

Interim Condensed Standalone Financial Statements

of the PKP CARGO S.A.
for the period of 6 months
ended 30 June 2023
prepared in accordance
with EU IFRS



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INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022	
Revenues from contracts with customers	2,219.2	1,008.8	1,809.7	939.4	<i>Note 2.1</i>
Consumption of traction electricity and traction fuel	(420.4)	(180.0)	(342.5)	(175.2)	<i>Note 2.2</i>
Services of access to infrastructure	(241.2)	(110.1)	(272.1)	(139.8)	
Other services	(190.6)	(87.2)	(201.0)	(104.4)	<i>Note 2.2</i>
Employee benefits	(729.3)	(362.6)	(610.0)	(304.6)	<i>Note 2.2</i>
Other expenses	(122.8)	(59.4)	(108.0)	(50.6)	<i>Note 2.2</i>
Other operating revenue and (expenses)	(11.3)	(9.4)	5.0	(0.5)	<i>Note 2.3</i>
Operating profit without depreciation (EBITDA)	503.6	200.1	281.1	164.3	
Depreciation, amortization and impairment losses	(329.6)	(168.8)	(301.0)	(151.0)	<i>Note 2.2</i>
Profit / (loss) on operating activities (EBIT)	174.0	31.3	(19.9)	13.3	
Financial revenue and (expenses)	(46.3)	(6.7)	(25.1)	(3.3)	<i>Note 2.4</i>
Profit / (loss) before tax	127.7	24.6	(45.0)	10.0	
Income tax	(22.5)	(0.6)	9.4	0.6	<i>Note 3.1</i>
NET PROFIT / (LOSS)	105.2	24.0	(35.6)	10.6	
OTHER COMPREHENSIVE INCOME					
Measurement of hedging instruments	32.0	28.5	(8.9)	(2.4)	<i>Note 6.1</i>
Income tax	(6.1)	(5.4)	1.7	0.4	<i>Note 3.1</i>
Total other comprehensive income subject to reclassification in the financial result	25.9	23.1	(7.2)	(2.0)	
Actuarial profits / (losses) on post-employment benefits	(44.0)	(44.0)	40.3	40.3	<i>Note 5.9</i>
Income tax	8.4	8.4	(7.7)	(7.7)	<i>Note 3.1</i>
Measurement of equity instruments at fair value	3.8	3.8	-	-	<i>Note 6.1</i>
Total other comprehensive income not subject to reclassification the financial result	(31.8)	(31.8)	32.6	32.6	
Total other comprehensive income	(5.9)	(8.7)	25.4	30.6	
TOTAL COMPREHENSIVE INCOME	99.3	15.3	(10.2)	41.2	
Earnings / (losses) per share (PLN per share)					
Weighted average number of ordinary shares	44,786,917	44,786,917	44,786,917	44,786,917	
Basic earnings / (losses) per share	2.35	0.53	(0.80)	0.23	
Diluted earnings / (losses) per share	2.35	0.53	(0.80)	0.23	

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION

	30/06/2023	31/12/2022	
ASSETS			
Rolling stock	4,054.7	3,778.1	<i>Note 5.1</i>
Other property, plant and equipment	428.7	459.5	<i>Note 5.1</i>
Rights-of-use assets	938.3	653.1	<i>Note 5.2</i>
Investments in related parties	897.1	858.0	<i>Note 5.3</i>
Lease receivables	21.4	22.1	
Financial assets	25.6	4.9	<i>Note 5.6</i>
Other assets	26.9	36.6	<i>Note 5.7</i>
Deferred tax assets	119.3	135.7	<i>Note 3.1</i>
Total non-current assets	6,512.0	5,948.0	
Inventories	106.4	97.7	<i>Note 5.4</i>
Trade receivables	446.3	532.7	<i>Note 5.5</i>
Lease receivables	1.9	1.5	
Income tax receivables	12.1	-	
Financial assets	3.1	-	<i>Note 5.6</i>
Other assets	110.4	112.9	<i>Note 5.7</i>
Cash and cash equivalents	56.8	55.2	<i>Note 4.3</i>
Total current assets	737.0	800.0	
Non-current assets classified as held for sale	-	0.1	
TOTAL ASSETS	7,249.0	6,748.1	
EQUITY AND LIABILITIES			
Share capital	2,239.3	2,239.3	<i>Note 4.2</i>
Supplementary capital	738.4	635.7	
Other items of equity	(60.3)	(54.4)	
Retained earnings	105.2	102.7	
Total equity	3,022.6	2,923.3	
Debt liabilities	1,681.6	1,519.6	<i>Note 4.1</i>
Investment liabilities	25.2	46.1	<i>Note 5.8</i>
Provisions for employee benefits	455.6	419.7	<i>Note 5.9</i>
Other provisions	0.5	0.5	<i>Note 5.10</i>
Total long-term liabilities	2,162.9	1,985.9	
Debt liabilities	692.3	598.8	<i>Note 4.1</i>
Trade liabilities	664.0	598.6	
Investment liabilities	265.8	197.9	<i>Note 5.8</i>
Provisions for employee benefits	139.3	125.5	<i>Note 5.9</i>
Other provisions	5.7	7.2	<i>Note 5.10</i>
Current tax liabilities	-	2.3	
Other financial liabilities	89.3	92.6	<i>Note 5.11</i>
Other liabilities	207.1	216.0	<i>Note 5.12</i>
Total short-term liabilities	2,063.5	1,838.9	
Total liabilities	4,226.4	3,824.8	
TOTAL EQUITY AND LIABILITIES	7,249.0	6,748.1	

INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Other items of equity			Retained earnings / (Accumulated losses)	Total equity
			Profits / (losses) on measurement of equity instruments at fair value	Actuarial profits / (losses) on post-employment benefits	Measurement of hedging instruments		
1/01/2023	2,239.3	635.7	(12.9)	(9.3)	(32.2)	102.7	2,923.3
Net result for the period	-	-	-	-	-	105.2	105.2
Other comprehensive income for the period (net)	-	-	3.8	(35.6)	25.9	-	(5.9)
Total comprehensive income	-	-	3.8	(35.6)	25.9	105.2	99.3
Other changes for the period	-	102.7	-	-	-	(102.7)	-
30/06/2023	2,239.3	738.4	(9.1)	(44.9)	(6.3)	105.2	3,022.6
1/01/2022	2,239.3	744.7	(12.9)	(22.7)	(26.7)	(109.0)	2,812.7
Net result for the period	-	-	-	-	-	(35.6)	(35.6)
Other comprehensive income for the period (net)	-	-	-	32.6	(7.2)	-	25.4
Total comprehensive income	-	-	-	32.6	(7.2)	(35.6)	(10.2)
Other changes for the period	-	(109.0)	-	-	-	109.0	-
30/06/2022	2,239.3	635.7	(12.9)	9.9	(33.9)	(35.6)	2,802.5

INTERIM STANDALONE CASH FLOW STATEMENT

	6 months ended 30/06/2023	6 months ended 30/06/2022	
Cash flows from operating activities			
Profit / (loss) before tax	127.7	(45.0)	
Adjustments			
Depreciation, amortization and impairment losses	329.6	301.0	<i>Note 2.2</i>
(Profits) / losses on the sale and liquidation of non-financial non-current assets	(0.5)	(7.7)	
(Profits) / losses on FX differences	1.5	3.7	
(Profits) / losses on interest, dividends	29.1	15.9	
Received / (paid) interest	0.4	0.3	
Received / (paid) income tax	(18.1)	1.5	
Movement in working capital	218.8	(32.7)	
Other adjustments	(40.6)	40.3	
Net cash from operating activities	647.9	277.3	
Cash flows from investing activities			
Expenditures on the acquisition of non-financial non-current assets	(519.4)	(439.0)	
Proceeds from the sale of non-financial non-current assets	0.4	26.3	
Expenditures on the acquisition of related parties	(31.5)	(0.1)	
Expenditures on extended loans	(20.0)	-	
Proceeds from dividends received	37.5	25.0	
Other inflows from investing activities	1.6	1.1	
Net cash from investing activities	(531.4)	(386.7)	
Cash flows from financing activities			
Payments on lease liabilities	(49.6)	(34.4)	<i>Note 4.1</i>
Proceeds from bank loans and borrowings	158.1	169.3	<i>Note 4.1</i>
Repayment of bank loans and borrowings	(148.4)	(149.3)	<i>Note 4.1</i>
Interest paid on lease liabilities and bank loans and borrowings	(66.5)	(34.4)	<i>Note 4.1</i>
Grants received	-	52.0	
Inflow / (outflow) as part of cash pool	(7.4)	(6.6)	
Other outflows from financing activities	(1.1)	(2.0)	
Net cash from financing activities	(114.9)	(5.4)	
Net increase / (decrease) in cash and cash equivalents	1.6	(114.8)	
Cash and cash equivalents at the beginning of the reporting period	55.2	141.0	
Cash and cash equivalents at the end of the reporting period, including:	56.8	26.2	
<i>Restricted cash</i>	<i>19.6</i>	<i>16.0</i>	



NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

1. General information

1.1 Key information about the Company's business

Information about the Company

PKP CARGO S.A. ("Company") was established pursuant to a Notary Deed of 29 June 2001 (Rep. A No. 1287/2001). Basic information about the Company is presented in the table below.

Basic information about the Company	
Name	PKP CARGO S.A.
Domicile	Poland
Address of the registered office of the Company	02-021 Warsaw at Grójecka Street no 17
KRS	0000027702 – District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, Poland
REGON statistical number	277586360
NIP identification number	954-23-81-960

In H1 2023, the Company did not change its name or other identification details.

The Company's financial year is the calendar year.

The Company core business is rail transport of cargo. In addition to rail freight transport services, the Company also provides additional services:

- intermodal services,
- shipping (domestic and international),
- terminals,
- rail sidings and traction,
- rolling stock maintenance and repairs.

The composition of the Company's management and supervisory bodies and the Company's shareholding structure as at 30 June 2023 are presented in the Management Board Report on the Activity of the PKP CARGO Capital Group for H1 2023, in [Chapters 2.1](#) and [2.3](#), respectively.

Information about the Group

PKP CARGO S.A. is the parent company of the PKP CARGO Group and prepares consolidated financial statements pursuant to International Financial Reporting Standards approved by the European Union ("EU IFRS").

As at the balance sheet date, the PKP CARGO Group (hereinafter: "Group") comprised PKP CARGO S.A. as its parent company and 20 subsidiaries. In addition, the Group held shares in 2 associated entities and 1 joint venture.

Additional information about subsidiaries, associates and interests in joint ventures is presented in [Note 5.3](#) to these Standalone Financial Statements.

The duration of individual Group companies is unlimited.

1.2 Basis for the preparation of the Interim Condensed Standalone Financial Statements

These Interim Condensed Standalone Financial Statements have been prepared in accordance with International Accounting Standard no. 34 Interim Financial Reporting as endorsed by the European Union.

These Interim Condensed Standalone Financial Statements should be read together with the audited Standalone Financial Statements of PKP CARGO S.A. for the year ended 31 December 2022 prepared according to EU IFRS. The accounting policy used to prepare these Interim Condensed Standalone Financial Statements is consistent with the one used to prepare the Standalone Financial Statements of the Company for the financial year ended 31 December 2022.

On the basis of the financial projections approved in the Company, these Interim Condensed Standalone Financial Statements have been prepared based on the assumption of the Company's being a going concern in the foreseeable future. As at the preparation date of these Interim Condensed Standalone Financial Statements, there are no material circumstances indicating any doubt about the Company's ability to continue its business as a going concern for a period of at least 12 months from the end of the reporting period.

These Interim Condensed Standalone Financial Statements have been prepared in accordance with the historic cost principle, except for investments in equity instruments measured at fair value.

In the interim period, the Company's business does not show any material seasonal or cyclical trends.

These Interim Condensed Standalone Financial Statements have been drawn up in Polish zloty (PLN). Polish zloty is the Company's functional and reporting currency. The data in the financial statements are presented in millions of PLN.

These Interim Condensed Standalone Financial Statements consist of the standalone statement of profit or loss and other comprehensive income, standalone statement of financial position, standalone statement of changes in equity, standalone cash flow statement and selected notes.

The data for the 6 months ended 30 June 2023 and 30 June 2022 presented in these Interim Condensed Standalone Financial Statements have been reviewed by an auditor. The line items of the statement of financial position as at 31 December 2022 were audited by a statutory auditor during the audit of the Standalone Financial Statements of PKP CARGO S.A. for the year ended 31 December 2022 prepared according to EU IFRS. The data for the 3 months ended 30 June 2023 and 30 June 2022 presented in these Interim Condensed Standalone Financial Statements have not been reviewed or audited by an auditor.

These Interim Condensed Standalone Financial Statements were approved for publication by the Management Board on 25 August 2023.

1.3 Applied International Financial Reporting Standards platform

Standards and interpretations adopted by the IASB and EU which have entered into effect

When approving these Interim Condensed Standalone Financial Statements, the Company applied the following amendments to the standards and interpretations issued by the International Accounting Standards Board for application by the EU:

Standard / Interpretation	Effective date
IFRS 17 "Insurance contracts" and amendments to IFRS 17	1 January 2023
Amendments to IFRS 17 "Insurance contracts: First application of IFRS 17 and IFRS 9 – Comparative information	1 January 2023
Amendments to IAS 1 "Presentation of financial statements" and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" – definition of estimates	1 January 2023
Amendments to IAS 12 "Income Tax" – deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

The above standards and interpretations had no material influence on these Interim Condensed Standalone Financial Statements.

1.3 Applied International Financial Reporting Standards platform (cont.)

Standards and interpretations adopted by the IASB and not endorsed by the EU

IFRS as approved by the EU do not currently differ materially from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, their amendments and interpretations, which have not yet been approved by the EU and have not entered into effect. The Management Board of the Company believes that the approval of the standards mentioned below by the EU will not result in any major changes to the Company's financial statements in the successive reporting periods:

Standard / Interpretation	Effective date
Amendments to IAS 12 "Income Tax" – International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to IAS 1 "Presentation of financial statements" – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures – Supplier Finance Arrangements"	1 January 2024
Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability	1 January 2025

1.4 Liquidity position of the Company

The Company is exposed to liquidity risk following from the ratio of current assets to current liabilities. In order to minimize the possibility of disruption in cash flows and the risk of losing liquidity, the Company takes measures aimed at ensuring the availability of tools supporting the financing of operating and investing activities in the medium term.

On 2 January 2023, the Company signed an Investment Loan Agreement with Bank Powszechna Kasa Oszczędności Bank Polski S.A. up to the maximum amount of PLN 100.0 million with the availability term until 29 December 2023. Additionally, cash pooling systems are in place in the PKP CARGO Group, which as at 30 June 2023 comprise 8 Group companies. The cash pool systems, independently of the cash collected by particular participants, offers flexible lines of credit in the form of a current account overdraft facilities. Information on the financing sources available as at 30 June 2023 is presented in [Note 4.1](#) to these Standalone Financial Statements.

Also, in the course of managing the liquidity position, the Company monitors trade receivables and liabilities on an ongoing basis.

An update on the risks arising from Russia's invasion of Ukraine may affect the Company's financial position in subsequent reporting periods.

The maturities of financial liabilities are presented below.

Maturity of the Company's financial liabilities as at the balance sheet date by maturity date based on contractual undiscounted payments (together with interest payable in the future)

30/06/2023	Contractual maturities from the end of the reporting period				Total (no discount)	Carrying amount
	Below 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years		
Debt liabilities	357.0	445.8	1,357.8	643.3	2,803.9	2,373.9
Cash pool	89.3	-	-	-	89.3	89.3
Trade liabilities	664.0	-	-	-	664.0	664.0
Investment liabilities	229.1	37.4	25.4	-	291.9	291.0
Total	1,339.4	483.2	1,383.2	643.3	3,849.1	3,418.2

31/12/2022	Contractual maturities from the end of the reporting period				Total (no discount)	Carrying amount
	Below 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years		
Debt liabilities	287.9	398.7	1,208.1	560.2	2,454.9	2,118.4
Cash pool	92.6	-	-	-	92.6	92.6
Trade liabilities	598.4	0.2	-	-	598.6	598.6
Investment liabilities	150.2	48.8	46.6	-	245.6	244.0
Total	1,129.1	447.7	1,254.7	560.2	3,391.7	3,053.6

1.4 Liquidity position of the Company (cont.)

The table below presents the age structure of trade liabilities, investment liabilities and trade receivables.

Age structure of trade liabilities and investment liabilities

	30/06/2023			31/12/2022		
	Trade liabilities	Investment liabilities	Total	Trade liabilities	Investment liabilities	Total
Non-overdue liabilities	306.8	262.9	569.7	338.1	232.4	570.5
Overdue liabilities						
to 30 days	150.4	17.2	167.6	126.2	6.2	132.4
31 - 90 days	191.8	10.9	202.7	128.4	5.4	133.8
91 - 180 days	8.0	-	8.0	3.3	-	3.3
181 - 365 days	4.8	-	4.8	2.0	-	2.0
over 365 days	2.2	-	2.2	0.6	-	0.6
Total	664.0	291.0	955.0	598.6	244.0	842.6

Age analysis of trade receivables

	30/06/2023			31/12/2022		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
Non-overdue receivables	402.6	(0.3)	402.3	489.0	(0.8)	488.2
Overdue receivables						
to 30 days	13.9	(0.1)	13.8	15.7	(0.1)	15.6
31 - 90 days	7.8	(0.5)	7.3	12.1	(0.8)	11.3
91-180 days	7.7	(1.5)	6.2	3.7	(1.7)	2.0
181 - 365 days	5.3	(2.9)	2.4	3.7	(0.4)	3.3
over 365 days	38.4	(24.1)	14.3	36.6	(24.3)	12.3
Total	475.7	(29.4)	446.3	560.8	(28.1)	532.7

1.5 Significant values based on professional judgment and estimates

In the period of 6 months ended 30 June 2023, changes to significant values based on professional judgment and estimation related to:

- provisions for employee benefits

As at 30 June 2023, the Company performed an actuarial valuation of its provisions for employee benefits mainly in connection with a change of the discount rate and a change of the basis for calculating the charge for the Company Social Benefits Fund. The discount rate adopted for the valuation of provisions for employee benefits as at 30 June 2023 was 5.75% (6.8% as at 31 December 2022), while the assumed increase in the calculation basis of the provision on account of a charge to the Company Social Benefits Fund was 15.1% in H2 2023 and 6.3% from 2024 (with 5.2% for the entire projection period as at 31 December 2022). The update of actuarial assumptions caused an increase in provisions for employee benefits by PLN 54.4 million, out of which PLN 10.4 million was charged to the cost of employee benefits. The movement in provisions for employee benefits was also affected by the increase in the provision for unused holidays in the amount of PLN 8.5 million. Detailed information on this matter is presented in [Note 5.9](#) to these Interim Standalone Financial Statements.

During the 6 months ended 30 June 2023, no other changes were made to the assumptions adopted by the Company's Management Board for the calculation of estimates that would have a material impact on the current period or any future periods.

2. Notes to the statement of profit or loss and other comprehensive income

2.1 Revenues from contracts with customers

Structure of revenues from contracts with customers

The Company conducts its business within one segment only, i.e. domestic and international cargo freight and provision of comprehensive logistics services related to rail freight.

The Company's Management Board does not evaluate the Company's performance and does not make decisions concerning allocation of resources to groups of services provided account being taken of the structure of revenues from contracts with customers, as presented below. Therefore, the specific service groups may not be treated as the Company's operating segments.

6 months ended 30/06/2023	Group of entities related to the biggest external counterparty	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	98.0	177.8	801.9	1,047.0	2,124.7
Revenue from siding and traction services	-	9.7	0.8	5.2	15.7
Revenue from sales of materials	-	2.1	-	26.4	28.5
Other revenues	-	38.5	3.4	8.4	50.3
Total	98.0	228.1	806.1	1,087.0	2,219.2
Revenue recognition date					
At a point of time	-	2.1	-	26.4	28.5
Over a period	98.0	226.0	806.1	1,060.6	2,190.7
Total	98.0	228.1	806.1	1,087.0	2,219.2

3 months ended 30/06/2023	Group of entities related to the biggest external counterparty	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	43.0	78.5	316.4	518.2	956.1
Revenue from siding and traction services	-	5.2	0.5	2.9	8.6
Revenue from sales of materials	-	-	-	21.4	21.4
Other revenues	-	16.9	1.7	4.1	22.7
Total	43.0	100.6	318.6	546.6	1,008.8
Revenue recognition date					
At a point of time	-	-	-	21.4	21.4
Over a period	43.0	100.6	318.6	525.2	987.4
Total	43.0	100.6	318.6	546.6	1,008.8

2.1 Revenues from contracts with customers (cont.)

6 months ended 30/06/2022	Group of entities related to the biggest external counterparty	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	116.0	166.7	515.8	887.4	1,685.9
Revenue from siding and traction services	-	21.6	0.3	8.7	30.6
Revenue from sales of materials	-	9.6	-	53.5	63.1
Other revenues	-	20.2	2.9	7.0	30.1
Total	116.0	218.1	519.0	956.6	1,809.7
Revenue recognition date					
At a point of time	-	9.6	-	53.5	63.1
Over a period	116.0	208.5	519.0	903.1	1,746.6
Total	116.0	218.1	519.0	956.6	1,809.7

3 months ended 30/06/2022	Group of entities related to the biggest external counterparty	PKP Group related parties	State Treasury related parties	Others	Total
Revenue from rail transportation services and freight forwarding services	56.7	90.6	251.1	478.7	877.1
Revenue from siding and traction services	-	10.4	0.2	3.4	14.0
Revenue from sales of materials	-	4.2	-	27.6	31.8
Other revenues	-	10.9	1.5	4.1	16.5
Total	56.7	116.1	252.8	513.8	939.4
Revenue recognition date					
At a point of time	-	4.2	-	27.6	31.8
Over a period	56.7	111.9	252.8	486.2	907.6
Total	56.7	116.1	252.8	513.8	939.4

Geography

The Company defines the geographical territory of business as the location of the registered seat of the service recipient, and not as the country of the service provision.

Poland is the key geographic area of the Company's activity. Revenues from contracts with customers of the Company broken down by their country of incorporation are presented below:

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Poland	2,009.2	910.3	1,601.4	832.9
Germany	107.8	50.5	103.2	53.2
Czech Republic	43.7	18.9	59.5	29.5
Slovakia	19.5	11.4	12.8	7.8
Other countries	39.0	17.7	32.8	16.0
Total	2,219.2	1,008.8	1,809.7	939.4

Information on key customers

In the period of 6 months ended 30 June 2023, sales of services to one group exceeded 10% and accounted for 11.5% of the total revenues from contracts with customers.

In the period of 6 months ended 30 June 2022, there was no group, to which sales exceeded 10% of total revenues from contracts with customers.

2.1 Revenues from contracts with customers (cont.)

Assets from contracts with customers

	6 months ended 30/06/2023	6 months ended 30/06/2022
As at the beginning of the reporting period	32.9	28.2
Recognition of revenue before the sales document is issued	46.4	49.7
Reclassification to receivables	(32.9)	(26.8)
As at the end of the reporting period	46.4	51.1

2.2 Operating expenses

Consumption of traction electricity and traction fuel

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Consumption of traction fuel	(58.1)	(23.5)	(77.8)	(42.6)
Consumption of traction energy	(362.3)	(156.5)	(264.7)	(132.6)
Total	(420.4)	(180.0)	(342.5)	(175.2)

Other services

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Repair and maintenance services for non-current assets	(62.5)	(29.6)	(51.4)	(26.9)
Rent and fees for the use of property and rolling stock	(26.4)	(12.1)	(37.4)	(22.7)
Transport services	(48.1)	(20.2)	(57.5)	(27.8)
Telecommunications services	(2.0)	(0.9)	(1.9)	(0.9)
Legal, consulting and similar services	(2.7)	(1.5)	(2.4)	(1.2)
IT services	(22.0)	(11.3)	(21.1)	(10.8)
Transshipment services	(2.1)	(0.8)	(3.7)	(1.7)
Traction and shunting services, train drivers	(21.8)	(9.5)	(21.0)	(10.6)
Other services	(3.0)	(1.3)	(4.6)	(1.8)
Total	(190.6)	(87.2)	(201.0)	(104.4)

Employee benefits

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Payroll	(560.6)	(276.0)	(468.1)	(237.6)
Social security expenses	(110.1)	(54.0)	(91.5)	(46.6)
Expenses for contributions to the Company Social Benefits Fund	(13.4)	(6.7)	(13.8)	(6.9)
Other employee benefits during employment	(16.7)	(8.2)	(13.4)	(6.6)
Post-employment benefits	(6.0)	(1.3)	(2.7)	(1.0)
Movement in provisions for employee benefits	(22.5)	(16.4)	(20.5)	(5.9)
Total	(729.3)	(362.6)	(610.0)	(304.6)

Other expenses

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Consumption of non-traction fuel	(4.2)	(1.7)	(4.4)	(2.2)
Consumption of electricity, gas and water	(30.5)	(8.3)	(19.9)	(6.6)
Consumption of materials	(30.4)	(14.5)	(22.2)	(11.3)
Taxes and charges	(16.4)	(8.3)	(15.5)	(8.1)
Cost of materials sold	(16.7)	(13.0)	(30.8)	(14.6)
Business trips	(15.0)	(7.5)	(10.2)	(5.1)
Other	(9.6)	(6.1)	(5.0)	(2.7)
Total	(122.8)	(59.4)	(108.0)	(50.6)

2.2 Operating expenses (cont.)

Depreciation, amortization and impairment losses

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Depreciation of rolling stock	(274.8)	(139.6)	(249.6)	(125.3)
Depreciation of other property, plant and equipment	(13.2)	(6.4)	(13.8)	(6.9)
Depreciation of rights-of-use assets	(39.0)	(21.6)	(33.9)	(17.0)
Amortization of intangible assets	(2.6)	(1.2)	(3.7)	(1.8)
Total	(329.6)	(168.8)	(301.0)	(151.0)

2.3 Other operating revenue and (expenses)

Other operating revenue and (expenses)

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Profit on sales of non-financial non-current assets	0.2	-	7.6	3.5
Reversed impairment losses on trade receivables	1.3	0.4	0.4	0.1
Penalties and compensations	9.3	3.2	5.5	2.9
Interest on trade and other receivables	1.6	0.8	1.1	0.5
Net result on FX differences on trade receivables and liabilities	-	-	1.8	0.3
Grants	0.9	0.5	2.6	0.6
Other	2.8	1.3	2.2	0.9
Total other operating revenue	16.1	6.2	21.2	8.8
Recognized impairment losses for trade receivables	(3.3)	(1.2)	(1.0)	(0.6)
Penalties and compensations	(6.4)	(3.8)	(5.7)	(3.1)
Interest on trade and other liabilities	(10.5)	(6.1)	(5.5)	(3.5)
Costs of liquidation of non-current and current assets	(2.9)	(1.8)	(1.8)	(0.9)
Net result on FX differences on trade receivables and liabilities	(2.7)	(2.6)	-	-
Other	(1.6)	(0.1)	(2.2)	(1.2)
Total other operating expenses	(27.4)	(15.6)	(16.2)	(9.3)
Other operating revenue and (expenses)	(11.3)	(9.4)	5.0	(0.5)

2.4 Financial revenue and (expenses)

Financial revenue and (expenses)

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Interest income	1.2	0.8	0.8	0.4
Dividend income	38.1	38.1	25.8	25.8
Other	0.1	-	0.1	0.1
Total financial revenue	39.4	38.9	26.7	26.3
Interest expenses	(68.4)	(36.5)	(41.6)	(24.1)
Settlement of the discount on provisions for employee benefits	(15.8)	(8.0)	(8.8)	(4.8)
Net result on FX differences	(1.1)	(1.0)	(0.5)	-
Other	(0.4)	(0.1)	(0.9)	(0.7)
Total financial expenses	(85.7)	(45.6)	(51.8)	(29.6)
Financial revenue and (expenses)	(46.3)	(6.7)	(25.1)	(3.3)

3. Notes on taxation

3.1 Income tax

Income tax recognized in profit or loss

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Current income tax				
Current tax charge	(3.8)	(1.9)	(0.1)	(0.1)
Adjustments recognized in the current year relating to tax from previous years	-	-	(0.2)	-
Deferred tax				
Deferred income tax of the reporting period	(18.7)	1.3	9.7	0.7
Income tax recognized in profit / loss	(22.5)	(0.6)	9.4	0.6

According to the legal provisions in effect, no differentiation of rates is expected in the future periods. Frequent differences of opinions as to legal interpretation of the tax regulations, both within the State bodies, and between the State bodies and enterprises, entail lack of certainty and give rise to conflicts. Therefore, the tax risk in Poland is much higher than usually observed in the countries with better developed tax systems. Tax returns may be subject to control for a period of five years, starting from the end of the year of the tax payment. As a result of such controls, the Company's tax settlements may be increased by additional tax liabilities.

Deferred income tax recognized in other comprehensive income

	6 months ended 30/06/2023	3 months ended 30/06/2023	6 months ended 30/06/2022	3 months ended 30/06/2022
Deferred tax on the measurement of hedging instruments	(6.1)	(5.4)	1.7	0.4
Deferred tax on actuarial profits / (losses) pertaining to post-employment benefits	8.4	8.4	(7.7)	(7.7)
Deferred income tax recognized in other comprehensive income	2.3	3.0	(6.0)	(7.3)

Table of movements in deferred tax before the set-off

6 months ended 30/06/2023	1/01/2023	Recognized in profit or loss	Recognized in other comprehensive income	30/06/2023
Temporary differences relating to deferred tax (liabilities) / assets:				
Non-financial non-current assets	(22.1)	(0.7)	-	(22.8)
Rights-of-use assets and lease liabilities	3.4	(1.5)	-	1.9
Other provisions and liabilities	18.4	(7.3)	-	11.1
Inventories	(9.7)	1.6	-	(8.1)
Trade receivables	(9.3)	0.8	-	(8.5)
Provisions for employee benefits	103.6	1.1	8.4	113.1
Other	9.7	3.2	(6.1)	6.8
Unused tax losses	41.7	(15.9)	-	25.8
Total	135.7	(18.7)	2.3	119.3

6 months ended 30/06/2022	1/01/2022	Recognized in profit or loss	Recognized in other comprehensive income	30/06/2022
Temporary differences relating to deferred tax (liabilities) / assets:				
Non-financial non-current assets	(53.8)	17.0	-	(36.8)
Rights-of-use assets and lease liabilities	5.1	(1.0)	-	4.1
Other provisions and liabilities	13.7	(0.1)	-	13.6
Inventories	(8.9)	0.1	-	(8.8)
Trade receivables	(6.6)	(2.3)	-	(8.9)
Provisions for employee benefits	106.4	1.4	(7.7)	100.1
Other	17.6	4.2	1.7	23.5
Unused tax losses	85.2	(9.6)	-	75.6
Total	158.7	9.7	(6.0)	162.4

4. Notes on debt

4.1 Reconciliation of debt liabilities

The Company's debt liabilities consist of the following two main categories: bank loans and borrowings and leases. Loan agreements were signed mainly to finance current activity, finance and refinance the investment plan and acquisitions. Liabilities contracted under the signed loan agreements are repaid in PLN and EUR. Lease agreements are signed in PLN and EUR and pertain mainly to real properties and rolling stock.

Items in foreign currencies

30/06/2023	In functional currency PLN	In foreign currency EUR	Total
Bank loans and borrowings	896.5	537.0	1,433.5
Leases	923.9	16.5	940.4
Total	1,820.4	553.5	2,373.9

31/12/2022	In functional currency PLN	In foreign currency EUR	Total
Bank loans and borrowings	841.5	615.0	1,456.5
Leases	636.4	25.5	661.9
Total	1,477.9	640.5	2,118.4

Reconciliation of debt liabilities

6 months ended 30/06/2023	Bank loans and borrowings	Leases	Total
1/01/2023	1,456.5	661.9	2,118.4
New liabilities contracted	158.1	272.4	430.5
Modifications of existing agreements	-	58.0	58.0
Transaction costs	0.4	-	0.4
Accrual of interest	42.4	21.0	63.4
Payments under debt, including:			
Repayments of the principal	(148.4)	(49.6)	(198.0)
Interest paid	(45.4)	(21.1)	(66.5)
Transaction costs	(0.4)	-	(0.4)
Other	-	(1.2)	(1.2)
FX differences recognized in the result	(29.7)	(1.0)	(30.7)
30/06/2023	1,433.5	940.4	2,373.9
Long-term	870.9	810.7	1,681.6
Short-term	562.6	129.7	692.3
Total	1,433.5	940.4	2,373.9

6 months ended 30/06/2022	Bank loans and borrowings	Leases	Total
1/01/2022	1,585.6	680.5	2,266.1
New liabilities contracted	169.3	0.2	169.5
Modifications of existing agreements	-	5.0	5.0
Transaction costs	0.9	-	0.9
Accrual of interest	24.9	14.0	38.9
Payments under debt, including:			
Repayments of the principal	(149.3)	(34.4)	(183.7)
Interest paid	(23.1)	(11.3)	(34.4)
Transaction costs	(0.9)	-	(0.9)
Other	-	(2.1)	(2.1)
FX differences recognized in the result	12.2	0.5	12.7
30/06/2022	1,619.6	652.4	2,272.0
Long-term	1,148.4	549.8	1,698.2
Short-term	471.2	102.6	573.8
Total	1,619.6	652.4	2,272.0

4.1 Reconciliation of debt liabilities (cont.)

Other amounts under leases recognized in the statement of profit or loss and other comprehensive income:

	Presentation in the statement of profit or loss and other comprehensive income	6 months ended 30/06/2023	6 months ended 30/06/2022
Revenues from operating leases	Revenues from contracts with customers	30.1	22.3
Costs of short-term leases	Other services	(4.6)	(11.3)

Terms and conditions of loan agreements

Contracts signed with banks impose legal and financial obligations on the Company that are standard in such transactions. The key ratios measured in such obligations set forth in loan agreements signed by the Company include: the Net Debt/EBITDA ratio and the total debt ratio.

The above ratios are calculated on the basis of data contained in both the Consolidated Financial Statements the of PKP CARGO Group.

According to the provisions of the agreements signed by the Company, compliance with the terms and conditions of loan agreements is reviewed on a quarterly basis, on a semi-annual basis and at the end of each financial year.

The Net Debt/EBITDA is the level of financial debt less cash to the generated EBITDA and is calculated excluding the impact of IFRS 16. The maximum permitted level of the Net Debt/EBITDA ratio, depending on the contract, is set within the range of 3.0-4.5. For selected agreements, there is also an obligation to satisfy the Net Debt/EBITDA ratio and total debt ratio calculated on the basis of forecast figures.

In most agreements, the total debt ratio is defined as the ratio of total liabilities (excluding the impact of IFRS 16) to total balance sheet amount (excluding the impact of IFRS 16) and its level cannot exceed 60%.

As at 30 June 2023, the covenants defined in loan agreements were satisfied and therefore under IAS 1 non-current loan liabilities did not have to be reclassified to the current part.

Unused credit and lease facilities

Type of loan	Bank Name	Period of availability	Currency of the contract	30/06/2023	31/12/2022
Overdraft	Bank Gospodarstwa Krajowego	20/10/2023	PLN	100.0	100.0
Overdraft	Powszechna Kasa Oszczędności Bank Polski S.A. ¹⁾	19/03/2024	PLN	0.8	58.7
Overdraft	Bank Polska Kasa Opieki S.A. ²⁾	24/05/2024	PLN	100.0	100.0
Overdraft	Bank Polska Kasa Opieki S.A. ³⁾	25/05/2024	PLN	10.0	-
Overdraft	Powszechna Kasa Oszczędności Bank Polski S.A. ⁴⁾	27/06/2024	PLN	-	-
Leasing facility	PEKAO LEASING sp. z o.o.	9/10/2023	PLN	1.4	92.2
Leasing facility	PKO Leasing S.A.	31/12/2023	PLN	14.1	200.0
Total				226.3	550.9

¹⁾ On 17 March 2023, the Company signed an annex to the overdraft facility agreement extending the availability period of the facility until 19 March 2024.

²⁾ On 24 May 2023, the Company signed an annex to the overdraft facility agreement extending the availability period of the facility until 24 May 2024.

³⁾ On 26 May 2023, the Company and PKP CARGOTABOR Sp. z o.o. signed an overdraft facility agreement with Bank Polska Kasa Opieki S.A., to be available until 25 May 2024. The financing amount received by PKP CARGO S.A. was PLN 10.0 million.

⁴⁾ On 26 June 2023, the Company signed an annex to the overdraft facility agreement extending the availability period of the facility until 27 June 2024.

4.2 Equity

Share capital

	30/06/2023	31/12/2022
The share capital consists of:		
Ordinary shares – fully paid up and registered	2,239.3	2,239.3

As at 30 June 2023 and 31 December 2022, the share capital consisted of ordinary shares with a par value of PLN 50 each. Fully paid up ordinary shares with the par value of PLN 50 are equivalent to one vote at the shareholder meeting and entail the right to dividend.

PKP S.A. is the parent company of PKP CARGO S.A. Pursuant to the Company's Articles of Association, PKP S.A. holds special personal rights to appoint and dismiss Supervisory Board Members in a number equal to half the composition of the Supervisory Board plus one. PKP S.A. has a personal right to appoint the Supervisory Board Chairperson and to determine the number of Supervisory Board Members. Additionally, in the event that PKP S.A.'s share in the Company's share capital is 50% or less, PKP S.A. will have an exclusive personal right to propose candidates for the President of the Management Board. The personal rights of PKP S.A. shall be vested always when PKP S.A. holds at least 25% of the Company's share capital.

In the period of 6 months ended 30 June 2023 and 30 June 2022, there were no movements in the Company's share capital.

Movement in supplementary capital and retained earnings

On 29 June 2023, the Ordinary Shareholder Meeting of the Company adopted a resolution on the distribution of the net profit earned in 2022 in the amount of PLN 102.7 million, and decided to allocate it in full to the supplementary capital.

4.3 Cash and cash equivalents

Structure of cash and cash equivalents

	30/06/2023	31/12/2022
Cash on hand and on bank accounts	56.8	41.2
Other cash	-	14.0
Total	56.8	55.2
<i>including restricted cash</i>	<i>19.6</i>	<i>27.2</i>

Restricted cash included mostly cash accumulated on VAT accounts and bank accounts kept for tender deposits and guarantees.



5. Notes to the statement of financial position

5.1 Rolling stock and other property, plant and equipment

Movement in rolling stock and other property, plant and equipment

6 months ended 30/06/2023	Rolling stock	Other property, plant and equipment					Total
		Real properties	Technical machinery and equipment	Means of transport	Other fixed assets	Fixed assets under construction	
Gross value							
1/01/2023	6,534.9	583.3	210.2	27.5	25.4	30.0	876.4
<i>Increases / (decreases):</i>							
Periodic repairs of rolling stock	-	-	-	-	-	416.1	416.1
Purchase of new assets / modernization	-	-	-	-	-	142.6	142.6
Purchase of leased items	-	-	4.8	0.2	-	-	5.0
Settlement of fixed assets under construction	552.6	-	1.0	0.4	0.1	(554.1)	(552.6)
Sales	(0.8)	-	(0.6)	(0.1)	-	-	(0.7)
Contribution in kind	(0.4)	(20.6)	(2.6)	-	(0.4)	-	(23.6)
Liquidation	(143.0)	-	(0.2)	-	(0.1)	(0.1)	(0.4)
Other	0.3	0.1	-	-	-	(3.9)	(3.8)
30/06/2023	6,943.6	562.8	212.6	28.0	25.0	30.6	859.0
Accumulated depreciation							
1/01/2023	(2,686.3)	(182.0)	(183.1)	(27.1)	(24.0)	-	(416.2)
<i>(Increases) / decreases:</i>							
Depreciation	(274.8)	(8.0)	(4.7)	(0.1)	(0.4)	-	(13.2)
Purchase of leased items	-	-	(3.0)	(0.1)	-	-	(3.1)
Sales	0.6	-	0.6	0.1	-	-	0.7
Contribution in kind	0.1	1.0	0.6	-	0.2	-	1.8
Liquidation	142.1	-	0.2	-	0.1	-	0.3
Other	(0.2)	-	-	-	-	-	-
30/06/2023	(2,818.5)	(189.0)	(189.4)	(27.2)	(24.1)	-	(429.7)
Accumulated impairment							
1/01/2023	(70.5)	-	-	-	-	(0.7)	(0.7)
<i>(Increases) / decreases:</i>							
Utilization	0.1	-	-	-	-	0.1	0.1
30/06/2023	(70.4)	-	-	-	-	(0.6)	(0.6)
Net value							
1/01/2023	3,778.1	401.3	27.1	0.4	1.4	29.3	459.5
30/06/2023	4,054.7	373.8	23.2	0.8	0.9	30.0	428.7

5.1 Rolling stock and other property, plant and equipment (cont.)

6 months ended 30/06/2022	Other property, plant and equipment						Total
	Rolling stock	Real properties	Technical machinery and equipment	Means of transport	Other fixed assets	Fixed assets under construction	
Gross value							
1/01/2022	6,381.3	587.7	205.7	27.5	25.1	25.6	871.6
<i>Increases / (decreases):</i>							
Periodic repairs of rolling stock	-	-	-	-	-	230.2	230.2
Purchase of new assets / modernization	-	-	-	-	-	113.5	113.5
Settlement of fixed assets under construction	337.7	1.0	-	-	-	(338.7)	(337.7)
Grant for non-current assets	(51.0)	-	-	-	-	-	-
Sales	(0.1)	(6.4)	-	(0.7)	-	-	(7.1)
Liquidation	(156.1)	-	(0.5)	-	-	(0.2)	(0.7)
Reclassified to assets held for sale	(8.1)	-	-	-	-	-	-
Other	0.8	-	-	-	-	-	-
30/06/2022	6,504.5	582.3	205.2	26.8	25.1	30.4	869.8
Accumulated depreciation							
1/01/2022	(2,478.4)	(165.1)	(172.0)	(27.2)	(23.2)	-	(387.5)
<i>(Increases) / decreases:</i>							
Depreciation	(249.6)	(8.6)	(4.8)	(0.1)	(0.3)	-	(13.8)
Sales	-	-	-	0.7	-	-	0.7
Liquidation	134.4	-	0.5	-	-	-	0.5
Reclassified to assets held for sale	5.6	-	-	-	-	-	-
Other	(0.6)	-	-	-	-	-	-
30/06/2022	(2,588.6)	(173.7)	(176.3)	(26.6)	(23.5)	-	(400.1)
Accumulated impairment							
1/01/2022	(75.4)	-	-	-	-	(2.4)	(2.4)
<i>(Increases) / decreases:</i>							
Utilization	0.6	-	-	-	-	0.1	0.1
30/06/2022	(74.8)	-	-	-	-	(2.3)	(2.3)
Net value							
1/01/2022	3,827.5	422.6	33.7	0.3	1.9	23.2	481.7
30/06/2022	3,841.1	408.6	28.9	0.2	1.6	28.1	467.4

5.2 Rights-of-use assets

Movement in rights-of-use assets

6 months ended 30/06/2023	Rolling stock	Real properties	Technical machinery and equipment	Means of transport	Other fixed assets	Total
Gross value						
1/01/2023	257.1	604.5	9.6	8.9	0.6	880.7
<i>Increases / (decreases):</i>						
New leases	270.4	0.3	1.7	-	-	272.4
Modifications of agreements	-	55.3	0.1	2.3	0.3	58.0
Return of leased items	-	-	-	(0.1)	-	(0.1)
Purchase of leased items	-	-	(4.8)	(0.2)	-	(5.0)
Contribution in kind	-	(4.7)	-	-	-	(4.7)
Other	-	0.3	-	-	-	0.3
30/06/2023	527.5	655.7	6.6	10.9	0.9	1,201.6
Accumulated depreciation						
1/01/2023	(69.5)	(146.1)	(3.9)	(7.6)	(0.5)	(227.6)
<i>(Increases) / decreases:</i>						
Depreciation	(13.7)	(23.5)	(0.6)	(1.1)	(0.1)	(39.0)
Return of leased items	-	-	-	0.1	-	0.1
Purchase of leased items	-	-	3.0	0.1	-	3.1
Contribution in kind	-	0.1	-	-	-	0.1
30/06/2023	(83.2)	(169.5)	(1.5)	(8.5)	(0.6)	(263.3)
Net value						
1/01/2023	187.6	458.4	5.7	1.3	0.1	653.1
30/06/2023	444.3	486.2	5.1	2.4	0.3	938.3

6 months ended 30/06/2022	Rolling stock	Real properties	Technical machinery and equipment	Means of transport	Other fixed assets	Total
Gross value						
1/01/2022	243.8	577.6	11.5	7.8	0.7	841.4
<i>Increases / (decreases):</i>						
New leases	-	0.2	-	-	-	0.2
Modifications of agreements	-	3.1	-	1.9	-	5.0
Return of leased items	-	(2.1)	-	(0.1)	-	(2.2)
30/06/2022	243.8	578.8	11.5	9.6	0.7	844.4
Accumulated depreciation						
1/01/2022	(48.0)	(116.6)	(3.5)	(6.0)	(0.4)	(174.5)
<i>(Increases) / decreases:</i>						
Depreciation	(10.6)	(21.3)	(1.0)	(0.9)	(0.1)	(33.9)
Return of leased items	-	0.4	-	-	-	0.4
Other	(0.2)	-	-	-	-	(0.2)
30/06/2022	(58.8)	(137.5)	(4.5)	(6.9)	(0.5)	(208.2)
Net value						
1/01/2022	195.8	461.0	8.0	1.8	0.3	666.9
30/06/2022	185.0	441.3	7.0	2.7	0.2	636.2

5.3 Investments in related parties

Detailed information about members of the Group as at 30 June 2023 and 31 December 2022 is as follows:

Name	Type	Registered office	% of shares held		Value of shares held	
			30/06/2023	31/12/2022	30/06/2023	31/12/2022
Centralny Terminal Multimodalny Sp. z o.o.	subsidiary	Warsaw	100%	100%	1.5	1.5
PKP CARGO SERVICE Sp. z o.o.	subsidiary	Warsaw	100%	100%	15.4	15.4
PKP CARGO TERMINALE Sp. z o.o.	subsidiary	Żurawica	100%	100%	69.1	69.1
PKP CARGOTABOR Sp. z o.o. ¹⁾	subsidiary	Warsaw	100%	100%	131.2	117.7
CARGOTOR Sp. z o.o.	subsidiary	Warsaw	100%	100%	20.2	20.2
PKP CARGOTABOR USŁUGI Sp. z o.o. ²⁾	subsidiary	Warsaw	100%	100%	35.6	10.1
PKP Linia Chełmska Szerokotorowa Sp. z o.o.	subsidiary	Warsaw	100%	100%	0.1	0.1
ONECARGO CONNECT Sp. z o.o.	subsidiary	Warsaw	100%	100%	-	-
COSCO Shipping Lines (POLAND) Sp. z o.o.	associate	Gdynia	20%	20%	1.1	1.1
PKP CARGO CONNECT Sp. z o.o.	subsidiary	Warsaw	100%	100%	123.2	123.2
Transgaz S.A.	indirect subsidiary	Zalesie near Małaszewicze	64%	64%		
Cargosped Terminal Braniewo Sp. z o.o.	indirect subsidiary	Braniewo	100%	100%		
PKP CARGO CONNECT GmbH	indirect subsidiary	Hamburg	100%	100%		
Terminale Przeładunkowe Sławków Medyka Sp. z o.o.	interests in joint ventures	Sławków	50%	50%		
PKP CARGO INTERNATIONAL a.s.	subsidiary	Ostrava	100%	100%	499.7	499.7
PKP CARGO INTERNATIONAL HU Zrt.	indirect subsidiary	Budapest	100%	100%		
AWT ROSCO a.s.	indirect subsidiary	Ostrava	100%	100%		
AWT CFT a.s. ³⁾	indirect subsidiary	Ostrava	100%	100%		
AWT Rekultivace a.s.	indirect subsidiary	Petřvald	100%	100%		
DEPOS Horni Sucha a.s.	associate	Horní Suchá	20.6%	20.6%		
PKP CARGO INTERNATIONAL SK a.s.	indirect subsidiary	Bratislava	100%	100%		
AWT DLT s.r.o.	indirect subsidiary	Kladno	100%	100%		
PKP CARGO INTERNATIONAL SI d.o.o.	indirect subsidiary	Grčarevec	80%	80%		
TOTAL					897.1	858.0

¹⁾ On 30 January 2023, the share capital of PKP CARGOTABOR Sp. z o.o. was increased through creation of new shares, which were covered by a cash contribution made by the Company in the amount of PLN 13.5 million.

²⁾ On 2 March 2023, the share capital of PKP CARGOTABOR USŁUGI Sp. z o.o. was increased through creation of new shares worth PLN 28.3 million, which were covered by a non-cash contribution made by the Company.

³⁾ With effect from 6 March 2023, AWT Čechofracht a.s. with its registered office in Ostrava, a fully owned subsidiary of PKP CARGO INTERNATIONAL a.s., changed its name to AWT CFT a.s.

5.4 Inventories

Structure of inventories

	30/06/2023	31/12/2022
Strategic inventories	41.6	23.7
Rolling stock during liquidation	28.1	42.5
Other inventories	38.7	33.2
Impairment losses	(2.0)	(1.7)
Total	106.4	97.7

5.5 Trade receivables

Structure of trade receivables

	30/06/2023	31/12/2022
Trade receivables	475.7	560.8
Impairment loss for receivables	(29.4)	(28.1)
Total	446.3	532.7
Current assets	446.3	532.7
Total	446.3	532.7

5.6 Financial assets

Structure of financial assets

	30/06/2023	31/12/2022
Shares in unlisted companies	8.7	4.9
Loans granted to related entities	20.0	-
Total	28.7	4.9
Non-current assets	25.6	4.9
Current assets	3.1	-
Total	28.7	4.9

5.7 Other assets

Structure of other assets

	30/06/2023	31/12/2022
Non-financial assets		
Costs settled over time		
Prepayments for purchase of electricity	39.7	73.1
Insurance	7.9	2.6
IT services	1.7	3.3
Other costs settled over time	7.6	0.3
Prepayments for purchase of non-financial non-current assets	-	16.0
Other	3.7	0.2
Other receivables		
VAT settlements	32.2	22.6
Receivables on account of transfer of receivables	3.3	4.1
Other	17.0	10.3
Intangible assets		
Licenses	20.6	11.4
Intangible assets under development	3.6	5.6
Total	137.3	149.5
Non-current assets	26.9	36.6
Current assets	110.4	112.9
Total	137.3	149.5

5.8 Investment liabilities

Structure of investment liabilities

	30/06/2023	31/12/2022
Investment liabilities related to rolling stock	279.0	240.2
Investment liabilities related to real properties	0.3	1.0
Other	11.7	2.8
Total	291.0	244.0
Long-term liabilities	25.2	46.1
Short-term liabilities	265.8	197.9
Total	291.0	244.0

5.9 Provisions for employee benefits

As at 30 June 2023 and 31 December 2022, the actuarial valuation of provisions for employee benefits was based on the following main assumptions:

	Valuation as at [%]	
	30/06/2023	31/12/2022
Discount rate	5.75	6.8
Assumed average annual growth of the base for calculation of provisions for retirement and disability severance pays and jubilee awards		
2023	-	13.9
2024	4.1	4.1
2025	3.4	3.4
from 2026	2.5	2.5
Assumed growth of the price of transportation benefits	3.5	3.5
Assumed average annual growth of the base for calculation of provisions on account of charge for the Company Social Benefits Fund		
2023	15.1	5.2
from 2024	6.3	5.2
Weighted average employee mobility ratio	up to 3.0	up to 2.9

The value of provisions for employee benefits is materially affected by the adopted assumptions for discount rate, the assumed salary growth and the expected average employment growth. The sensitivity analysis for changes in the foregoing assumptions may be found below. The analysis was conducted by changing only one variable while leaving the remaining assumptions unchanged.

Sensitivity analysis of provisions for employee benefits

	30/06/2023	Discount rate		Salary growth ratio		Employee mobility ratio	
		+0.30 pp.	-0.30 pp.	+0.25 pp.	-0.25 pp.	+0.25 pp.	-0.25 pp.
Jubilee awards	222.6	(2.8)	2.9	2.8	(2.7)	(2.3)	2.3
Retirement and disability severance pays	193.7	(2.3)	2.4	2.2	(2.2)	(1.4)	1.5
Post-mortem benefits	5.2	(0.1)	0.1	0.1	(0.1)	(0.1)	0.1
Company Social Benefits Fund	115.7	(4.1)	4.3	3.7	(3.5)	(0.4)	0.4
Transportation benefits	21.3	(0.7)	0.7	0.6	(0.6)	(0.1)	0.1
Total	558.5	10.0	10.4	9.4	(9.1)	(4.3)	4.4

5.9 Provisions for employee benefits (cont.)

	31/12/2022	Discount rate		Salary growth ratio		Employee mobility ratio	
		+0.30 pp.	-0.30 pp.	+0.25 pp.	-0.25 pp.	+0.25 pp.	-0.25 pp.
Jubilee awards	214.8	(2.7)	2.8	2.9	(2.9)	(2.2)	2.2
Retirement and disability severance pays	189.8	(2.2)	2.3	2.4	(2.4)	(1.4)	1.4
Post-mortem benefits	5.2	(0.1)	0.1	0.1	(0.1)	(0.1)	0.1
Company Social Benefits Fund	84.1	(2.6)	2.7	2.5	(2.4)	(0.2)	0.3
Transportation benefits	19.1	(0.6)	0.6	0.6	(0.5)	(0.1)	0.1
Total	513.0	(8.2)	8.5	8.5	(8.3)	(4.0)	4.1

Movement in provisions for employee benefits

	Retirement and disability severance pays	Company Social Benefits Fund	Transportation benefits	Post-mortem benefits	Jubilee awards	Other employee benefits	Total provisions
1/01/2023	189.8	84.1	19.1	5.2	214.8	32.2	545.2
Current service cost	2.8	0.5	0.1	0.1	4.4	-	7.9
Interest expenses	5.4	2.7	0.6	0.2	6.9	-	15.8
Actuarial (profits)/ losses recognized in other comprehensive income	10.6	31.0	2.0	0.4	-	-	44.0
Actuarial (profits)/ losses recognized in the statement of profit or loss	-	-	-	-	10.4	-	10.4
Recognition of provisions	-	-	-	-	-	4.2	4.2
Benefits paid out	(14.9)	(2.6)	(0.5)	(0.7)	(13.9)	-	(32.6)
30/06/2023	193.7	115.7	21.3	5.2	222.6	36.4	594.9
Long-term provisions	144.5	109.8	20.2	4.3	176.8	-	455.6
Short-term provisions	49.2	5.9	1.1	0.9	45.8	36.4	139.3
Total	193.7	115.7	21.3	5.2	222.6	36.4	594.9

	Retirement and disability severance pays	Company Social Benefits Fund	Transportation benefits	Post-mortem benefits	Jubilee awards	Other employee benefits	Total provisions
1/01/2022	178.3	115.2	22.2	4.9	219.3	19.9	559.8
Current service cost	2.9	0.8	0.2	0.1	4.6	-	8.6
Interest expenses	2.7	2.0	0.4	0.1	3.6	-	8.8
Actuarial (profits)/ losses recognized in other comprehensive income	(1.7)	(30.5)	(7.4)	(0.7)	-	-	(40.3)
Actuarial (profits)/ losses recognized in the statement of profit or loss	-	-	-	-	(2.7)	-	(2.7)
Recognition of provisions	-	-	-	-	-	14.6	14.6
Benefits paid out	(7.3)	(2.6)	(0.4)	(0.4)	(11.4)	-	(22.1)
30/06/2022	174.9	84.9	15.0	4.0	213.4	34.5	526.7
Long-term provisions	131.9	79.7	14.1	3.2	165.6	-	394.5
Short-term provisions	43.0	5.2	0.9	0.8	47.8	34.5	132.2
Total	174.9	84.9	15.0	4.0	213.4	34.5	526.7

5.10 Other provisions

Structure of other provisions

	30/06/2023	31/12/2022
Other provisions	6.2	7.7
Total	6.2	7.7
Long-term provisions	0.5	0.5
Short-term provisions	5.7	7.2
Total	6.2	7.7

5.11 Other financial liabilities

Structure of other financial liabilities

	30/06/2023	31/12/2022
Cash pool	89.3	92.6
Total	89.3	92.6
Short-term liabilities	89.3	92.6
Total	89.3	92.6

5.12 Other liabilities

Structure of other liabilities

	30/06/2023	31/12/2022
Liabilities arising out of collateral (deposits, bid bonds, guarantees)	20.3	23.8
Liabilities on the purchase of shares	-	18.0
Public law liabilities	88.8	87.0
Settlements with employees	75.5	74.1
Other settlements	22.5	2.2
VAT settlements	-	10.9
Total	207.1	216.0
Short-term liabilities	207.1	216.0
Total	207.1	216.0

6. Financial instruments

6.1 Financial instruments

Categories and classes of financial instruments

Financial assets by categories and classes	Note	30/06/2023	31/12/2022
Financial assets measured at fair value through other comprehensive income			
Investments in equity instruments	Note 5.6	8.7	4.9
Financial assets measured at amortized cost			
Trade receivables	Note 5.5	446.3	532.7
Loans granted	Note 5.6	20.0	-
Cash and cash equivalents	Note 4.3	56.8	55.2
Receivables on account of transfer of receivables	Note 5.7	3.3	4.1
Financial assets excluded from the scope of IFRS 9		23.3	23.6
Total		558.4	620.5

6.1 Financial instruments (cont.)

Financial liabilities by categories and classes	Note	30/06/2023	31/12/2022
Hedging financial instruments			
Bank loans and borrowings	Note 4.1	531.4	609.2
Financial liabilities measured at amortized cost			
Bank loans and borrowings	Note 4.1	902.1	847.4
Trade liabilities		664.0	598.6
Investment liabilities	Note 5.8	291.0	244.0
Cash pool	Note 5.11	89.3	92.6
Liabilities on the purchase of shares	Note 5.12	-	18.0
Financial liabilities excluded from the scope of IFRS 9	Note 4.1	940.4	661.9
Total		3,418.2	3,071.7

Impairment losses on trade receivables are presented in [Note 5.5](#) to these Interim Condensed Standalone Financial Statements.

Hedge accounting

In the period from 1 January 2023 to 30 June 2023, the Company applied cash flow hedge accounting. The purpose of the hedging activity was to mitigate the impact of the FX risk within the EUR/PLN currency pair on the future cash flows. The hedged item is a highly likely cash flow denominated in EUR.

As at 30 June 2023, hedging instruments in the form of investment loans denominated in EUR were established. The hedged cash flows will be realized until January 2035. As at 30 June 2023, the nominal amount of the hedging instrument was EUR 119.4 million, which is an equivalent of PLN 531.4 million.

Fair value hierarchy

As at 30 June 2023 and 31 December 2022, financial instruments measured at fair value were investments in equity instruments.

	30/06/2023		31/12/2022	
	Level 2	Level 3	Level 2	Level 3
Assets				
Investments in equity instruments - shares in unlisted companies	-	8.7	-	4.9

Measurement methods for financial instruments measured at fair value

a) Investments in equity instruments

This line item includes predominantly an equity stake in Euroterminal Sławków Sp. z o.o. worth PLN 8.7 million, the value of which was measured by an independent adviser using the modified Swiss method. The Swiss method is a mixed measurement method as it combines the asset value aspect with the ability to generate future cash flows. According to the Swiss method, the value of the enterprise is calculated as the weighted average of the values determined by the asset-based approach and the income-based approach. This method attaches a greater weight (twice as large) to the value determined by the income-based approach. The adoption of the Swiss method is justified on the grounds that Euroterminal Sławków Sp. z o.o. has a moderate ability to generate profits in the future but owns material assets in the form of land plots and property.

b) Other financial instruments

For the category of financial instruments that are not carried at fair value as at the balance sheet date, the Company does not disclose fair value because as at 30 June 2023 and 31 December 2022 fair value was not materially different from the value presented in the statement of financial position.

In the period of 6 months ended 30 June 2023 and 30 June 2022, there were no transfers between level 2 and level 3 of the fair value hierarchy.

6.1 Financial instruments (cont.)

Revenues, costs, profits and losses in the statement of profit or loss and other comprehensive income by categories of financial instruments

6 months ended 30/06/2023	Hedging financial instruments	Investments in equity instruments	Financial assets measured at amortized cost	Financial assets excluded from the scope of IFRS 9	Financial liabilities measured at amortized cost	Financial liabilities excluded from the scope of IFRS 9	Total
Interest income / (expense)	(7.9)	-	2.2	0.5	(49.9)	(21.0)	(76.1)
FX differences	-	-	(3.1)	-	(1.7)	1.0	(3.8)
Impairment losses / revaluation	-	-	(2.0)	-	-	-	(2.0)
Transaction costs related to loans	-	-	-	-	(0.4)	-	(0.4)
Effect of settlement of cash flow hedge accounting	(2.3)	-	-	-	-	-	(2.3)
Profit / (loss) before tax	(10.2)	-	(2.9)	0.5	(52.0)	(20.0)	(84.6)
Revaluation	32.0	3.8	-	-	-	-	35.8
Other comprehensive income	32.0	3.8	-	-	-	-	35.8

In the period of 6 months ended 30 June 2023, the effect of settling cash flow hedge accounting adjusted the value of revenues from contracts with customers in the amount of PLN (2.3) million. The change in the measurement of hedging financial instruments includes a change in the measurement of bank loans in the amount of PLN 32.0 million, recognized as part of the hedge accounting applied by the Company.

6 months ended 30/06/2022	Hedging financial instruments	Financial assets measured at amortized cost	Financial assets excluded from the scope of IFRS 9	Financial liabilities measured at amortized cost	Financial liabilities excluded from the scope of IFRS 9	Total
Interest income / (expense)	(0.9)	1.2	0.5	(32.1)	(14.0)	(45.3)
FX differences	-	1.8	-	-	(0.4)	1.4
Impairment losses / revaluation	-	(0.6)	-	-	-	(0.6)
Transaction costs related to loans	-	-	-	(0.9)	-	(0.9)
Effect of settlement of cash flow hedge accounting	(3.2)	-	-	-	-	(3.2)
Profit / (loss) before tax	(4.1)	2.4	0.5	(33.0)	(14.4)	(48.6)
Revaluation	(8.9)	-	-	-	-	(8.9)
Other comprehensive income	(8.9)	-	-	-	-	(8.9)

In the period of 6 months ended 30 June 2022, the effect of settling cash flow hedge accounting adjusted the value of revenues from contracts with customers in the amount of PLN (3.2) million. The change in the measurement of hedging financial instruments includes a change in the measurement of bank loans in the amount of PLN (8.9) million, recognized as part of the hedge accounting applied by the Company.

7. Other notes

7.1 Related party transactions

Transactions with the State Treasury and other parties related to the State Treasury

In the period of 6 months ended 30 June 2023 and 30 June 2022, the State Treasury was a higher-level parent of the Company. Accordingly, all companies owned by the State Treasury (directly or indirectly) are the Company's related parties and are presented separately as PKP Group related parties and other State Treasury related parties. In these Interim Condensed Standalone Financial Statements, the Management Board has disclosed transactions with material related parties identified as such according to the best knowledge of the Management Board.

In the period of 6 months ended 30 June 2023 and 30 June 2022, there were no individual transactions effected between the Company and the other parties related to the State Treasury which would be significant due to a non-standard scope or amount. In the periods covered by these Standalone Financial Statements, the Company's most important clients among other parties related to the State Treasury were members of the following groups: PGE, JSW, Węgłokoks and ENEA. PGE Group entities were the Company's most important suppliers related to the State Treasury.

Transactions with PKP Group related parties

In the period covered by these Interim Condensed Standalone Financial Statements, the Company entered into the following commercial transactions with PKP Group related parties:

	6 months ended 30/06/2023		30/06/2023	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent company	0.2	36.3	7.7	503.3
Subsidiaries / co-subsiidiaries	212.6	415.5	75.2	193.2
Associates	2.0	-	1.0	-
Other PKP Group related parties	13.3	247.0	3.0	203.7

	6 months ended 30/06/2022		31/12/2022	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent company	0.1	31.9	0.9	473.6
Subsidiaries / co-subsiidiaries	210.9	285.2	77.4	154.2
Associates	-	-	0.4	-
Other PKP Group related parties	7.1	261.7	9.8	200.8

Purchase transactions with the parent company (PKP S.A.) pertained in particular to lease and rental agreements treated as leasing contracts, the supply of utilities, costs of fees for membership in international railway organizations and occupational medicine services.

In the PKP CARGO Group sales transactions covered freight transport services, lease of equipment and sub-lease of real estate. Purchase transactions comprised, among other maintenance and repair of rolling stock, freight forwarding services, transshipment services and intermodal transport.

Sales transactions with other PKP Group related parties comprised, among others, train traction services, lease and operation of locomotives, services related to financial settlements with foreign rail freight companies, rolling stock maintenance services and sub-lease of property. Purchase transactions comprised, among others, access to rail infrastructure, lease of property, supply of utilities, maintenance of rail traffic facilities, purchase of network maintenance services, operation of IT systems.

In addition to commercial transactions, the Company had cash pooling settlements disclosed in [Note 5.11](#) of these Standalone Financial Statements and settlements on account of a loan granted to PKP CARGO Terminale Sp. z o.o. presented in [Note 5.6](#) of these Standalone Financial Statements.

7.1 Related party transactions (cont.)

Remunerations of key management personnel

Remunerations of key management personnel presented in this note include the amounts of benefits disbursed in the relevant period.

Remunerations of Management Board members	6 months ended 30/06/2023	6 months ended 30/06/2022
Short-term benefits	1.4	1.0
Post-employment benefits	-	0.7
Total	1.4	1.7

Remunerations of Supervisory Board Members	6 months ended 30/06/2023	6 months ended 30/06/2022
Short-term benefits	0.7	0.6
Total	0.7	0.6

Remunerations of other members of key management personnel	6 months ended 30/06/2023	6 months ended 30/06/2022
Short-term benefits	3.3	3.2
Post-employment benefits	-	0.1
Termination benefits	0.2	0.1
Total	3.5	3.4

In the period of 6 months ended 30 June 2023 and 30 June 2022, members of key management personnel did not enter into any loan or guarantee transactions with the Company.

All related party transactions were effected on an arm's length basis.

7.2 Liabilities to incur expenditures for non-financial non-current assets

Structure of liabilities to incur expenditures for non-financial non-current assets

	30/06/2023	31/12/2022
Contractual liabilities relating to the purchase of non-financial non-current assets	442.2	595.9
Total	442.2	595.9

7.3 Contingent liabilities

Structure of contingent liabilities

	30/06/2023	31/12/2022
Guarantees issued at PKP CARGO S.A.'s request	52.7	54.9
Other contingent liabilities	135.4	144.3
Total	188.1	199.2

Guarantees issued at PKP CARGO S.A.'s request

As at 30 June 2023, there were outstanding guarantees issued by banks at the Company's request for commercial business partners. The guarantees comprised mainly performance bonds (worth PLN 33.4 million), tender bonds (worth PLN 9.5 million) and payment guarantees (worth PLN 8.5 million).

As at 31 December 2022 there were outstanding guarantees issued by banks on the Company's order for commercial business partners. The guarantees comprised mainly performance bonds (worth PLN 36.3 million), payment guarantees (worth PLN 12.3 million) and tender bonds (worth PLN 5.2 million).

Other contingent liabilities

This line item comprises the claims made against the Company in court proceedings in the case of which the probability of outflow of cash is assessed as low, and claims in the case of which it is not possible to make a reliable estimate of the payment amount in the future by the Company. The amounts presented in this Note correspond to the value of the full claims reported by external entities. Assessment of the estimates may change in subsequent periods as a result of future events.

7.4 Impact of the war in Ukraine on the Company's activities

The war in Ukraine remains the main risk factor for the Company's performance in the current year. It is currently impossible to predict how this conflict will develop or when it will finally come to an end. The aggression of Russia (supported by Belarus) accelerated deglobalization and fragmentation processes in international trade. At present, the impact of the conflict on the prices of fossil fuels and food is diminishing, which is of crucial importance, especially for large manufacturers, for whom the security of uninterrupted energy supply and energy price is a priority. Manufacturers are struggling with high prices of fossil fuel and energy, which, combined with reduced domestic consumption and demand from key trading partners, have effectively slowed the production and transportation of finished goods (as well as materials and other components needed in the production process). The immediate effect of Russia's aggression is a rapid reduction of economic relations with Russia and Belarus (which, before the conflict, supplied Poland with metallurgical products, fuel, wood and cement). Additional EU sanctions packages (which have so far focused on selected products) are currently focused on sealing restrictions due to actions by third parties attempting to market products as their own. The restriction of trade in crude oil and petroleum products in December 2022 and February 2023 was a breakthrough in trade relations. Many contractors of PKP CARGO S.A. who traded with partners in the East have not yet reached the pre-war level of turnover, which has resulted in a decrease in the flow of goods ordered for transportation. Ports have maintained their increased importance as delivery points for goods that used to arrive in Poland mainly by land (such as coal from Russia, timber from Belarus), but this year the dynamics may be limited to selected areas only (e.g. fossil fuel) due to the weak economic situation in Poland and Europe. Maritime trade has benefited from low ocean freight rates, which, combined with unclogged supply chains, will have a positive effect on the handled cargo volumes when the economy recovers.

As a result of the war, the scale of economic relations between Poland and Ukraine is growing, with exports mainly of goods needed for military operations (but also a whole range of goods needed for the proper functioning of the state) and numerous manufacturers continuing to do business in the country despite the difficult conditions. Taking advantage of the good economic situation in this area, PKP CARGO S.A. carries out mainly export and transit shipments of fuels, import shipments of metals and metal products, transit shipments of grain, export shipments of fertilizers and intermodal transportation in all directions.

PKP CARGO S.A., as the parent company of the PKP CARGO Group, monitors all legal and actual changes related to the impact of the war on the operation of the Company and its subsidiaries, analyzes them on a continuous basis, and, as a result, takes appropriate preparatory measures to minimize the impact of negative consequences on transport processes.

Rail transport in general and PKP CARGO S.A. in particular are strongly exposed to the effects of the macroeconomic environment, which is currently a negative factor limiting economic activity. The slowdown in GDP growth in Poland and in the countries with which Poland has the largest trade turnover (as well as the lack of a clear recovery in global GDP growth), persistently high inflation, and limited investment all contribute to a reduction in the level of demand and, consequently, also production and the need for transportation. Nevertheless, the Polish economy is doing quite well in such a difficult macroeconomic environment, achieving a positive trade balance (the key here is the slowdown in imports and the growth in exports), which partially offsets the negative effects of decline in consumption. In the medium term, high inflation remains an important issue to be addressed, as it limits the ability of companies to invest (in part due to the high cost of capital).

The Company does not currently see any fundamental threats to its operations from the war in Ukraine or the macroeconomic environment, but the situation remains volatile and requires constant monitoring.

7.5 Subsequent events

On 5 July 2023, the Company signed a Framework Lease Agreement with ING LEASE (Polska) Sp. z o.o. for the lease of fixed assets up to a maximum total net value of PLN 200.0 million plus interest with an availability period of 12 months from the date of the agreement.

7.6 Approval of the financial statements

These Interim Condensed Standalone Financial Statements were approved for publication by the Company's Management Board on 25 August 2023.

Management Board

Dariusz Seliga
President of the Management Board

Marek Olkiewicz
Management Board Member

Maciej Jankiewicz
Management Board Member

Jacek Rutkowski
Management Board Member

Zenon Kozendra
Management Board Member

Warsaw, 25 August 2023