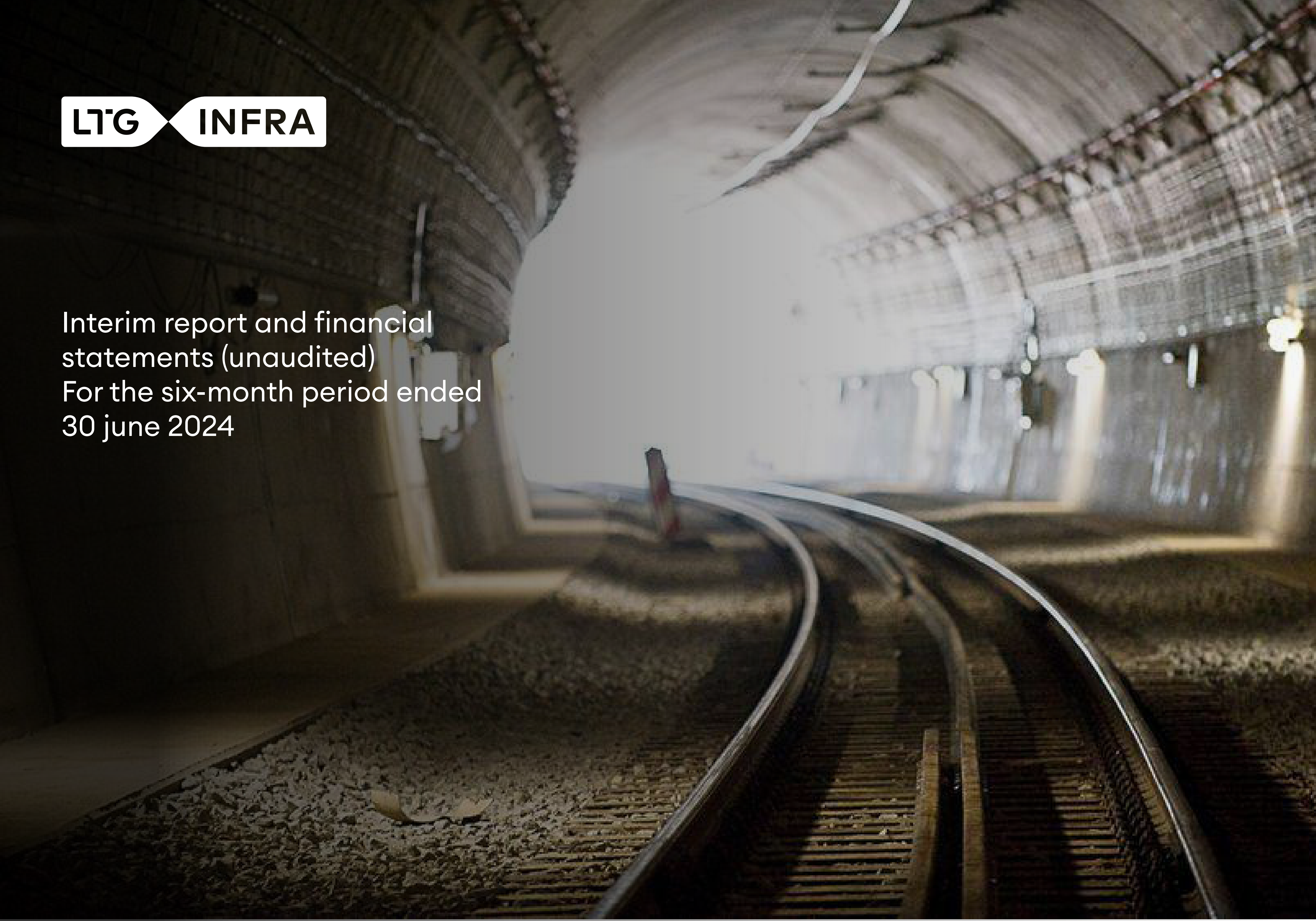

LTG INFRA

Interim report and financial statements (unaudited)
For the six-month period ended 30 june 2024

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This Interim Report and Financial Statements do not contain all the information required for the Annual Report and Financial Statements and should therefore be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2023 (AB Lietuvos geležinkeliai Metinis pranešimas ir Finansinės ataskaitos_2023_LT (ltg.lt)), which have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board and adopted for use in the EU.

Overview

CEO's foreword

Dear customers, partners, colleagues,

The first half of 2024 has been a busy one for our Company and its team. A number of agreements were reached, important contracts were signed and important works were performed. The **electrification of the Vilnius railway hub and the Kaišiadorys-Klaipėda railway line**, one of the main projects of our Company and of particular importance to **Lithuania**, gained momentum. At the beginning of the year, we started working on the final stage of the Vilnius-Klaipėda contract and reached almost 60% completion in the first half of the year. As part of our long-term network transformation projects, we have been moving steadily towards the wider digitisation of processes, improving the efficiency and safety of railway infrastructure and maintenance. We have launched a new system **(GIPS)** to monitor the condition of railway infrastructure. With this system, we will move towards a proactive and predictive maintenance model.

We have set up an advanced level crossing monitoring centre, where the operator currently monitors the traffic situation at seven level crossings centrally. In the future, we plan to further expand the centre to include more and more level crossings, planning to monitor a total of 90 level crossings at this centre. We have signed a contract to modernise 9 important level crossings on the Vilnius-Klaipėda international rail corridor, making them safer and more comfortable for traffic. This year, we plan to sign a contract for the modernisation of 14 more priority level crossings.

We continue to intensively implement **Rail Baltica**, the strategic European rail project, to connect the country's rail network with the West. Lithuania has made the most progress. Active work on the 29.2 km stretch from Kaunas towards the Latvian border is underway, consisting of the construction of a 27.7 km railway crossing and a bridge over the River Neris (1.5 km bridge length). Contracts for new sections of the railway crossing are also planned to be signed this year, with work to be carried out on a section of about 70 km. The team is expanding, with 700 workers on site, 500 pieces of equipment, and a total of 300 local and foreign partners contributing to the project in the three Baltic countries. Latvia will soon start work on the first 13 km. In Estonia, construction contracts have been signed for a 21.3 km stretch.

Important contracts signed in Lithuania this year include: the preparation of electricity transmission networks for connection to the traction substations of the Rail Baltica project; the acquisition of land for public use in the section from Kaunas (Jiesia) to the border with Poland; and the design of the Kaunas hub, including the design of a new railway bridge over the Nemunas. One of the Rail Baltica project team's key achievements in 2024 is the successful implementation of the EU funding contract, which has been fully accounted for to the European Commission. This is the first contract of this type completed in the Rail Baltica project.

Vytis Žalimas
CEO of LTG Infra

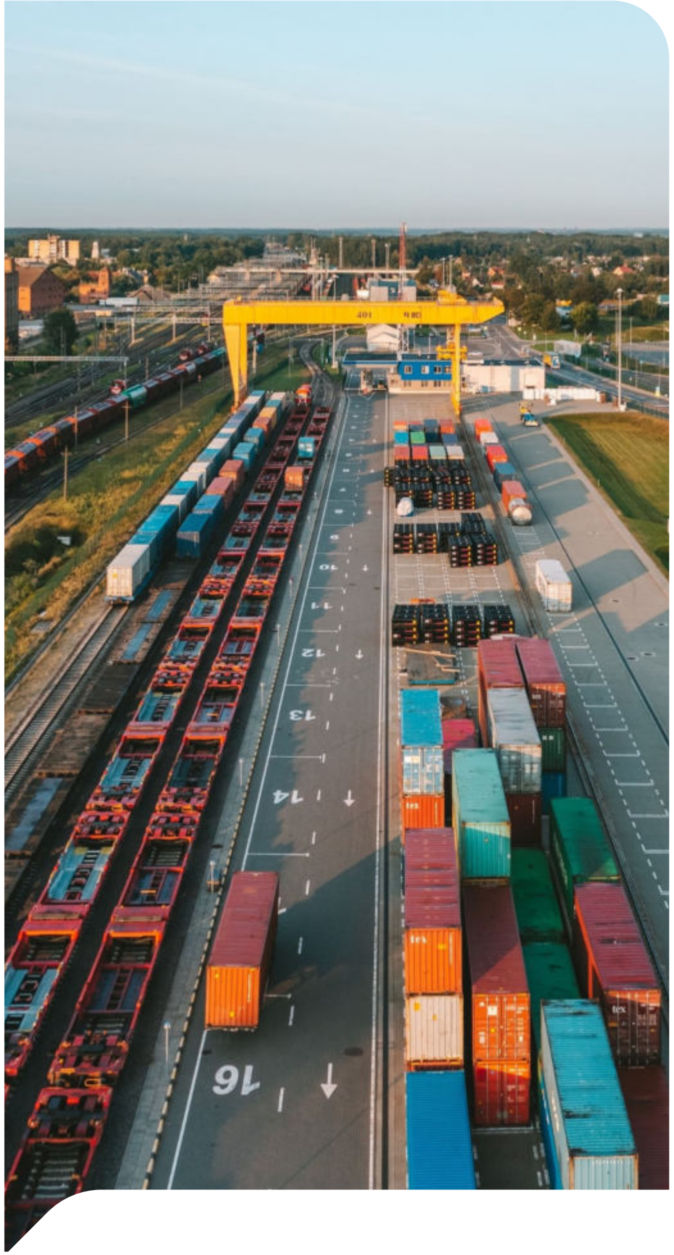
When it comes to the chosen direction of operations of the Company towards the West, it is important to mention the long-term programme **„FREE Rail“**, which has been developed and launched. The aim of this programme is to develop and implement a rail operating model tailored to the Baltic region, based on EU rail standards and best practices.

As part of our efforts to increase military mobility and contribute to national security, we have adapted Vilnius Intermodal Terminal (VIT) for the transport of NATO military cargo. The additional location for loading military cargo will ensure that military equipment can be transported safely, reliably and quickly - both in times of military threats and in peacetime.

Our team of nearly 2,500 employees is working to ensure the safe transport of passengers and freight by rail every day. In the first half of this year, we completed 10 km of main track repairs, replaced 5 train switches, repaired 4 level crossings and 3 bridges.

We will continue to focus not only on operational efficiency and process optimisation, but also on an in-depth study of the opportunities and needs for network expansion in 2024, which will be revealed by the ongoing network architecture study. **In fact, we can be pleased that the Council of the European Union has approved the extension of the European railway line to Klaipėda**. We have therefore organised a discussion in Klaipėda on how best to connect Klaipėda to Rail Baltica and signed a memorandum with the Ministry of Transport and Communications, the Klaipėda State Seaport Authority, the municipalities of Klaipėda city and Klaipėda district, which provides for closer cooperation in decision-making on the extension of the new European rail line to Klaipėda.

I have no doubt that by maintaining, modernising and improving the railway infrastructure entrusted to us in 2024, we will not only be rapidly approaching **LTG Group’s vision of becoming the backbone of the transport system**, but will also be making a significant contribution to the country’s economic growth, safety, sustainability, mobility of the population and regional development.



Company's activities

General information about the company

Name: AB „LTG Infra"

Registered office address: Geležinkelio g. 2, LT-02100 Vilnius

Legal form: Public limited liability company

Date, place of registration: 1 July 2019, Register of Legal Entities of the Republic of Lithuania

Company code: 305202934

Phone: (+370 5) 269 3353

Email: info@ltginfra.lt

Website: https://ltginfra.lt/

Core activity: Management, use and disposal of railway infrastructure and the performance of the functions of a public railway infrastructure manager

CEO of the Company: Vytis Žalimas

Shareholders: 100% of shares are owned by AB Lietuvos Geležinkeliai

Data on the Company are collected and stored in the Register of Legal Entities of the State Enterprise Centre of Registers.

Company branches and representative offices abroad

During the reporting period, the Company did not establish any branches or representative offices.

Company's business model

LTG Infra, together with its parent company AB Lietuvos Geležinkeliai and the legal entities directly and indirectly controlled by it, forms LTG Group. LTG provides management services to the companies forming the LTG Group and, in relation to the Company, these services are provided to the extent that they do not conflict with the requirements laid down in the legislation for impartiality and financial transparency in the management of the public railway infrastructure manager and the performance of the essential functions of the public railway infrastructure manager (the assignment of capacity of the public railway infrastructure, the calculation and payment of fees for the minimum package of access to the public railway infrastructure, and the disposal of the public railway infrastructure by entrusting it to a trustee). In order to ensure the above requirements, all decisions relating to the performance of the essential functions of the public railway infrastructure manager are taken by the Chief Executive Officer of the Company or by the Company's employees authorised by him, and only Company's employees authorised by the Chief Executive Officer are involved in the taking of such decisions.

Operating within LTG Group, the Company follows the LTG **Group's Strategy** and key guidelines, as well as the approved operational policies, which the LTG Group companies are required to take into account in their operations. The Company follows the **LTG Group's Strategy** and the main orientations of the LTG Group as laid down by the LTG, as well as with the approved operational policies, to the extent that these documents are compatible with the above requirements for the operation of the public infrastructure manager as laid down in the RTC applicable to the Company.

Core activity and functions

LTG Infra was registered in the Register of Legal Entities of the Republic of Lithuania on 1 July 2019, and started operating on 8 December 2019 having transferred the activities of the LTG Railway Infrastructure Directorate to it.

The Company's core activities include the management, use and disposal of railway infrastructure under a right of entrustment and the performance of the functions of a public railway infrastructure manager.

The functions of the Public Railway Infrastructure Manager are set out in the RTC and other legislation governing rail transport. Main functions include:

- upgrading and maintaining public railway infrastructure;
- organising rail traffic;
- proposing draft programmes for the development of public rail infrastructure;
- implementing programmes and projects for the development of public rail infrastructure;
- operating the public railway infrastructure, except for the adoption of decisions which, according to the RTC, are assigned to the Minister of Transport and Communications of the Republic of Lithuania;
- providing services that form a minimum access package;
- managing, using and disposing of the public railway infrastructure and railway service facilities owned by the State.

The public railway infrastructure is used by railway undertakings (carriers) transporting passengers, baggage and freight by rail, as well as by repair undertakings entitled to use the public railway infrastructure in accordance with the procedure laid down in Article 28(1) and (3) of the RTC. Railway undertakings (carriers) and repair undertakings shall pay the appropriate charges for the use of the public railway infrastructure, calculated in accordance with LTG Infra's regulations.

In the first half of 2024, the Company applied the tariffs for the use of public railway infrastructure calculated by Order No. ES-PAJ(INFRA)-2233 of 12 December 2022 (2023-2024). 23-24_MPP_tranzito_tarifai.pdf (ltginfra.lt). The tariffs are calculated in accordance with the Rules for the calculation and payment of the fee for the minimum package of access to public railway infrastructure, the fee for the use of public railway infrastructure for rail transit services and the fee for the allocated but unused capacity of the public railway infrastructure approved by the Government of the Republic of Lithuania on 19 May 2004 by Resolution No. 610 "On approval of the rules for calculation and payment of the fee for the minimum access package to the public railway infrastructure, the fee for the use of the public railway infrastructure for the provision of rail transit services and the fee for the allocated but unused capacity of the public railway infrastructure", which sets out the components of the fee for the minimum access package to the public railway infrastructure and the fee for the use of the public railway infrastructure for the provision of rail transit services, the calculation and payment procedures for the rates of the levies constituting these charges, the charges payable in respect of the minimum package of access to public railway infrastructure, the charges for the use of public railway infrastructure for rail transit services and the charges for allocated but unused public railway infrastructure capacity.

Railway Undertakings (Carriers) and Repairers 2024 In the first half of the year, the railway undertakings and the repair and maintenance companies paid in the first half of the year the fees for the use of the public railway infrastructure (train traffic; transit transport of passengers, luggage; transit transport of freight; rail freight services on the 1 520 mm gauge rail network when transporting freight to or from a third country; rail freight services belonging to the rail freight market segment on which a mark-up can be applied; and use of the overhead contact power network).

The company also performs the activity of an operator of railway service facilities - it owns, operates and disposes of railway service facilities owned by the State and owned by LTG Infra under the right of trust. The tariffs for the use of the railway service facilities operated by the railway service facility operator, the railway tracks located thereon and the basic and ancillary services related to railway transport provided at these facilities shall be set by the Company in accordance with Article 304(1), (2), (4) and (41) of the GTK.

The Company's activities are supervised by the regulator of the rail transport market, whose functions have been exercised by the Communications Regulatory Authority of the Republic of Lithuania since the beginning of 2017.

Services provided

Core services provided by the public railway infrastructure manager:

- **minimum access package services to public rail infrastructure**. These include the processing of requests for the allocation of public railway infrastructure capacity; the right to use the public railway infrastructure in accordance with the allocated public railway infrastructure capacity, as well as switches, passenger platforms, and power supply facilities to provide traction current where such facilities are available, are granted; train traffic management, which includes signalling, regulation, traffic management; the transmission and provision of information on train movements as well as any other information necessary for the launch of the service or for the provision of the service for which the public railway infrastructure capacity has been allocated. The rates for the payment of the minimum access package shall be made publicly available on the Company's website MAP services: rates of the minimum access package payment | LTG Infra.

- **access to railway service facilities (hereinafter – RSF) and the services provided by these facilities**. The following services were provided at RSF managed by the Company in the first half of 2024: Use of passenger railway stations, their buildings and other facilities; Use of ticketing areas; Access to railway tracks connected to rail service facilities; Use of railway tracks for the provision of services at rail service facilities; Use of rolling stock formation and shunting facilities; Use of rail service facilities for the storage of railway rolling stock; use of the wagon marshalling yard; use of the track gauge change mechanism; provision of traction current; accident recovery at GPUs; intermodal loading of intermodal units at VIT/KIT, storage of intermodal units, access to loading terminals, loading or unloading of freight from/into wagons, containers, cars, work with handling equipment, mobile team handling. A list of access to rail service facilities and services provided at rail service facilities is available on the Company's website https://ltginfra.lt/infrastruktura/gpi/.

- **commercial services**. The Company provides services of facility maintenance and repair, short-term rent of special rolling stock, wagons and vehicles, rent of long-haul trainsets, inspection of joints and tracks, maintenance of automation and communication equipment, maintenance of power supply equipment, marking of underground tracks, inspection, calibration and rent of instrumentation and control equipment, provision of communication services, also rent of public railway infrastructure facilities (structures), also intermodal terminal services: in addition to the main intermodal handling of intermodal transport units, the intermodal terminals operated by LTG Infra that provide a number of additional services such as the handling of containers transported exclusively by road, weighing, internal transport within the territory of the terminal and customs brokerage, handling of palletised cargo, which is particularly often requested by customers, and the storage of cargo in covered warehouses.

Main customers

The Company's main customers are railway companies (carriers), shunting companies and repair companies. In the first half of 2024, the following customers used the public railway infrastructure and the RCF managed by the Company: AB LTG Cargo, UAB LTG Link, AB Akmenės Cementas, ELECNOR SERVICIOS Y PROYECTOS, S.A. Lithuanian Branch, UAB Geležinkelio tiesimo centras, UABGargždų geležinkelis, UAB LOTOS KOLEJ sp.z.o.o, UAB Transachema, UAB Top Rails, UAB Gindana, UAB Alkesta, AB Klovainių skalda, cooperative society "Gerkonių elevatorius", UAB KT valda, UAB Rizgonys, UAB Žvyro karjerai, UAB Leonhard Weiss Lietuva, UAB Linas Agro Grūdų centrai, UAB Granitinė skalda, UAB Energijos sistemos servisas, AB Dolomitas, UAB Kauno grūdai, UAB Energijų sistemų servisas, UAB Agrokoncerno grūdai, UAB Joniškio agrochemija, UAB Malsena plius, UAB Maltosa, UAB Vakarų krova, UAB Agrochema, Vilniaus gelžbetonių konstrukcijų gamyba etc.

Public infrastructure capacity

The public railway infrastructure operated by the Company, as well as the rules, terms, procedures and criteria for charging for the use of the public railway infrastructure and for the allocation of public railway infrastructure capacity, etc., are described in the Regulations of the Public Railway Infrastructure Network (available on the Company's website at https://ltginfra.lt/infrastruktura/mpp/tinklo-nuostatai/), which are updated regularly (annually).

In mid-October 2023, LTG Infra decided to allocate or refuse to allocate public infrastructure capacity for the duration of the 2023-2024 service timetable. LTG Infra also allocated public infrastructure capacity for the duration of this service timetable on the basis of last-minute applications received.

Market and competitive environment

'LTG Infra' is a natural monopoly on the Lithuanian market, competing with infrastructure managers in neighbouring countries. Competition with railway infrastructure managers of neighbouring countries exists and is likely to increase in the future, especially in view of the railway infrastructure development plans of other countries, which increase the attractiveness of their railway infrastructures. In order to increase the competitiveness of LTG Infra, the State of Lithuania will contribute to increasing the attractiveness of public railway infrastructure, following the example of neighbouring countries. "LTG Infra will in turn improve operational efficiency by introducing new technologies, digitising business processes and offering safety, security and quality of public rail infrastructure.

When it comes to the Company's choice of western direction, it is important to mention the long-term programme **FREE Rail**, which has been developed and launched. The aim of this programme is to develop and implement a rail operating model tailored to the Baltic region, based on EU rail standards, best practices and aligned with the specificities of a broad gauge. The **FREE Rail** initiative seeks to find alternative sources of supply in the event of a supply chain disruption from the East. This initiative is designed to seek alternatives in order to fully disengage from unfriendly countries' supply systems, parts supply and regulatory frameworks. Meanwhile, managing the rising costs of using alternatives requires the promotion of operational efficiency initiatives in all areas of activity: operations management, asset management, pricing, and human resources.

Strategy

Responding to the geographical and economic changes in the transport services market, which are leading to changing trade directions and passenger flows, the LTG Group adopted a long-term strategy at the end of 2023, which sets a clear direction up to 2028 and defines a roadmap for activities up to 2040. This strategy sets the direction for the entire LTG Group and gives all employees the opportunity to contribute to the future of rail operations.

The LTG Infra strategy developed in accordance with the LTG Group's guidelines underlines the commitment to sustainability and social responsibility. It seeks ways to make a positive contribution to Lithuania's prosperity by increasing accessibility, safety and environmental friendliness of rail services. In the area of business development, it advocates a strategy of diversification, aims to facilitate the expansion of passenger and intermodal freight routes, and contributes to carriers' ambitions to expand their markets abroad, including Poland, Western Europe and the Baltic States. Particular attention is paid to the importance of the Rail Baltica project. Adapting to the complexity of the environment, an operational efficiency strategy is in place to meet today's key challenges and manage costs. Due to the strategic importance of LTG Infra for Lithuania's national security, business resilience is addressed in the strategic direction, with a focus on national and corporate security. In addition, the objectives of the FREE Rail programme aim to make an effective contribution to society. Finally, the strategy emphasises a strong organisational culture, the strategic direction of which is reinforced by a plan developed by LTG's People and Culture functions, which foresees the need for, and the development and motivation of, future professions.

Changes to the updated strategy in 2023

On 8 December 2023, the Board of LTG Infra approved the strategy for 2024-2028:

- LTG Infra's Strategy for 2024-2028 provides detailed planning for several years ahead, up to 2028, and looking ahead to 2040.It is important to analyse the short term in as much detail as possible in order to ensure the smooth and efficient operation of the Company.
- The changing geopolitical situation has highlighted the importance of railways in providing military mobility links. LTG Infra currently has 8 LTG Infra loading bays equipped for military equipment, with 4 more planned by 2027.The importance of terminals and intermodal terminals is growing not only aiming to diversify the Company's operations, but also to contribute to national security.
- The strategy places a strong emphasis on the **Operational Efficiency Programme**. This programme analyses cost reduction opportunities, aims at improving the quality of operations, facilitating technical interoperability, and improving the organisation's competences. The strategy includes a review of efficiency opportunities in maintenance, diagnostics and traffic management activities, with a particular focus on the digitisation of these activities.

Mission, vision, values

Connecting people and businesses
for a more sustainable future

Being the backbone of
the transport system

MISSION

VISION

Responsibility

I do what I say.
I promise what I can.
I protect myself and others.
I boldly commit.
I care about the future.

Customer

I listen to the customer.
I understand the needs.
I perform well.

Cooperation

Together we pursue a common goal.
I communicate openly.
I respect and support.

Development

I am interested in innovation.
I share the know-how.
I have a growth mindset.

VALUES

For foundation of our succes and culture

Strategic directions

Infrastructure for smooth mobility

Creating a rail infrastructure that is comfortable, attractive and accessible to all, increasing connectivity and accessibility, and providing sufficient freight and passenger capacity. Enhancing the appeal of rail as a choice for travelling.

Operational efficiency

The aim is to ensure financial stability by digitalising and automating the infrastructure manager's operations, designing and implementing business models that increase operational efficiency, operating in line with international corporate standards and optimising assets.

Business development

The aim is to develop and diversify the services of the railway infrastructure manager, while increasing the connectivity of the economic activity areas to the main railway lines. The aim is to increase the capacity of intermodal terminals, to diversify activities and to ensure the implementation of the European rail infrastructure project Rail Baltica on the territory of Lithuania.

Esg (environmental, social and governance strands)

The aim is to use energy and natural resources efficiently, to initiate measures to reduce the impact on the environment and climate change, to raise safety awareness among employees and the general public, and to develop best practices in corporate governance. Building a sustainable future is based on progress in the areas of environmental protection, social partnership, and responsible governance.

Business resilience

Following the "safety first" principle, ensuring a high level of road safety, occupational safety and business safety, guided by national security interests, and overseeing the compatibility and independence of technologies within the LTG Group.

Strong organisational culture

Developing a respectful and transparent corporate culture, enhancing the maturity of the organisation to ensure the success of the vision, fostering an inclusive culture of high performance, ensuring future competencies, and using modern recognition and reward tools.

Key achievements in the implementation of the strategic direction projects of the first half of 2024

- **Infrastructure for smooth mobility**. The aim of this direction is to create accessible and available rail infrastructure. One of the main achievements of this strategic direction is the successful implementation of the programme **"Barrier-Free Route"**. In the first half of 2024, eight (8) contracts were signed for contract works for the adaptation of the Barrier-Free Route for disabled people in the territories of railway stations in Švenčionėliai, Pravieniškės, Plungė, Varėna, Visaginas, Pabradė, Ignalina, and Bezdonys. The contract works will improve passenger services and accessibility for passengers with reduced mobility at the stations' infrastructure.

- **Operational efficiency**. The aim of this axis is to use LTG Infra's resources efficiently and effectively by improving operational efficiency. Different projects are currently being implemented to digitise and optimise infrastructure management: **Station Management and Tools Modernisation (SMTM)**, DaVinci migration, etc. The projects are intended for the implementation of the redesign of the hardware and software modules of the train traffic management system and control, the creation of a diagnostics, modelling, design and maintenance centre, as well as the installation of a modern **Station Management System (SMS)**, at the country's most important railway stations, which will allow for a more efficient utilisation of resources and a more effective exchange of data between the railway undertakings (carriers), the companies (which manoeuvre) and the managers of railway infrastructure of neighbouring countries. The **Rail Infrastructure Monitoring System (RIMS)** was launched in the first half of 2024. It will enable LTG Infra's team to move from physical monitoring of infrastructure to proactive and predictive maintenance, which means that the system will allow the condition of the infrastructure to be viewed in a dedicated application in real time, eliminating the need for frequent visits to railway sites to assess their condition, which will result in significant savings for the Company. In addition, in the future, the RIMS will make a significant contribution to the other benefits of predictive maintenance by avoiding many train delays and improving the reliability of the rail network. The introduction of predictive maintenance is not an instantaneous process, it takes several years, but according to the experience of other countries, a gradual transition to a predictive maintenance model allows a 10-15% reduction in operating costs per year. In the case of LTG Infra, the reduction will be around EUR 3-4 million/year. The Operational Efficiency direction includes the **Operational Efficiency Programme** initiated last year, which provides for additional ongoing measures – making the Company's operations more efficient, making use of idle assets, promoting operational excellence, reviewing pricing, identifying critical functions etc. The measures are expected to help reduce operating costs and generate additional revenue.

- **Business development**. The most important project in this strategic direction is **Rail Baltica**. It is an integral part of the European Union's international transport corridor "North Sea-Baltic Sea". The aim of this project is to integrate the Baltic countries into the European rail network. The total length of the railway track in the Baltic countries is 870 km, of which 392 km runs through Lithuania. The project is expected to bring the speed of passenger trains up to 249 km/h and freight trains up to 120 km/h. "The Rail Baltica project is becoming increasingly important, not only in terms of providing an alternative to shifting freight transport from road to rail, thus contributing to a reduction in environmental impacts and accidents, but also in the context of the war in Ukraine, making it particularly important for the security of the region in a geopolitical context. In the first half of 2024, the major construction works were taking place on two sections of the line towards the Latvian border - the 10 km section Šveicarija–Žeimiai and the 17.7 km section Žeimiai–Šėta. The first section is the most advanced, with the completion of two animal passages, a tunnel near the village of Čiūdai, the construction of a bridge over the Lankesa River and other works necessary for the construction of the crossing. Meanwhile, on the Žeimiai-Šėta section, all preparatory works for the construction of the railway crossing and engineering structures are almost complete. It is worth noting that in the first half of 2024, the European Commission (EC) confirmed that Lithuania has successfully implemented the first EU funding contract worth EUR 83 million. This means that the objectives of the project have been achieved and the investments made and costs incurred have been assessed as eligible. This is the first such completed contract in one of the most important strategic rail projects.

- **ESG (environmental, social and governance areas)**. One of the key ESG projects is electrification (Kaišiadorys-Klaipėda and Vilnius railway hub). In Lithuania, the transport sector accounts for the largest share of air emissions. The project is expected to reduce air pollution by 150 thousand tonnes per year. The socio-economic benefits of the project are estimated to exceed EUR 700 million over the lifetime of the project. It is estimated that the reduced energy and rolling stock maintenance costs will potentially save carriers operating on the Lithuanian rail network around EUR 505 million and the project pay back in 19 years. Electrification of railways will have a significant impact on the competitiveness of the Lithuanian transport sector. In order to achieve these objectives, intensive electrification work continued in 2024. Contract works for the last (3rd) phase of electrification started on the Radviliškis-Klaipėda line. The electrification of 199 km of the railway section is underway. The value of the overhead contact line installation works is estimated to total EUR 191 million.

- **Business resilience**. To improve rail traffic safety, a programme for upgrading mainline tracks, a programme of switch replacements and safety improvements at level crossings is being implemented. The latest initiative to improve safety at level crossings was introduced in the first half of 2024, with the establishment of a level crossing monitoring centre, where the operator centrally monitors the traffic situation at seven level crossings. The smart video surveillance and analytics system installed in the monitoring centre, costing EUR 260 thousand, will identify moving objects (people, cars, trucks, abandoned objects), record car number plates, and send an alarm signal to the operator when an object stops in the crossing area. A contract was also signed in the first half of 2024 for the modernisation of 9 level crossings between Vilnius and Klaipėda. The works are planned to be carried out within 12 months and the value of the contract totals EUR 3,393 thousand.

Achievement of objectives in the first half of 2024

In line with the direction approved in the Strategy, the Board of the Company has set the main operational objectives for 2024. The objectives reflect the Company‘s priorities: to implement strategically important projects, to balance revenues/costs, to ensure safe and quality infrastructure, to improve conditions for infrastructure customers to promote greenness, and to ensure safety at the workplace.

Key objectives	Indicators for measuring achievement of the objectives	Unit of measurement	Weighing, %.	Objective achievement milestones in Half 1 2024 minimum value | achieved | exceeded
Strategic projects implemented	LTG Infra Rail Baltica programme*	%	10,0%	31 | 35 | 44
	LTG Infra Rail Baltica CAPEX**	EUR million	10,0%	104 | 139 | 181
	Other Infra projects (excluding RB and Electrification progamme CAPEX)***	EUR million	5,0%	60 | 85 | 102
Optimised level of infrastructure revenues and costs	LTG Infra costs	EUR million	10%	207,1 | 197,2 | 187,3
	Implementation of the initiatives under the Operational Efficiency Programme	Level of achievement	5,0%	Implementation of programme measures launched in 2023
Achieved MAC contract quality criteria	Minutes of delay for passenger trains caused by the infrastructure manager	min / train km	7,5%	10 | 8 | 6
	Length of the section with short-term speed restrictions due to inadequate infrastructure	km	7,5%	52 | 43 | 39
Developed commercial potential of passenger stations	Commercial potential of stations	Level of achievement	10,0%	Developing the commercial potential of stations
Progress of the electrification programme 2024	Electrification programme (according to the attached list)	%	15,0%	80 | 100 | 120
Improving the level of risk management and increasing employee safety	Level of risk management	%	5,0%	1,06 | 0,9 | 0,7
	Lost Time Injury Frequency Rate (LTIFR)	Accidents at work *1 M / total hours worked	5,0%	1,06 | 0,9 | 0,7
Increased level of employee engagement	Employee engagement	%	10,0%	53 | 57 | 59

Highlights of the first half of 2024

January

On 8 January, contract works for the last (3rd) stage of the electrification of the most important railway artery in the country - Vilnius-Klaipėda - started on the Radviliškis-Klaipėda line. The project will electrify 199 km of the railway section.

On 24 January, the Government approved the infrastructure development plan for the Kaunas railway hub of the Rail Baltica project.

February

On 6 February, market consultations were launched on the planned procurement of the track superstructure of the Rail Baltica railway on the section from Kaunas towards the Latvian border.

On 9 February, the Ministry of Transport and Communications and LTG Infra signed a contract with Tyrens Lietuva, which will carry out the preparation and implementation of the project for the land acquisition for public needs of the Kaunas hub of the European railway line Rail Baltica. The value of the planned works is EUR 961 thousand (excluding VAT).

On 21 February, the Government of the Republic of Lithuania adopted a resolution approving the sale of the electricity distribution network infrastructure held in trust by LTG Infra, the manager of the public railway infrastructure, to "Energijos Skirstymo Operatorius".

March

On 21 March, the successful tenderer in the tender published by LTG Infra started the reconstruction of the pedestrian viaduct at Vilnius railway station, which will allow the viaduct to be adapted not only for the comfortable use of people with mobility disabilities, but also to ensure safer and more comfortable access for citizens and visitors between Naujininkai and Naujamiestis.

April

LTG Infra and Ardanuy Ingenieria signed a design services contract. Under this contract, the Spanish company will carry out design works for the infrastructure of Kaunas passenger station territory, the value of which is EUR 9.88 million (excluding VAT). The project is an integral part of the Kaunas hub of the new European Rail Baltica railway.

On 17 April, the video surveillance system of the Kybartai Border Inspection Post was modernised replacing the former analogue CCTV cameras by digital IP cameras and upgrading the video surveillance system from analogue to digital.

As part of the LTG Group's contribution to increasing the country's military mobility, the Vilnius Intermodal Terminal (VIT) has also been adapted for the transport of NATO military freight. Previously, NATO military cargo was loaded only at Kaunas Intermodal Terminal.

May

Justas Vyžintas took the position of Head of Rail Baltica Management.

At the request of the Mažeikiai District Municipality, the building of the Mažeikiai railway station, which was held in trust, was transferred to it. This decision was taken in order to make the most efficient use of the assets entrusted to the company, for example by renting out areas of the station buildings for various commercial, cultural or other activities, as well as by disposing of assets which are not necessary for the performance of functions but may serve the public interest.

The European Commission confirmed that Lithuania has successfully implemented the first EUR 83 million European Union (EU) funding contract for the Rail Baltica project. The major share of the investment – 85% (EUR 70.5 million) – was financed by the Connecting Europe Facility (CEF). The eligibility of the investments made and the costs incurred were confirmed having achieved the objectives of the project.

On May 13, a contract was signed with UAB Fima for the modernisation of 9 priority level crossings on the Vilnius-Klaipėda international rail transport corridor. The value of the contract is EUR 3,393 thousand. The project is partly financed by European Union funds.

A new (GIPS) system was launched to monitor the condition of railway infrastructure. This system will help to move towards a proactive and predictable maintenance model and gradually reduce operating costs by EUR 3-4 million.

June

On 12 June, the Government approved the infrastructure development plan for the section of the Rail Baltica project from Jiesia (Kaunas) to the border with Poland. A decision was also made at the meeting to launch procedures for taking land for public use.

On 21 June, a Memorandum of Understanding (MoU) was signed in Klaipėda, Lithuania, providing for closer co-operation in decision-making on the development of the new European rail line to Klaipėda. The Memorandum was signed by the heads of the Ministry of Transport and Communications, LTG Infra, the public railway infrastructure manager of the Lithuanian Railways Group (LTG), the Klaipėda State Seaport Authority, the Klaipėda City and Klaipėda District municipalities. The signatories to the Memorandum agreed to take a joint decision on the optimal alternative for the railway route to Klaipėda.

Events after the end of the reporting period

In cooperation with the Estonian company SRTS OSAÜHING, LTG Infra started a pilot project to install German-made composite sleepers on objects such as bridges, where heavy reinforced concrete sleepers cannot be used due to their weight and elasticity properties.

The first mobile container handler in the city was launched at Kaunas Intermodal Terminal (KIT). This Swedish-built, 77-tonne giant that costs nearly EUR 700 thousand is only a part of the KIT development, which will allow to expand the handling capacity and offer additional and high-quality intermodal cargo services to customers, both on narrow and wide gauge.

LTG INFRA

Performance

Overview of key performance indicators

Key performance indicators

Indicators	Unit of measurement	Half 1 2024	Half 1 2023	Half 1 2022	2024/2023 Δ, %
Train workload	billion gross tonne-km	6,1	6,8	8,4	-9,3%

The decline in train workload was caused by continued military action by Russia in Ukraine and the wide range of US and EU sanctions imposed on Belarus and Russia during the reporting period.

Financial results

Revenue

The Company's revenue with subsidy in the 1st Half 2024 amounted to EUR 91.9 million, an increase of EUR 6.0 million or 6.9% compared to the first half of 2023. The majority of this revenue, 50.5%, is from the provision of minimum access package services.

- **Minimum access package revenue** grew by EUR 1.0 million, or 2.3%, to EUR 46.4 million compared to H1 2023. The revenue growth was driven by increasing tariffs of carriage of freight, passengers and transit.

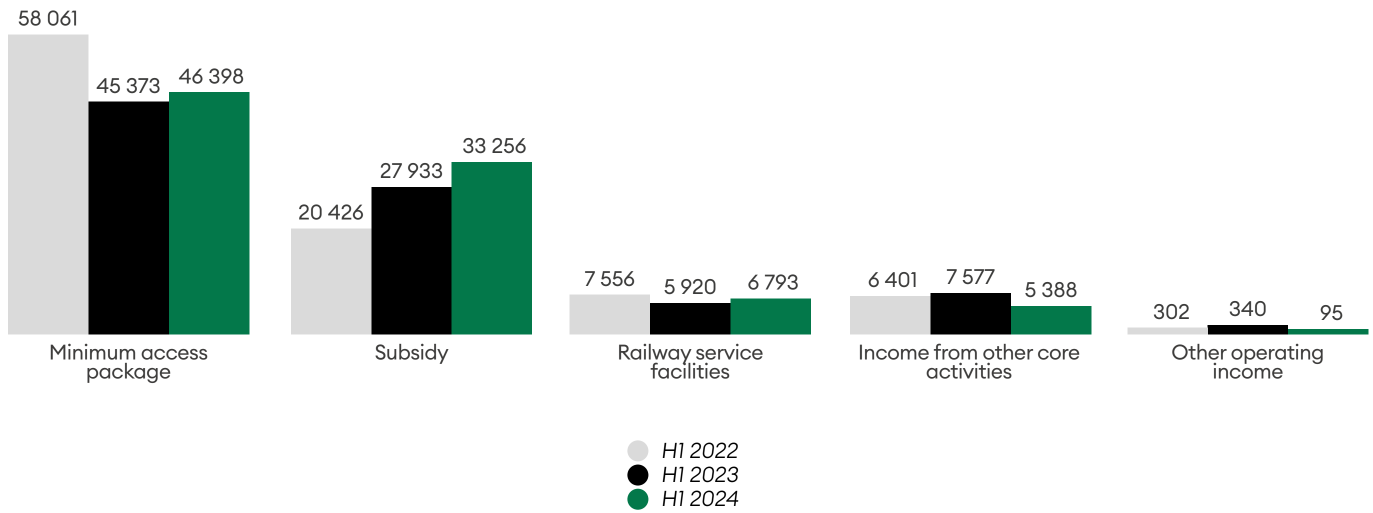
• **Subsidy revenue** amounted to EUR 33.3 million in the reporting period, an increase of EUR 5.3 million or 19.1% compared to the first half of 2023. The public funds are intended to balance the revenues and costs of the public railway infrastructure manager as a result of the fall in freight carriage volumes.

• **Revenues from services provided at RSFs managed by the Company** grew by EUR 0.9 million or 14.7% to EUR 6.8 million in the first half of 2024. The increase in revenues was driven by an increase in the tariffs for the use of stations and ticket sales areas.

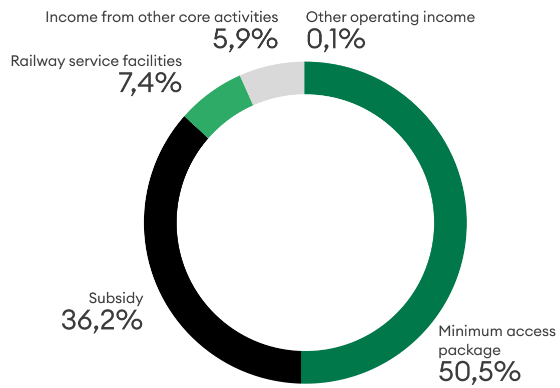
• **The Company's other operating income** is generated from the maintenance and repair of public railway infrastructure, junctions and track inspections, rent of assets, provision of electricity, communication services, sale of scrap metal, and a variety of other services of a commercial nature provided by the Company. This revenue totalled EUR 5,4 million in the first half of 2024 and accounted for 5,9 % of the Company's total revenues. Compared to the first half of 2023, the revenue decreased by 15.8%. The decrease was due to the divestment of non-core activities (transferred to ESO) and lower utility tariffs.

• **Revenue from other activities of the Company** amounted to EUR 0.095 million in Half 1 2024, a decrease of EUR 0.244 million compared to the first half of 2023, as there were no sales/disposals of non-current assets this year.

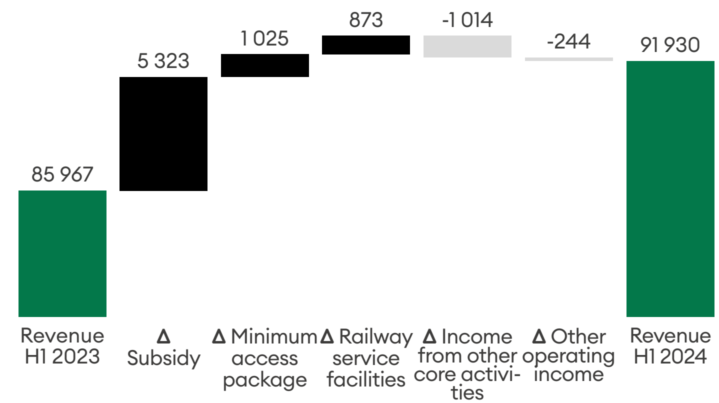
1 pic. Company's Revenue, EUR thousand



2 pic. Company's Revenue Structure in H1 2024, %



3 pic. Change in Company's Revenue, EUR thousand



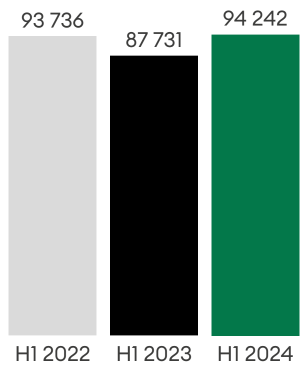
Expenses

The Company's expenses from its core and other operating activities in 2024 totalled EUR 94.2 million and, compared to 2023, increased by EUR 6.5 million or 7.4%.

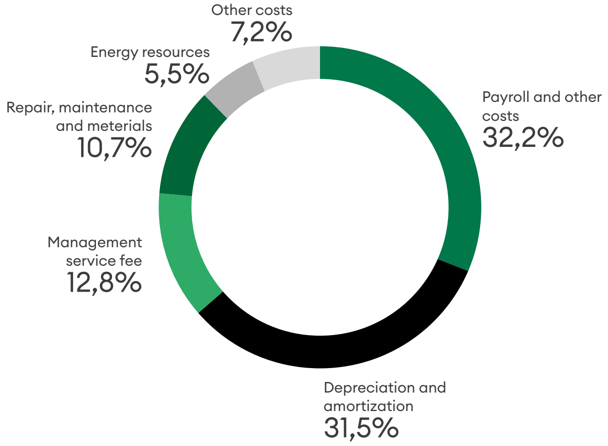
Salary and other expenses (32.2%), depreciation and amortisation (31.5%), management services (12.8%), materials, repairs and maintenance (10.7%) and energy resources (5.5%) accounted for the major share of the expenses. The remaining expenses accounted for 7.2%.

- **Depreciation and amortisation expenses** amounted to EUR 29.7 million in the first half of 2024, a decrease of EUR 0.9 million or 3.1% compared to the first half of 2023. The decrease was due to the Company's assets that have been fully depreciated but continue to be used or transferred to other legal entities.
- **Salary and related expenses** amounted to EUR 30.3 million in the first half of 2024, an increase of 4.0% compared to the first half of 2023. The number of employees of the Company decreased by 5.0% compared to the first half of 2023, but the average salary increased as a result of the annual review of the remuneration of the employees (see Employees section of the report).
- **Material, repair and maintenance expenses** in the first half of 2024 amounted to EUR 10.1 million, an increase of EUR 0.9 million compared to the first half of 2023. During the reporting period, planned repairs necessary to ensure traffic safety were carried out.
- **Costs of Energy resources** in the first half of 2024 amounted to EUR 5.2 million, an increase of EUR 0.5 million compared to the first half of 2023. The most significant impact on the level of expenses was the increase in energy prices.
- **Other expenses** totalled EUR 6.8 million in the first half of 2024, and increased by EUR 2.6 million compared to the first half of 2023, which was mainly due to the management/utilisation of sleepers etc.

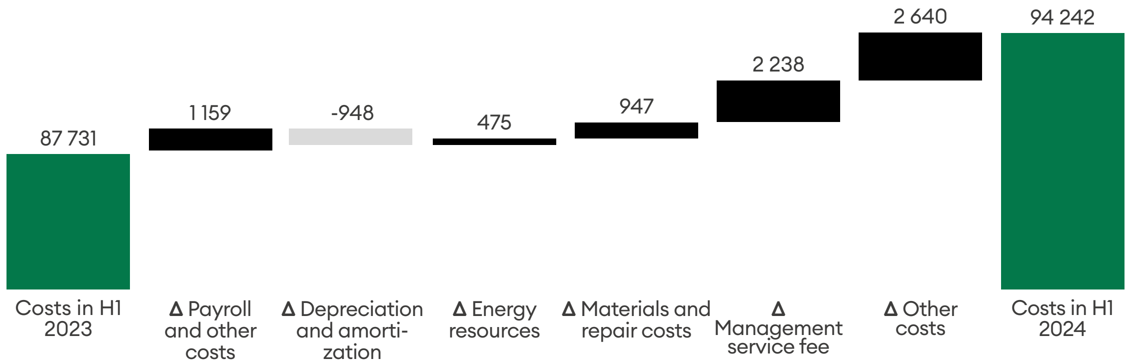
4 pic. Company costs, EUR thousand



5 pic. Company's costs structure in H1 2023, %



6 pic. Change in company's costs, EUR thousand



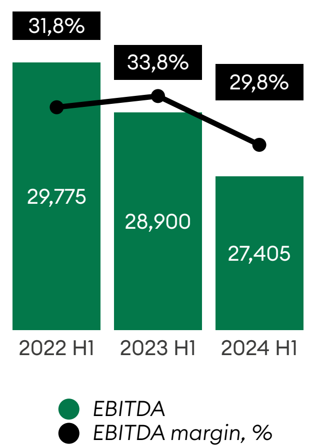
Operating results

The analysis of the Company's financial results reveals that due to the impact of the sanctions on Russia and Belarus and the desire to cut down the links with these countries, the volumes of transported freight have been decreasing since 2021. In the first half of 2024, one of the key performance indicators, the scope of train operation amounted to 6.1 billion tkm gross (9.3% lower than in the first half of 2023, 27.0% lower than in the first half of 2022, and 56.0% lower than in the first half of 2021).

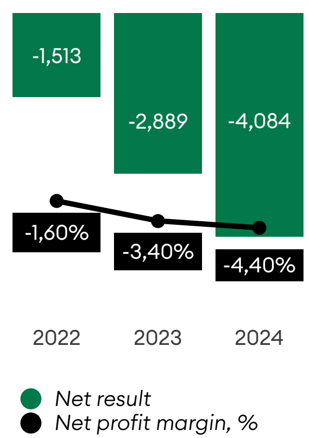
The Company's sales revenues, excluding state subsidies to balance revenues and costs, grew from EUR 58.6 million in the first half of 2023 to EUR 58.7 million in the first half of 2024, or 1.1%. Remuneration for the provision of the minimum access package to the public railway infrastructure, paid by railway undertakings (carriers) accounts for the major share of the revenue, with the most significant share paid by LTG Cargo – LTG group's cargo carrier. In line with EU Directive 2021/34/EU and the provisions of the RTC, on 6 April 2022, the Ministry of Transport and Communications of the Republic of Lithuania and the Company signed a Quality and Financing Contract for the railway service facilities owned by the Lithuanian State (valid for five years), which allows to ensure a stable maintenance of the infrastructure, a high level of safety of railway traffic, and the quality of the services provided. The State's long-term obligation to **balance the infrastructure manager's revenues and expenses** is enshrined in both European Union and Lithuanian legislation.

The Company's EBITDA amounted to EUR 27.4 million (5.2% less than in H1 2023). The Company's net result is still negative, with a loss of EUR 1.2 million compared to H1 2023.

7 pic. EBITDA of the Company, thousand EUR



8 pic. Net result of the Company, thousand EUR



The Company's management continues to assess the main risks and threats related to business continuity and the impact on the Company's operations, and continues to implement the necessary actions to manage the situation. On 4 April 2023, the LTG Board approved the updated LTG Group Long-Term Strategy 2028: Integration into Europe. The Company continues to implement the largest and most important strategic initiatives that have been formed: **Rail Baltica** - the project to integrate the Baltic States into the European rail network, the **Electrification** project, **the ERP modernisation** project (automation of planning and management processes).

The MAC subsidy is of critical importance in balancing the cash flow necessary to ensure the continuity of operations and to service the existing loan contracts.

Changes in the balance sheet

As at 30 June 2024, the Company's assets totalled EUR 1,892.2 million, decreased by 0.1% compared to 31 December 2023. Non-current assets, which accounted for 95.5% of the total, increased by 1.7% to EUR 1,807.2 million. The Company's long-term investment projects, which take several years to complete, led to the most significant increase in construction in progress.

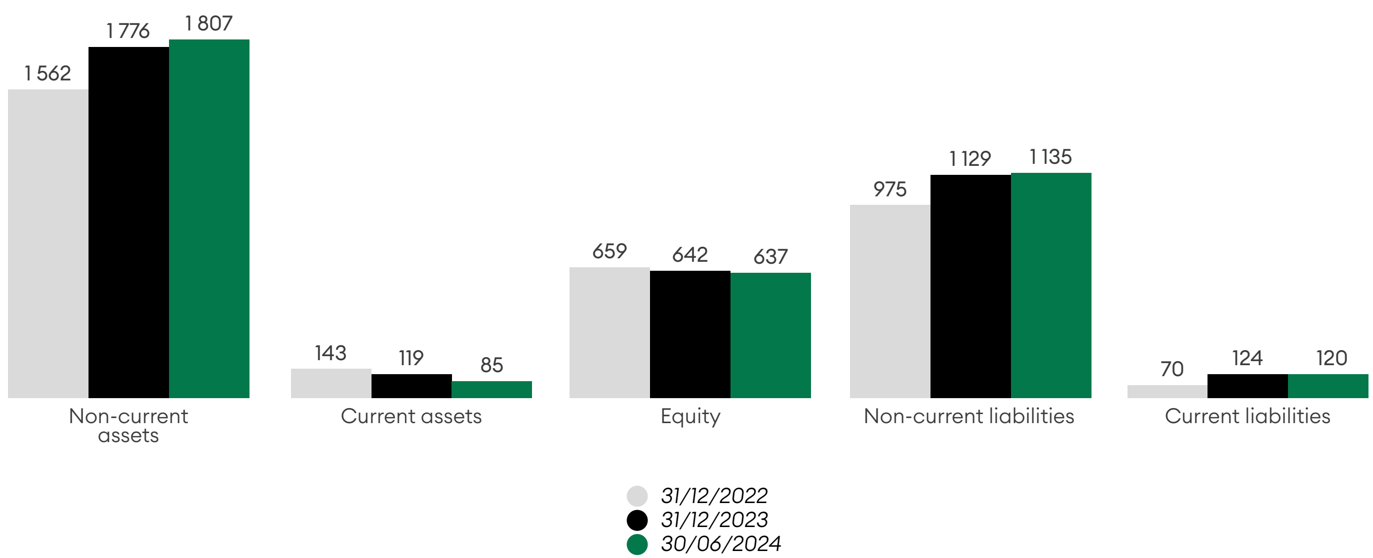
Current assets decreased by EUR 33.5 million in the first half of 2024 and amounted to EUR 85.0 million at 30 June 2024. The change in current assets was due to a 79.3% decrease in cash and cash equivalents compared to 31 December 2023.

Authorised capital remained unchanged during the reporting period at EUR 654.9 million. Shareholders' equity decreased by EUR 19.4 million in the first half of 2024 and amounted to EUR 636.9 million as at 30 June 2024. "The sale of the electricity network asset complex operated by LTG Infra had a negative impact on the Company's result for 2023.

Current liabilities decreased by EUR 3.9 million, or 3.1%, in the first half of 2024 and amounted to EUR 120.2 million as at 30 June 2024.

Financial debt (including rent) increased by 1.8% to EUR 131.2 million in the period under review. Net debt increased during the period under review due to the decrease in the Company's cash balance (see section *Company's Financing* of the report).

9 pic. Changes in the main balance sheet items, EUR thousand



Key financial indicators*

	Unit of measurement	1st Half 2024	1st Half 2023	1st Half 2022
Sales revenue	EUR thousand	58 579	57 694	73 194
Subsidies	EUR thousand	33 256	27 933	20 425
Other operating income	EUR thousand	95	340	302
Total revenue	EUR thousand	91 930	85 967	93 921
Expenses	EUR thousand	-94 242	-87 731	-93 736
EBITDA	EUR thousand	27 405	28 900	29 775
Normalised EBITDA	EUR thousand	28 152	28 682	29 341
EBITDA margin	%	29,8%	33,8%	31,8%
Normalised EBITDA margin **	%	30,7%	33,5%	31,3%
EBIT	EUR thousand	-2 311	-1 764	185
EBIT margin	%	-2,5%	-2,1%	0,2%
Net profit (loss)	EUR thousand	-4 084	-2 889	-1 513
Net profit margin	%	-1,6%	-3,4%	-4,4%
	Unit of measurement	30 06 2024	31 12 2023	31 12 2022
Non-current assets	EUR thousand	1 807 215	1 776 394	1 561 514
Current assets	EUR thousand	84 990	118 518	142 846
Total assets	EUR thousand	1 892 205	1 894 914	1 704 360
Shareholders' equity	EUR thousand	636 896	641 907	659 303
Financial debt	EUR thousand	131 214	128 881	143 118
Net debt	EUR thousand	115 300	51 859	31 111
	Unit of measurement	30 06 2024	31 12 2023	31 12 2022
Return on Equity (ROE)	%	-2,0%	-2,0%	-1,7%
Return on Assets (ROA)	%	-0,7%	-0,7%	-0,7%
Return on Investment (ROI)	%	-0,7%	-0,7%	-0,7%
Financial debt / EBITDA	Times	2,6	2,5	2,7
Financial debt / Equity	%	20,6%	20,1%	21,7%
Net debt / EBITDA	Times	2,2	1,0	0,6
Net debt / Normalised EBITDA	Times	2,1	0,9	0,5
Loan Servicing Ratio	Times	2,2	2,2	2,2
Equity ratio	%	33,7%	33,9%	38,7%
Asset turnover ratio	Times	0,0	0,1	0,1
Immediate Liquidity Ratio	Times	0,7	0,9	2,0
Total liquidity ratio	Times	0,7	0,9	2,0

** for definitions of the indicators, see page 45 of the report.*
*** The calculation of Normalised EBITDA for the first half of 2024 includes severance payments and compensation of employees dismissed in the implementation of the Operational Optimisation Project (EUR 388 thousand) under the costs of provisions for non-ordinary activities.*

Company's financing

The Company's loan portfolio totalled EUR 129,530 thousand as at 30 June 2024 (31 December 2023: EUR 126,736 thousand). No new loans have been received.

The weighted interest rate on the Company's loan portfolio at 30 June 2024 was 5.0% (31 December 2023: 5.2%). The longest maturity of the financial debt was 8 years and the last maturity is 2032.

To balance its working capital, the Company used the LTG Group's cash pool account, which allows to optimise the use of working capital and the cost of short-term borrowing. The parent company of the LTG Group has an agreement with a credit institution for the provision of LTG Group cash-pool services and, accordingly, the Company enters into a mutual lending agreement for each year. The terms of the agreement are in line with standard market conditions. In order to manage funds more efficiently and to ensure liquidity of the Group, the Company has used a cash-pool agreement with Swedbank AB under market conditions. As at 30 June 2024, the Company had a commitment of EUR 10,721 thousand (no commitment as at 31 December 2023). During the first half of 2024, the Company paid EUR 92 thousand in interest (EUR 216 thousand in 2023).

The Group cash-pool is valid until 30 June 2024. The terms of the agreement are in line with standard market conditions.

Indicator*	Unit of measurement	1st Half 2024	Value set by the bank
Net debt / Normalised EBITDA	times	2.1	Not more than 4.0
Equity ratio	%	85.6	Not less than 30.0%.
Loan Servicing Ratio	times	3.4	Not less than 2

*Indicators calculated according to the terms of loan agreements

10 pic. Repayment of Company's loans, EUR million

Special obligations

Special obligations are functions that an SOE would not undertake to perform on a commercial basis (or would do so at a price higher than the fixed price) and that the SOE is entrusted with by a State decision.

The Company carries out a special obligation – to maintain, renew and develop the public railway infrastructure, provide the services constituting the minimum package of access to the public railway infrastructure, and dispose of the public railway infrastructure under a right of trust.

Purpose of the special obligation:

• provide the services comprising the minimum access package to railway undertakings/carriers on non-discriminatory terms;

• maintain, modernise and expand the public railway infrastructure, implementing projects under the public investment programme and ensuring the use of EU funds.

Maintenance, renewal and development of public railway infrastructure and the provision of services forming part of the minimum access package

Legislation that entrusts the SOE with this special obligation:

• Provision of services of a minimum access package: Articles 3(51), 23(1) and 24(1)(6) of the RTC;

• maintenance, modernization and development of public railway infrastructure - Articles 3(51), 23(1) and 24(1)(1), (3) and (4) of the RTC.

Legislation setting out the conditions for the fulfilment of this special obligation and regulating pricing:

• Provision of minimum access package services: the function is subject to budgetary appropriations in accordance with the *contract on quality assurance and financing of public railway infrastructure and railway service facilities owned by the State of Lithuania and the contract for the assurance of quality of railway service equipment owned by the State of Lithuania and of Financing concluded between the Ministry of Transport and Communications of the Republic of Lithuania and the public railway infrastructure manager LTG Infra on 6 April 2022*, and the contract on the use of state budget funds concluded annually between the Ministry of Transport and Communications of the Republic of Lithuania and LTG Infra. The pricing is regulated by Articles 25-252 of the RTC and the Rules of calculation and payment of remuneration for the minimum access package to public railway infrastructure and remuneration for allocated but unused capacity of the public railway infrastructure approved by Resolution No 610 of the Government of the Republic of Lithuania of 19 May 2004 “On the Approval of the Rules for the Calculation and Payment of the Remuneration for the Minimum Access Package to the Public Railway Infrastructure and the Remuneration for the Allocated but Unused Capacity of the Public Railway Infrastructure”;

• maintenance, modernisation and development of public railway infrastructure: the function is carried out in accordance with the annual contract for the use of the state budget funds earmarked for the implementation of the programme “Implementation of the Transport and Communications Policy” concluded between the Ministry of Transport and Communications of the Republic of Lithuania and LTG Infra, the funds from the European Structural and Investment (ESI) Funds and the European Infrastructure Networks Instruments, as well as own funds of LTG Infra. Pricing is not regulated.

More detailed information on the Company’s specific obligations is available on the Company’s website: https://ltginfra.lt/veiklos-rezultatai and in the Company’s Annual Report 2023.

Investments

Investments of LTG Infra in the first half of 2024 totalled EUR 66.0 million, the majority of which (68%) were for Rail Baltica and Railway Electrification development projects.

Investments, million EUR	1st Half 2024	1st Half 2023	1st Half 2022
Rail Baltica	21.4	38.8	5.9
Electrification of the Vilnius - Klaipėda corridor	23.7	79.7	0.8
Road renovation programme	6.1	6.4	3.8
Other	14.8	21.9	17.5
Total	**66.0**	**146.8**	**28.0**

Key investment projects carried out in 1st half of 2024

Development and renovation of railway infrastructure

Rail Baltica - the biggest railway infrastructure development programme

Rail Baltica is designed to connect the Baltic countries to the EU's dominant European rail network. The programme involves investments of **EUR 21.4 million** in the first half of 2024.

Project progress in the first half of 2024:

• in the section Kaunas-LT/LV border:

- technical design of individual sections of the line;

- contractor works: construction of the longest bridge in the Baltic States at Jonava over the Neris River (bridge length 1.5 km); construction of the embankment and engineering structures on the sections Šveicarija - Žeimiai and Žeimiai - Šėta (27.7 km); and connecting motorways;

- procurement of construction works for individual sections (48 km) where design works are going to an end;

- procurement of roadbed on sections.

• territorial planning on the sections Kaunas – PL/LT border and Kaunas – Vilnius, land acquisition procedures on the Kaunas – PL/LT border, and design works at the Kaunas hub.

Railway Electrification Programme

The rail electrification project continues to significantly reduce air pollution and increase the efficiency of Lithuania's transport sector.

Contractor works are being carried out as part of the Vilnius-Klaipėda corridor electrification project:

• at the Vilnius railway hub;

• on Kaišiadorys – Klaipėda (Draugystės Station) section.

In the first half of 2024, investments in electrification amounted **EUR 23.7 million**. Over 95% of electrification works have been completed at the Vilnius railway hub, and ~70% in the line from Kaišiadorys to Klaipėda.

The completion of the electrification project in 2025 (electrification of 366 km of track) will enable freight and passengers to be carried along the entire railway corridor Kena-Vilnius/Vaidotai-Siauliai-Klaipėda using environmentally friendly and efficient electric traction.

The passenger train battery charging infrastructure project (at Varėna station) is being launched

Other directions of railway infrastructure development and modernisation

• Adapting railway infrastructure to national security needs

- A military-civilian loading platform is being designed in Palemonas. The platform will be connected to the European railways and adapted for military use.

- Reconstruction of the access road to the MoD fuel base (Pajuostis, Panevėžys district).

- Procurement procedures for the installation of X-ray inspection systems at Kybartai and Stasyliai border stations are coming to an end.

• Infrastructure digitisation projects

- **The Station Management and Instrumentation Modernisation (SMIM) project** is being implemented to improve the efficiency of stations. The project will develop a new operating model and implement the most appropriate station management tool.

- Projects to improve the efficiency of traffic management, to develop an operational model for infrastructure maintenance and other digitisation projects are being carried out.

• Railway station renovation projects continue

- To make train journeys easily accessible for passengers with disabilities, the "Barrier-free Route" project is being implemented in the station area for people with disabilities. The project includes renovation of station accesses, installation of ramps, warning lanes and other measures. In 2023, works were carried out at 15 stations and in 2024, procurement was completed and works started at 16 stations.

- The redevelopment of the Vilnius Railway Station building is completed, increasing the appeal of Vilnius Station for passengers and adapting the station for commercial purposes.

- Pedestrian viaducts at Vilnius and Kaišiadorys stations are being reconstructed to make them accessible to people with disabilities.

• Capacity expansion works at Kaunas Intermodal Terminal were completed. The terminal's pavement has been reinforced and additional handling equipment for transhipment of semi-trailers has been purchased, also expanding the semi-trailer parking area. The projects have increased the handling capacity for semi-trailer transport on the Rail Baltica line.

• The second track on the Livintai-Gaižiūnai railway line was completed. 10.8 km of new and 10.7 km of reconstructed track were built, eliminating the bottleneck of train capacity on the Vilnius-Klaipėda section.

• A contract for the procurement of services for the replacement of **locomotive safety systems (LSS)** on self-propelled infrastructure rolling stock was signed. The plan is to replace the unsafe Russian-made KLUB-U systems currently in service on 17 rolling stock.

To ensure safety and the smooth continuation of its core activities, LTG Infra invests in the renewal of its infrastructure. During the reporting period, the main railway tracks were renewed, the switch replacement programme was carried out, defective bridges were reconstructed, level crossings were repaired, the replacement of the catenary pylons in an emergency condition (on the Vilnius-Kaunas section) continued, the project for the replacement of the electrical switch and signal switching equipment in the Vilnius region stations was carried out, the fence (retaining wall) of Vilnius railway station was rebuilt, also conducting other property renovation works. In the first half of 2024, works worth **EUR 14.1 million** were carried out in the renewal of railway infrastructure assets, including **EUR 6.1 million** for the renewal of main roads.

Planned investment projects and their investment directions

Investments in rail infrastructure planned in the near future:

• continuation of projects implemented in 2023 and not yet completed, the most important of which include the **Rail Baltica Programme** and the **Electrification Programme**, as well as the adaptation of stations for people with disabilities, modernisation of level crossings and digitisation projects;

• renewal of worn assets (main rail roads, switches, bridges, catenary supports, level crossings and other facilities) necessary to maintain the safety and parameters of the existing infrastructure;

• intensification of investment to increase military mobility in the country (installation of a military/civilian loading platform in Palemonas, conneciton of the Pajuostis base) and national security (installation of X-ray machines at border stations).

• LTG Infra's investment programme (scope of asset renewal, inclusion of individual projects in the investment portfolio) is largely dependent on financing decisions of the EU and the State Budget.

Dividend policy

Resolution No 665 of the Government of the Republic of Lithuania „On the Approval of the Description of the Procedure for the Exercise of State Property and Non-Property Rights in State-Owned Enterprises“ of 6 June 2012 as subsequently amended governs the payment of dividends and the amount of contributions from profit of state-owned enterprises (information available on the website of the Seimas of the Republic of Lithuania https://e-seimas.lrs.lt/portal/legalActEditions/lt/TAD/ TAIS.427069). The consolidated version of the Resolution is valid from 5 April 2022.

The Dividend Policy of LTG Group and the Description of the Procedure of calculation and use of the operating result of the Public Railway Infrastructure Manager approved by Order No 3-289 of the Minister of Transport of the Republic of Lithuania, ensuring the implementation of Article 24(9) of the GTK 241, governs the allocation of payment of dividends of the Company (https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/40eeb720e5cf11ec896de0b71e988500?positionInSearchResults=0&searchModelUUID=e543e5aa-2bc5-4ba6-8090-8578eaa477f2).

In accordance with the LTG Group‘s Dividend Policy, allocation of dividends for a financial year or a period of less than a financial year is planned taking into consideration the level of return on equity, net profit earned, the financial ability to pay dividends, implementation of economic projects of national importance and other conditions and circumstances as set out in the Dividend Policy of LTG Group.

The Company acting as the Public Railway Infrastructure Manager pays dividends calculated in accordance with the Dividend Policy to the extent that they are in accordance with the provisions of clauses 10 – 12 of Article 241 of the RTC and the Description of the Procedure for the Calculation and Use of the Result of the Public Railway Infrastructure Manager‘s activities.

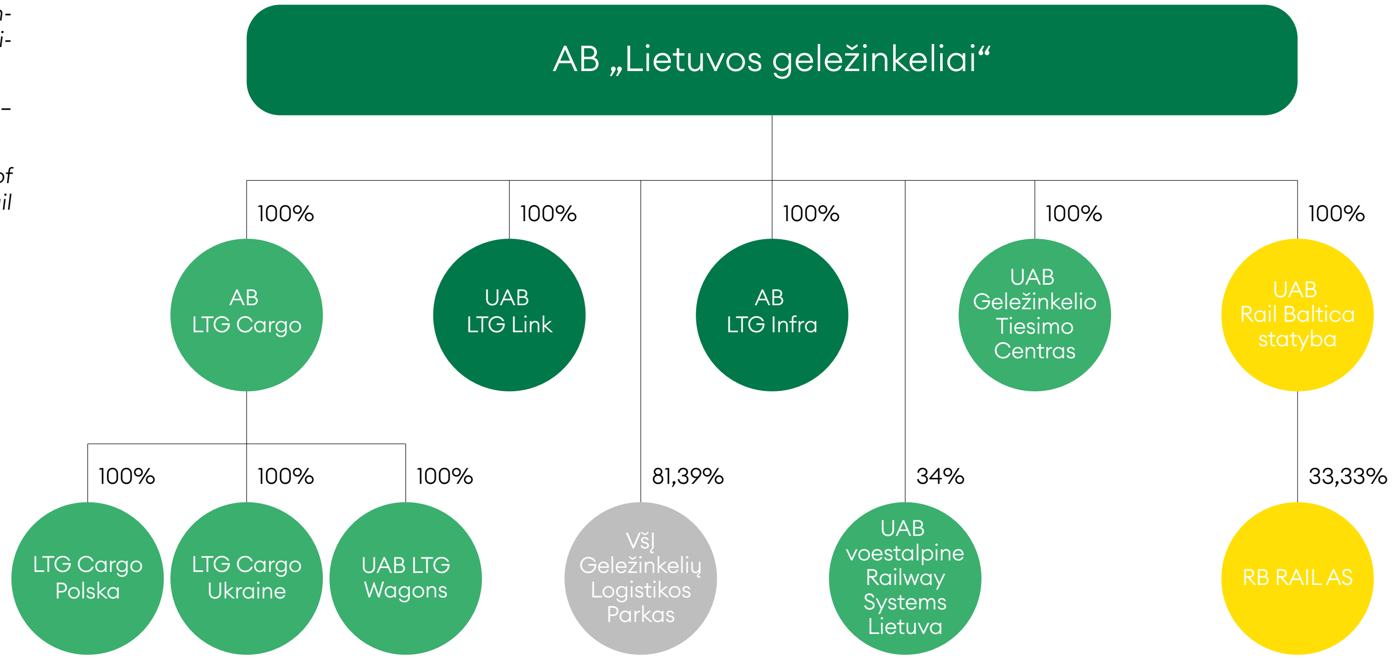
The Company‘s distributable profit for 2023 was negative (losses) and no dividends were declared or paid.

Governance report

Group structure

The Company is a part of LTG Group, the largest freight, passenger carriage and infrastructure management group in the Baltic States. During the reporting period, the Company had no subsidiaries.

- *Subsidiaries and subsequent companies operating in competitive markets at the same conditions as other participants of Lithuanian and foreign markets*
- *Subsidiaries implementing functions imposed by the State – the special obligations*
- *UAB Rail Baltica Statyba is a founder and shareholder of RB RAIL AS coordinating implementation of the project Rail Baltica*
- *Public entity*



Governance model

The corporate governance of LTG Group is organised in such a way as to strike an effective and results-oriented balance between the LTG Group's management and control measures. The governance model of the LTG Group is centralised, i.e. the parent governing bodies of the LTG Group (hereinafter – the LTG) consider and approve the LTG Group's consolidated business strategy, consolidated performance objectives, performance measures and targets, consolidated budget and business plan. LTG establishes the rules and procedures for the coordination, supervision and control of the performance plans of all LTG group companies.

The LTG Group applies a functional leadership model, which means that added value is created by centralising the management of operational support and corporate functions and the functions themselves, consolidating competencies and introducing functional excellence. The parent company coordinates the areas of finance, law, planning and monitoring, human resources, risk management, audit, technology, communication and other general areas of LTG Group companies through common policies, regulations and norms that apply to all LTG Group companies.

This governance model is applied at the Company insofar as it does not conflict with legal requirements of impartiality in the management of the public railway infrastructure manager, financial transparency, the allocation of public railway infrastructure capacity and the calculation and payment of the minimum access package fee.

Corporate governance of ltg group is organised in observance of the following principles:

• Openness and transparency of activities;

• Compliance and effectiveness of corporate governance;

• Meeting shareholders' expectations;

• Cooperation with stakeholders and their role;

• Effective and efficient risk management and internal control systems;

• Definition of objectives and sustainability;

• Liability and accountability of management bodies.

Operational policies

In accordance with the LTG Corporate Governance Policy, the LTG establishes the policies and rules that apply to the LTG Group as a whole. Accordingly, the policies approved by LTG Board are also applicable to other LTG Group companies, including the Company.

During the reporting period, the following operational policies were approved by LTG Board and applied in LTG Group:

• The updated **Risk Management Policy** designed to establish a unified risk management model, principles and responsibilities of LTG Group.

• **Dividend Policy**, the purpose of which is to set out the dividend policy applicable to LTG Group as a whole, to be followed by the governing bodies of the companies in LTG Group when deciding on the distribution of dividends to those companies.

• **People and Culture Policy**, which aims to link business strategy to the management of human resources in the organisation.

• **Transport Management Policy**, which sets out the procedures and conditions for the allocation, use and control of official vehicles, shared vehicles and personal vehicles for LTG Group employees.

• The updated **Compliance Management Policy** designed to establish a unified compliance management model, principles and responsibilities of LTG Group.

• The updated **Sustainability Policy**, which sets out the principles and priorities for the LTG Group's sustainability activities, defines the key sustainability-related activities and governance model.

Information on shares as at 30 june 2024

Amount of share capital, EUR thousand	Number of shares, pcs.	Nominal value per share, Eur
654,928	654,928	1,000

The Company is part of LTG Group, the sole shareholder of which is the parent company LTG. The shareholder of LTG is the State of Lithuania, which owns 100 % of shares, and the Ministry of Transport and Communications of the Republic of Lithuania, which exercises the shareholder's rights and obligations.

All the Company's shares are of one class - ordinary registered shares. The shares are dematerialised and recorded in personal securities accounts in accordance with the law.

The Company did not acquire any of its own shares or shares in other LTG Group companies during the reporting period.

Company's articles of association

The Company's Articles of Association are the basic operating document that guides the Company's activities.

The Company's Articles of Association were not amended during the reporting period.

The Company's current Articles of Association are available on the Company's website https://ltginfra.lt/apie-mus/valdymas/vidaus-teises-aktai/.

The Company's Articles of Association are amended by a decision of the General Meeting of Shareholders adopted by a qualified majority, which may not be less than 2/3 of the total number of votes attaching to the shares of all the shareholders present at the Meeting.

Company's bodies

The Articles of Association provide for the following bodies of the Company:

- General Meeting of Shareholders;
- Board;
- Manager.

General meeting of shareholders

is the supreme body of the Company. The competence of the General Meeting of Shareholders, the procedure for convening it and making decisions is determined by the Law on Companies of the Republic of Lithuania, other legal acts, and the Company's Articles of Association.

The Company's sole shareholder is LTG, which takes the main decisions relating to the exercise of the Company's shareholder's ownership rights and obligations.

The Company has not issued any preference shares. There were no restrictions on voting rights during the reporting period.

In accordance with the Company's Articles of Association, during the period under review, the additional competence of the General Meeting of Shareholders was to approve the decisions of the Company's Board:

- on the prioritisation of the Company's material risks and the approval of strategies to manage them;
- on investing in, buying, selling or otherwise transferring, pledging or mortgaging the Company's facilities and assets of importance to national security;
- on the consent to the Company concluding a Quality Assurance and Financing Contract for Railway Service Facilities owned by the State of Lithuania and amendments thereto;
- on the Company becoming a founder or participant in other legal entities;
- on the Company commencing a new activity or discontinuing the Company's current activities, unless a decision to that effect has been taken at the time of the approval of the Company's business strategy;
- on establishing branches and representative offices of the Company, terminating activities, appointing and dismissing the heads of the Company's branches and representative offices, approving regulations of branches and representative offices;
- on investment, disposal of or rent of the Company's non-current assets with a carrying amount equal to or greater than EUR 3 million (excluding value added tax) in the Company's group or third parties;
- on the pledge and mortgage of the Company's non-current assets with a carrying amount equal to or greater than EUR 3 million (excluding value added tax);
- decide on the guaranteeing or indemnifying of other persons in respect of the performance of their obligations in an amount equal to or greater than EUR 3 million (excluding value added tax);
- purchase non-current assets for a price equal to or more than EUR 3 million (excluding value added tax);
- loan or other financing transactions with a value equal to or greater than EUR 3 million;
- decide on concluding transactions for the purchase of goods, services and works with a value equal to or greater than EUR 3 million (excluding value added tax) and approve the material terms of such transactions (before the Company commences the procurement procedures);
- decide on the approval of the material terms of service contracts provided by the Company, if the planned annual revenue of the contract, or the revenue expected to be generated during the entire term of the contract, may be equal to or greater than EUR 3 million (excluding value added tax). This clause shall not apply to contracts for the allocation of public railway infrastructure capacity, contracts for the use of public railway infrastructure, contracts for the use of railway service facilities operated by the Company and contracts for the provision of services in such facilities.
- on the approval of the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, referred to in the Articles of Association of the subsidiaries, concerning the investment, transfer, lease, acquisition, mortgage, pledge and provision of guarantees and sureties for the obligations of other persons, the purchase of goods, services and works, loans or other financing transactions, where the value of the transaction is equal to or exceeds EUR 3 million (excluding value added tax).

During the reporting period, the shareholder's economic and moral rights were not restricted, and there were no special rights provided for the shareholder.

Board -

the collegial management body provided for in the Company's Articles of Association, consisting of 5 members. The members of the Board are elected by the General Meeting of Shareholders for a term of 4 years. The Board elects the Chairman of the Board from among its members. The same person may not be elected as a member of the Board for more than two consecutive terms.

Independent members of the Board are elected in accordance with the Description of the Selection of Candidates for the Board of a State-owned Enterprise or a Municipal Enterprise and Candidates for the Collegial Supervisory or Management Body Elected by the General Meeting of Shareholders of a State-owned Enterprise or a Municipal Enterprise (hereinafter – the Selection Description) approved by Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015 (as subsequently amended). The provisions of the Selection Description concerning the diversity of competences of members of the Board and the requirements regarding the eligibility to general and specific requirements are complied with in forming the Board.

The Board is accountable to the Company's General Meeting of Shareholders.

The competence of the Board corresponds to the competence of the Board established by the Law on Companies of the Republic of Lithuania and other laws, while additional competences of the Board are established by the Articles of Association of the Company.

During the reporting period, the following additional competences of the Board were set:

- approve the Company's business strategy;
- set the Company's objectives;
- approve the Company's annual operating plan (budget);
- approve the list of information considered to be the Company's trade (industrial) secret and confidential information, the conditions for the use and storage of such information;
- analyse and assess the Company's material risks (prioritised by the Board when assessing these risks) and approve strategies to manage them;
- decide on the investment, sale and purchase or any other transfer, pledge or mortgage of facilities and assets of the Company important to ensuring national security;
- decide on the investment, disposal or rent of the Company's non-current assets with a carrying amount equal to or greater than EUR 1 million (excluding value added tax) in the Company's group companies or third parties;
- decide on pledges and mortgages of the Company's non-current assets with a carrying amount equal to or greater than EUR 1 million (excluding value added tax);
- decide on the guaranteeing or suretyship of the fulfilment of the obligations of other persons for an amount equal to or greater than EUR 1 million (excluding value added tax);
- decide to acquire non-current assets for a price equal to or greater than EUR 1 million (excluding value-added tax);
- decide on loan or other financing transactions of a value equal to or greater than EUR 1 million;
- decide to conclude transactions for the purchase of goods, services and works with a value equal to or greater than EUR 1 million (excluding value added tax) and approve the material terms of such transactions (before the Company commences the procurement procedures);
- decide on the approval of the material terms of contracts for the provision of services by the Company, if the planned annual revenue of the contract, or the revenue planned for the entire duration of the contract, is equal to or greater than EUR 3 million (excluding value added tax) (not applicable to contracts for the allocation of public railway infrastructure capacity, contracts for the use of public railway infrastructure, contracts for the use of railway service facilities managed by the Company, or contracts for the provision of services in such facilities);
- decide on the approval for the Company to conclude the Quality and Financing Assurance Agreement for Railway Service Facilities owned by the State of Lithuania and amendments thereto;
- decide on the Company becoming a founder or participant of other legal entities;
- decide on the Company's commencement of new activities or discontinuation of the Company's current activities, if the relevant decision has not been taken at the time of the approval of the Company's business strategy;
- decide on the establishment of branches and representative offices of the Company, termination of their activities, appointment and dismissal of the heads of the Company's branches and representative offices, and approve regulations of branches and representative offices;

• decide on the approval of the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as referred to in the Articles of Association of the subsidiaries, concerning the investment, transfer, lease, acquisition, pledge, mortgage, and provision of guarantees and sureties for the obligations of other persons, the purchase of goods, services, and works, loans, or any other financing transactions, where the value of the transaction is equal to or exceeds EUR 1 million (exclusive of value-added tax),;

• decide on the approval of the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries concerning the merger, amalgamation, division, subdivision, transfer of activities or their assignment under a different legal basis, becoming a founder or participant of other legal entities (except for decisions on becoming a founder or participant of associations);

• approve, promote and sanction the terms and conditions of employment of the Company's Chief Executive Officer;

• approve the total amount of the incentive for the Company's employees for their performance, taking into account the performance of the Company;

• analyse and evaluate other information provided by the Company's Chief Executive Officer on key issues relating to the Company's business;

• analyse other matters relating to the Company's business which fall within the Board's remit and, if necessary, take decisions on such matters.

The Board performs the following supervisory functions:

• supervises the performance of the Company's Chief Executive Officer, and provides feedback and proposals on the performance of the Company's Chief Executive Officer to the General Meeting of Shareholders;

• considers whether the Company's CEO is fit for office if the Company is making a loss;

• makes proposals to the Company's CEO to revoke his decisions that are contrary to laws and regulations, these Articles of Association, decisions of the General Meeting of Shareholders or the Board;

• decides on other matters of supervision of the Company and activities of the Company's manager that are within the competence of the Board under the Articles of Association, as well as under decisions of the General Meeting of Shareholders.

The term of office of the Board is from 23 January 2023 to 23 January 2027.

None of the members of the Board holds shares in LTG Group companies.

During the reporting period, the Board held 9 meetings, 2 of which were held by poll (in writing).

Composition of the company's board

GEDIMINAS ALMANTAS

Independent Board member, Chairman
Holds the position from 23 January 2023.

EDUCATION

- Master of Laws from Vilnius University;
- LL.M. from the University of Bern, Switzerland;
- Industrial PhD student at Copenhagen Business School (CBS) (Ethics and Morality in Business Negotiations);
- American Express Leadership Academy at Arizona State University/ Thunderbird School of Global Management;
- Study at the Swedish Institute for Sustainable Leadership, a programme on sustainable organisation management in Northern Europe.

MAIN PLACE OF WORK, POSITION

-

OTHER POSITIONS HELD

- Chairman of the Board of AB Novaturas;
- Chairman of the Board of SE Lithuanian Airports.

HAROLDAS NAUSĖDA

Independent Board member
Holds the position from 23 January 2023.

EDUCATION

- Bachelor of Computer Science from Vilnius University;
- Master's degree in Business Management and Administration from Vilnius University;
- Master's in Business Management for executives at the ISM Executive School and BI Norwegian Business School;
- Executive and board member studies at the Baltic Institute of Corporate Governance;
- Leadership studies at Oxford University.

MAIN PLACE OF WORK, POSITION

- Head of Business Customer and Development Service at UAB Ignitis.

OTHER POSITIONS HELD

- Chairman of the Board of Ignitis Eesti OÜ;
- Chairman of the Board of Ignitis Suomi Oy;
- Member of the Supervisory Board of Ignitis Polska sp.z o.o.

RAMŪNAS RIMKUS

Member of the Board, civil servant
Holds the position from 23 January 2023.

EDUCATION

- Bachelor's degree in Transport Economics from Vilnius Gediminas Technical University (now Vilnius Tech);
- Master's degree in Transport Logistics from Vilnius Gediminas Technical University (now Vilnius Tech).

MAIN PLACE OF WORK, POSITION

- Head of the Strategic Planning Division, Budget and Investment Department, Ministry of Transport and Communications of the Republic of Lithuania

Changes in the composition of the board during the reporting period

The composition of the Board remained unchanged during the reporting period.

IEVA LAURAITYTĖ

Member of the Board delegated by the shareholder
Holds the position from 23 January 2023.

EDUCATION

- Master of Laws from Vilnius University;
- Business management studies for executives at ISM University of Management and Economics and BI Norwegian Business School;
- Executive and Board Member studies at the Baltic Institute of Corporate Governance.

MAIN PLACE OF WORK, POSITION

- Director of Administration, AB Lietuvos Geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842.

SIGITAS KUBILIS

Member of the Board delegated by the shareholder
Holds the position from 23 January 2023.

EDUCATION

- Bachelor of Construction Economics from Vilnius Gediminas Technical University (now Vilnius Tech);
- Master's degree in Engineering Economics and Management from Vilnius Gediminas Technical University (now Vilnius Tech).

MAIN PLACE OF WORK, POSITION

- Chief Expert, Project and Investment Management, Strategy and Development Function, AB Lietuvos Geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842.

Competency matrix

Members of the Company's Board are subject to the specific requirements set by the Description of the Selection of Board Members – Civil Servants and Delegates of the Parent Company (according to their areas of competence) of LTG Group companies LTG Cargo, LTG Infra, LTG Link's.

Mandatory *Advantage*

Composition of the members of the Board	Competences of a civil servant	Competences of members delegated by the parent company		Competences of independent members of the Board	
Areas of competence	Regional and national transport policy	Financing strategy	Organisational efficiency, transformation and management of changes	Strategy and development	Strategic infrastructure project management
Specific requirements (applicable by area of competence)					
At least 5 years' experience in a senior management position (as a company director, as a senior manager reporting directly to the company director, or as a member of a management or supervisory collegiate body)					
Managing corporate strategic planning, organisational transformation and change					
Experience in business development in international markets					
Experience of developing an organisation and its culture					
Experience in applying/implementing digitisation, innovation, efficiency solutions					
Working knowledge of marketing, customer experience, brand development					
Experience in project management, evaluation and financing					
Knowledge of and experience in the financing of state-regulated activities					
Knowledge of strategic national and regional transport sector objectives and regulatory principles					
Good knowledge of the strategy and objectives of AB Lietuvos Geležinkeliai Group					
Experience in planning and developing infrastructure development					
At least 5 years' experience in a senior management role in financial management, financial advisory, financial services or audit					
At least 5 years' experience in a senior management role in road, air, water or rail transport and/or rail infrastructure management in the European Union or North Atlantic Treaty Organisation countries;					
At least 3 years' experience in a managerial role in logistics					
Work experience in an international group of companies					
Experience of working in collegiate supervisory and management bodies					

Attendance of board meetings in the first half of 2024

Member's name, surname	Board meetings
Number of meetings in the first half of 2024 (including outgoing meetings, advance written votes)	9
Gediminas Almantas	9
Haroldas Nausėda	9
Ramūnas Rimkus	9
Ieva Lauraitytė	9
Sigitas Kubilis	9

Committees and their activities

The LTG Nomination and Remuneration and Audit Committees operated at LTG Group level.

The Audit Committee's main task is to provide opinions and proposals to the LTG Board on the functioning of the internal and external audit, risk management and control systems of LTG and its subsidiaries.
The purpose of **the Nomination and Remuneration Committee** is to provide findings, opinions, recommendations and proposals to the LTG Board on matters relating to the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

The first five-year term of office of **the Company's CEO Vytis Žalimas** started on 1 December 2023

CEO (manager) –

is the Company's single-person management body, which organises and manages the day-to-day operations of the Company. The duties and competences of the Chief Executive Officer are defined in the Law on Companies of the Republic of Lithuania and in the Company's Articles of Association, published on the Company's website https://ltginfra.lt/kas-mes-esame. The Chief Executive Officer is elected for a term of office of 5 years by the Board of the Company, which he shall be accountable to. The same person may not be appointed as Chief Executive Officer for more than 2 consecutive terms.

VYTIS ŽALIMAS
Chief Executive Officer of the Company
Holds the position from 1 December 2023

EDUCATION

- Bachelor of Management Information Systems and Services from Vilnius University
- Master's degree in International Trade and Marketing from Vilnius University International Business School

MAIN PLACE OF WORK, POSITION

- CEO of AB LTG Infra, Geležinkelio g. 2, Vilnius, company code 305202934.

Governance structure of the company

In order to grow the long-term value of LTG Group companies, to use funds, assets and other resources rationally and efficiently, and to meet shareholders‘ expectations and interests, the LTG Group‘s operating model focuses on the refining and concentration of core activities in subsidiaries. As part of the LTG Group, LTG Infra is responsible for the performance of LTG Infra‘s core business and the achievement of its defined business objectives.

In order to achieve its objectives and to ensure good governance, LTG Infra acts independently, takes decisions within its competence and ensures accountability and responsibility for its performance. In its activities, the Company follows the Law on Companies of the Republic of Lithuania and other legal acts of the Republic of Lithuania regulating the activities of limited liability companies, including state-owned enterprises, including the activities of railway transport, the Company‘s Articles of Association, and the decisions of the Company‘s bodies.

Given the priorities of LTG Infra‘s Strategy for 2024-2028 and development plans, and in order to manage its operations more efficiently, a new governance structure for LTG Infra was approved on 12 March 2024 and came into force on 1 June 2024.

Company's management

Vytis žalimas	Chief Executive Officer	Holds the position from 1 December 2023.
Dovydas Palaima	Head of Rail Baltica Management	Held the position from 1 September 2022 to 26 April 2024.
Justas Vyžintas	Head of Rail Baltica Management	Holds the position from 2 May 2024.
Arvydas Dveilys	Maintenance Manager	Holds the position from 8 December 2019.
Remigijus Skirkus	Quality and Safety Manager The Division was closed on 1 June 2024	Held the position from 8 December 2019 to 31 January 2024.
Arvydas Dveilys		Held the position from 1 February 2024 to 31 May 2024 (temporary)
Tomas Jonikaitis	Traffic Management Director Head of Service Provision from 1 June 2024	Takes up his duties from 1 June 2021.
Rūta Jakubauskienė	Head of Strategy and Governance	Held the position from 16 March 2022 to 31 March 2023; held the position from 1 December 2023 to 31 January 2024;
Ramūnas Dokšas	Head of Strategy and Governance Head of Terminal Management and Development The Division was closed on 1 June 2024	Holds the position from 3 April 2024. Held the position from 1 February 2024 to 2 April 2024 (temporary). Held the position from 1 June 2022 to 3 April 2024.
Raimondas Zemikas	Head of Project Management	Holds the position from 10 July 2023.
Egidijus Dargevičius	Head of Infrastructure Services	Held the position from 20 March 2023 to 9 May 2024.
Jadvyga Dirmantienė	Head of Service Development and Sales from 1 June 2024	Holds the position from 2 May 2024.
Rūta Dabašinskaitė - Vitkė	Head of Finance	Holds the position from 23 February 2024.

Management of interests

At the end of the reporting period, members of the Company's Board, the Chief Executive Officer, and executives have filed declarations of private interests, which are available on the website of the Chief Official Ethics Commission http://www.vtek.lt

Internal audit

The LTG Group has established a centralised Internal Audit function, which acts as a third line and covers all LTG Group companies, including LTG Infra. The purpose of Internal Audit is to provide independent, objective assurance and advisory services to contribute to the achievement of the LTG Group's strategic objectives and to preserve and enhance value.

Activities of the Department are organised in accordance with the guiding principles set out in the International Standards for the Professional Practice of Internal Auditing. The Audit Department provides risk-based assurance services, advice/consultation and insight, and conducts the necessary investigations. It also regularly monitors the implementation of recommendations made and other internal control weaknesses identified by external auditors and supervisory authorities.

The Department reports directly to LTG Board, thus ensuring the independence and objectivity of internal audit and enabling it to identify weaknesses and areas for improvement in operational efficiency. Internal Audit has periodically informed the LTG Infra Board of the performance shortcomings identified during the audits and the progress of the implementation of recommendations.

Information on the remuneration of the company's chief executive officer

Components of the remuneration of the Company's Chief Executive Officer:

• **Base monthly salary**. The monthly base salary of the Company's Chief Executive Officer at the end of the reporting period, as set out in the employment contract, was EUR 10,800. During the reporting period, the monthly base salary of the CEO of the Company increased by 8% from EUR 10,000 to EUR 10,800.

• **Annual performance incentives**. In addition to the base salary, the Chief Executive Officer of the Company may be paid a variable annual salary component (annual performance incentive). The LTG Board approves the incentive scheme. Under the 2023 performance incentive scheme, the level of achievement of the Company's annual targets influenced the payment of the incentive by 90% and the achievement of the leadership team by 10%. From 2024 onwards, the level of achievement of the Company's annual targets has a 100% influence on the payment of the incentive. The Board of Directors of the Company approves the structure of the Company's annual targets, the thresholds and the weightings for their achievement and, after the end of the year, approves the results of the achievement of these targets and the possibility of the payment of the incentive for the annual performance.

• The maximum annual performance incentive may not exceed 30% of the set annual base salary. The maximum monthly component, i.e. 1/12 of the annual incentive for 2023, could not exceed EUR 3,000.

• In April 2024, a monthly (1/12th) component of the annual incentive paid to the Company's CEO in proportion to the time worked during 2023 for the achievement of the 2023 targets totalled EUR 2,712.

Information on the remuneration of members of the Board

The remuneration of members of the Board is set out in the contracts concluded with them to serve on the Board of the Company.

The remuneration of independent members of the Board and of civil servants holding the position of a member of the collegial body has been set in accordance with the Resolution No. 1092 of the Government of the Republic of Lithuania "On the Approval of the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipal-Owned Enterprises and Civil Liability Insurance for Members of Collegial Bodies of State-Owned Enterprises and Municipal-Owned Enterprises", the provisions of which stipulate, that the monthly remuneration of an independent member of a company's collegial body and of a member of the collegial body who is another person selected by the entity initiating the selection should be at least 1/4 of the average monthly salary of the Company's CEO and not more than the average monthly salary of the Company's CEO. For a civil servant holding a position as a member of a collegiate body of a state-owned company or a municipally-owned company, the remuneration should be at least 1/8 and not more than 1/4 of the average monthly salary of the company's CEO. It is recommended that the remuneration of the chairman of a collegiate body of a state-owned company is at least 1/3 of the average monthly salary of the company's CEO.

Implementing the provisions of the aforementioned Resolution, the updated regulation of remuneration of members of the Board and members of the Committees of AB Lietuvos Geležinkeliai was approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania of 2 December 2022, which applies mutatis mutandis to members of the collegial bodies of the subsidiaries.

The remuneration of the members of the Board of the Company has been set by a resolution of the Company's sole shareholder, providing that the monthly remuneration of the Chairman of the Board of the Company shall be EUR 3,489, the monthly remuneration of the independent member of the Board of the Company shall be EUR 2,617, the monthly remuneration of the member of the Board of the Company, who is a civil servant and the member of the Board of the parent company, who has a delegation from the parent company shall be EUR 1,308. There is also a rule enshrined that if individual members of the Board are elected, they shall be paid a remuneration in the same amount as members of the existing Board.

Remuneration paid to Board members in the first half of 2024

Member's name, surname	Remuneration for the activities of a member of the Board in 1st Half 2024, EUR
Gediminas Almantas	20,934
Haroldas Nausėda	15,702
Ramūnas Rimkus	7,848
Ieva Lauraitytė	7,848
Sigitas Kubilis	7,848

** the remuneration includes all payable taxes and contributions*

LTG INFRA

Employees

Changes in organisational culture, which is one of the strategic directions, continue to be consistently implemented through the reinforcement of value behaviours, feedback, internal career development, equal opportunities and diversity, social partnerships and other initiatives. Enhancing employee engagement, which has a direct positive impact on the Company‘s performance, productivity, job satisfaction, employee well-being and proactive behaviour, and strengthening loyalty to the organisation and ambassadorship by enabling the dissemination of knowledge about the LTG Group and thereby retaining and attracting talent, remains a priority.

Initiatives and highlights in 2024

- Consistently reinforcing the LTG Group values (Customer, Responsibility, Cooperation, Improvement), quarterly election of Employees with the Strongest Values were organised, widely communicating about employees having the strongest values, and presenting a unique team activity – LTG Gene, which is based on the LTG Group's actual situations and is designed to reinforce the employees' value behaviour in their daily work.

- Various forms of learning are used to ensure continuous improvement – in the first half of the year, employees actively took advantage of the opportunity to participate in 18 distance lectures on mental health, sustainability, personal effectiveness and other topics.

- In May, we celebrated Diversity by presenting the results of the Equal Opportunities Line to our employees, joining the SOPA initiative DUOday, inviting people with disabilities to try out professions; e-learning on Equality at Work was organised for all employees, strengthening their knowledge on neurodiversity and integration of people with disabilities at work.

- Particular attention was paid to cooperation with educational institutions through the sharing of knowledge and experience in lectures, panel discussions and working groups. We developed a shadowing programme for schoolchildren in cooperation with Junior Achievement, we were actively involved in the "Vilnius is a School" project, with students participating in various staff-led educational activities, the Growing Leaders internship programme attracted twice as many young talents as last year, and we signed a co-operation agreement with the Šiauliai State University of Applied Arts.

- The annual review of base salaries has been in place since 1 April 2024, resulting in an increase in the monthly basic salary fund of EUR 307 thousand or 7.1% and 93% of staff getting a pay rise based on the uniform review criteria.

- In April 2024, the Company's Board decided to pay an incentive for the results of 2023, distributing EUR 2.5 million to employees.

- In order to plan for more efficient organisational solutions and a better customer experience, changes to the organisational structure have been implemented since the beginning of June.

Remuneration and operational efficiency management

The aim of the Company's remuneration policy is long-term decisions relating to the well-being of employees, ensuring:
• a competitive remuneration package to attract and retain employees having the necessary competence;
• equal opportunities and non-discrimination in defining employee performance and remuneration;
• the principle of internal fairness in the remuneration of comparable work;
• boosting engagement;
• an incentive for staff to develop their skills and competences;
• promoting transparency and responsible governance;
• effective management of staff costs and creation of shareholder value.

The core elements of the setting and review of remuneration:

• **methodological assessment of positions;**

• periodic benchmarking of internal remuneration data **against the market**;

• direct link between opportunities for changing remuneration and **employee performance** – determining the achievement of annual targets, extra effort and the assessment of value behaviour.

A local scale of corporate levels of positions is used to publicise the results of the methodological assessment of positions within the organisation. Information on the corporate levels of the position and other positions in the organisation, as well as on the basic salary scale for each corporate level, is made available to each employee, providing a systematic means of embedding transparency and assessing internal career opportunities.

The periodic review of the base salary is implemented annually and the principles of the review are linked to clear and objective criteria – a comparison of current staff remuneration with the market, the Company's financial performance and the budget allocated for the review, and a summary of each employee's annual performance.

The process of managing and summarising employee performance remains focused on cascading the LTG Group's and the Company's annual objectives, achieving high performance, embedding a culture of personal accountability and continuous feedback, and reinforcing the principle of "the best is rewarded the most".

In addition to the base salary, direct remuneration elements include other work and rest-related allowances, payments for working other than normal working hours, additional incentives or variable remuneration, and annual performance incentives.

The annual performance incentive is awarded after the end of the financial year and after an assessment of the results achieved. This incentive is an employer-initiated incentive fund to reward good work and positive company performance, as referred to in Article 139(2)(6) of the Labour Code of the Republic of Lithuania and is granted on the basis of Article 142(1)(2) of the Labour Code of the Republic of Lithuania. The incentive is also forward-looking as a motivational tool for employees, and individual annual incentive opportunities are linked to corporate position levels and a summary of each employee's annual performance. The decision to establish an annual incentive pool is taken by the Company's Board after a detailed assessment of all the circumstances.

Measures to create additional employer value include a fringe benefits package and reimbursement of vehicle costs for managers of a certain level.

The Company's fringe benefits package includes lump sum payments for the birth of an employee's child or death of a close family member, support in the event of natural disasters, loyalty payments for employees who leave the organisation at retirement age, additional leave and other benefits as provided for in the LTG Group's branch collective bargaining agreement and in the Remuneration Methodology. Employees are also provided with accident insurance and supplementary voluntary health insurance, under the terms of which they are reimbursed for outpatient and inpatient treatment and diagnostics, preventive health checkups and vaccinations, medicines and medical supplies. In addition, employees can opt for dental, rehabilitation or optical services. Around 80% of employees choose supplementary voluntary health insurance each year.

The general principles of remuneration are published in a publicly available remuneration policy, which can be found on the Company's website, under Remuneration Policy section. The implementation of this Policy is described in the Remuneration Methodology, while internal process standards are used to define more detailed practical implementation principles. All relevant documents are published on the LTG Group's intranet in the employee knowledge base and in the news.

Data on the average salary of the Company's employees by general job group is publicly available on the Company's website, in the Remuneration Policy section, and is updated after the end of each calendar quarter, also publishing a comparison of the average remuneration of women and men. The application of objective and unified principles of equal opportunities remuneration management in the Company means that the actual differences between the average salaries of women and men, when monitored by general job group, still exist. These differences are due to the overall distribution of women and men, with more men than women working not only in the railway industry as a whole, but also in a number of job groups, particularly in operational positions. Women predominate in positions in support/administrative roles, which are relatively lower remunerated on the market. Men are concentrated in positions where the scope of the activity leads to more competitive market remuneration or where the work is of a special nature – requires physical exertion, outdoor or other special conditions, and thus are remunerated higher in the market.

Number of employees and average salary of the company

Position group	30 06 2024**						31 12 2023		31 12 2022	
	Number of employees			AS, EUR			Number of employees	AS, EUR	Number of employees	AS, EUR
	Total	Women	Men	Total	Women	Men				
CEO*	1	-	1	10800	-	-	1	10000	1	9005
Top executives*	7	2	5	7824	-	-	8	7230	9	6569
Senior managers and specialists in exceptional fields	35	5	30	5070	4933	5098	30	4777	22	4498
Mid-level managers and specialists in individual areas	172	58	114	3369	3307	3398	164	3182	143	3109
Team leaders and experienced specialists	941	259	682	2251	2212	2266	929	2117	963	1963
Specialists and experienced operational/ service staff	424	224	200	1846	1835	1857	433	1731	439	1597
Operational/service staff, skilled workers	787	196	591	1523	1528	1521	853	1440	876	1326
Total	**2367**	**744**	**1623**	**2069**	**2019**	**2092**	**2418**	**1920**	**2453**	**1749**

There were 2,367 employees in the Company as of 30 June 2024, with another 23 employees on long-term leave (parental leave, maternity leave, military service, etc.). Compared to the data as of 31 December 2023, the number of employees of the Company decreased by 51 employees or 2.1%.

The average monthly salary changed from EUR 1,920 to EUR 2,069 compared to 2023. The change was mainly due to the annual salary review.

The total salary fund amounted to EUR 29.1 million. Additionally, in April 2024, as in the rest of LTG Group, the Company's employees were paid an incentive of EUR 2.5 million for annual performance.

** is the amount of the fixed salary at the end of the period. The components of the salary of the Company's CEO are described in the Corporate Governance section. The monthly salary of top executives, as set out in their contracts of employment at 30 June 2024, amounted to EUR 7,824, while the average actual salary of this group of employees, taking into account the annual performance incentive, amounted to EUR 8,528;*

*** For reasons of confidentiality, information of the AS and difference in the AS is not be disclosed if there are fewer than 5 employees of the same sex in the job group.*

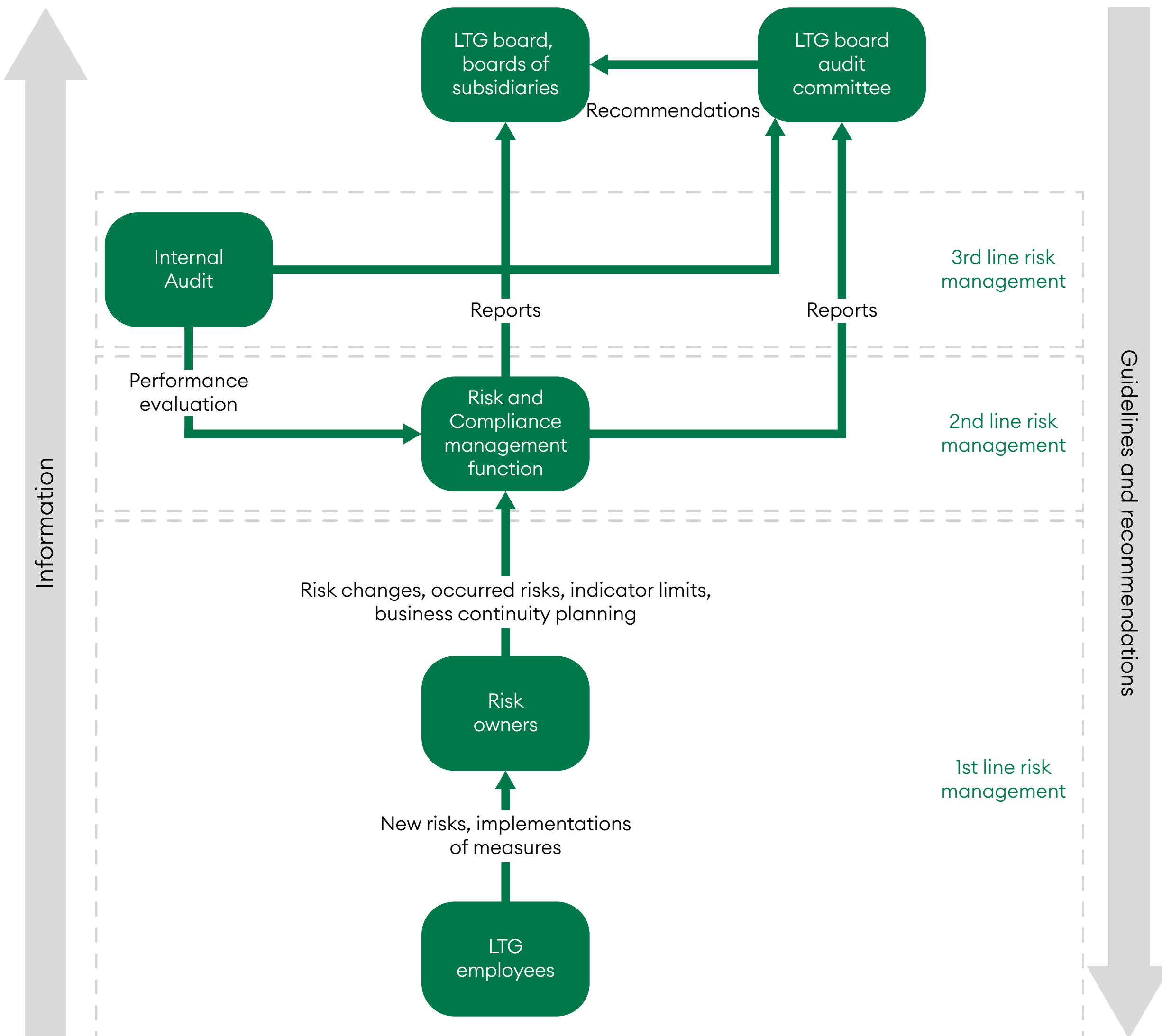
Risks and risk management report

The Company has implemented and is continuously improving the **LTG Group's unified risk management system**. JIt is defined in the LTG Group's Risk Management Policy, methodologies and process standards, which have been developed taking into account the *International Organization of Standardization's* (ISO 31000) and the *Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management* (COSO ERM) international standards as well as best practices.

In the LTG Group, risk management responsibilities are distributed according to the **Three Lines Model**. According to the model:

- 1st line risk management activities are carried out by managers and staff of LTG Group companies and LTG corporate functions, who identify, assess and manage risks and ensure the development of business continuity plans.
- 2nd line risk management activities are carried out by LTG's Risk and Compliance Management function, which develops and refines the overall framework, carries out coordination and control activities, provides consultancy and education on methodological and expert risk management issues to the companies and business units operating at the 1st level of risk management, and prepares reports to the senior management on risk management. The Risk and Compliance Management function is supported by the LTG Risk Management Committee to ensure an effective risk management framework.
- 3rd line risk management is performed by the Internal Audit Division of LTG, which carries out an independent assessment of the effectiveness of risk management levels 1 and 2, and independently provides comments and recommendations on improvement of the risk management system.

The figure below reproduces the Risk Management Framework, detailing the information flow path and the distribution of responsibilitie



LTG Group risks are managed in stages. The overall periodic cyrcle consists of the following main steps:

1. Risk identification, analysis and assessment.
2. Development of risk management plans.
3. Implementation of risk management plans.
4. Monitoring risk management.
5. Accountability and communication.

The level of identified risks is assessed by determining their likelihood and potential impact (considering financial, legal, reputational, business continuity and employee safety impacts) and assigning them to one of four risk categories (strategic, operational, financial, compliance). In this context, for each of the risks, risk owners and the necessary management/mitigation actions are selected. The dynamics of the risks and the progress in the implementation of the measures are monitored on a quarterly basis.

A well-established reporting system ensures the periodic and timely dissemination of risk-related information. The state of risk management of each of the companies is reviewed every quarter in reports submitted to the Boards of the companies and the LTG Group. The LTG Group Board is informed of risks above appetite on a monthly basis. This cyclical system not only helps to monitor the status of identified risks but also provides an opportunity to discuss the emergence of new risks.

In the LTG Group, strategic decisions are taken in the light of experience, the risks and resilience identified and managed by the activities carried out, as well as the context of the external environment and relevant global factors. Based on the nature of the Company's business, the main risks that were relevant in the first half of 2024 are presented below.

Main risks and Their management measures

1. External funding for strategic infrastructure projects is not secured;

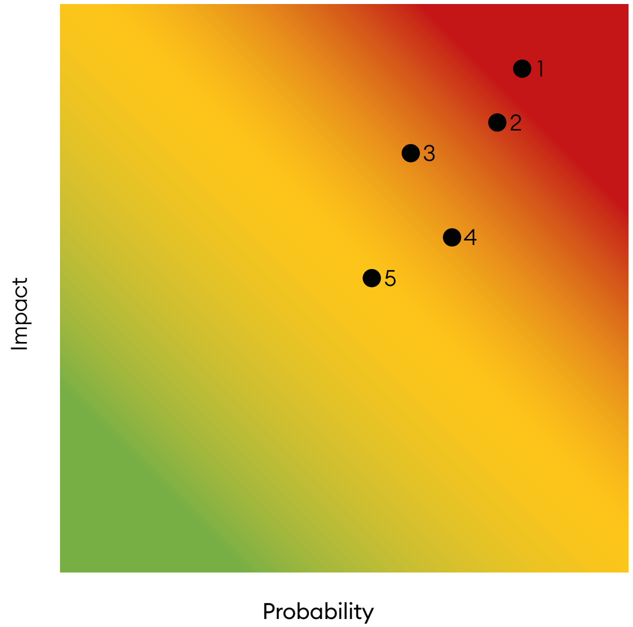
2. Lack of contractor capacity to meet LTG Infra's needs;

3. Using outdated, less efficient technologies in operations;

4. Mismatch between expectations and requirements in the field of sustainability;

5. Risk of safety incidents.

Risk map



Risks	Main sources of risk	Possible effects	Key risk management measures
External funding for strategic infrastructure projects is not secured	• Possible change in funding priorities • Failure to ensure public funding • Inflation and growth in project values • High technical base/infrastructure costs	• Delayed implementation of projects • Need to change project scope, timing, technical solutions • Loss of EU funding • Damage to reputation	• Centralising and streamlining project management activities • Monitoring the performed contractor works and financing • Ensuring human resource needs • Submission of applications • Timely communication with stakeholders
Lack of contractor capacity to meet LTG Infra's needs	• Small supplier market • Increase in prices of materials and raw materials • Longer procurement and delivery times • Possible sanctions for suppliers	• Increase in costs • Delayed implementation of projects • Work delays	• Advance planning • Smooth and timely initiation of procurement procedures • Timely communication of procurement intentions • Checking suppliers for sanctions
Use of outdated, less efficient technologies in operations	• Long technological lifecycle • Technical and organisational reasons • Lack of resources	• Operational efficiency • Business continuity	• Implementing new systems • Modernising technology • Porting functionality to other systems
Mismatch between expectations and requirements in sustainability	• Insufficient funding • Inappropriate equipment • Insufficient prevention measures	• Administrative liability for non-compliance with environmental requirements • Damage to reputation • Financial loss to remedy consequences	• Initiating site clean-up projects • Installation of noise reduction measures
Risk of safety incidents	• Failure to comply with work safety instructions • Unsafe behaviour of infrastructure users *Inherent risks in conducted activities. There is a strong focus placed on managing these risks, applying continuous and systemic measures*	• Financial losses due to damage to rolling stock or infrastructure • Reputational damage due to a failure to ensure traffic/ employee safety • Disruption of operations due to traffic accidents	• Periodic training and coaching • Mobile app to help to ensure safety of employees • Safety system checks • Periodic monitoring of physical and technical security • Quality control inspections

LTG INFRA

Additional information

Information on the external audit

Audit of the financial statements of the LTG Group companies and the Company is performed in accordance with International Standards on Auditing.

The public procurement contract for the audit of the Company's consolidated financial sta-tements and separate financial statements of subsidiaries, prepared in accordance with International Financial Reporting Standards, adopted by the EU, for the year 2023–2025, was awarded to KPMG-Baltics, UAB. The candidacy of auditors was confirmed by the Audit Committee of LTG, it was approved by the Board of LTG and the confirmation of the shareholder was obtained. The contract for the audit services was signed on 27.

Detailed information on the audit fees for the audit conducted in 2023 is disclosed in the set of consolidated financial statements of LTG Group and annual financial statements of the Company for 2023, which is available on the Company's website https://ltginfra.lt/.

Information on the compliance with the guidelines on transparency

The Company complies with the requirements of the Guidelines for Transparency of the Activities of State-Owned Enterprises (https://ltginfra.lt/) approved by the Government of the Republic of Lithuania by Resolution No 1052 of July 14, 2010, by disclosing the required information in its annual and interim reports and by ensuring disclosure of the information on its website.

Structured information of the compliance with the Guidelines on Transparency is provided in the Company's annual report for 2023 published on the Company's website https://ltginfra.lt/veiklos-rezultatai.

Definitions

Indicator	Definition/formula
Revenue	Sales revenue + Grant revenue+Other operating income (excluding Finance income)
Sales revenue *	Revenue, excluding Grant revenue, Other activity income and Finance income
Subsidy	State budget funds to finance LTG Infra
Expenses	Costs, excluding the Corporate tax and Financial expenses
Financial debt	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
Net debt	Financial debt - Cash and cash equivalent investments
Return on Equity (ROE)	Net profit (loss) for the last 12 months period / Average equity at the beginning and end of the reporting period
Return on Assets (ROA)	Net profit (loss) for the last 12 months period / Average assets at the beginning and end of the reporting period
Return on investment (ROI)	Net profit (loss) for the last 12 months period / Average of assets at the beginning and end of the reporting period - Average of current liabilities at the beginning and end of the reporting period
EBIT	Profit (loss) before the corporate tax – the result of financial activities
EBITDA	Profit (loss) before the corporate tax – the result of financial activity + depreciation and amortization
Normalised EBITDA	Normalized EBITDA / Sales revenue
EBIT margin*	EBIT / Sales revenue
EBITDA margin*	EBITDA / Sales revenue
Normalised EBITDA margin*	Normalized EBITDA / Sales revenue
Net profit margin*	Net profit (loss) for the period / Sales revenue
Equity ratio	Equity at the end of the reporting period / Assets at the end of the reporting period

Loan Servicing Ratio	Net profit/(loss) for the last 12 months + amortisation, depreciation and grant costs of the last 12 months + interest expenses of the last 12 months (adjusted considering the non-monetary items) / Amortisation of debt for interest + Interest payable for the last 12 months
Financial debt / EBITDA	Financial debt / EBITDA of the last 12-month period
Net debt / EBITDA	Net Debt / EBITDA of the last 12-month period
Financial debt / Equity (D/E)	Financial debt / Equity at the end of the reporting period
Asset turnover ratio*	Sales revenue for the period of the last 12 months / Assets at the end of the reporting period
Immediate Liquidity Ratio	Current assets at the end of the reporting period / current liabilities at the end of the reporting period / Current liabilities at the end of the reporting period
Total liquidity ratio	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Workload of trains (gross tonne kilometres)	Unit of measure representing by multiplying the gross weight of the train, including the weight of the running locomotive, by the distance travelled
Number of employees	The number of listed active employees as of the end of the period (excluding the employees on parental leave, military service, long-term incapacity)
Average salary	Average gross salary per employee

** Subsidy income is added to Sales revenue when calculating financial indicators of LTG Infra.*

Abbreviations

ESG	Environmental, Social and Corporate Governance
EU	European Union
RTC	Railway Transport Code of the Republic of Lithuania
RSF	Railway service facilities
USA	United States of America
KIT	Kaunas Intermodal Terminal
LTG	AB Lietuvos Geležinkeliai
LTG Group	AB Lietuvos Geležinkeliai and its subsidiaries
LTG Infra, Company	AB LTG Infra
LTG Cargo	AB LTG Cargo
LTG Link	UAB LTG Link
LRG	Government of the Republic of Lithuania
VAT	Value Added Tax
Repair undertaking	Undertakings which travel to and from the site of construction, repair and/ or maintenance work on railway infrastructure facilities
SOE	State-owned enterprise
VIT	Vilnius Intermodal Terminal

Annual and interim reports and financial statements are published on the Company‘s website https://ltginfra.lt/veiklos-rezultatai.

LTG INFRA

Interim financial statements (unaudited),

prepared in accordance with ifrs accounting standards, as adopted by the european union

For the six-month period
ended 30 june 2024

Statement of financial position

	Notes	30-06-2024	31-12-2023
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,789,723	1,757,200
Right-of-use assets	6	1,642	2,102
Intangible assets	7	12,533	13,610
Investment assets	8	3,100	3,247
Financial assets	10	116	132
Other non-current assets		101	105
Total non-current assets		**1,807,215**	**1,776,396**
CURRENT ASSETS			
Inventories	9	6,669	11,272
Non-current assets held for sale	9	301	3,738
Trade and other receivables	10	58,739	23,727
Prepayments		3,367	2,759
Cash and cash equivalents		15,914	77,022
Total non-current assets		**84,990**	**118,518**
TOTAL ASSETS		**1,892,205**	**1,894,914**

	Notes	30-06-2024	31-12-2023
EQUITY			
Share capital		654,928	654,928
Legal reserve	11	-	1,258
Other reserves	11	-	3,117
Retained earnings (losses)		(18,032)	(17,396)
Total equity		**636,896**	**641,907**
LIABILITIES			
Non-current liabilities			
Grants	12	983,729	982,862
Loans and other borrowings	13	101,745	109,523
Lease liabilities		932	1,225
Employee benefits	14	3,325	3,657
Trade and other payables	15	16,277	2,016
Provisions		16,453	16,453
Deferred tax liabilities		12,630	13,163
Total non-current liabilities		**1,135,091**	**1,128,899**
Current liabilities			
Loans and short-term portion of long-term loans	13	27,785	17,213
Lease liabilities		752	920
Income tax liabilities		-	20
Employee benefits	14	9,413	9,213
Trade and other payables	15	82,202	96,676
Provisions		66	66
Total current liabilities		**120,218**	**124,108**
TOTAL EQUITY AND LIABILITIES		**1,892,205**	**1,894,914**

The accompanying explanatory notes are an integral part of these financial statements.

Financial statements and explanatory notes on pages from 54 to 65 were approved and signed:

Vytis Žalimas
CEO

Sandra Narkevičienė
AB Lietuvos Geležinkeliai Finance Controller of Accounting,
Financial Reporting and Control acting in accordance with mandate JG(INFRA)-128/2024 of 25-04-2024

Statement of profit or loss and other comprehensive income

	Notes	30-06-2024	30-06-2023
Sales revenue		58,579	57,694
Subsidy		33,256	27,933
Income from other activities		95	340
Total revenue	**16**	**91,930**	**85,967**
Expenses related to employee benefits		(30,353)	(29,194)
Depreciation and amortisation	5,6,7,8,12	(29,717)	(30,665)
Materials		(3,278)	(3,245)
Fuel		(535)	(919)
Electricity		(4,674)	(3,815)
Repairs and maintenance		(6,834)	(5,919)
Management and general administration services		(12,052)	(9,815)
Increase (decrease) in the value of non-current assets		1	151
Increase (decrease) in the value of receivables		(145)	27
Decrease (increase) in provisions		-	161
Other expenses		(6,655)	(4,498)
Total expenses		**(94,242)**	**(87,731)**
Operating profit (loss)		**(2,312)**	**(1,764)**
Finance income		1,066	217
Finance exspense		(3,371)	(2,488)
Financing activity result		**(2,305)**	**(2,271)**
Profit (loss) before tax		**(4,617)**	**(4,035)**
Income tax		533	1,146
Net profit (loss)		**(4,084)**	**(2,889)**
Other comprehensive income (expense)		-	-
Total comprehensive income (expense)		**(4,084)**	**(2,889)**

The accompanying explanatory notes are an integral part of these financial statements.

Statement of changes in equity

	Notes	Share capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Balance at 31 December 2022		**654,928**	**1,258**	**19,005**	**(15,888)**	**659,303**
Net profit (loss)		-	-	-	(2,889)	(2,889)
Total comprehensive income (expense)		**-**	**-**	**-**	**(2,889)**	**(2,889)**
Unrecognized profit (loss) for the reporting period		-	-	-	(101)	(101)
Reserves used		-	-	(15,888)	15,888	-
Total transactions with owners of the Company		**-**	**-**	**(15,888)**	**15,787**	**(101)**
Balance as at 30 June 2023		**654,928**	**1,258**	**3,117**	**(2,990)**	**656,313**
Balance at 31 December 2023		**654,928**	**1,258**	**3,117**	**(17,396)**	**641,907**
Net profit (loss)		-	-	-	(4,084)	(4,084)
Total comprehensive income (expense)		**-**	**-**	**-**	**(4,084)**	**(4,084)**
Unrecognized profit (loss) for the reporting period		-	-	-	(927)	(927)
Reserves used	11	-	(1,258)	(3,117)	4,375	-
Total transactions with owners of the Company		**-**	**(1,258)**	**(3,117)**	**3,448**	**(927)**
Balance as at 30 June 2024		**654,928**	**-**	**-**	**(18,032)**	**636,896**

The accompanying explanatory notes are an integral part of these financial statements.

Statement of cash flows

	Notes	30-06-2024	30-06-2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		(4,084)	(2,889)
ADJUSTMENTS:			
Depreciation and amortisation	5,6,7,8	41,452	42,412
Grants (amortisation)	12	(11,735)	(11,747)
(Profit) loss from disposal / write-off of non-current assets		468	159
Impairment (reversal)		144	(178)
Change in accrued income/ expenses		110	(7,598)
Interest (income) expenses and other loan related fees		2,892	2,249
Interest on lease liability		16	(18)
Increase (decrease) in provisions		-	(161)
Income tax expenses (income)		(533)	(1,146)
Cash flows from operating activities after adjustments		**28,730**	**21,083**
CHANGE IN WORKING CAPITAL			
Decrease (increase) in inventories		(2,228)	(2,644)
Decrease (increase) in trade and other receivables and prepayments		(36,649)	(18,264)
Increase (decrease) in trade payables, trade receivables and trade prepayments received		(4,896)	45,512
Increase (decrease) in employment related liabilities		(132)	1,101
Increase (decrease) in other non-current and current payables		(4,005)	4,534
Net cash flows from operating activities		**(19,180)**	**51,322**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Acquisition) of non-current assets		(84,202)	(114,629)
Change in prepayments for non-current assets		17,461	(32,508)
Disposal of non-current assets		3,447	-
Interest received		289	-
Net cash flows from investing activities		**(63,005)**	**(147,137)**

	Notes	30-06-2024	30-06-2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Obtaining loans	13	10,721	-
Loans received		(7,778)	(9,497)
Interest (paid)		(3,416)	(2,345)
Grants received (used for cost reduction)		22,000	16,509
Interest on lease liability		(16)	18
Lease liability payments		(434)	(444)
Net cash flows from financing activities		**21,077**	**4,241**
Net increase (decrease) in cash flows		**(61,108)**	**(91,574)**
Cash and cash equivalents at the beginning of period		**77,022**	**112,007**
Cash and cash equivalents at the end of the period		**15,914**	**20,433**

The accompanying explanatory notes are an integral part of these financial statements.

Notes to financial statements

1. Background information

AB LTG Infra (hereinafter – the Company) was registered in the Register of Legal Entities of the Republic of Lithuania (hereinafter – the Republic of Lithuania) on 1 July 2019.

The Company is a private legal person with limited liability, which organises its economic, financial, organisational and legal activities independently. The Company's registration code is 305202934, VAT registration code is LT100012666211, legal (registration) address is Geležinkelio st. 2, LT-02100 Vilnius.

The Company's main activity is railway infrastructure management and public railway infrastructure manager services.

As at 31 December 2023 and 30 June 2024, the parent company AB Lietuvos Geležinkeliai was the sole shareholder of the Company. 100 per cent of the shares of AB Lietuvos Geležinkeliai are owned by the State of Lithuania, represented by the Ministry of Transport and Communications of the Republic of Lithuania.

As at 31 December 2023 and 30 June 2024, the Company's share capital was EUR 654,928 thousand and consisted of 654,928 ordinary registered shares with a nominal value of EUR 1,000 per shares. All shares were fully paid up.

The Company has no branches or representative offices.

The actual number of the Company's employees as at 30 June 2024 was 2,367 (2,418 at 31 December 2023).

2. Basis of preparation

These condensed interim financial statements of the Company (hereinafter – interim financial statements) for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard (hereinafter – the IAS) 34 "Interim Financial Reporting".

These interim financial statements do not contain all the information required for the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS) approved by the International Accounting Standards Board (hereinafter – the IASB) and as adopted for use in the EU.

These interim financial statements of the Company are prepared using the historical cost of acquisition method.

The currency of the submission is the euro. These financial statements are presented in thousands of Euros, unless otherwise stated.

The Company's financial year coincides with the calendar year.

These financial statements for the period ended 30 June 2024 are re-audited. The annual financial statements for the year ended 31 December 2023 were audited by UAB KPMG Baltics.

3. Significant accounting principles

The accounting principles applied in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements for 2023.

4. Significant accounting estimates

The significant decisions of the management on application of the accounting policy and the identification of the key accounting uncertainties in the preparation of these interim financial statements were the same as those applied in the preparation of the financial statements for the year ended 31 December 2023.

5. Property, plant and equipment

The amount of depreciation expense of property, plant and equipment of the Company shown in the Statement of Profit or Loss and Other Comprehensive Income amounted to EUR 28,590 thousand (30 June 2023: EUR 29,519 thousand). This amount includes depreciation expenses of EUR 39,567 thousand (30 June 2023: EUR 40,383 thousand), which were reduced by grant depreciation expenses of EUR 10,977 thousand (30 June 2023: EUR 10,864 thousand).

As at 30 June 2024, the residual value of the assets managed under the right of trust was EUR 963,755 thousand (31 December 2023: EUR 973,174 thousand).

The acquisition cost of fully depreciated property, plant and equipment used by the Company amounted to EUR 20,461 thousand (31 December 2023: EUR 18,556 thousand). The majority of the fully depreciated property, plant and equipment consisted of buildings and structures, machinery and equipment.

The movement of the Company's property, plant and equipment is presented below:

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment, appliances and tools	Construction in progress and prepayments	Total
ACQUISITION VALUE							
31 December 2022	**152,031**	**1,133,095**	**154,801**	**16,488**	**80,278**	**263,704**	**1,800,397**
- acquisitions during the year	335	9,101	1,532	2	1,013	301,826	313,809
- assets sold, written off, disposed	(17)	(1,966)	(299)	-	(224)	(149)	(2,655)
- transferred to (from) current assets	-	(11,357)	(13,188)	(34)	(21)	5,527	(19,073)
- transferred to intangible assets	-	-	-	-	-	(500)	(500)
- transferred from investment property	-	2,715	-	-	-	-	2,715
- reclassifications	339	148,799	(66,362)	1,945	(72,023)	(12,698)	-
31 December 2023	**152,688**	**1,280,387**	**76,484**	**18,401**	**9,023**	**557,710**	**2,094,693**
- acquisitions	2	85	-	-	-	66,740	66,827
- assets sold, written off, disposed	-	(1,505)	(26)	-	(9)	-	(1,540)
- transferred to (from) current assets	-	-	-	(250)	-	6,718	6,468
- transferred to intangible assets	-	-	-	-	(205)	-	(205)
- transferred from investment property	67	(48)	-	-	-	-	19
- reclassifications	-	20,228	143	-	475	(20,846)	-
30 June 2024	**152,757**	**1,299,147**	**76,601**	**18,151**	**9,284**	**610,322**	**2,166,262**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
31 December 2022	**-**	**(192,730)**	**(39,334)**	**(2,909)**	**(18,065)**	**(9,674)**	**(262,712)**
- depreciation	-	(65,996)	(9,591)	(1,208)	(3,855)	-	(80,650)
- impairment during the year	-	10	-	-	-	(1,887)	(1,877)
- assets sold, written off, disposed	-	1,410	171	-	176	-	1,757
- transferred to current assets	-	3,025	3,434	18	21	-	6,498
- transferred from investment property	-	(509)	-	-	-	-	(509)
- reclassifications	-	(42,346)	24,514	(611)	18,443	-	-
31 December 2023	**-**	**(297,136)**	**(20,806)**	**(4,710)**	**(3,280)**	**(11,561)**	**(337,493)**
- depreciation	-	(35,625)	(2,530)	(619)	(793)	-	(39,567)
- impairment	-	1	-	-	-	-	1
- assets sold, written off, disposed	-	372	4	-	7	-	383
- transferred to current assets	-	-	-	108	-	-	108
- transferred from investment property	-	29	-	-	-	-	29
30 June 2024	**-**	**(332,359)**	**(23,332)**	**(5,221)**	**(4,066)**	**(11,561)**	**(376,539)**
CARRYING AMOUNT							
31 December 2022.	**152,031**	**940,365**	**115,467**	**13,579**	**62,213**	**254,030**	**1,537,685**
31 December 2023	**152,688**	**983,251**	**55,678**	**13,691**	**5,743**	**546,149**	**1,757,200**
30 June 2024	**152,757**	**966,788**	**53,269**	**12,930**	**5,218**	**598,761**	**1,789,723**

6. Right-of-use assets

The Company's right-of-use assets consisted of:

	Land	Buildings and structures	Vehicles	Other equipment, appliances and tools	Total
ACQUISITION COST					
31 December 2022	-	37	3,164	6	3,207
- acquisitions during the year	-	94	1,195	-	1,289
- assets sold, written off, disposed	-	(20)	(433)	(6)	(459)
31 December 2023	-	111	3,926	-	4,037
- acquisitions	4	-	53	-	57
- assets sold, written off, disposed	-	-	(113)	-	(113)
30 June 2024	4	111	3,866	-	3,981
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
31 December 2022	-	(22)	(1,221)	(5)	(1,248)
- depreciation	-	(10)	(923)	(1)	(934)
- assets sold, written off, disposed	-	20	221	6	247
31 December 2023	-	(12)	(1,923)	-	(1,935)
- depreciation	-	(6)	(498)	-	(504)
- assets sold, written off, disposed	-	-	100	-	100
30 June 2024	-	(18)	(2,321)	-	(2,339)
CARRYING AMOUNT					
31 December 2022	-	15	1,943	1	1,959
31 December 2023	-	99	2,003	-	2,102
30 June 2024	4	93	1,545	-	1,642

7. Intangible assets

The Company's intangible assets comprise:

	Software	Concessions, patents, licences, trademarks and similar rights	Other intangible assets	Total
ACQUISITION COST				
31 December 2022	19,907	33	2,007	21,947
- acquisitions during the year	-	-	96	96
- transferred from tangible assets	708	-	(208)	500
31 December 2023	20,615	33	1,895	22,543
- transferred from tangible assets	205	-	-	205
30 June 2024	20,820	33	1,895	22,748
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
31 December 2022	(5,857)	(33)	(38)	(5,928)
- amortization	(2,991)	-	(14)	(3,005)
31 December 2023	(8,848)	(33)	(52)	(8,933)
- amortization	(1,275)	-	(7)	(1,282)
30 June 2024	(10,123)	(33)	(59)	(10,215)
CARRYING AMOUNT				
31 December 2022	14,050	-	1,969	16,019
31 December 2023	11,767	-	1,843	13,610
30 June 2024	10,697	-	1,836	12,533

The cost of the Company's intangible assets, which have been fully amortised but continue to be used, amounted to EUR 1,478 thousand (31 December 2023: EUR 1,478 thousand). Software accounted for the major share of amortised assets.

The amount of amortisation expenses of the Company's intangible assets recognised in the Statement of Profit or Loss and Other Comprehensive Income was EUR 524 thousand (30 June 2023: EUR 534 thousand). This amount includes amortization expenses of EUR 1,282 thousand (30 June 2023: EUR 1,417 thousand), which were reduced by depreciation charges on grants of EUR 758 thousand (30 June 2023: EUR 883 thousand).

8. Investment property

The Company's investment property consisted of:

	Investment property
ACQUISITION COST	
31 December 2022.	**6,770**
- assets sold, written off, disposed	(30)
- transferred to current assets	(2,715)
31 December 2023	**4,025**
- transferred to current assets	(19)
30 June 2024	**4,006**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	
31 December 2022.	**(985)**
- amortization	(307)
- assets sold, written off, disposed	5
- transferred to current assets	509
31 December 2023	**(778)**
- amortization	(99)
- transferred to current assets	(29)
30 June 2024	**(906)**
CARRYING AMOUNT	
31 December 2022	**5,785**
31 December 2023	**3,247**
30 June 2024	**3,100**

9. Inventories and non-current assets held for sale

The Company's inventories consisted of:

	30-06-2024	31-12-2023
Superstructure materials	3,253	59
Materials	596	592
Spare parts	1,777	1,609
Fuel	68	67
Other inventories	975	1,056
Total raw materials, supplies and components	**6,669**	**3,383**
Purchased services/ assets for sale	**-**	**7,889**
Total	**6,669**	**11,272**

The change in the write-down of the Company's inventories to net realisable value is reflected in the write-down to net realisable value expense line in the profit (loss) statement and other comprehensive income.

As at 30 June 2024, the carrying amount of the Company's inventories of EUR 7,374 thousand was reduced by EUR 705 thousand to net realisable value (31 December 2023: EUR 4,088 thousand reduced by EUR 705 thousand).

As at 30 June 2024, the change in the services purchased by the Company/ assets held for sale due to assets being reconstructed/ developed for the benefit of the partner to be transferred.

	30-06-2024	31-12-2023
Non-current assets held for sale	301	3,738
Total non-current assets held for sale	**301**	**3,738**

As at 30 June 2024, the carrying amount of the Company's non-current assets held for sale of EUR 1,991 thousand was reduced by EUR 1,690 thousand to the net realisable value (31 December 2023: EUR 5,428 thousand, reduced by EUR 1,690 thousand). The complex of assets of the network operated by LTG Infra, the investment transaction price of which was EUR 3,352 thousand, was sold in March 2024.

10. Trade and other receivables

The Company's trade and other receivables consisted of:

	30-06-2024	31-12-2023
External trade receivables, gross	1,844	1,349
Impairment (-)	(1,047)	(902)
Total external trade receivables	**797**	**447**
Receivables from related parties	8,939	12,175
Total receivables from related parties	**8,939**	**12,175**
VAT receivable	11	-
Other receivables from the budget	39,391	5,851
Accrued income	124	450
Accrued income from related parties	708	1,182
Other receivables	8,885	3,622
Total other receivables	**49,119**	**11,105**
Total	**58,855**	**23,727**

The Company's trade and other receivables as at 30 June 2024, compared to 31 December 2023, increased by EUR 33,256 thousand mainly due to the accrual of the subsidy recorded under the contract "Quality Assurance and Financing of Public Railway Infrastructure and Railway Service Facilities Owned by the State of Lithuania" (EUR 27,933 thousand increase as at 30 June 2023 compared to 31 December 2022).

The Company's external trade receivables consisted of:

	30-06-2024				31-12-2023			
	Expected credit losses, %	Gross carrying amount	Impairment	Net book value	Expected credit losses, %	Gross carrying amount	Impairment	Net book value
On time	0.09%	10,341	(9)	10,332	0.04%	10,726	(4)	10,722
1-30 days overdue	0.30%	270	(1)	269	0.02%	5,286	(1)	5,285
31-60 days overdue	7.43%	53	(4)	49	1.17%	39	-	39
61-120 days overdue	10.19%	129	(13)	116	29.88%	46	(14)	32
More than 120 days overdue	10.50%	9,707	(1,020)	8,687	32.93%	2,681	(883)	1,798
Total		**20,500**	**(1,047)**	**19,453**		**18,778**	**(902)**	**17,876**

The impairment recorded by the Company reflects the estimated losses on doubtful recoverable trade receivables. The main component of this impairment is the individually assessed loss on significant doubtful receivables. The impairment assessment methods are reviewed on an ongoing basis to minimise the differences between estimated losses and actual losses.

11. Reserves

Statutory and other reserves. The Company's operating result for 2023 was a loss of EUR 17,396 thousand. In accordance with the shareholder's resolution, the set of financial statements for 2023 was approved, and the distributable profit (loss) for 2023 was distributed, covering the loss for the period with EUR 4,375 thousand: EUR 3,117 thousand from other reserves and EUR 1,258 thousand – from the statutory reserve.

12. Grants

Grants are related to the financing of investment programmes, assets received under the Trust Agreement and subsidies earmarked for compensating costs and balancing revenue and costs of public railway infrastructure manager.

The movement of the Company's grants is presented below:

	2024 06 30	2023 12 31
Balance of the beginning of the period	**982 862**	**808,340**
Received	22,051	267,713
Received free of charge (land, assets)	2	335
Used to reduce of depreciation costs of property, plant and equipment	(10,977)	(20,655)
Used to reduce amortisation costs of non-current intangible assets	(758)	(1,771)
Used to reduce other costs	(51)	(3,747)
Used to balance income and costs	-	(60,607)
Transferred to prepayments received	(9,393)	(393)
Impairment	-	(6,215)
Returned/ transferred	(7)	(138)
Closing balance	**983,729**	**982,862**
Including assets managed under the right in trust	**277,120**	**271,764**

13. Loans and other borrowings

The Company's financial debts consisted of:

	30-06-2024	31-12-2023
Long-term loans	101,745	109,523
Current part of the long-term loans	15,555	15,555
Loans received from related parties	10,721	-
Loan interest	1,509	1,658
Total	**129,530**	**126,736**

During the first half of 2024, the Company repaid EUR 7,778 thousand (EUR 9,497 thousand during the first half of 2023) in loans and paid EUR 3,321 thousand (EUR 2,345 thousand during the first half of 2023) in interest and EUR 3 thousand in commitment and other fees.

The Company's loans consisted of:

	Paskolos valiuta	2024 06 30	2023 12 31
Nordic Investment Bank 3[1]	EUR	58,838	62,516
Nordic Investment Bank 4[2]	EUR	27,510	29,229
Nordic Investment Bank 5[3]	EUR	30,952	33,333
Loans received from related parties	EUR	10,721	-
Loan interest	EUR	1,509	1,658
Total		**129,530**	**126,736**

[1] *1 (ŠIB-3) loan is intended for the renovation and development of railway infrastructure. During the first half of 2024, the Company repaid EUR 3,678 thousand of the loan and paid EUR 1,703 thousand of interest and EUR 3 thousand of commitment and other fees.*

[2] *(ŠIB-4) loan was granted to secure the co-financing of the national part of the public railway infrastructure project Rail Baltica, which is financed by EU support funds for 2007-2013. The Company repaid EUR 1,719 thousand of the loan and paid EUR 766 thousand of interest in the first half of 2024.*

[3] *(ŠIB-5) is a loan for the implementation of investment projects and the Rail Baltica project in 2014-2020. The Company repaid EUR 2,381 thousand of the loan and paid EUR 852 thousand of interest in the first half of 2024.*

In order to manage funds more efficiently and to ensure liquidity of the Group's companies, the Company used the Group's cash-pool agreement concluded with Swedbank AB under market conditions. On 30 June 2024, the Company had a liability of EUR 10,721 thousand (it had no liabilities as at 31 December 2023). During the first half of 2024, the Company paid EUR 92 thousand (EUR 216 thousand in 2023) of interest.

14. Employee benefits

Employee benefits and liabilities by type:

	2024 06 30	2023 12 31
NON-CURRENT LIABILITIES		
Provisions for pensions and similar liabilities	3,325	3,657
Total non-current liabilities:	**3,325**	**3,657**
CURRENT LIABILITIES		
Vacation pay accruals	3,147	2,594
Wages and salaries payable	2,661	2,595
Social security contributions payable	1,249	1,160
Personal income tax payable	926	781
Other employment-related liabilities	1,430	2,083
Total current liabilities:	**9,413**	**9,213**
Total	**12,738**	**12,870**

15. Trade and other payables

The Company actively performs construction works in the Rail Baltica railway sections; also, it continues works related to other projects are continuing; therefore, liabilities for contracting works comprised the largest portion of trade accounts payable.

The Company's trade and other payables consisted of:

	30-06-2024	31-12-2023
Trade accounts payable	72,596	73,670
Trade accounts payable to related parties	9,604	12,554
Prepayments received	1,908	2,709
Received prepayments from related parties	26	27
Cash guarantees received	1,017	1,787
Cash guarantees received from related parties	623	620
VAT payable	-	1,056
Prepayments received for use of railway infrastructure	567	365
Accumulated costs	2,817	4,658
Accrued expenses from related parties	2,408	657
Accrued liability for the use of railway infrastructure from related parties	-	449
Other amounts payables and liabilities	6,913	140
Total	**98,479**	**98,692**

16. Revenue

The Company's revenue consisted of:

	06-2024	06-2023
Revenue from the use of railway infrastructure	46,398	45,373
Revenue from the use of railway service facilities	6,793	5,920
Revenue from other operating activities	5,388	6,401
Total operating revenue	**58,579**	**57,694**
Subsidy	33,256	27,933
Total subsidy	**33,256**	**27,933**
Income from other activities	95	340
Total income from other activities	**95**	**340**
Total	**91,930**	**85,967**

17. Related party transactions

Related party transactions of the Company:

	06-2024		30-06-2024	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	938	12,622	211	16,702
AB LTG Cargo	48,346	299	8,613	351
UAB LTG Link	4,077	326	760	110
UAB Geležinkelio tiesimo centras	460	5,405	90	5,154
UAB Rail Baltica Statyba	-	29	-	6
voestalpine Railway Systems Lithuania, UAB	-	2,283	-	1,059
Total	**53,821**	**20,964**	**9,674**	**23,382**

	06-2023		31-12-2023	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	1,517	21,249	764	5,907
AB LTG Cargo	48,707	192	11,176	735
UAB LTG Link	3,212	200	1,319	175
UAB Geležinkelio tiesimo centras	429	8,168	101	5,684
LTG CARGO UKRAINE LLC	2	-	-	-
UAB Rail Baltica Statyba	-	25	-	3
voestalpine Railway Systems Lithuania, UAB	-	1,473	-	1,803
Total	**53,867**	**31,307**	**13,360**	**14,307**

Following the procedure of LTG Group, all transactions with related parties are made under market conditions and conform to the arm's length principle.

Transactions with other State-owned enterprises included standard business transactions, thus these transactions are not disclosed.

18. Management's salaries and other benefits

As of 30 June 2024, the management team consisted of the CEO and heads of the following departments: Maintenance; Service Provision; Service Development and Sales; Strategy and Governance; Finance; Project Management; and Rail Baltica Management.

Bendrovė	30-06-2024	30-06-2023
Management's remuneration	585	526
Incentive benefits*	91	61
Accrued non-current benefits**	4	-
Number of executives	8	9
Allowances for members of the Board	60	55
Number of Board members	5	5

**Incentive payments are performance bonuses and one-off bonuses.*

***Accrued long-term benefits are provisions for pensions and similar obligations accrued at the year-end of the reporting period.*

During the first half of 2024 and the first half of 2023, there were no loans, guarantees or other disbursements or accruals made to the management of the Company, or transfers of assets, other than listed above.

19. Contingent assets, liabilities and potential disputes

There were no significant changes in litigation from that disclosed in the 2023 Annual Financial Statements or significant new litigation and liabilities in the 6-month period of 2024.

20. Investment commitments

There were no material investment commitments in the 6-month period of 2024 from those disclosed in annual financial statements 2023.

21. Events after the reporting period

There have been no significant events after the reporting period up to the date of these financial statements.