

Consent of the PKP CARGO S.A. Supervisory Board to the execution of an agreement with PKP PLK S.A.

Current Report No. 39/2022 of 28 November 2022

Legal basis (selected in ESPI):

Article 17(1) of MAR – inside information

The Management Board of PKP CARGO S.A. (“Company”, “Issuer”) hereby reports that, on 28 November 2022, the PKP CARGO S.A. Supervisory Board gave its consent to the signing of the Throughput Capacity Utilization Agreement for Cargo Transport Covering the 2022/2023 Timetable (“Agreement”) between PKP CARGO S.A. and PKP Polskie Linie Kolejowe S.A. with its registered office in Warsaw (“Administrator”, “PKP PLK”). The Agreement will be in effect from 11 December 2022 to 9 December 2023.

Under the Agreement, PKP PLK provides the Company with access to rail infrastructure to utilize the allocated throughput capacity for the passage of trains, shunting, stoppage of rail vehicles and use of service infrastructure facilities in the 2022/2023 timetable. The estimated total net value of the Issuer’s liabilities towards PLK PKP under the Agreement throughout its term is PLN 555.8 million (gross value: PLN 683.6 million), and includes fees for the passage of trains, stoppage of rail vehicles and use of rail infrastructure and service infrastructure facilities. A change in the estimated value of the Agreement will not constitute an amendment to the Agreement or require that it be executed in written form.

The Administrator calculates the fees on the basis of the “Fee schedule for using rail infrastructure with a railway track gauge of 1435 mm managed by PKP Polskie Linie Kolejowe S.A. ...”, the “Rules for making available rail infrastructure with a railway track gauge of 1520 mm managed by PKP Polskie Linie Kolejowe S.A.”, the “Fee Schedule for access to service infrastructure facilities managed by PKP Polskie Linie Kolejowe S.A.” and the “2022/2023 Network Regulations”.

Compensation will be the applicable form of settling mutual damages between the parties to the Agreement arising from incorrect fulfillment of the timetable (according to the rules described in the 2022/2023 Network Regulations).

The Agreement also contains provisions regarding contractual penalties, for instance if the Company dispatches a train with a different type of traction vehicle and/or a greater gross train weight or containing dangerous goods and/or high-risk dangerous goods and/or an extraordinary consignment bypassing the applicable rules, or cancels a train route for reasons attributable to the Administrator, or improperly maintains the intertrack or uses its throughput capacity for shunting and stops while bypassing the applicable service ordering rules.

Liability of the Parties for the non-performance or improper performance of the Agreement for reasons other than those subject to contractual penalties will be settled in accordance with the provisions of the Civil Code on the non-performance of obligations, without prejudice to the pertinent provisions of the Agreement and the 2022/2023 Network Regulations.

The Management Board is reporting the consent to the execution of the Agreement as it is crucial to the conduct of the Issuer’s core business. This is a regular agreement concluded by the Company

on an annual basis. The Company reported the execution of the previous Agreement with PKP Polskie Linie Kolejowe S.A. in Current Report No. 25/2021 of 30 November 2021.

Specific legal basis:

Article 17(1) of MAR – inside information.