

Decision to submit an application for payment of benefits from the Guaranteed Employee Benefits Fund

Current Report No. 96/2024 of 17 October 2024

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information

The Management Board of PKP CARGO S.A. in restructuring (the „Company”) hereby announce that on October 18, 2024 r. it adopted a resolution on submitting an application for payment of benefits from the Guaranteed Employee Benefits Fund („FGŚP”).

Due to the difficult financial situation of the Company, the Management Board decided to suspend the payment of cash benefits resulting from Article 8 of the Act of 13 March 2003 on special principles for terminating employment relationships for reasons not related to employees and compensation for unused vacation leave and in this situation using financial benefits paid from the FGŚP funds in accordance with the Act 13 July 2006 on the protection of employees claims in the event of the employer’s insolvency.

Group layoffs affected 2,515 employees and the estimated costs resulting from group layoffs (excluding holiday pay) were set at approximately 113.25 MM PLN

The value of benefits applied for the FGŚP will not exceed 100 MM PLN. The benefit from the FGŚP will cover approx.: 65% of the Company’s liabilities towards employees for the payment of benefits resulting from the termination of the contract as part of group layoffs. As part of the application for the payment of benefits from the FGŚP, the Company also takes into account employee claims for unpaid equivalents for vacation leave in the amount of up to 25 MM PLN

Funds uptained under FGŚP are subject to return. Repayment terms are determined individually after obtaining the funds

The Management Board of the Company intends to ask the Supervisory Board to give its opinion on the application and to the Administrator of the Sanation Estate to submit the application on behalf of the Company

About the decision to carry out group layoffs by the Plants and Headquarters of PKP CARGO S.A. in restructuring The Company announced in current report No. 51/2024.

As part of employment optimization, employment in the Company decreased overall by 3,759 employees.

Legal basis: art. 17 section 1 Regulation of the European Parliament and of the EU Council No. 596/2014 MAR