

Termination of the Employee Guarantee Package

Current Report No. 17/2024 of 17 May 2024

Legal basis (selected in ESPI): Article 17(1) of MAR – inside information

The Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 17 May 2024 it terminated the Employee Guarantee Package (“Package”) entered into on 2 September 2013 between the Company and the trade union organizations.

Under the Package, the Company’s obligations until 2023 included ensuring guaranteed employment for the Company’s staff (guarantee of employment for the period specified in the Package for individuals employed by the Company as at the effective date of the Package). Accordingly, the respective provisions of the Package have lost validity. In contrast, some of the provisions of the Package remain in effect, such as the obligation set forth in §5(1) of the Package to introduce an annual wage increase correlated with the Company’s financial performance and financial standing.

The termination of the Package is one of the solutions aimed at reducing costs, including payroll and payroll-related expenses and reorganization introduced by the Company’s Management Board with a view to improving PKP CARGO’s financial performance. It is one of the elements of ongoing optimization endeavors aimed at ensuring financial stability and continued growth for the Company.

The termination of the Package itself will not generate any direct financial savings for the Group, but is a legally necessary step in the ongoing optimization process currently underway. The termination period of the Package is 3 months.

In parallel with reducing employee-related expenses, the Management Board is also taking other measures to generate savings.

Specific legal basis: Article 17(1) of MAR – inside information