

Submission of a restructuring plan of PKP CARGOTABOR Sp. z o.o. in restructuring

Current Report No. 21/2025 of March, 14, 2025

Legal basis (selected in ESPI):
Article 17 of MAR

Management Board of PKP CARGO S.A. in restructuring with its registered office in Warsaw ("Issuer", "Company") informs that on March, 14, 2025 the subsidiary PKP CARGOTABOR Sp. z o.o. in restructuring ("PKP CARGOTABOR", "Subsidiary") submitted to the District Court for the Capital City of Warsaw in Warsaw a restructuring plan prepared for the purposes of the restructuring proceedings conducted against Subsidiary under reference number WA1M/GRs/8/2024, the opening of which proceedings was announced by the Issuer in Current Report No. 76/2024 of 2 September 2024.

The PKP CARGOTABOR restructuring plan provides for the implementation of restructuring measures aimed at restoring its profitability and the ability to settle liabilities. The indicated actions include both the option of continuing operations and the possible sale of assets, with the final restructuring path depending on the further course of the process, including the results of negotiations with a potential investor.

The strategy for continuing the operations of the Subsidiary assumes:

- a) limiting the operations to 12 rolling stock repair sections,
- b) selling assets deemed unnecessary for the core operating activities,
- c) diversifying PKP CARGOTABOR's sources of income by expanding the scope of services provided and their recipients.

The plan identified two main groups of restructuring measures:

1. Strategic measures, including two potential restructuring scenarios:

- a) continuing operations while simultaneously undertaking optimization activities and generating funds to repay liabilities through operating profits in future years,
- b) acquiring an investor and increasing the share capital or selling the enterprise or an organized part of the enterprise ("ZCP"), if such a solution proves to be more economically efficient and consistent with the interests of the creditors. The Issuer reported on the considered scenario of selling the ZCP in current report No. 117/2024 dated December 10, 2024.

2. Supporting measures, including restructuring:

- a) plants and repair sections (sale of low-profitability sections and plants),
- b) employment (reduction of full-time positions),
- c) property (lease or sale of selected assets),
- d) organisational (simplification of the management structure),
- e) operational (renegotiation of contract terms, diversification of income sources, adjustment of staff competences to market needs),
- f) financial (obtaining support from the Guaranteed Employee Benefits Fund, obtaining a VAT refund, concluding an arrangement with creditors).

The projections of the future financial results of the Subsidiary (for a period of five years) included in the restructuring plan were prepared solely for the purposes of this plan and cannot be treated as a forecast of financial results within the meaning of Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (MAR).

The restructuring plan will be made available to the creditors of the Subsidiary via the electronic system of the National Debt Register (KRZ) maintained by the Minister of Justice.