OPINION OF THE MANAGEMENT BOARD
OF PKP CARGO S.A. UNDER RESTRUCTURING

regarding the revocation of the existing shareholders'

preemptive rights to Series X subscription warrants and Series M shares

The Management Board of the joint-stock company operating under the name PKP CARGO, a joint-stock company in restructuring, with its registered office in Warsaw (address: 17 Grójecka St., 02-021 Warsaw), entered in the Register of Entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, under KRS number: 0000027702 (hereinafter referred to as: "the Company" or "PKP CARGO"), acting pursuant to Article 433 § 2, sentence 4 of the Commercial Companies Code, hereby presents its opinion on the exclusion of preemptive rights to Series X subscription warrants and Series M shares.

The Company's Management Board recommends that the Extraordinary General Meeting of Shareholders waive in full the preemptive rights to Series X subscription warrants and series M shares.

Justification for the Reasons for Denial of Preemptive Rights

PKP CARGO S.A., which has been undergoing restructuring since July 2024, is currently subject to rehabilitation proceedings. The Company's situation is gradually improving during this period, and the restructuring measures adopted—including, among others, the reduction of fixed operating costs and workforce downsizing—give reason to expect that the Company will regain full profitability. Consequently, it is possible that the restructuring proceedings will be successfully concluded. A prerequisite for this is reaching an arrangement with creditors. Pursuant to Article 155(1) of the Act of May 15, 2015—Restructuring Law, the Company is preparing arrangement proposals. Ongoing discussions with creditors suggest that an agreement is likely to be reached. The proposals provide for a partial reduction of the Company's debt (haircut), the conversion of a portion of the claims into shares, and the repayment of the remaining portion of the claims. To raise funds for repayment and fulfillment of the arrangement, the Company intends to issue new shares. New shares will also be created as a result of the conversion of debt into shares, which is one of the proposals under the arrangement. The issuance of new shares will change the Company's ownership structure.

Currently, Polskie Koleje Państwowe S.A. (hereinafter “PKP S.A.”) is the Company’s strategic shareholder, and its presence guarantees the Company’s security and stability. PKP S.A. is interested in maintaining its level of capital involvement in the Company, and the Management Board of PKP CARGO considers maintaining this level to be in the Company’s best interest. Therefore, it is necessary to establish legal mechanisms ensuring that PKP S.A.’s current level of capital involvement can be maintained. This mechanism is provided by subscription warrants, which incorporate the right to subscribe for shares of the Company. This right may or may not be exercised. Depending on their needs and preferences, the warrant holder may exercise the warrants to subscribe for shares or choose not to do so, which will, over time, result in the expiration of the right to subscribe for shares without it having been exercised. Subscription warrants are therefore essentially a type of option that the holder may exercise depending on how the situation develops. Given the many unknowns and difficult-to-predict risk factors involved in the process of converting debt into shares and the planned “range-based” increase in share capital, PKP S.A.’s holding of subscription warrants constitutes the best instrument for this shareholder to maintain its level of capital commitment and control over the situation’s development. At the same time, it is clear from the text of the proposed resolution that the issuance of subscription warrants must not lead to an increase in PKP S.A.’s capital commitment in the Company at the expense of other shareholders. The rights embedded in the subscription warrants may be exercised only to acquire shares that would allow PKP S.A. to hold a stake ranging from 25% (the threshold determining the ability to exercise personal rights in accordance with the Company’s Articles of Association) to 33.34% (the maximum threshold for PKP S.A.’s equity stake resulting from the exercise of the subscription warrants).

The issuance of subscription warrants, together with a conditional increase in the share capital, requires the exclusion of preemptive rights pursuant to Article 433 of the Commercial Companies Code. Given the role of the strategic shareholder in the Company’s operations, the Management Board of PKP CARGO believes that the exclusion of preemptive rights with respect to Series X subscription warrants and Series M shares, which these warrants will entitle holders to subscribe for, is fully justified. At the same time, the issue price of Series M shares, which the Series X subscription warrants will entitle holders to subscribe for, has been set at 12 PLN (in words: 12 zlotys) per share. This price corresponds to the issue price set for the range-based market capital increase, in accordance with the principle of equal treatment of shareholders. The issue price is close to the current market value of the shares and, at the same time, is lower than the average market price during the reorganization proceedings, i.e., 15.71 PLN

At the same time, if the holder exercises the Series X subscription warrants, the Company will raise additional capital for the development of its business, as the shares subscribed for at an issue price of 12 zlotys—with a par value of 1 zloty—will generate a premium (known as “agio”), which will be transferred to the reserve capital in accordance with Article 396 § 2 of the Commercial Companies Code. Thus, through the subscription warrants, the Company will achieve a twofold benefit—it will ensure that the strategic shareholder retains control, and upon the exercise of each warrant, it will generate a premium, thereby improving the Company’s balance sheet. For these reasons, the adoption of a resolution on the issuance of warrants, together with the necessary exclusion of preemptive rights, is desirable.

For these reasons, the Management Board of PKP CARGO recommends that the Extraordinary General Meeting of Shareholders waive in full the preemptive rights to Series X subscription warrants and Series M shares.