2 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 properties held by the 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 3 months of 2026.

Table 19 PKP CARGO Group's owned and leased real estate as at 31 March 2026 and 31 March 2025

Description	31 Mar 2026	31 Mar 2025	Change2026-2025
Land - owned, in perpetual usufruct and leased from other entities [ha]	1,085	1,360	-275
Buildings - owned, leased and rented from other entities [sqm]	645,330	681,346	-36,016

Source: Proprietary material

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

5. Other key information and events

5.1 Proceedings pending before courts, arbitration bodies or public administration authorities

In Q1 2026, neither PKP CARGO S.A. under restructuring 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.

5.2 Information on transactions with related parties

In the first 3 months of 2026, no entity from the PKP CARGO under restructuring Group entered into any transactions with related parties on non-market terms. Detailed information on transactions with related parties is presented IN **NOTE 7.1** TO THE **QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.**

5.3 Information on extended guarantees and sureties for loans or borrowings

In Q1 2026, PKP CARGO S.A. and its subsidiaries did not extend any sureties for loans or borrowings and did not grant any guarantees to a single entity or subsidiary of such entity whose total amount would be material.

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

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

5.5 Summary

All measures taken and planned by the Management Board and the Restructuring Administrator are aimed at optimizing the Company’s structure, reducing operating expenses, increasing operational efficiency, improving the quality of services, boosting the Company’s competitiveness and restoring its position on the rail freight market.

Management Board of PKP CARGO S.A. under restructuring

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

Paweł Miłek
Vice-President, Management Board Member in charge of Restructuring
PKP CARGO S.A. under restructuring

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

Warsaw, 29 May 2026

Administrator of PKP CARGO S.A. under restructuring

Paweł Głodek
Administrator of PKP CARGO S.A. under restructuring
(license no. 657)

Warsaw, 29 May 2026