Company's interim management report and financial statements (unaudited)

for the six-month period ended 30 June 2025

LTG INFRA

Contents

The interim management report and financial statements do not provide all the information required for the preparation of the annual financial statements, and therefore must be read in conjunction with the annual management report and financial statements for the year ended 31 December 2024 (reference), which were prepared in accordance with International Financial Reporting Standards as approved by the International Accounting Standards Board and adopted for use in the EU.

Overview

Ceo's foreword

Dear clients, partners and colleagues,

The first half of 2025 was significant for the LTG Infra team both in terms of the projects completed and the strategic decisions shaping the future of Lithuanian Railways. We are moving purposefully towards a more sustainable, safer, and European railway infrastructure.

In the Rail Baltica project, we are successfully implementing this year's plans. We have announced all the planned tenders to the market, ranging from earthworks and engineering structures to track laying. Construction of earthworks and engineering structures is underway in the section Šveicarija–Žeimiai–Šėta–Ramygala. In the second half of this year, we plan to sign contracts with contractors and commence construction works in the sections Ramygala–Joniškėlis and Kaunas (Palemonas)-Šveicarija, as well as lay 10 km of tracks in the Šveicarija–Žeimiai section.

Additionally, we will sign a contract for the design work of the Kaunas–Lithuania and Poland border section. This section, as we complete the design of other segments of the main line, is crucial for ensuring international connectivity. A significant update is that the priorities of the project have been strategically reviewed at the level of the governments of the three Baltic countries and the European Commission, meaning that we are directing the main resources and funding towards the North–South corridor (in Lithuania – the Latvia–Poland line), with other connections being pursued once the necessary funding is secured. This will allow the project to be implemented more economically and achieve military mobility goals more promptly. LTG Infra is prepared not only to carry out the necessary construction work but also to demonstrate significant progress, which is a key element in the negotiations for further funding.

We continue our efforts in the area of military mobility as well – procurement procedures have been initiated in Palemonas for works during which dual-purpose (military and civilian) cargo infrastructure will be installed. A 45,000 m² loading area will be constructed, along with new tracks of 1435 mm and 1520 mm gauge, ramps, engineering networks, and safety systems. This project will strengthen Lithuania's position as a reliable NATO partner. Additionally, we are coordinating the technical documentation for the railway branch of the Rūdininkai military training area with the Ministry of National Defence and preparing for its design and construction.

The electrification project for the Vilnius–Klaipėda line continues to be successfully implemented. We have signed a contract with the Lithuanian branch of Siemens Mobility Oy, under which the existing traffic management system's software and hardware in the Šiauliai–Klaipėda section will be adapted for the electrified railway. This will ensure the highest level of security, reduce the risk of incidents, and increase traffic efficiency. Electrification will significantly contribute to climate change mitigation, with an expected reduction in air pollution by 150,000 tons per year and socio-economic benefits exceeding 700 million euros. We have currently completed nearly 90% of the activities of the electrification project.

A significant step towards sustainability is the installation of the first battery train charging station in the Baltic States, located in Varėna. This station, planned to be completed by 3Q of 2026, will enable passengers to travel sustainably to Varėna using new battery-powered trains and will significantly contribute to achieving environmental goals.

In the area of digitalisation, we have taken an important step by creating the first digital twin of the Lithuanian railway network in the Vilnius–Kena section. This innovative solution allows for real-time access to accurate data about infrastructure objects, more efficient planning of work, and data-driven decision-making. In the future, we plan to digitise the entire network by integrating GIS maps and other infrastructure components.

A study on the architecture of the Lithuanian railway network has been initiated, which will serve as the foundation for a long-term infrastructure development strategy. The study will help assess the possibilities of transitioning to the European 1435 mm standard, optimise the need for broad gauge, and plan investments. This is a historically significant step that will help Lithuania efficiently integrate into the trans-European transport network.

All these efforts demonstrate our commitment to developing a modern, safe, and sustainable railway infrastructure. I extend my gratitude to the entire LTG Infra team for their professionalism and dedication – your efforts are making railways not only more convenient but also strategically important for all of Lithuania.

VYTIS ŽALIMAS
Chief Executive Officer of AB LTG Infra

Company's activities

General information about the Company

Name
AB LTG Infra

Company code
305202934

Legal form
Joint-stock company

Address
Geležinkelio St. 2, LT-02100 Vilnius

Correspondence address
Geležinkelio St. 2, LT-02100 Vilnius

Telephone
(+370 5) 269 3353

E-mail
info@ltginfra.lt

Website
https://ltginfra.lt/

Date and place of registration
1 July 2019, Register of Legal Entities

Core business
Management, use and disposal of the railway infrastructure and execution of the functions of the public railway infrastructure manager

CEO of the Company
Vytis Žalimas

Shareholder
100% shares held by AB Lietuvos Geležinkeliai

Data about the Company is collected and stored by the Register of Legal Entities of the State Enterprise Centre of Registers.

Company's branches, representative offices abroad

The Company did not have branches or representative offices during the analysed period.

Company's business model

AB LTG Infra together with the parent company AB Lietuvos Geležinkeliai and its directly and indirectly controlled legal entities comprise the LTG Group. LTG provides management services to the companies of the Group, and, as regards the Company, these services are provided to the extent that they are in line with the regulatory requirements applicable to impartiality of management and financial transparency of the public railway infrastructure manager, execution of the fundamental functions of the public railway infrastructure manager. To ensure compliance with the said requirements, all decisions concerning the execution of the fundamental functions of the public railway infrastructure manager are taken by the head of the Company or by his authorised staff, in addition, solely the Company's employees authorised by the head of the Company can participate in making these decisions.

The Company's activities within the LTG Group are guided by the LTG Group's strategy and guiding principles, as well as by 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 its key directions as well as the operational policies adopted by LTG to the extent that these documents are compatible with the above-mentioned legal requirements for the activities of the public railway infrastructure manager that are applicable to the Company.

Primary activity and functions

AB LTG Infra was registered with the Register of Legal Entities of the Republic of Lithuania on 1 July 2019; the Company started its activities on 8 December 2019, when it took over the operations of the Railway Infrastructure Directorate of LTG.

The principal activity of the Company involves management, use and disposal of the railway infrastructure by the right of trust and the execution of the functions of the public railway infrastructure manager.

The functions of the public railway infrastructure manager are defined in the Railway Transport Code of the Republic of Lithuania and other legal acts on rail transport operations. Key functions:

- Renewal of the public railway infrastructure and carrying out of its maintenance;
- Organisation of the railway traffic;
- Submission of proposals on draft programmes for the development of the public railway infrastructure;
- Implementation of programmes and projects for the development of the public railway infrastructure;
- Operation of the public railway infrastructure, except for the decision-making falling within the competence of the Minister for Transport and Communication in accordance with the Railway Transport Code;
- Provision of services for the use of public railway infrastructure;
- Management, use and disposal of the State-owned public railway infrastructure and railway service facilities.

The public railway infrastructure is used by railway undertakings (carriers) engaged in the transportation of passengers, luggage and goods by railway transport as well as Repair undertakings, accordingly, that are entitled to use the public railway infrastructure following the conditions laid down by Article 28(1) and (3) of RTC. Railway undertakings (carriers) and repair companies shall pay LTG Infra the appropriate fees for the use of the public railway infrastructure, calculated in accordance with the procedure laid down by legislation.

In the first half of 2025, the Company applied fees for the use of public railway infrastructure, which were calculated in accordance with Order No. JS-PAJ(INFRA)-201/2023, dated 13 December 2023 (for the validity period of the 2024–2025 service train schedule). The contribution tariffs of the fee for the minimum package of access to the public railway infrastructure and the fee for using the public railway infrastructure to provide transit rail transport services are published on the Company's website (reference). The above tariffs are calculated in accordance with the "Rules for calculation and payment of the fee for the minimum package of access to the public railway infrastructure, the fee for using the public railway infrastructure to provide transit rail transport services and the fee for the allocated but unused capacity of the public railway infrastructure", approved by the Resolution of the Government of the Republic of Lithuania of 19 May 2004 No. 610 "On approval of the rules for 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 public railway infrastructure capacity", which lays down the components of the fee for the minimum access package to the public railway infrastructure, the fee for using the public railway infrastructure to provide transit rail transport services, the tariffs of the contributions constituting these fees, the procedures for calculating and paying the fee for the minimum access package to the 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.

During the 1-st half 2025, the railway undertakings (carriers) and repairers paid the following charges for the use of the public railway infrastructure: a train traffic charge; a charge for rail freight services on the 1 520 mm gauge rail network when freight is transported to or from third countries; a charge for freight belonging to the rail freight market segment on which a mark-up may be applied; a charge for the use of the contact line network; a charge for the carriage of passengers, baggage in transit and freight in transit.

The Company also acts as an operator of railway service facilities – by the right of trust, manages, uses and disposes railway service facilities owned by the State and LTG Infra. The fees for the use of railway service facilities, managed by the manager of railway service facilities, for railway tracks located therein and for main and additional services related to railway transport provided in these facilities are set by the Company, following sections 1, 2 and 4^1 of the Article 30^4 of the Railway Transport Code.

The Company's activities are monitored by a regulator of railway transport market, the functions whereof have been carried out by the Communications Regulatory Authority of the Republic of Lithuania as of the beginning of 2017.

Services provided

Core services provided by the manager of the public railway infrastructure are as follows:

- **Use of public railway infrastructure**. The public railway infrastructure manager, ensuring access to public railway infrastructure for users, carries out activities that include not only the provision of Minimum Access Package to the public railway infrastructure (MAP) but also the execution of other functions of the public railway infrastructure manager (technical maintenance of the public railway infrastructure, operation of the public railway infrastructure, renewal and development of the public railway infrastructure, and other functions performed by the public railway infrastructure manager). Pricing of public railway infrastructure usage services is regulated by Article 25-25[2] of RTC and the Rules for calculation and payment of the charges of minimum access to public railway infrastructure package, the fee for the use of the public railway infrastructure for the provision of rail transit services and fees for allocated but not used public railway infrastructure capacities, approved by Resolution No 610 of the Government of the Republic of Lithuania of 19 May 2004 "On the approval of the rules for calculating and paying the minimum package of charges for access to public railway infrastructure, the charge for the use of public railway infrastructure for the provision of transit railway transport services and the charge for allocated but unused public railway infrastructure capacities". The contribution tariffs of the fee for MAP and the fee for using the public railway infrastructure to provide transit rail transport services are published on the Company's website (reference).
- **Access to railway service facilities (RSF) and the services they provide**. In the 1-st half year 2025, the company-owned RSFs provided the following services: use of passenger railway stations, stops, their buildings and other facilities, suitable places for providing travel information announcements and ticket purchasing services; 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 rolling stock; use of the wagon marshalling yard; use of the track gauge change mechanism; provision of traction current; accident recovery at RSFs; intermodal loading of intermodal units at VIT/KIT/ŠIT, storage of intermodal units (VIT/KIT/ŠIT), access to loading terminals, loading or unloading of freight from/into wagons, containers, cars, work with loading equipment, loading services by mobile team; access to railway rolling stock maintenance facilities (inspection pits). The list of access to railway service facilities and services provided at railway service facilities, along with the applicable rates, is published in the Company's website, in section List of services and Rates of charges for services at railway service facilities.
- **Services operated on a commercial basis**. The Company provides maintenance and repair of facilities, short-term lease of special rolling stock, wagons and vehicles, lease of long-distance rolling stock, inspection of joints and tracks, maintenance of automation and communication equipment, maintenance of power supply equipment, marking of underground tracks, inspection, calibration and rental of instrumentation and measurement and control equipment, rental of communication services, rental of public railway infrastructure facilities (structures). Also, services of intermodal terminals: in addition to the main intermodal handling service for intermodal transport units, the LTG Infra-controlled intermodal terminals provide a number of additional services, such as handling of containers carried by road only, weighing services, transportation inside the territory of the terminal, services of the representatives of the Customs Broker and handling of cargo on pallets, which is very frequently requested by our customers, and cargo storage in covered warehouses. The commercial services provided by the Company and the applicable fees are published on the Company's website, in section Commercial Services.

Main customers

In 1-st half year of 2025, the public railway infrastructure and RSF managed by the Company were used by the following customers: AB LTG Cargo, UAB LTG Link, AB Akmenės cementas, Elecnor Servicios Y Proyectos S.A. Lithuanian branch, UAB Geležinkelio tiesimo centras, UAB Gargždų geležinkelis, Orlen Kolej sp.z.o.o, UAB Transachema, UAB Top Rails, UAB Gindana, UAB Alkesta, AB Klovainių skalda, cooperative Gerkonių elevatorius, UAB KT valda, UAB Rizgonys, UAB Žvyro karjerai, UAB Leonhard Weiss Lietuva, UAB Linas Agro Grūdų centrai, UAB Granitinė skalda, UAB Energijos sistemų 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, and etc.

Public railway infrastructure capacity

Public railway infrastructure managed by the Company, as well as rules, terms, procedures and criteria for charging for the use of public railway infrastructure and allocation of public railway infrastructure capacity etc. are described in the Regulations of the Public Railway Infrastructure Network (published on the Company's website under the section Network Statements), which are updated regularly (for each period of validity of the service timetable).

In October 2024, LTG Infra made a decision regarding the allocation of or refusal to allocate the public railway infrastructure capacities for the validity period of train service timetable 2024–2025. Also, LTG Infra allocated public infrastructure capacity for the period of validity of this working timetable of trains on the basis of the last-minute requests received.

Market and competitive environment

Activities of LTG Infra as a public railway infrastructure manager are a natural monopoly on the Lithuanian market, competing with railway infrastructure managers in neighbouring countries. Competition with infrastructure managers in neighbouring countries exists and is likely to increase in the future, especially in view of the infrastructure development plans of other countries, which increase the attractiveness of their railway infrastructures.

As an operator of RSF, the Company competes with other RSF operators performing on the Lithuanian rail network.

As the Company's pursues its chosen western orientation, 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 and aligned with the specificities of broad gauge. The **FREE Rail** programme seeks to find alternative sources of supply in the event of a supply chain disruption from the East. This initiative is designed to explore alternatives to complete disengagement from the supply systems, parts supply and regulatory framework of unfriendly countries. Managing the rising costs of using alternatives requires the promotion of operational efficiency initiatives in all areas of activity: operations management, asset management, pricing, human resources.

Strategy

In response to geographical and economic changes in the market for transport services, resulting in changing trade routes and passenger flows, the LTG Group adopted at the end of 2024 a long-term strategy that sets a clear direction until 2029 and defines a roadmap for action until 2040. This strategy sets the direction for the whole LTG Group and gives all employees the opportunity to contribute to the future of rail operations.

The strategy of LTG Infra, developed under LTG Group guidelines, reflects a number of shareholder expectations. First and foremost, it is a commitment to sustainability and social responsibility. It seeks ways to contribute positively to Lithuania's well-being by increasing access to rail services, rail safety and environmental sustainability. In the area of business development, it advocates a diversification strategy, aims to facilitate the development of passenger and freight routes, and contributes to the ambition of railway companies (carriers) 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 program is planned to address today's key challenges and manage the Company's costs. Due to the strategic importance of LTG Infra for Lithuania's national security, the business resilience strategic direction focuses 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 provides for the need for, and the development and motivation of, future professions.

MISSION, VISION, VALUES

MISSION

CONECTING PEOPLE AND BUSINESSES FOR A MORE SUSTAINABLE FUTURE

VISION

BEING THE BACKBONE OF THE TRANSPORT SYSTEM

VALUES – the foundation of our success and culture

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 deliver quality.

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.

Strategic directions

CUSTOMER EXPERIENCE

To ensure the smooth management of railway infrastructure by providing a quality standard of service and customer-oriented services. In order to successfully implement this strategic direction, the following objectives have been set: 1.1. To improve customer satisfaction and 1.2. Develop a strategy for the renewal of passenger stations.

OPERATIONAL EFFICIENCY

To ensure financial stability by increasing operational efficiency and optimising the use of assets, operating in line with international corporate standards and enabling a culture of continuous improvement within the organisation. In order to successfully implement this strategic direction, the following objectives have been set: 2.1. To improve the operational efficiency; 2.2. To improve the efficiency of infrastructure and terminals; 2.3. To increase the value created by employees.

BUSINESS DEVELOPMENT

The aim is to increase the capacities of intermodal terminals, implement diversification of activities and ensure implementation of the European-gauge infrastructure project Rail Baltica in the territory of Lithuania. In order to successfully implement this strategic direction, the following objectives have been set: 3.1. To increase the use of railway; 3.2. To ensure the smooth implementation of the Rail Baltica project; 3.3. To increase service revenues.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

The areas of environmental protection, social partnership and progress in responsible governance (ESG) form the basis for building a sustainable future. 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 society, and to develop best practices in corporate governance. In order to successfully implement this strategic direction, the following objectives have been set: 4.1. To reduce environmental impact and climate change; 4.2. To maintain the Good Governance Index.

BUSINESS RESILIENCE

To comply with the "safety above all" principle, ensuring a high level of traffic safety, occupational safety and business safety, follow the interests of national security, ensure technology compatibility and independence in the LTG Group. It is important that in recent years this strategic direction has placed a strong emphasis on the FREE Rail programme and military mobility projects, which contribute to the national security of our country. In order to successfully implement this strategic direction, the following objectives have been set: 5.1. To increase the safety level of the workers; 5.2. To reduce the danger to society; 5.3. To reduce danger to traffic safety. 5.4. To maintain a high level of business resilience.

INCLUSIVE ORGANISATIONAL CULTURE

To create an open, respectful, safe and LTG values-based working environment that encourages all employees to engage in continuous improvement, thereby creating value for the customer and increasing operational efficiency. In order to successfully implement this strategic direction, two objectives have been set: 6.1. To increase employee engagement; 6.2. To increase employee loyalty.

Implementation and progress of strategic direction projects in 2025

Customer experience

Since 2024, customer experience has become an integral part of the LTG Group's strategy. In the first half of 2025, the LTG Infra customer experience team conducted an analysis of the current situation and developed a customer experience management model. The goal of this model is to establish clear principles for evaluating customer experience and service quality, encompassing key indicators such as Customer Satisfaction (CSAT) and Net Promoter Score indexes. The model includes the implementation of both annual and transactional surveys, as well as the analysis of customer comments and suggestions to identify key areas for improvement and initiate specific action plans for process enhancement. Further steps involve creating a customer service standard, collaborating with an external survey provider to conduct surveys, and implementing a CRM solution. The CRM solution will aid in centrally managing customer inquiries, tracking their progress, and storing the entire history of customer interactions in one system. In the 1-st half of 2025, an annual passenger survey was conducted to better understand the needs of railway station customers. Additionally, continuous quality monitoring of all levels of stations and stops was initiated to ensure consistent service quality across the railway infrastructure. Key aspects of customer experience are evaluated, including infrastructure condition, accessibility for all passengers, information availability, and cleanliness. Data collected from both passenger surveys and continuous quality monitoring are crucial for developing action plans aimed at continuous service improvement and meeting expectations. Concurrently, a customer experience management maturity assessment was conducted across the LTG Group following international "Forrester" practices. This assessment helped objectively evaluate the current situation – from declaring the importance of the customer to integrating them into process management. LTG Infra aims to achieve an 88% maturity level (out of 100%) by 2029, while as of May 2025, the maturity level has already reached 27%.

Operational efficiency

The aim is to use LTG Infra's resources efficiently and effectively, while improving operational efficiency. To ensure systematic and efficient digitisation of railway infrastructure maintenance, in the first half of 2025, we consolidated all related initiatives and projects into a unified program called **Data Driven Infra**. The aim of this program is to integrate separately implemented digital technologies into a cohesive, data-driven infrastructure management system. A **centralised data model** is being developed to combine information from various diagnostic sources (e.g., rail, contact network, sleeper monitoring systems). This allows organising data and using it effectively in the digitisation of maintenance processes. The successful completion of the **pilot section's digitisation** in the 1-st half of 2025 confirmed the effectiveness of the technology and provided a solid foundation for further expansion across the entire infrastructure. To keep pace with rapidly evolving technological trends and fully leverage advanced digital tools, we initiated a pilot project where artificial intelligence algorithms were applied to assess sleeper condition based on photographic material collected by a diagnostic locomotive. This project not only confirmed the potential of applying AI technologies in infrastructure diagnostics but also provided valuable practical experience. **New technological solutions** have also been launched: the installation of a 3D scanner is planned for the monitoring of the growing contact network, aiming to ensure more precise and efficient maintenance. Additionally, a mobile application is being developed for the planning and execution of road maintenance and repair work. This application will help eliminate paper journals, facilitate work planning, and increase operational efficiency. Technical specifications for these new solutions were prepared in the 1-st half of 2025, and public procurement procedures have begun. The unified integration of data directly enables the expansion of the **Railway Infrastructure Maintenance System (RIMS)**. The first phase of this system was successfully implemented in 2024, and its functionality expansion continues in 2025. RIMS is a tool for analysing railway track geometry parameters, utilizing data from integrated monitoring systems. Once fully implemented, the LTG Infra team will transition from physical infrastructure monitoring to a proactive and predictive maintenance model. This means that the technical condition of the infrastructure will be visible in real time within a specialised software environment, significantly reducing the need for physical inspections. In this way, not only will maintenance efficiency increase, but significant cost reductions will be achieved–operating expenses are projected to decrease by approximately 3–4 million euros per year. To enhance traffic management efficiency, reduce the risk of human errors, and ensure data-driven decision-making, we continue the expansion of the LTG Infra analytics platform, **InfraPulse**. The platform utilises Power BI technologies to create advanced analytical tools that automate previously manual processes. A successful step towards digital quality control was the **introduction of a new automated train schedule verification system** in 2025, which compares real-time data from the traffic management system with information transmitted to station information systems. Additionally, the beginning of 2025 saw the launch of a new self-service application for station employees, **InfraLOG**, replacing the previously manual communication process between stations and traffic management departments. By automating shift registration, contact information management, and event recording, the volume of phone calls and emails has been significantly reduced, eliminating redundant operations and minimizing the risk of human errors. To increase service accessibility and convenience for its customers, LTG Infra is consistently improving its self-service portal, **InfraGo**. Initially launched as a platform for ordering infrastructure capacity and traffic interruptions, the portal is currently being expanded to include commercial service ordering functionality. Starting this July, clients will be able to order item storage services, and forms for ordering other services are being developed in parallel. Our goal is for InfraGo to become a one-stop-shop platform that allows clients to quickly, conveniently, and independently perform all necessary actions. This solution not only enhances customer experience and optimizes internal processes (significantly reducing manual work and the risk of human errors) but also opens new opportunities for revenue growth. The operational efficiency direction also encompasses the **Operational Efficiency Program** initiated last year, which outlines additional continuous measures for optimising company operations, activating unused assets, increasing operational excellence, reviewing pricing, identifying critical functions, and more. At the beginning of 2025, the **Continuous Improvement Practices Implementation Program** was launched: a structured framework for periodic activity review meetings is being implemented across all departments, allowing for more frequent and constructive discussions of performance results and ensuring the achievement of desired outcomes, employees are encouraged to submit ideas for improving processes and organizational activities. Since the beginning of the year, we have received over 300 improvement ideas and implemented 160 enhancements, with a financial impact (cost savings and additional revenue) exceeding 1 million euros. The Company's employees have voluntarily engaged in the cultivation of a continuous improvement culture as "Continuous Improvement Ambassadors" assisting the Continuous Improvement team in implementing best practices and providing guidance to colleagues and managers.

Business development

The most important project in this area 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 route in the Baltic countries is 870 km, of which 392 km are in Lithuania. The project is expected to bring the speed of passenger trains up to 249 km/h and of 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 2025, the largest construction activities are taking place in the Kaunas–Panevėžys section. In the 44.8 km stretch from Šveicarija to Žeimiai–Šėta–Ramygala, earthworks and engineering structures are being constructed. Public procurement has been announced for the 68 km section Kaunas–Šveicarija, Ramygala–Joniškėlis, and a public procurement for track construction has been announced for the 10 km section from Šveicarija to Žeimiai. Additionally, the construction of a 1.5 km bridge over the Neris River (in Jonava district) is underway. Out of the 376 underground piles that will support the bridge, 370 have been installed, and the first two columns have been concreted, with four more being constructed, reaching up to 40 meters in height. The necessary equipment for further bridge deck concreting work has been brought to Lithuania, which will require nearly 67,000 m^3 of concrete and more than 11,000 tons of reinforcement. According to environmentalists, one of the most modern underground animal passages operates on the Rail Baltica line route No. 144 Jonava–Kėdainiai–Šeduva. It is 5 meters high and 30 meters wide, and LTG Infra employees frequently observe fauna movement in the infrastructure designated for them.

ESG (environmental, social and governance areas)

One of the ESG key projects is electrification of railways (Kaišiadorys–Klaipėda and Vilnius railway junction). In Lithuania, the transport sector accounts for the largest share of air emissions. When implemented, the project is expected to reduce air pollution by 150,000 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 potential savings for railway undertakings (carriers) operating on the Lithuanian rail network, due to lower energy and rolling stock maintenance costs, will be around EUR 505 million and the project will pay for itself 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 rail electrification work continued in the 1-st half of 2025. It is planned that in the Kaišiadorys–Klaipėda section contact network construction work on the main railway tracks will be completed. In the near future, after addressing major comments, voltage activation and testing work are scheduled. In the Vilnius hub, the Lentvaris traction substation has been completed and put into operation. Additionally, the activation of the Žeimiai traction substation (TPS) is planned for 2025, with two more, Linkaičiai and Tarvainiai TPS, scheduled for activation in the second quarter of 2026.

Business resilience

To improve the safety of rail transport, a programme of rehabilitation of main railway tracks, a programme of switch replacements and safety improvements at level crossings are being implemented. Partner searches are also underway for the installation of dual-purpose – military/civil – infrastructure in Palemonas. This project will ensure loading capabilities for military equipment and improve military mobility within the railway network, increase loading and storage capacities, and enhance intermodal loading capacities on the 1435 mm gauge railway. Furthermore, the project will improve the efficiency of deployment and servicing of the German brigade. In diagnostic activities, a new tool has been developed and launched for processing and summarising GSM-R communication measurement results. With this tool, report preparation time is reduced to a few hours, whereas previously, manual work could take several days. Under the FREE Rail program, railway rolling stock that had Russian KLUB-U safety systems dismantled were replaced with new-generation systems from the Ukrainian company SRPA Impulse. The new system has been installed in 15 of the Company's rolling stock.

Inclusive organisational culture

The goal of this direction is to increase employee engagement, which directly impacts performance results, productivity, job satisfaction, loyalty, and the emotional and physical well-being of employees. In April 2025, discussions were held with trade union representatives regarding the implementation results of the LTG branch collective agreement for 2024, with detailed presentations and discussions on topics such as remuneration, employee development, organisational culture, training, and workplace safety. In April, a recognition program was launched involving all LTG Group employees, combining new and existing measures to recognise, nominate, and thank colleagues who, beyond their direct functions, actively share and implement ideas; are seen as examples of value-driven behaviour; engage in activities that unite LTG Group colleagues, strengthen the dissemination of information about the group, and other organization-promoted activities; are loyal and have steadfastly walked alongside the organisation for many years. Also, a significant long-term goal for LTG is to foster diversity, equal opportunities, and an open and respectful work environment. Throughout the 1-st half of 2025, a series of lectures on diversity and inclusion topics took place, with plans to continue the regular series of presentations in the second half of the year. The initiative – All Families are Equal – has expanded the concept of close family members across all LTG companies to include partners and non-biological children, thereby ensuring additional benefits for a broader range of employees. In June, preparatory discussions took place to identify key directions for reviewing the Company's People and Culture function plan, related to future competencies, development and retraining needs, and internationalization issues.

Achieving the goals in 2025

In line with the orientations adopted in the Strategy, the Board of the Company has set the main operational goals for 2025. The set goals align with the Company's priorities: implementing strategically significant projects, meeting the requirements of the quality and financing assurance agreement (MAC) for public railway infrastructure and railway service facilities owned by the Lithuanian state, achieving the activation goals for stations, reaching the maturity level of Continuous Improvement, increasing revenue and reducing costs, ensuring workplace safety, and enhancing employee engagement.

Strategic direction	Indicators of achievement of goals	Measure unit	Weight, %	Benchmarks for achievement of goals
Value creation through integration into Western markets	Implemented strategic projects	%	30.0%	>80
Customer experience	Implemented MAC contract requirements	%	10.0%	>80
	Implemented station activation goals	%	5.0%	>60
Operational efficiency	Achieved Continuous Improvement Level I	Maturity assessment (points)	15.0%	>1.3
Business development	Increased revenue from Railway Service Facilities (RSF) and non-regulated services	EUR million	10.0%	>26.4
ESG (Sustainability)	Electricity savings in production and administrative premises, compared to 2024	%	10.0%	(>) 3% less value than in 2024
Business resilience	Ensured business resilience level	%	5.0%	>80
	Increased employee safety (accidents due to employer's fault)	Accidents at work due to employer's fault*1 M / total working hours	5.0%	<0.45
Inclusive organisational culture	Increased employee engagement level	%	10.0%	>80

Highlights of the first half 2025

FEBRUARY

1st. The composition of the Board of LTG Infra was changed. Gediminas Šečkus, the Director of Business Resilience of the LTG Group, took over the position from Ieva Lauraitytė.

14th. A contract was signed to adapt the software and hardware of the existing traffic management system on the Šiauliai–Klaipėda section to the electrified railway. The contract was signed with the Lithuanian branch of Siemens Mobility Oy and is worth almost EUR 10 million.

A rail network architecture study was launched to define a clear and focused vision for the development of the rail network infrastructure. The project is being carried out in response to the requirements of the European Parliament and the Council to assess the conditions for a smooth transition of the existing Lithuanian rail network to a European standard rail network. The study will include an assessment of the integration into the European standard 1435 mm gauge, options for the efficiency of the rail transport system, and the identification of the optimal need for a wide 1520 mm gauge track. The work will be carried out by Ernst & Young Baltic UAB under a signed contract.

Following changes to the Rail Baltica project management model, LTG Infra took over management of the design contract for the Kaunas-Ramygalos section of the Rail Baltica railway line, which was concluded with Spanish design company IDOM Consulting, Engineering, Architecture, S.A.U.

MARCH

21th. The contractor, who has won the tender issued by LTG Infra, starts the reconstruction phase 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 the citizens and visitors between Naujininkai and Naujamiestis.

17th. The replacement of Russian KLUB-U locomotive safety systems in LTG Infra rolling stock was successfully completed. All 15 of the Company's rolling stock are now equipped with modern safety systems manufactured by the Ukrainian company SRPA Impulse, ensuring greater reliability and compliance with European railway standards.

18th. Data from a study commissioned by LTG Infra were released, indicating that every euro invested in the maintenance, repair, and development of Lithuania's railway network generates double the benefit for the country's economy. According to the study's calculations, each euro invested in railway infrastructure maintenance, repair, and development in 2023 created a benefit of EUR 2.04 for the state, amounting to nearly EUR 591 million.

26th. A contract was signed to build the first battery train charging station in the Baltic States. This station will be constructed in Varėna, designed and installed by UAB Fima under a contract with LTG Infra. This will enable the LTG Group, which plans to acquire electric-battery trains, to transport passengers even more sustainably. The charging station is expected to be completed by the end of the Q3 of 2026, with a cost of EUR 3.2 million.

APRIL

2nd. An important project was initiated to enhance military mobility. LTG Infra announced tenders for the installation of dual-purpose – military/civil – infrastructure in Palemonas. Upon completion of the works, capabilities for loading military equipment and improving military mobility within the railway network will be ensured, along with increased loading and storage capacities and intermodal loading capabilities on the 1435 mm gauge railway. Moreover, the project will improve the efficiency of deployment and servicing of the German brigade.

17th. Before Easter, traffic was opened on the new viaduct over the Rail Baltica embankment. Just before Easter, LTG Infra opened traffic on the viaduct over regional road 1505 Jonava–Čičinai–Smičkai, connecting settlements with the Jonava–Kėdainiai road, thereby improving connectivity for those travelling on regional roads.

MAY

15th. A public tender was announced for the construction of the Rail Baltica section Berčiūnai–Joniškėlis embankment and engineering structures. The new section will add an additional 12.4 km.

2nd. After completing the trial operation of the newly reconstructed Lentvaris traction substation, its permanent use has begun. This is the launch of the first of six newly built substations under the Electrification Project and an important milestone of the project stage, which allowed the start of the reconstruction of the Žasliai traction substation.

26th. A public tender was announced for the construction of the Rail Baltica section Ramygala–Berčiūnai embankment and engineering structures. The new section will be of 24.5 km. Currently, tenders are ongoing for construction works covering 68 km of sections, with 46.3 km, including the longest bridge in the Baltic States over the Neris near Jonava, already under construction.

The website www.saugusbegiai.lt has been updated. The updated site features new educational content aimed at children, parents, teachers, drivers, and the general public.

JUNE

7th. A series of events commences to commemorate the 100th anniversary of the Marijampolė railway station. To mark this centenary, LTG Infra, in collaboration with the Marijampolė city municipality, has prepared a three-part event series with an inspiring program, inviting everyone to become part of this history.

10th. A preventive safety campaign was conducted at the country's most dangerous railway crossings and pedestrian crossings, organised annually by the LTG Group in cooperation with the Lithuanian police. During the campaign, police officers encourage drivers and pedestrians to adhere to traffic rules, cross tracks safely, and remind them of the importance of this for the safety of all road users. The social-educational program "Safe Rails" has been conducted since 2021, aimed at increasing public awareness and reducing the risk of accidents in railway areas.

16th. LTG Infra announced tenders for the construction works of two bridges – Lentvaris–Marcinkonys–state border (73+302 km) and on the road Naujoji Vilnia–Turmantas–state border (82+132 km) – and is seeking contractors to carry out the planned works. These projects are an important part of Lithuania's infrastructure, aiming to ensure a safe and efficient transport network.

Events after the reporting period

JULY

4th. The strategic Rail Baltica project in the three Baltic States received an additional EU investment of EUR 295.5 million under the Connecting Europe Facility (CEF) program. Of this amount, Lithuania will receive approximately EUR 95 million.

A unique pilot project was successfully completed, during which a solar power plant was installed on a noise reduction wall alongside the Kyviškės–Vaičiūnai railway line. While it was planned to generate nearly 14 MWh of electricity annually, more than 16 MWh was produced. The solar power plant operated more efficiently than initially forecasted for 10 out of 12 months.

14th. The announced winner of the tender will construct a 12.1 km railway embankment section Šėta–Ramygala (Part II). The company HISK, located in Panevėžys, will carry out these works for EUR 83.36 million (excluding VAT).

Testing of the newly installed overhead contact line on the Kyviškės–Valčiūnai, Vilnius–Kirtimai, Valčiūnai–Vaidotai and Vaidotai–Paneriai sections. During the testing, a high voltage of 27 000 V was applied to the catenary.

Performance

Overview of key performance indicators

Indicators	Measurement unit	THE FIRST HALF 2025	THE FIRST HALF 2024	2025/2024 Δ, %	THE FIRST HALF 2023
Train operational volume	billion tkm gross-gross	6.2	6.5 *	-4.6%	6.8
Train runs	million train km	5.6	5.8	-3.4%	6.1

** The train operational volumes for the first half of 2024 were adjusted.*

Due to the ongoing military actions conducted by Russia in Ukraine and the wide-ranging sanctions imposed on Russia and Belarus by the US and the EU, the operational volume of trains continues to decline. The decrease in freight train operations has been partially offset by a 16.7% increase in passenger train operations.

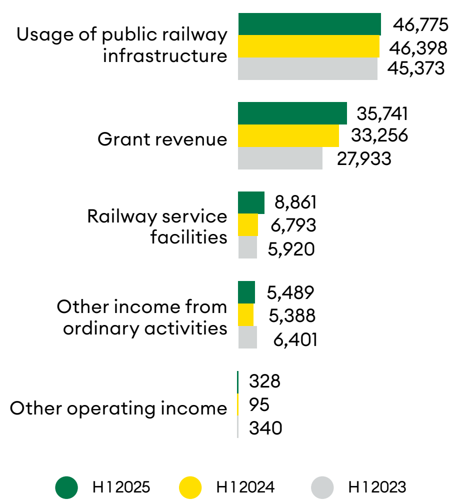
Financial results

Revenue

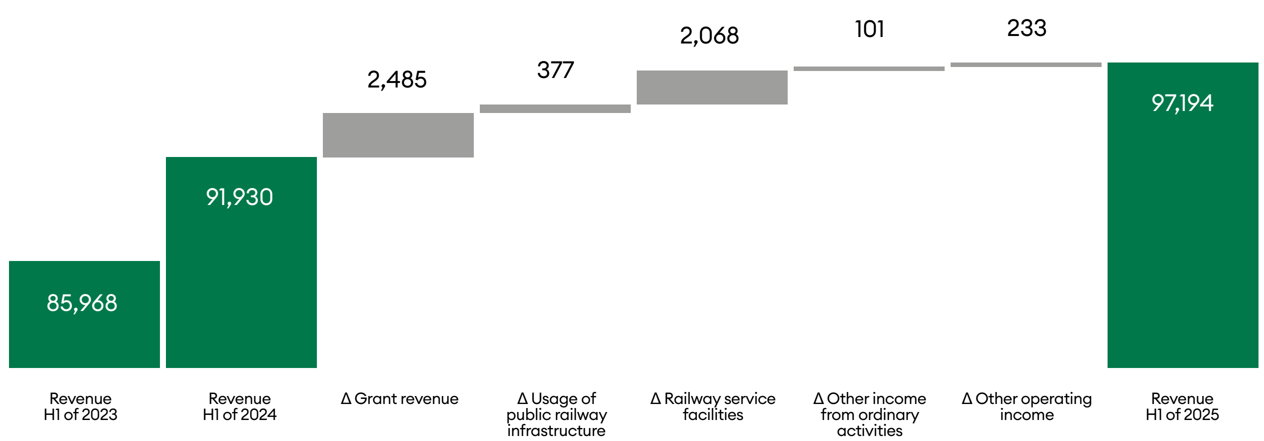
In the first half of 2025, the Company's revenue with the grant amounted to EUR 97.2 million, showing an increase of EUR 5.3 million, or 5.7%, compared to the revenue for the first half of 2024. The majority of the revenue, i.e. 48.1%, were revenues from the provision of **public railway infrastructure usage service**.

- **Revenues from public railway infrastructure usage service**, compared to the first half of 2024, have changed insignificantly – increased by EUR 0.4 million (0.8%) and amounted to EUR 46.8 million.
- **Grant revenues** amounted to EUR 35.7 million in the period under review and, compared to the first half of 2024, showed an increase by EUR 2.5 million or 7.5%. The State funds are intended to balance the revenues and costs of the public railway infrastructure manager due to the fall in freight transport volumes.
- **Revenues from services provided in RSFs managed by the Company** during the first half of 2025 increased by EUR 2.1 million or 30.4% to EUR 8.9 million. The comparative weight of these revenues in the Company's total revenue structure is 9.1%. The growth in revenue was primarily influenced by the increase in the rates of certain services, as well as the expansion in the volume of services provided by intermodal terminals.
- **The Company's other income from ordinary activities** is derived from the maintenance and repair of public railway infrastructure, junctions and rail track inspections, property rentals, provision of electricity, communication services, sale of scrap metal, and a variety of other services of a commercial nature provided by the Company. These revenues amounted to EUR 5.5 million the first half of 2025 and accounted for 5.6% of the Company's total revenues. Compared to the first half of 2024, these revenues have increased by 1.9% due to larger sales volume of scrap metal.
- **The Company's other operating income** in the first half of 2025 amounted to EUR 0.3 million, reflecting an increase of EUR 0.2 million, compared to the first half of 2024.

Company's Revenue, EUR thousand



Change in Company's Revenue, EUR thousand



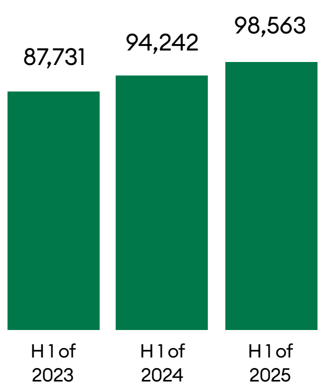
Costs

The Company's costs for primary and non-primary activities in the first half of 2025 amounted to EUR 98.6 million. Compared to the first half of 2024, the costs have increased by EUR 4.3 million or 4.6%.

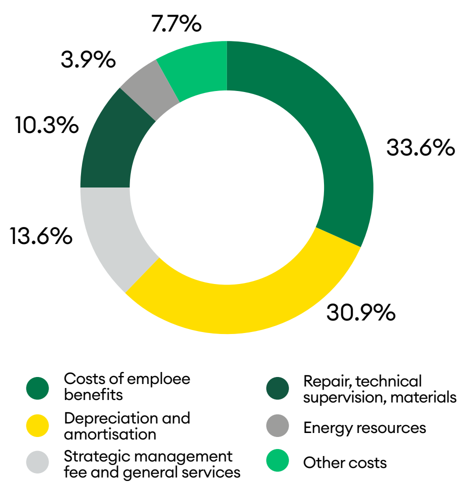
The majority of these expenses consist of employee benefits (33.6%), depreciation and amortization (30.9%), strategic management fees and general services (13.6%), repair, maintenance, and materials (10.3%), and energy resources (3.9%). The remaining costs account for 7.7%.

- In the first half of 2025, **costs of employee benefits** amounted to EUR 33.2 million, reflecting an increase of EUR 2.8 million or 9.2%, compared to the first half of 2024. During the analysed period, the number of employees grew, and as is customary, a salary review was conducted in April. Changes in average wages are presented in the report section *Employees*.
- In the first half of 2025, **depreciation and amortisation costs** amounted to EUR 30.4 million, showing an increase of EUR 0.7 million or 2.3%, compared to the first half of 2024. The growth in depreciation costs during the analysed period was significantly influenced by the commissioning of assets from investment projects implemented over several years.
- In the first half of 2025, **costs of strategic management and general services** amounted to EUR 13.4 million, which is an increase of EUR 1.4 million, compared to the first half of 2024. This increase was due to higher wages and changes in the volume of services provided.
- **Costs of repair, maintenance, and materials** in the first half of 2025 were EUR 10.2 million and did not significantly change compared to the first half of 2024.
- **The cost of energy resources** (fuel, electricity) in the first half of 2025 amounted to EUR 3.8 million and decreased by EUR 1.4 million, compared to the first half of 2024. This change was driven by significantly reduced electricity expenses due to implemented efficiency measures and lower electricity prices.
- **Other costs** in the first half of 2025 amounted to EUR 7.6 million and have increased by EUR 0.8 million, compared to the first half of 2024. The primary reason for this change was the costs associated with the write-off of non-current assets.

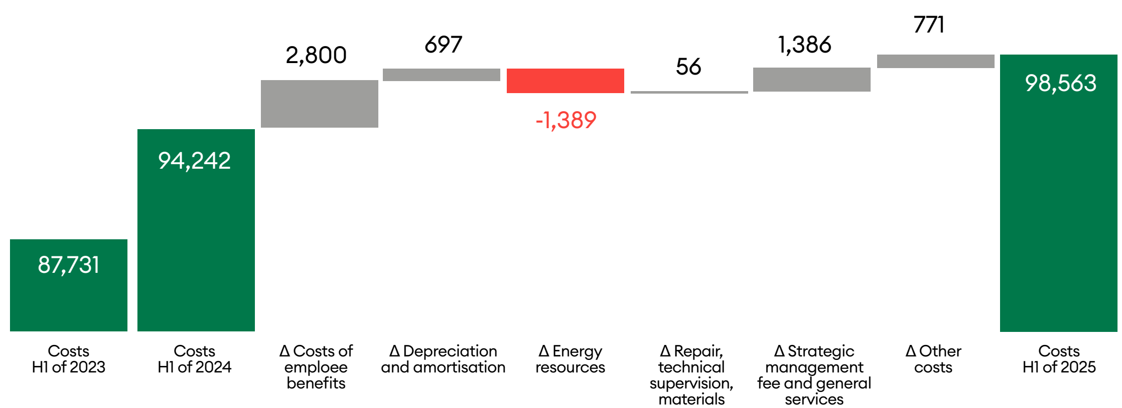
Company costs, EUR thousand



Company's costs structure in THE FIRST HALF of 2025, %



Change in the Company's costs, EUR thousand



Performance

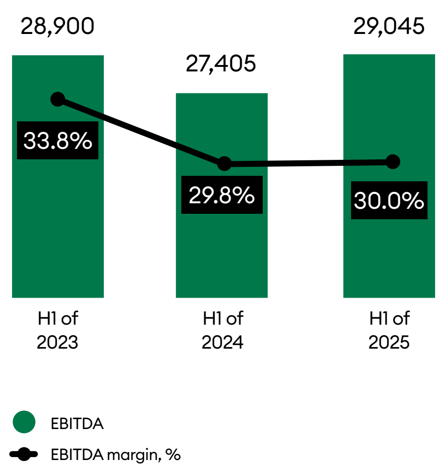
Analysis of the Company's financial results reveals that due to the sanctions on Russia and Belarus and the effort to reduce ties with these countries, the volume of freight transported continues to decline. In the first half of 2025, one of the key performance indicators – train operational volume – amounted to 6.2 billion tkm gross gross (4.6% less than in the first half of 2024 and 10.3% less than in the first half of 2023). In the first half of 2025, passenger transport volumes partially compensated for the decrease in freight flows.

The Company's sales revenue, excluding state subsidies, have increased from EUR 58.6 million in the first half of 2024 to EUR 61.1 million in the first half of 2025, showing a rise of EUR 2.5 million. This growth was primarily driven by the increase in the rates of certain railway service facilities (RSF).

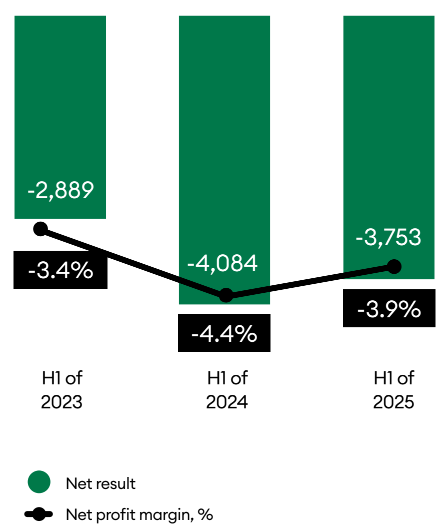
A crucial element for ensuring the Company's stable operation is the agreement signed on 6 April 2022 with the Ministry of Transport and Communications of the Republic of Lithuania. This agreement concerns the quality and financing of railway service facilities owned by the Lithuanian state (reference). The five-year agreement enables the assurance of stable infrastructure maintenance, a high level of railway transport traffic safety, and the quality of services provided. The long-term commitment of the State **to balance revenue and costs of the infrastructure manager** is established in the legal acts of the European Union and Lithuania.

During the first half of 2025, the Company continued its **operational efficiency program** focused on cost management, process optimisation, and digitalisation. As a result of these measures and revenue growth, the Company's financial results improved – EBITDA increased by 6.0%, compared to the first half of 2024, reaching EUR 29.0 million. Although the Company's net result remained negative, it improved from EUR -4.1 million in the first half of 2024 to EUR -3.8 million in the first half of 2025.

Company's EBITDA, EUR thousand



Company's net result, EUR thousand



Changes in the Statement of Financial Position

As at 30 June 2025, the Company's assets amounted to EUR 2,105.0 million and increased by 3.4%, compare to the year ended 31 December 2024. Non-current assets, which accounted for 94.8% in the overall structure, increased by 2.4% up to EUR 1,994.7 million. Due to the Company's long-term investment projects, which take several years to complete, the most significant increase was observed in construction in progress.

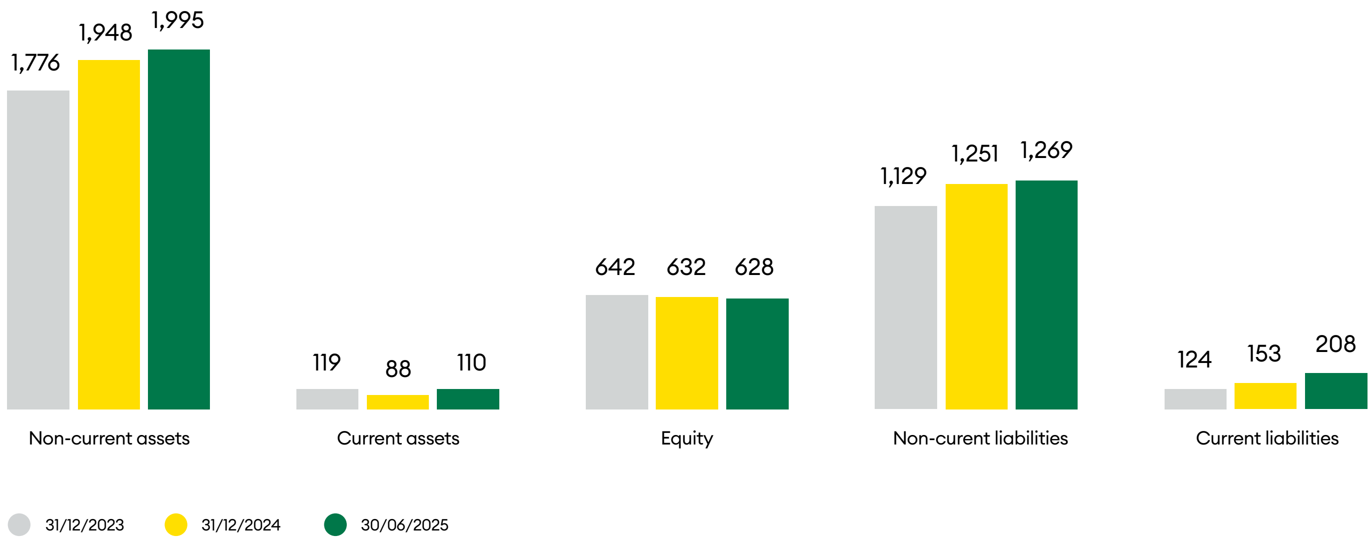
During the first half of 2025, the current assets increased by EUR 22.8 million and amounted to EUR 110.4 million as at 30 June 2025. The change in current assets was influenced by increased trade and other receivables.

Authorised capital remained unchanged at EUR 654.9 million during the period under review. During the first half of 2025, equity decreased by EUR 3.7 million and amounted to EUR 628.4 million as at 30 June 2025. The changes were determined by a decrease in the Company's result for the period.

During the first half of 2025, non-current liabilities increased by EUR 18.0 million or 1.4% and amounted to EUR 1,269.0 million as at 30 June 2025. The growth of non-current liabilities was determined by an increase in grants for investments.

In the first half of 2025, the current liabilities increased by EUR 55.2 million and amounted to EUR 207.7 million as at 30 June 2025. These changes were influenced by increased short-term loans from the LTG Group's cash-pool account.

Main changes in the items of the Statement of Financial Position, EUR million



Key financial indicators *

	Measurement unit	The first half of 2025	The first half of 2024	The first half of 2023
Sales revenue	EUR thousand	61,125	58,579	57,694
Revenue from grants	EUR thousand	35,741	33,256	27,933
Other operating income	EUR thousand	328	95	340
Total revenue	**EUR thousand**	**97,194**	**91,930**	**85,967**
Costs	**EUR thousand**	**(98,563)**	**(94,242)**	**(87,731)**
EBITDA	EUR thousand	29,045	27,405	28,900
Adjusted EBITDA	EUR thousand	29,018	28,152	28,682
EBITDA margin	%	30.0%	29.8%	33.8%
Adjusted EBITDA margin	%	30.0%	30.7%	33.5%
EBIT	thousand EUR	(1,370)	(2,311)	(1,764)
EBIT margin	%	-1.4%	-2.5%	-2.1%
Net profit (loss)	**EUR thousand**	**(3,753)**	**(4,084)**	**(2,889)**
Net profit/(loss) margin	%	-3.9%	-4.4%	-3.4%

	Measurement unit	30-06-2025	31-12-2024	31-12-2023
Non-current assets	EUR thousand	1,994,660	1,948,022	1,776,396
Current assets	EUR thousand	110,385	87,623	118,518
Total assets	**EUR thousand**	**2,105,045**	**2,035,645**	**1,894,914**
Equity	EUR thousand	628,386	632,129	641,907
Financial debt	EUR thousand	185,835	124,483	128,881
Net Debt	EUR thousand	162,772	90,783	51,859

	Measurement unit	30-06-2025	31-12-2024	31-12-2023
Return On Equity (ROE)	%	-1.3%	-1.4%	-1.3%
Return On Assets (ROA)	%	-0.4%	-0.4%	-0.5%
Return on Investment (ROI)	%	-0.5%	-0.5%	-0.5%
Financial debt / EBITDA	Times	3.3	2.3	2.2
Financial debt / Equity	%	29.6%	19.7%	20.1%
Net debt / EBITDA	Times	2.9	1.6	0.9
Net debt/Adjusted EBITDA	Times	2.9	1.6	0.9
Equity ratio	%	29.9%	31.1%	33.9%
Asset turnover ratio	Times	0.1	0.1	0.1
Quick liquidity rate	Times	0.4	0.4	0.9
Gross liquidity rate	Times	0.5	0.6	1.0

** definitions of the indicators are presented on page 53 of the Report.*

Financing of the Company

As of 30 June 2025, the size of the Company's loan portfolio (taking into account accrued interest and the use of LTG Group account funds) amounted to EUR 183,892 thousand (as at 31 December 2024: EUR 122,750 thousand). No new non-current loans were received.

As at 30 June 2025, the weighted interest rate of the Company's loan portfolio was 3.5% (31 December 2024: 4.3%). The longest repayment term for financial debt is 7 years, with the final repayment due in 2032.

To balance the working capital, the Company used the LTG Group's cash pool to optimise the use of working capital and short-term borrowing costs. The parent company of the LTG Group has signed an agreement with a credit institution for the provision of LTG Group account services, and accordingly, LTG and the Company enter into an inter-company lending agreement each year. The terms of the agreement comply with the requirements of Article 24^1 (3) of RTC. The agreement between LTG and the Company is effective until 31 December 2025.

The following financial indicators are monitored in the Company in accordance with the financial terms of credit contracts:

Indicators monitored by institutional creditors	Measurement unit	The first half of 2025	Determined value
Net debt/Adjusted EBITDA	Times	2.9	< 4.0
Equity ratio*	%	84.0	≥ 30.0%
Debt Service Coverage Ratio	Times	2.4	≥ 2

** According to the agreement with the Nordic Investment Bank (NIB), when calculating the Equity Ratio indicator, Grants are added to the Equity line item on the statement of financial position.*

As of 30 June 2025, the financial and non-financial terms of loan agreements are being fulfilled.

Special obligations

Special obligations – are functions that a state-owned enterprise (SOE) would not undertake on a commercial basis (or would do so at a higher cost than determined) and which are assigned to it by a state decision.

The current list of special obligations carried out by SOEs was approved by the Lithuanian Minister of Economy and Innovation on 16 March 2021, under Order No. 4-193, with subsequent amendments (reference).

The Company fulfils the special obligation of maintaining, renewing, and developing public railway infrastructure, provides public railway infrastructure usage services, and manages public railway infrastructure under the right of trust.

Current information about the special obligations carried out by the Company is provided in the **Company's 2024 annual management report** (reference) and on the Company's website (reference)

- Purpose of fulfilling the special obligation
- Legal acts that mandate the execution of the special obligation and establish its implementation conditions and pricing regulations:
- Financing mechanism for the special obligation
- Results of fulfilment of special obligations
- Indicators of fulfilment of the special obligation

Investments

LTG Infra's investments in the first half of 2025 amounted to EUR **96.2 million**, the major part of which includes the Rail Baltica and Electrification projects. The increase in the scope of the contract work for these two projects led to a significant increase in the investment level of LTG Infra, compared to previous periods.

Investments, EUR thousand	The first half of 2025*	The first half of 2024	The first half of 2023
Rail Baltica	52.0	21.4	38.8
Electrification of the Vilnius–Klaipėda corridor	15.9	23.7	79.7
Track upgrade programme	11.4	6.1	6.4
Other	16.9	14.8	21.9
Total	**96.2**	**66.0**	**146.8**

** Provisions (transferred assets) are excluded, with a value of EUR 6.7 million in the first half of 2025.*

Key investment projects

Development and renewal of railway infrastructure

Continuation of the largest project of Lithuanian railway infrastructure – Rail Baltica

Rail Baltica aims at connecting the Baltic States with the European-gauge track network dominating in the EU countries.

Project progress in the first half of 2025 includes:

- In the railway section Kaunas–LT/LV state border:

- ongoing technical design works for individual sections of the railway line;

- construction of the bridge over the Neris river near Jonava (the longest bridge in the Baltic States – 1.5 km);

- ongoing contract earthworks and engineering constructions in the railway section Šveicarija–Žeimiai, Žeimiai–Šėta and Šėta–Ramygala (44.8 km);

- procurement of contract earthworks in sections Kaunas (Palemonas)–Šveicarija, Ramygala–Berčiūnai, and Berčiūnai–Joniškėlis (68 km);

- procurement of upper road structure construction works in the section Šveicarija–Žeimiai (10 km).

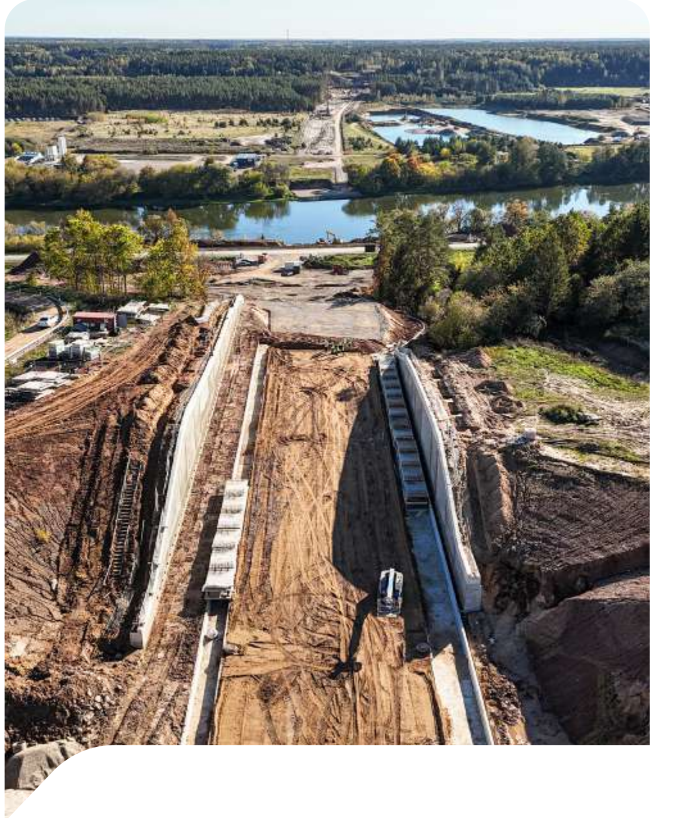
- preparation for announcing the procurement of design works for the Panevėžys–LT/LV state border section.

- Section PL–Jiesia and Kaunas Node:

- ongoing land acquisition activities for public needs;

- ongoing procurement of design works;

- ongoing procurement for the installation of signalling on the existing 1435 mm RB1 line PL–Palemonas.



- Section Kaunas–Vilnius:

- ongoing final territorial planning activities.

- Additionally, centralised procurement for traffic management and control systems, as well as electrical network design and installation services, is being conducted for all three countries.

Railway electrification project

- As part of implementing the Vilnius–Klaipėda corridor electrification project, construction works in the Vilnius railway node have been completed, with corrections being made and plans to connect the contact network to the power supply. In May 2025, the reconstructed Lentvaris traction substation, which supplies electricity to the Vilnius railway node, was put into operation. Intensive work is being carried out in the Kaišiadorys–Klaipėda (Draugystės station) section, where approximately 85% of the work has been completed. It is planned that the contact network construction on the main tracks will be completed by the end of the year. Two traction substations have also been completed in this section, and works are underway to connect them to the Litgrid transmission network.
- By the end of 2026, the completion of the electrification project (electrification of 363 km of tracks) will enable freight and passengers to be transported along the entire railway corridor Kena–Vilnius/Vaidotai–Šiauliai–Klaipėda by means of environmentally friendly and efficient electric traction.
- The project for installing passenger train battery charging infrastructure has commenced at Varėna station, where work is progressing rapidly according to the plan. The production of the main charging station has begun, with 51% of the work completed.

Other directions in the development and modernisation of railway infrastructure

Adapting railway infrastructure for national security needs

- Procurement procedures for construction works for the Military-Civilian Loading Area project in Palemonas. The site will be connected to the European gauge railways and adapted to military needs.
- Reconstruction of the access road to the fuel base of the Ministry of Defence (Pajuostis, Panevėžys district).
- Ongoing projects for the installation of X-ray inspection systems at the border stations of Kybartai and Stasylai.
- Reconstruction of the Pirčiupiai–Jašiūnai crossing to prepare for the establishment of the Rūdininkai polygon. The crossing structure replacement works have been completed, and reconstruction of signalling equipment is planned to be carried out soon.
- The Rūdninkai training area railway infrastructure project is being planned, with preparations for procurement announcements underway.
- Ongoing procurement of construction works for the reconstruction of track No. 2BEU at Šeštokai railway station and the construction of a platform adjacent to the track.

Ongoing digitisation of railway infrastructure

- The Station Management and Tools Modernisation (SMTM) project is being implemented to improve the operational efficiency of railway stations. The project will develop a new operating model and implement the most appropriate management tool of railway stations;
- Ongoing projects to improve the efficiency of traffic management, develop a business model for infrastructure maintenance, and other digitisation projects.

Modernization of railway crossings, stations, and their access points to improve their safety and attractiveness to the public

- To make train journeys easily accessible for passengers with disabilities, the "Barrier-free Route" project is continued in 2025 to make train journeys accessible for people with disabilities in railway station areas. The project renovates the railway station accesses, builds ramps, warning strips and other measures.
- The reconstruction of the Vilnius railway station building has been completed, increasing the attractiveness of Vilnius station for passengers and adapting the station for commercial purposes.

- In 2025, reconstruction projects for pedestrian viaducts at Gaižiūnai, Panevėžys, and Radviliškis stations began, adapting them for people with disabilities. Preparations are underway for procuring design services.
- Design service contracts were signed in 2025 for the design of two-level crossings over the railway at Kretinga and Klaipėda stations.
- A program is planned for platform renewal on TEN-T lines Vilnius–Klaipėda, Vilnius–Kaunas, Vilnius–Turmantas, and Klaipėda–Pagėgiai. By 2029, it is intended to reconstruct 13 stations and 18 stops (a total of 52 platforms), adapting the infrastructure for disabled and mobility-impaired individuals. Preparations are underway for procuring design services.
- The modernisation project for the crossing at Vilnius–Klaipėda 351+780 km (Kretinga) has been initiated, with preparations for procuring design services.
- Modernisation works for priority crossings on the Vilnius–Klaipėda railway line are ongoing. In the first half of 2025, the crossing at Šilėnai station was put into use, and the crossing between Radviliškis and Šilėnai stations was launched for trial operation. The modernisation of an additional seven crossings is planned to be completed by the end of Q3 2025.

Renovation railway infrastructure objects

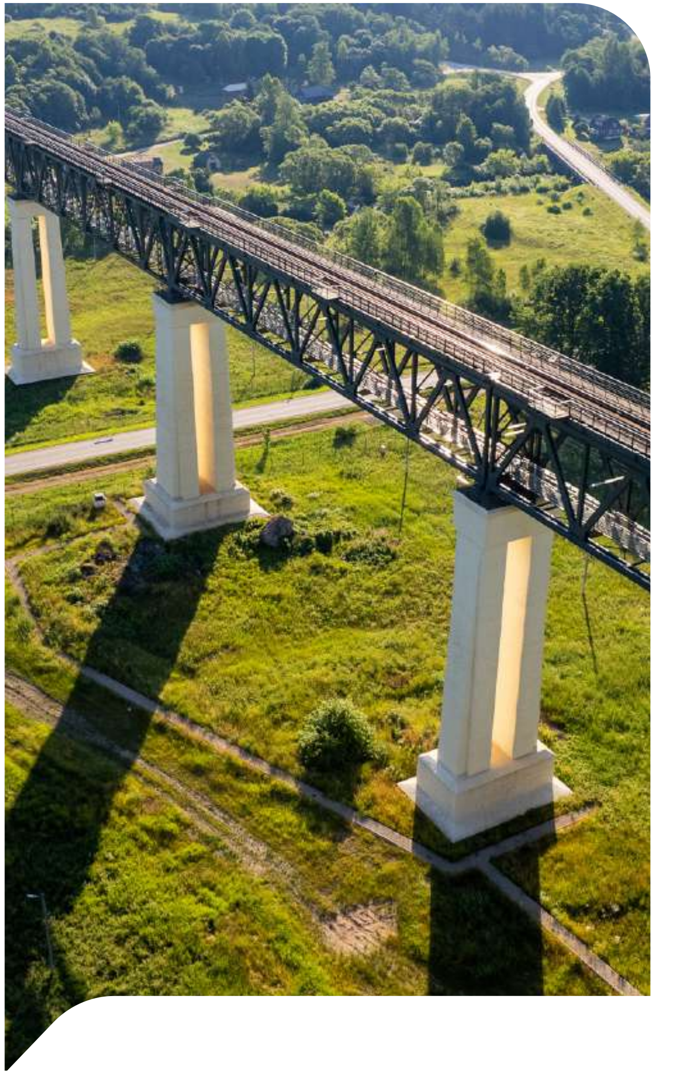
- LTG Infra is investing in the renewal of its existing infrastructure to ensure safety and the smooth continuation of its core activities. During the reporting period, renovation works were carried out on the main railway tracks, switch replacement programme, reconstruction of defective bridges, repairs of level crossings, replacement of overhead catenary pylons in a state of disrepair (on the Vilnius–Kaunas section), a project for the replacement of the electrical switches and signalling equipment in the Vilnius Region stations, rehabilitation of the fence of the Vilnius Railway Station, replacement of air-conditioning systems in the infrastructure facilities and other asset renovation works. During the first half of 2025, the works by the value of EUR 19.2 million have been carried out to renew railway infrastructure assets, including EUR 11.4 million for the renewal of the main rail roads.
- The station track repair program is underway. Physical construction works began in June 2025, marking the continuation of this ongoing repair initiative.

Planned investment projects and investment directions

The following investments in rail infrastructure are planned for the near future:

- The projects that have been started but not finished in 2024 will be continued, of which the most significant are **Rail Baltica** and railway **electrification**, as well as projects dealing with adaptation of stations for people with disabilities, modernisation of level crossings and digitisation projects;
- renovation of depreciated assets (main rail roads, switches, bridges, catenary supports, level crossings and other facilities) necessary to ensure traffic safety and maintain the parameters of the existing infrastructure;
- intensification of investments to increase military mobility in the country (installation of a military/civilian loading site in Palemonas) and national security (installation of X-ray machines at border stations).

The investment programme (scope of asset renewal, inclusion of individual projects in the investment portfolio) of LTG Infra depends to a large extent on the funding decisions of the EU and the State budget.



Dividend policy

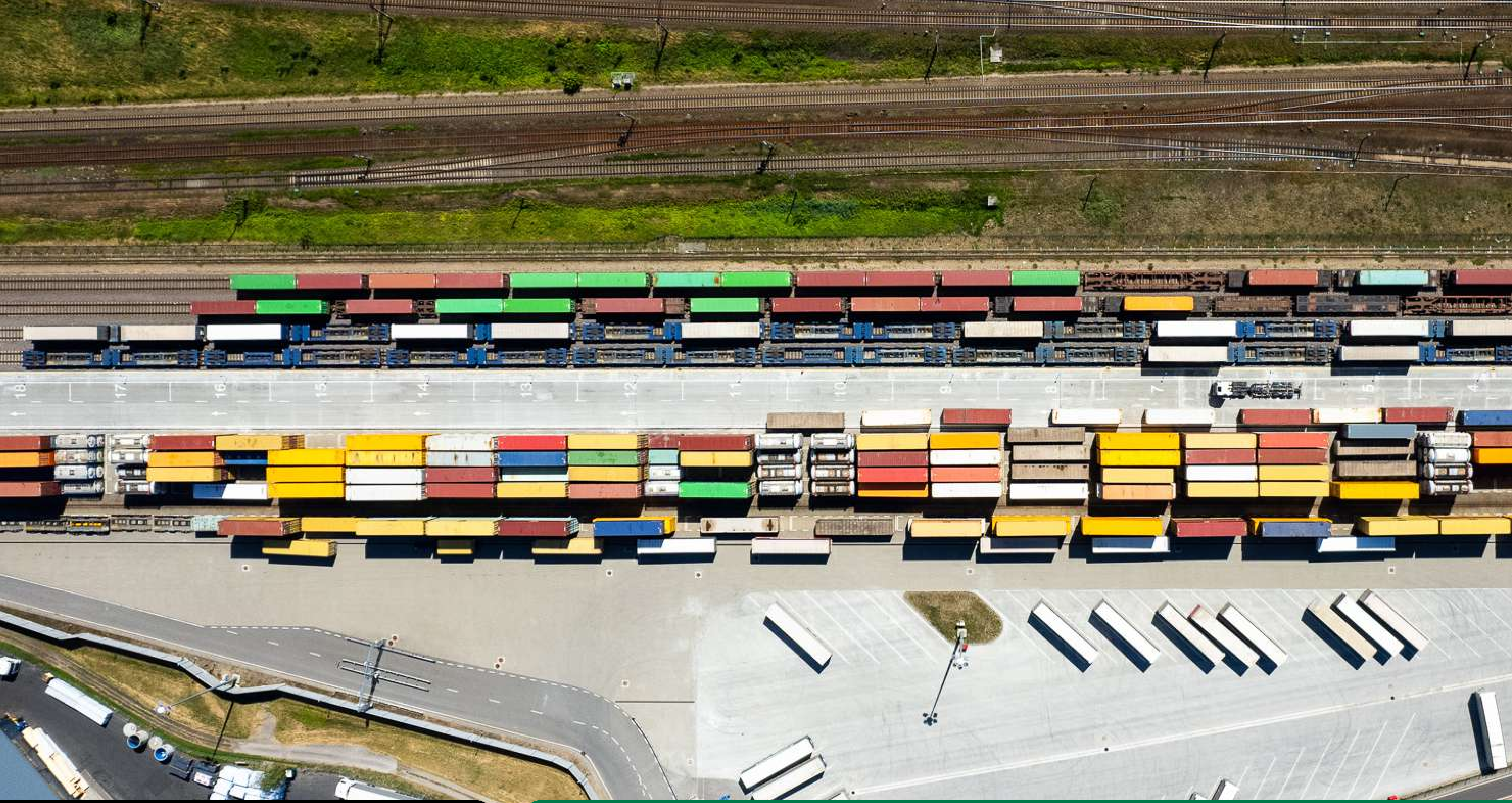
The payment of dividends by state-owned enterprises and the amount of profit distributions is governed by Resolution No 665 of 6 June 2012 of the Government of the Republic of Lithuania 'On approval of the procedure for exercising pecuniary and non-pecuniary rights of the state in state owned enterprises', and the amendments thereto (reference). The consolidated version is effective as of 5 April 2022.

The allocation and payment of dividends of the Company is governed by the LTG Group's Procedure for Allocation of Dividends and the Description of the Procedure for the Calculation and Use of the Public Railway Infrastructure Manager's Operating Result, approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania No 3-289 of 6 June 2022, which has been drawn up in accordance with the provisions of Article 24^1(9) of the RTC (reference).

The Company, performing the functions of public railway infrastructure manager, pays dividends calculated in accordance with the Procedure for Allocation of Dividends to the extent compatible with the requirements of Article 24^1 (10–12) of the RTC and the provisions of the Description of the Procedure for the Calculation and Use of the Public Railway Infrastructure Manager's Operating Result.

Allocation of dividends for the financial year or a period shorter than the financial year is planned taking into consideration the level of return on equity, net profit earned, financial ability to pay dividends, implementation of economic projects of state importance, as well as other circumstances and conditions as set out in the Procedure for Allocation of Dividends. The dividend payout ratio is calculated based on retained earnings and depends on the ROE at the end of the reporting period.

The Company has not paid any dividends over the last three years.

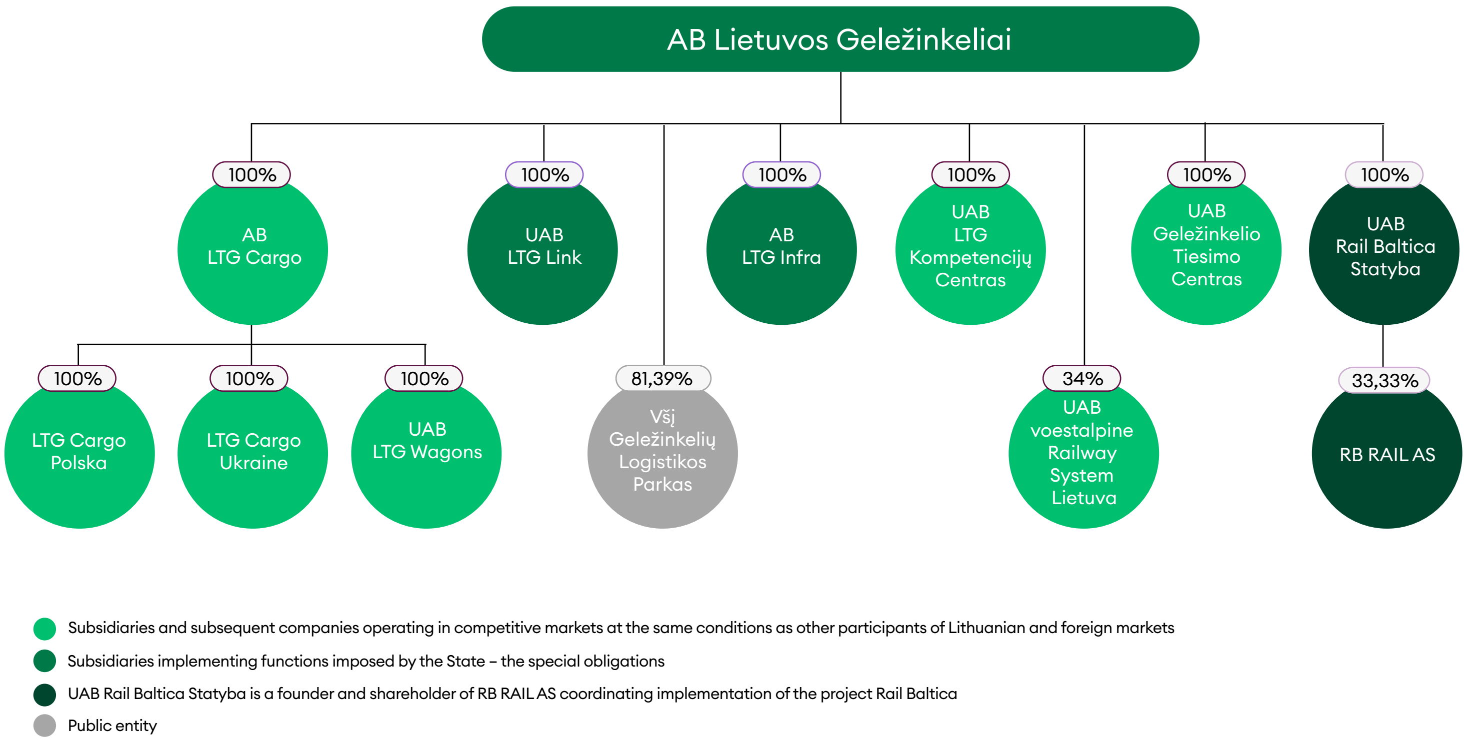


Governance

Overview

Group structure

The Company belongs to the LTG Group, the largest freight, passenger and infrastructure management group in the Baltic States. 100% of the company's shares are owned by the parent company AB "Lietuvos geležinkeliai". The shareholder of AB "Lietuvos geležinkeliai" is the State of Lithuania, which owns 100% of the shares, and the shareholder's rights and obligations are exercised by the Ministry of Transport of the Republic of Lithuania. The Company did not have any subsidiaries during the reporting period.



Governance model

LTG Group's corporate governance is organised in such a way as to maintain an effective and result-oriented balance between the management and control measures of LTG Group. The governance model of the LTG Group is centralised, i.e. the governing bodies of LTG (further - LTG) consider and approve the LTG Group's consolidated strategy, consolidated business objectives, the indicators against which they are measured and the targets to be achieved, consolidated budget and operating plan. LTG establishes 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, by consolidating competences and introducing functional excellence. The parent company coordinates the finance, legal, planning and monitoring, human resources, risk management, audit, technology, communication and other general areas of the LTG Group companies through common policies, regulations and norms that apply to all LTG Group companies.

This governance model is applied by the Company to the extent it does not conflict with the 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.

The corporate governance of the LTG Group is organised according to the following principles:

- Openness and transparency of operations;
- Compliance with the legal framework and effectiveness of corporate governance;
- Fulfilment of shareholders' expectations;
- Cooperation with stakeholders and their role;
- Effective and efficient risk management and internal control systems;
- Clarity and sustainability of objectives;
- Responsibility and accountability of the governing bodies.

Operational policies

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

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

The updated Procurement Policy aims to define the key principles and objectives of procurement activity management, ensuring that procurements are conducted in accordance with high quality standards, promoting competition, innovation, sustainability, and efficient use of resources. It also ensures that inventory is managed following best practices and methods of inventory management.

The National Security Compliance Policy aims to establish LTG Group's strategic and unified approach to ensuring compliance with national security requirements. This arises from the status of LTG Group, whose respective companies are considered important for ensuring national security, and the resulting obligation to operate in accordance with national security interests.

The updated Strategic Planning and Management Policy establishes the general principles, responsibilities, and key operational processes of strategic planning and management within the LTG Group. It aims to ensure coordinated strategic planning and management across the Group.

Governance recognitions

LTG Group is among the leading state-owned enterprises (SOEs) in the 2023/2024 Good Governance Index assessment among SOEs in the large enterprise category, with the highest rating of "A+".

The Company received the highest "A+" rating in all categories (transparency, collegial bodies, strategic planning).

A+	A+	A+	A+
Transparency	Collegial bodies	Strategic planning and implementation	Good Governance Index

The assessment tool developed by the Governance Coordination Centre – the Good Governance Index for SOEs – is used to assess the quality of SOEs' governance, and aims to measure and assess the implementation of key good governance practises by state-owned enterprises and the representative institutions that control them It is currently the only tool that monitors the governance of SOEs and assesses the quality of governance and compliance of all SOEs and their subsidiaries with the provisions of legislation.

Articles of association of the company

During the reporting period, the Company's Articles of Association were not amended.

The currently valid Articles of Association of the Company are available on the Company's website (reference).

Information about shares as at 30 June 2025

Amount of authorised capital, EUR thousand	Number of shares, units	Nominal value per share, EUR
654,928	654,928	1,000

All the shares of the Company are of the same class, i.e. ordinary registered shares. The shares are non-certified, and they are recorded in personal securities accounts, in accordance with the procedure established by the legislation.

During the reporting period, the Company did not acquire any of treasury shares or shares of the other companies of the LTG Group.

Current governance information is provided in the **Company's 2024 Annual Management Report** (reference) and on the Company's website (reference)

- Competence of the General Meeting of Shareholders
- Board members' functions, competences, selection criteria, information on remuneration, Board's self-evaluation and results
- Company manager's functions and competence

Governing bodies of the Company

According to the Articles of Association, the management bodies of the Company are as follows:

- The General Meeting of Shareholders;
- The Board;
- The Head of the Company (CEO).

The General Meeting of Shareholders

The supreme governing body of the Company. The competence of and the procedure for convening the General Meeting of Shareholders, along with the procedure for decision making, are established in the Law on Companies of the Republic of Lithuania, other legislation and the Articles of Association of the Company.

The sole shareholder of the Company is LTG which adopts the main decisions related to implementation of property rights and obligations of the Company's shareholder.

The Company has not issued preference shares. During the reporting period, a voting right was not restricted.

During the reporting period, the shareholder's property and non-property rights were not restricted, and there were no special rights for the shareholder.

The Board

The Board is a collegial management body of the Company, which consists of 5 members. The members of the Board are elected by the General Meeting of Shareholders for a 4-year term office. The Board elects the chairman from among its members. The same person may be elected as a member of the Board for no more than 2 consecutive terms of office.

Independent members of the Board shall be elected in accordance with 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). When forming the board, the provisions of the Selection Description regarding the versatility of the competences of the board members, the requirements for compliance with general and special requirements are followed.

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

The term of office of the Board covers the period between 23-01-2023 to 23-01-2027.

None of the members of the Board own shares of the LTG Group companies.

Composition of the Company's Board

GEDIMINAS ALMANTAS

Independent Board Member, Chairperson
Holds position as of 23 January 2023

EDUCATION

- Master of Law, Vilnius University;
- Master of Law, University of Bern (Switzerland) LL.M.;
- Copenhagen Business School (CBS) Industrial Doctoral Student (Ethics and Morality of Business Negotiations);
- American Express Leadership Academy studies at Arizona State University (Arizona State University/ Thunderbird School of Global Management);
- Studies at the Swedish Institute of Sustainable Organizational Management Program "Sustainable Leadership" for Northern Europe.

OTHER POSITIONS HELD

- Chairman of the Board at AB Novaturas;
- Chairman of the Board at AB Lietuvos oro uostai;
- Member of the Board at AB KN Energies;
- Member of the Council at VšĮ Atviros Lietuvos Fondas;
- Member of the Compliance and Mediation Committee of the International Federation of Red Cross and Red Crescent Societies (Geneva);
- Independent member of the Procurement and Investment Committee of the Lithuanian Radio and Television Council.

HAROLDAS NAUSĖDA

Independent member of the Board
Holds position as of 23 January 2023

EDUCATION

- Bachelor of Computer Science, Vilnius University;
- Master of Business Management and Administration, Vilnius University;
- Master of Business Management for Executives at ISM Executive School and BI Norwegian Business School;
- Studies of Managers and Board Members at the Baltic Institute of Corporate Governance.
- Leadership Studies at Oxford University.

MAIN EMPLOYER, POSITION

- Director of Business Clients and Development Service of UAB Ignitis.

OTHER POSITIONS HELD

- Member of the Board of Ignitis Eesti OÜ;
- Chairman of the Board of Ignitis Suomi Oy.

RAMŪNAS RIMKUS

Member of the Board, Civil Servant
Holds position as of 23 January 2023

EDUCATION

- Bachelor of Transport Economics, Vilnius Gediminas Technical University (now Vilnius Tech);
- Master of Transport Logistics, Vilnius Gediminas Technical University (now Vilnius Tech).

MAIN EMPLOYER, POSITION

- Head of the Strategic Planning Division of the Budget and Investments Department of the Ministry of Transport and Communications of the Republic of Lithuania.

SIGITAS KUBILIS

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

EDUCATION

- Bachelor of Construction Economics, Vilnius Gediminas Technical University (now Vilnius Tech);
- Master of Engineering Economics and Management, Vilnius Gediminas Technical University (now Vilnius Tech).

MAIN EMPLOYER, POSITION

- Strategy and Development Functions Chief Expert in Project and Investment Management of AB Lietuvos Geležinkeliai, Geležinkelio St. 16, Vilnius, company code 110053842.

GEDIMINAS ŠEČKUS

Member of the Board delegated by the shareholder
Holds position as of 1 February 2025

EDUCATION

- Master of Law, Vilnius University;
- Studies of Managers and Board Members at the Baltic Institute of Corporate Governance.

MAIN EMPLOYER, POSITION

- Business Resilience Director at AB Lietuvos Geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842.

Changes in the composition of the Board during the reporting period

During the reporting period, there were changes in the composition of the Board. Until 1 February 2025, the position of a Board member was held by Ieva Lauraitytė, the Chief Executive Officer of UAB LTG kompetencijų centras. From 1 February 2025 and until the end of the current Board's term, Gediminas Šečkus, LTG Business Resilience Director, was elected as a member of the Board.

Information on attendance of Board meetings during the reporting period

During the reporting period, a total of 13 meetings of the Board were held, of which 2 meetings were held in the form of a survey (in writing).

Name, surname of the member	Board meetings
Number of meetings during the first half of 2025 (including away meetings, voting in advance in writing)	13
Gediminas Almantas	13
Haroldas Nausėda	13
Ramūnas Rimkus	13
Ieva Lauraitytė	2 *
Sigitas Kubilis	13
Gediminas Šečkus	11 *

** Ieva Lauraitytė held the position of a Board member until 1 February 2025, while Gediminas Šečkus began his duties as a Board member from 1 February 2025. Consequently, there is a noticeable difference in their participation.*

Committees and their activities

The Nomination and Remuneration Committees and Audit Committee of LTG operated at the 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 conclusions, opinions, recommendations and proposals to the LTG Board on the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

Management

Head of the company

The Chief Executive Officer (CEO, Head of Company) is a single-person management body of the Company who organises and manages daily operation of the Company in accordance with his/her powers. Obligations and competences of the Chief Executive Officer are defined in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company published on the Company's website (reference). The CEO is elected for a 5-year term office by the Board of the Company, to which he/she is accountable. The same person may be appointed as the CEO for no more than 2 consecutive terms of office.

The first 5-year term of office of the Company's Chief Executive officer Vytis Žalimas began on 1 December 2023.

VYTIS ŽALIMAS

Chief Executive Officer of the Company
Holds office as of 1 December 2023

EDUCATION

- Bachelor of Management Information Systems and Services, Vilnius University;
- Master of International Trade and Marketing, International Business School, Vilnius University.

MAIN EMPLOYER, POSITION

- AB LTG Infra, Chief Executive Officer;
  Geležinkelio St. 2, Vilnius, company code 305202934.

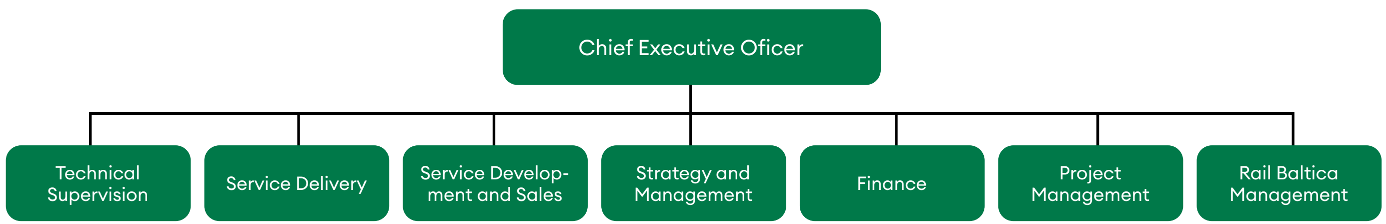
Management and organisational structure of the company

In order to grow the long-term value of LTG Group companies, to ensure rational and efficient use of funds, assets and other resources, and to meet shareholders' expectations and interests, the LTG Group's operating model is focused on the purification and concentration of core activities in subsidiaries. LTG Infra, as part of the LTG Group, is responsible for the performance of the core business of LTG Infra' and the achievement of its defined performance targets.

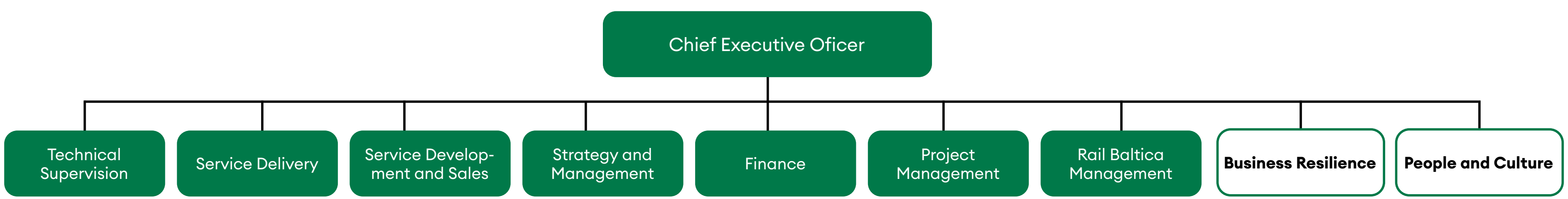
In order to achieve the set goals and to ensure proper management, AB LTG Infra acts independently in carrying out its activities, makes the decisions in its field of competence and ensures the accountability and responsibility for its performance. In its activities, the Company is guided by the Law on Joint-Stock Companies of the Republic of Lithuania and other legal acts of the Republic of Lithuania regulating the activities of joint-stock companies, including state-owned companies, as well as railway transport, the Company's Articles of Association, decisions of the Company's governing bodies.

In line with LTG Infra's 2024–2028 strategy priorities and development plans, and in order to manage its operations more efficiently, LTG Infra's governance structure was amended on 12 March 2024 with effect from 1 June 2024, and a new governance structure for LTG Infra was approved on 5 December 2024 with effect from 1 February 2025. The positions of Business Resilience Partner and People and Culture Partner were established with direct reporting to the CEO of the Company.

Governance structure of the Company until 01-02-2025:



Governance structure of the Company from 01-02-2025:



Management of the Company

VYTIS ŽALIMAS	Chief Executive Officer	Holds position as of 1 December 2023
JUSTAS VYŽINTAS	Head of Rail Baltica Management	Holds position as of 2 May 2024
ARVYDAS DVEILYS	Head of Technical Supervision	Holds position as of 8 December 2019
TOMAS JONIKAITIS	Head of Service Delivery	Holds position as of 1 June 2021
RAMŪNAS DOKŠAS	Head of Strategy and Management	Holds position as of 3 April 2024
RAIMONDAS ZEMIKAS	Head of Project Management	Holds position as of 10 July 2023
JADVYGA DIRMANTIENĖ	Head of Service Development and Sales	Holds position as of 2 May 2024
JŪRATĖ ČEPAITIENĖ	Chief Financial Officer	Holds position as of 4 November 2024
VIDMANTAS ČERKAUSKAS	Business Resilience Partner	Holds position as of 11 November 2024
GRETA KERNAGIENĖ	People and Culture Partner	Holds position as of 1 February 2025

Management of interests

During the reporting period, the Company's Board actively enforced compliance with national and Company's internal legislation on the prevention of conflicts of interest. Potential conflicts of interest were checked at the beginning of each Board meeting and, in the event of potential conflicts of interest, Board members abstained from voting on the relevant agenda items.

During the reporting period, all members of the Company's Board, the Company's Chief Executive Officer and executives submitted declarations of private interests to the Chief Official Ethics Commission, which can be found on the Commission's website www.vtek.lt.

Information on remuneration of Board members

The principles for determining the remuneration of the Company's Board are disclosed in the Governance section of the Company's annual management report (reference).

Remuneration paid to Board members during the first half of 2025:

Name, surname of the member	Remuneration for activity of a member of the Board in the first half of 2025, EUR *
Gediminas Almantas	20,934
Haroldas Nausėda	15,702
Ramūnas Rimkus	7,848
Sigitas Kubilis	7,848
Gediminas Šečkus	6,540
Ieva Lauraitytė	1,308

** The presented remuneration is inclusive of all taxes and contributions payable.*

Employees

LTG INFRA

The current people and culture policy, applicable to all LTG Group companies, is published alongside publicly available internal regulations on the LTG Group's website (reference).

The distribution of employees by age, gender, tenure, and education, as well as information about remuneration management principles, along with links to the current remuneration policy, are published in the Employees/Remuneration section of the Company's annual management report (reference).

Initiatives and important events in the first half of 2025

- In April, discussions were held with trade union representatives regarding the implementation results of the LTG branch collective agreement for 2024, with detailed presentations and discussions on topics such as remuneration, employee development, organisational culture, training, and workplace safety.
- From 1 April, an annual review of base salaries was implemented, which resulted in an increase of the monthly base salary fund by EUR 384 thousand or 8.2%, and the salary increase, based on unified review criteria, was implemented for 97% of employees.
- In April 2025, by decision of the Company's Board, a bonus amounting to EUR 3 million was paid out to employees for the results reached in 2024.
- Based on the Employee Voice survey, conducted in the autumn of 2024, which received historically high employee engagement (92%) and revealed a significantly increased engagement indicator (87), directions to enhance engagement were refined after the discussions with employees at the beginning of the year: improvement of reputation, development of managers and strengthening of leadership, increase of efficiency, improvement of working conditions and employee well-being, talent management, and recognition. Despite the high overall engagement indicator, departments incorporated specific measures or initiatives into their plans where lower engagement was identified.
- In April, a recognition program involving all LTG Group employees was launched, aimed at increasing employee engagement, which significantly influences the organisation's success. This program has combined new and existing measures to recognise, nominate, and thank colleagues who, beyond their direct functions, actively share and implement ideas; are seen as examples of value-driven behaviour; engage in activities that unite LTG Group colleagues, strengthen the dissemination of information about the group, and other organization-promoted activities; are loyal and have steadfastly walked alongside the organisation for many years. Employees who win nominations are awarded ePoints, which they can use in the partner MELP online store to purchase LTG brand products or choose from a wide range of other goods and services. The MELP platform not only provides access to the online store but also offers a wide selection of various discounts and has become a tool to follow internal news and see all employee benefits in one place.
- In May, reinforcing the principles of equality, diversity, and inclusion, which are part of the strategic direction of an inclusive organisational culture, the concept of a close family member was expanded to include partners and non-biological children. In June, for the first time, participation took place in the LGBTQ+ processions "For Equality". A broad internal communication campaign was conducted regarding the Transparency Line. Duoday was organised independently and in collaboration with SOPA. When renewing the supplementary health insurance contract and inviting employees to choose their preferred option, employees on parental leave were included. As part of the diversity awareness project, lectures were organised for all employees and training sessions were held for targeted employee groups.
- In the first half of 2025, significant attention was paid to fostering a feedback culture, aiming to create an open, collaborative, and continuously improving organisational environment. Employees were actively encouraged to provide feedback to each other, thereby strengthening mutual trust and awareness in daily activities.
- Expanding measures to strengthen responsible leadership and sustainable human resource development, all managers were invited to conduct a 360-degree leadership competency assessment, and a significant portion of managers participated. The assessment was conducted using the internal SAP SF 360 feedback platform, and its goal was to provide quality and constructive feedback on leadership competencies, help identify strengths and behaviours to improve, and create individual development plans.
- To continue the improvement initiatives, in the first half of 2025, 17 remote lectures on topics such as mental health, sustainability, personal effectiveness, diversity and inclusion, and others were organised for employees, and employees actively took the opportunity to participate.
- As the Rail Baltica project enters an intensive construction phase, active recruitment of new competencies from abroad has begun.
- To ensure the replacement of aging staff and the attraction of targeted competencies, active collaboration has started with regional vocational schools.
- In implementing the projects for improvement of asset efficiency and employee working condition in order to create modern and attractive working conditions in production units, employee relocation and working condition improvement projects have begun in Vilnius and Jonava.
- To strengthen collaboration, a volunteering program was launched, initiating activities that promote employee unity, motivation, and engagement.

Company employees number and remuneration

- As of 30 June 2025, **the number of employees in the Company** was 2,398 (excluding those on parental leave, performing military service, or on long-term absence). The number of employees has increased by 45 or 1.9%, compared to the data as at 31 December 2024.
- **The average monthly salary**, compared to the average in 2024, has increased from EUR 2,119 to EUR 2,287. The most significant contributor to the increase has been the pay review in April, conducted at LTG Group.
- **The total remuneration fund** amounted to EUR 31.8 million (excluding compensation for unused leave, severance payments, accruals, and not considering capitalised wages). In addition, in April 2025, as in other LTG Group companies, the annual bonus for performance in the amount of EUR 3 million were paid to the Company's employees.

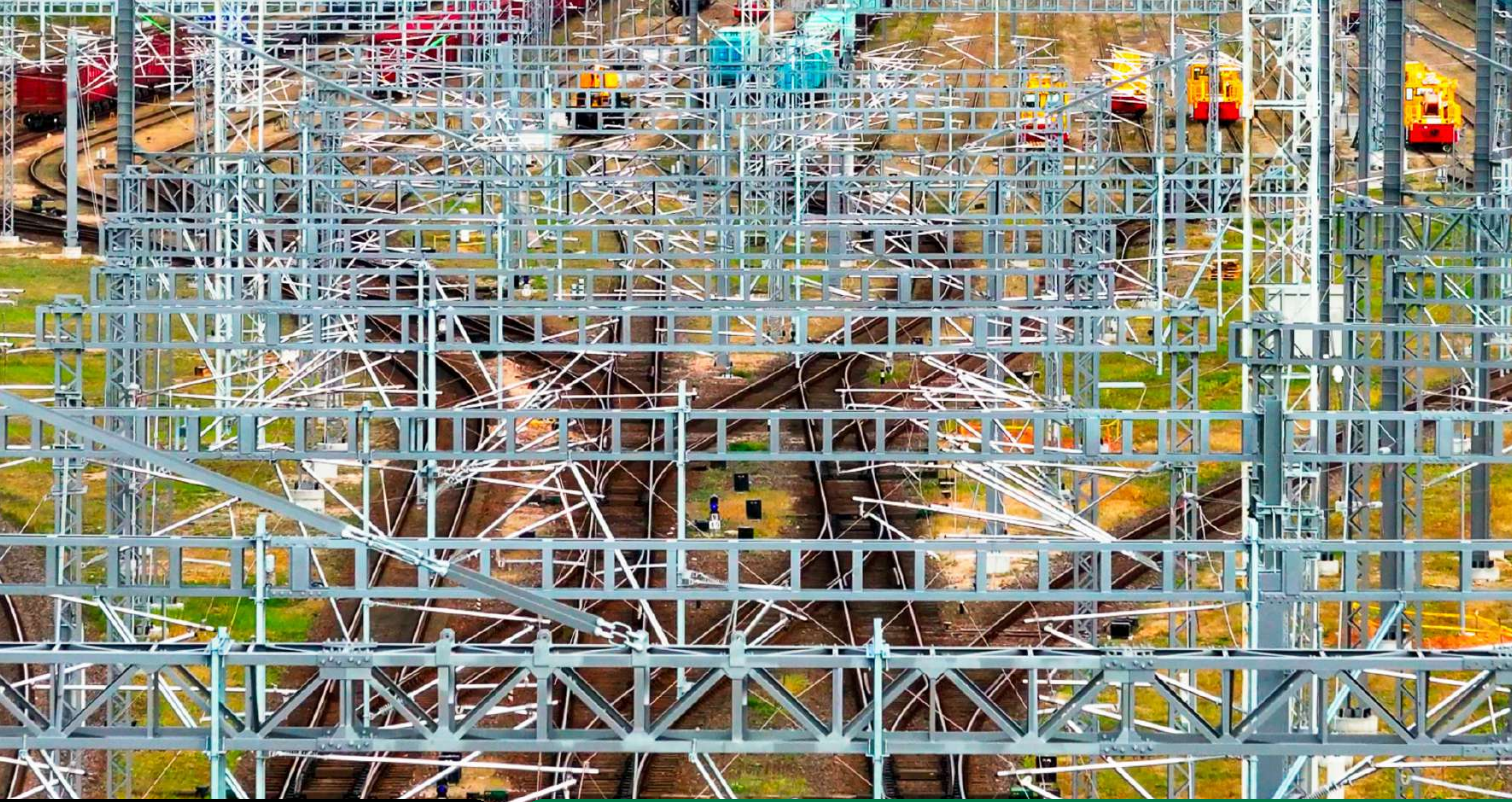
Number of employees and average salary

Position group	30-06-2025**						31-12-2024		31-12-2023	
	Number of employees			Average salary, EUR			Number of employees	Average salary, EUR	Number of employees	Average salary, EUR
	Total	Women	Men	Total	Women	Men				
CEO of the Company*	1		1	12,400		12,400	1	10,800	1	10,000
Top-level managers*	7	2	5	8,114	-	8,180	7	7,853	8	7,230
Senior executives and specialists in exceptional fields	45	11	34	5,344	5,425	5,323	43	5,101	30	4,777
Middle-level managers and individual experts	227	79	148	3,632	3,656	3,619	196	3,437	164	3,182
Team leaders and experienced specialists	909	243	666	2,425	2,411	2,430	922	2,295	929	2,117
Specialists and experienced operational/service staff	476	220	256	2,012	2,009	2,016	436	1,888	433	1,731
Operational/service staff, qualified workers	733	200	533	1,630	1,666	1,617	748	1,547	853	1,440
Total	**2,398**	**755**	**1,643**	**2,287**	**2,272**	**2,294**	**2,353**	**2,119**	**2,418**	**1,920**

** Fixed remuneration as at the end of the period.*
***For reasons of confidentiality, information on and difference in average salary is not disclosed if there are less than 5 employees of the same gender in the function group.*

The remuneration components of the Company's Chief Executive Officer are disclosed in the Governance section of the Company's annual management report (reference). As of 30 June 2025, the established monthly salary for the Company's Chief Executive Officer was EUR 12,400. During the period under review, the monthly base salary of the Company's Chief Executive Officer has increased by 15% or EUR 1,600. In 2025, the monthly portion (1/12) of the annual bonus paid to the Company's Chief Executive Officer for the goals in achieved 2024, which are disclosed in the Strategy section of the Company's annual management report (reference), amounted to EUR 2,419. The average actual salary, considering the annual bonus for work results, was EUR 13,866.

As at 30 June 2025, the monthly salary of top-level managers as stated in their labour contracts, amounted to EUR 8,114, and the average actual salary of these function groups, including the annual bonus for performance results, amounted to EUR 8,976.



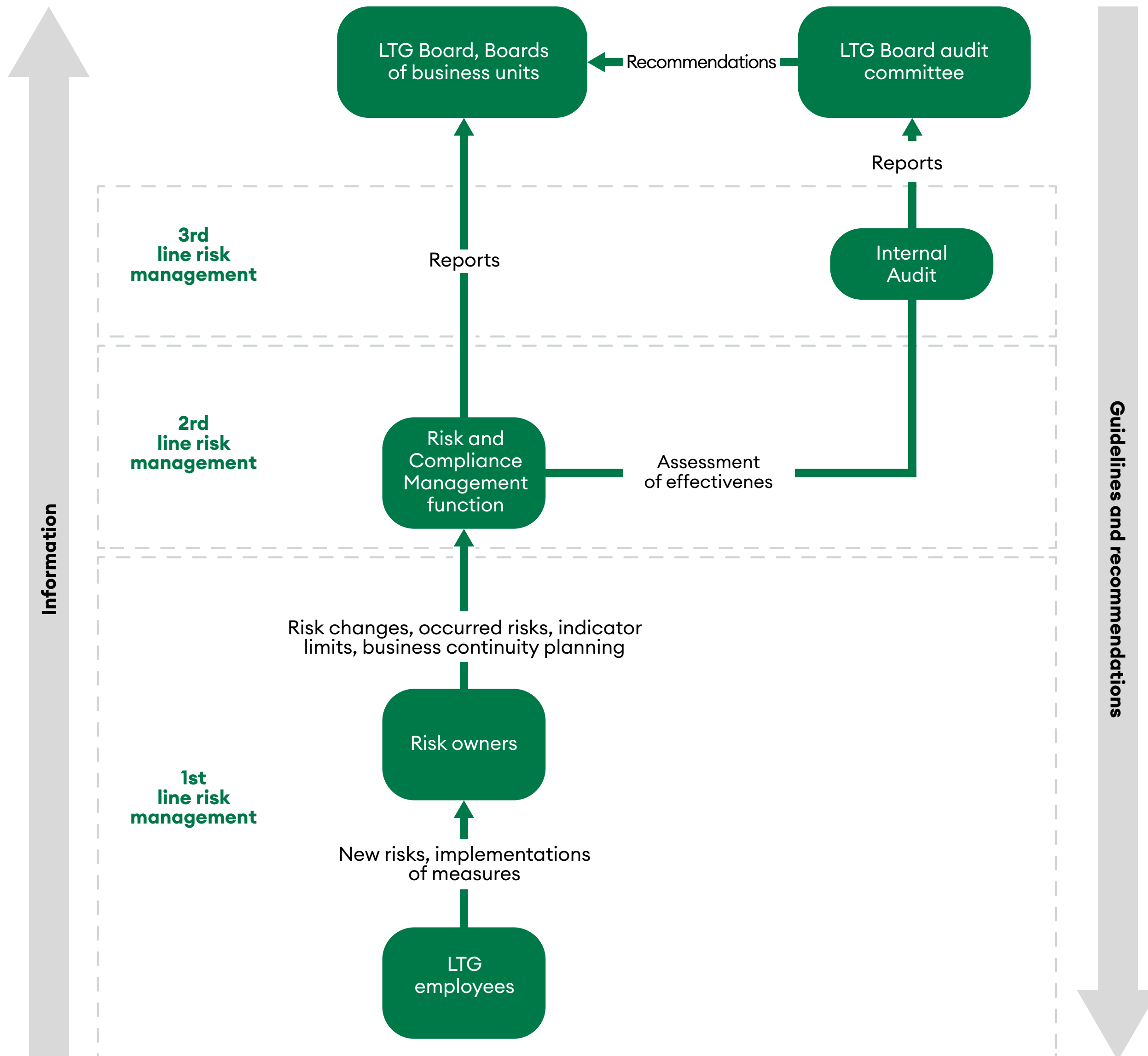
Risks and risk management

The Company implements and continuously improves the **unified risk management system of the LTG Group**. It is defined in the LTG Group's risk management policy, methodology and procedure standards, which are based on the ISO 31000 (*International Organization of Standardization*) and COSO ERM (*Committee on Sponsoring Organizations of the Treadway Commission, Enterprise Risk Management*) and best practices.

In LTG Group, risk management responsibilities are divided according with the **Three Lines Model**. According to it:

- 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.
- 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 on the right reproduces the Risk Management Framework, detailing the information flow path and the distribution of responsibilities.



Risks of LTG Group are managed in stages. The overall periodic cycle consists of the following steps:

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

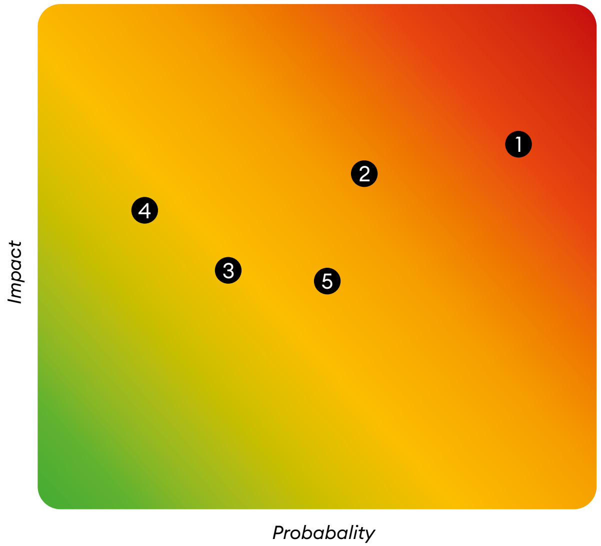
The level of identified risks is assessed by determining their likelihood and potential impact (assessing financial, legal and reputational impact, impact on activities as a going concern, on employee safety) and attributing them to one out of four risk categories (strategic, operational, financial, compliance risk). In this context, risk owners are selected for each of the risks and management/mitigation actions are required. The dynamics of risks and the progress in implementing the measures are monitored periodically on a quarterly basis.

The periodic and timely dissemination of risk-related information is ensured by a well-established reporting system. The risk management status of each of the companies is reviewed on a quarterly basis in reports submitted to the boards of the LTG Group. The Board of the LTG Group is informed on a monthly basis about the risks exceeding the appetite. Such a cyclical system not only helps to monitor the status of identified risks, but also provides with an opportunity to discuss the occurrence of new ones.

In the LTG Group, strategic decisions are taken in the light of experience, risks and resilience identified and managed by the activities carried out, as well as the context of the external environment and related global factors. Based on the nature of the Company's business, the main risks that were relevant in the first half of 2025 are presented on the next page.

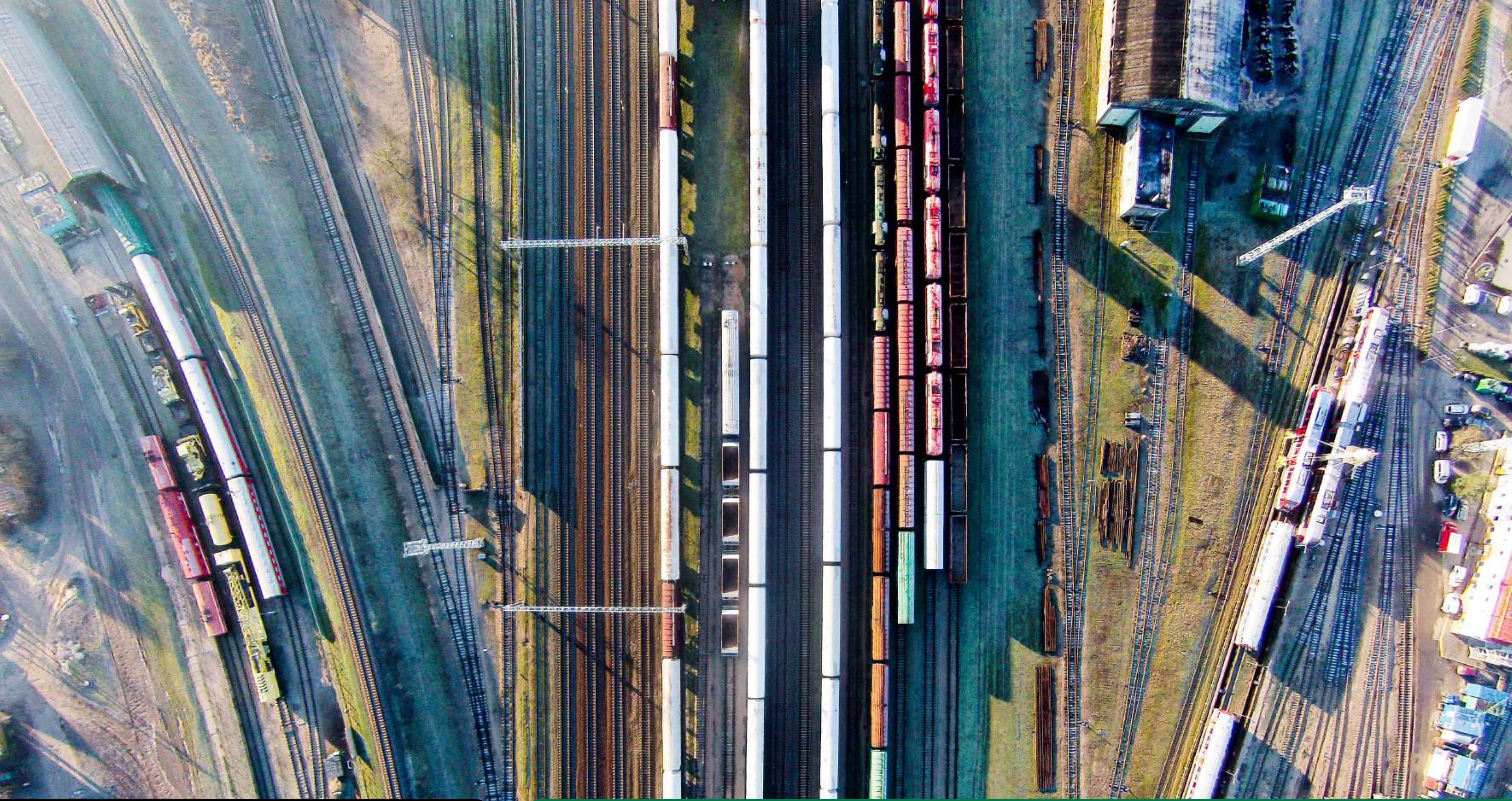
Main risks and their management measures

Risk map



1. Not secured external funding for strategic infrastructure projects;
2. Use of outdated, less efficient technologies in operations;
3. Resilience of infrastructure and operations to climate change;
4. Lack of contractor capacity to meet LTG Infra's needs;
5. Risk of safety incidents.

Name of risk	Main sources of risk	Potential impact	Basic risk management measures
Not secured external funding for strategic infrastructure projects	• Possible change in funding priorities • Failure to secure public funding • Inflation and growth in project values • High technical base/infrastructure costs	• Delayed implementation of projects • Need to change project scope, timelines, technical solutions • Loss of EU funding • Reputational damage	• Centralising and streamlining project management activities • Monitoring of contract works and financing carried out • Ensuring human resource requirements • Submission of applications • Timely communication with stakeholders
Use of outdated, less efficient technologies in operations	• Long technological lifecycle • Technical and organisational reasons • Lack of resources	• Operational efficiency • Continuity of operations • Cyber vulnerability	• Implementing new systems • Modernising technology • Transfer of functionality to other systems
Resilience of infrastructure and operations to climate change	• Increasing storms, precipitation, temperature fluctuations • Sudden onset of disasters	• Continuity of operations • Financial losses for remediation	• Assessing the vulnerability of existing infrastructure to climate change and developing an action plan • Continuous updating and testing of business continuity plans
Lack of contractor capacity to meet LTG Infra's needs	• Small supplier market • Increase in prices of materials and raw materials • Increased procurement and delivery terms • Possible sanctions for suppliers	• Increase in costs • Delayed implementation of projects • Delays in works	• Advance planning • Smooth and timely initiation of purchases • Timely communication of procurement intentions • Supplier checks due to sanctions
Risk of safety incidents	• Failure to comply with work safety instructions • Unsafe behaviour of infrastructure users *Inherent risks specific in the activity. These risks are managed with a strong focus applying continuous and systematic measures*	• Financial losses due to damage to rolling stock or infrastructure • Damage to reputation due to failure to ensure traffic/worker safety • Disruption of operations due to traffic accidents	• Periodic training and coaching • Mobile app to help keep workers safe • Safety system inspections • Periodic monitoring of physical and technical security • Quality control inspections



Additional information

Information on compliance with the guidelines on Transparency in State-Owned Enterprises

The Company complies with the requirements of the Guidelines for Transparency of the Activities of State-Owned Enterprises (reference), 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 about compliance with Transparency Guidelines is provided in the Company's annual management report for the year 2024 (reference).

Definitions

Ratio	Definition of calculation
Revenue	Sales revenue + Grant revenue + Other operating income (excluding Finance income)
Sales revenue	Revenue, excluding Grant revenue, Other activity income and Finance income
Revenue from grants	State budget funds to finance operations of LTG Infra
Costs	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
Adjusted EBITDA	Profit (loss) before the corporate tax + interest expenses – interest income + depreciation and amortisation + (decrease) increase in the value of non-current assets, inventories and investments + (decrease) increase in the value of amounts receivable and contract assets + costs of provisions not related to operating activities
EBIT margin*	EBIT / Sales revenue
EBITDA margin*	EBITDA / Sales revenue
Adjusted EBITDA margin*	Adjusted EBITDA / Sales revenue
Net profit margin*	Net profit (loss) / Sales revenue

Ratio	Definition of calculation
Equity ratio	Equity at the end of the reporting period / Assets at the end of the reporting period
Debt Service Coverage 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
Asset turnover ratio*	Sales revenue for the period of the last 12 months / Assets at the end of the reporting period
Financial debt / EBITDA	Financial debt / EBITDA of the last 12-month period
Financial debt / Equity (D/E)	Financial debt / Equity at the end of the reporting period
Net debt / EBITDA	Net Debt / EBITDA of the last 12-month period
Quick liquidity rate	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
Gross liquidity rate	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Train operational volume (gross-gross ton/km)	A volume indicator calculated by multiplying the train's gross weight, including the weight of the operating locomotive, by the distance travelled (including the weight of the traction rolling stock/locomotive, the towed railway rolling stock/train, and its cargo. Passengers and their luggage, shunting and similar volumes are not included).
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	Calculated gross salary per full-time equivalent employee

** when calculating the LTG Infra's financial indicators, Sales revenue is increased by Grant revenue.*

Abbreviations

ESG	Environmental, Social and Corporate Governance
EU	The European Union
IFRS	International Financial Reporting Standards
KIT	Kaunas Intermodal Terminal
LTG	Parent company AB Lietuvos Geležinkeliai
LTG Group, Group, Company group	AB Lietuvos Geležinkeliai and its subsidiaries
LTG Infra, the Company	LTG Infra, the Company – AB LTG Infra
MAP	Minimum access to public railway infrastructure package
Repair undertaking	Undertakings which go to/from the construction, repair and/or maintenance sites of the railway infrastructure objects
RSF	Railway service facilities
RTC	Railway Transport Code of the Republic of Lithuania
SAP	Business management system

SOE	State-owned enterprise
ŠIT	Šeštokai Intermodal Terminal
USA	United States of America
VAT	Value Added Tax
VIT	Vilnius Intermodal Terminal

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 2025

Statement of financial position

	Notes	30/06/2025	31/12/2024
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,977,800	1,931,613
Right-of-use assets	6	1,895	1,702
Intangible assets	7	13,531	13,076
Investment property	8	1,284	1,407
Financial assets	10	57	127
Other non-current assets		93	97
Total non-current assets		**1,994,660**	**1,948,022**
CURRENT ASSETS			
Inventories	9	19,216	20,668
Non-current assets held for sale	9	118	261
Trade and other receivables	10	64,686	29,806
Prepayments		3,302	3,187
Cash and cash equivalents		23,063	33,701
Total current assets		**110,385**	**87,623**
TOTAL ASSETS		**2,105,045**	**2,035,645**

The financial statements and the explanatory notes to the financial statements, set out on pages 56-70, were approved and signed by:

VYTIS ŽALIMAS
Chief Executive Officer

JŪRATĖ ČEPAITIENĖ
Chief Financial Officer

RŪTA JENCIENĖ
UAB LTG Kompetencijų centras
Finance Controller, acting under Decision No.SPR-L1(KC)-35/2025 of 12/08/2025

	Notes	30/06/2025	31/12/2024
EQUITY			
Authorised capital		654,928	654,928
Legal reserve	11	-	-
Other reserves	11	-	-
Retained profit (loss)		(26,542)	(22,799)
Total equity		**628,386**	**632,129**
LIABILITIES			
Non-current liabilities			
Grants	12	1,123,386	1,104,340
Loans and other borrowings	13	86,190	93,968
Lease liabilities		1,141	1,003
Employee benefits	14	4,246	3,588
Trade and other payables	15	26,980	20,369
Provisions		16,509	16,519
Deferred income tax liabilities		10,555	11,228
Total non-current liabilities		**1,269,007**	**1,251,015**
Current liabilities			
Grants	12	15,753	14,937
Loans and short-term portion of long-term loans	13	97,702	28,782
Lease liabilities		803	731
Income tax liability		45	-
Employee benefits	14	10,575	10,305
Trade and other payables	15	82,774	97,746
Total current liabilities		**207,652**	**152,501**
TOTAL EQUITY AND LIABILITIES		**2,105,045**	**2,035,645**

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

Statement of profit or loss and other comprehensive income

	Notes	30/06/2025	30/06/2024
Sales revenue		61,125	58,579
Grant		35,741	33,256
Other operating income		328	95
Total income	16	97,194	91,930
Remuneration and social insurance costs		(33,153)	(30,353)
Depreciation and amortization	5,6,7,8,12	(30,414)	(29,717)
Materials		(3,794)	(3,278)
Fuel		(545)	(535)
Electricity		(3,275)	(4,674)
Repairs and maintenance		(6,374)	(6,834)
Management and general administration services		(13,438)	(12,052)
Increase (decrease) in the value of non-current assets		-	1
Write down of inventories to net realisable value (reversal)		(19)	-
Increase (decrease) in the value of receivables		(37)	(145)
Decrease (increase) in provisions		10	-
Other costs		(7,524)	(6,655)
Total costs		(98,563)	(94,242)
Operating profit (loss)		(1,369)	(2,312)

	Notes	30/06/2025	30/06/2024
Finance income		50	1,066
Finance expenses		(3,018)	(3,371)
Financial activity result, net		(2,968)	(2,305)
Profit (loss) before taxation		(4,337)	(4,617)
Income tax		584	533
Net profit (loss)		**(3,753)**	**(4,084)**
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		**(3,753)**	**(4,084)**

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

Statement of changes in equity

	Notes	Authorised capital	Legal reserve	Other reserves	Retained earnings (losses)	Total
Balance as at 31 December 2023		**654,928**	**1,258**	**3,117**	**(17,396)**	**641,907**
Net profit (loss)		-	-	-	(4,084)	(4,084)
Total comprehensive income (expenses)		-	-	-	(4,084)	(4,084)
Unrecognised profit (loss) for the reporting year		-	-	-	(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**
Balance as at 31 December 2024		**654,928**	**-**	**-**	**(22,799)**	**632,129**
Net profit (loss)		-	-	-	(3,753)	(3,753)
Total comprehensive income (expenses)		-	-	-	(3,753)	(3,753)
Unrecognised profit (loss) for the reporting year		-	-	-	10	10
Reserves used	11	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	10	10
Balance as at 30 June 2025		**654,928**	**-**	**-**	**(26,542)**	**628,386**

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

Statement of cash flows

	Notes	30/06/2025	30/06/2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		**(3,753)**	**(4,084)**
ADJUSTMENTS:			
Depreciation and amortisation	5,6,7,8	43,085	41,452
Grants (amortisation)	12	(12,671)	(11,735)
(Profit) loss from disposal / write-off of non-current assets		780	468
Impairment (reversal)		56	144
Change in accrued income/expenses		(8,430)	110
Interest (income) expenses and other charges related to loans		2,867	2,892
Interest of lease liabilities		19	16
Increase (decrease) in provisions		(10)	-
Income tax expenses (income)		(584)	(533)
Cash flows from operating activities after adjustment		**21,359**	**28,730**
CHANGES IN WORKING CAPITAL			
Decrease (increase) in inventories		1,000	(2,228)
Decrease (increase) in trade and other receivables and prepayments		(34,938)	(36,649)
Increase (decrease) in current and non-current trade payables and received prepayments		(6,879)	(4,896)
Increase (decrease) in employment related liabilities		928	(132)
Increase (decrease) in other non-current and current payables		629	(4,005)
Net cash from operating activities		**(17,901)**	**(19,180)**

	Notes	30/06/2025	30/06/2024
CASH FLOW FROM INVESTING ACTIVITIES			
(Acquisition) of non-current assets		(91,363)	(84,202)
Change in prepayments for non-current assets		8,035	17,461
Disposal of non-current assets		44	3,447
Interest received		-	289
Net cash from investing activities		**(83,284)**	**(63,005)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received	13	69,251	10,721
Loans (repayment)	13	(7,778)	(7,778)
Interest (paid)	13	(3,102)	(3,416)
Grants received (used for cost reduction)		32,682	22,000
Interest on lease liabilities		(19)	(16)
Lease liability payments		(487)	(434)
Net cash flows from financing activities		**90,547**	**21,077**
Net increase (decrease) in cash and cash equivalents		**(10,638)**	**(61,108)**
Cash and cash equivalents at the beginning of the period		**33,701**	**77,022**
Cash and cash equivalents at the end of the period		**23,063**	**15,914**

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

Explanatory notes to the financial statements

1. General information

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

The Company is a private legal entity of limited civil liability independently organising economic, financial, organisational, and legal activities. Company registration code: 305202934, VAT code: LT100012666211, legal (registration) address: Geležinkelio St. 2, LT-02100 Vilnius.

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

As at 30 June 2025 and as at 30 June 2024, the Company's sole shareholder was the parent company AB Lietuvos Geležinkeliai. 100 percent of the shares of AB Lietuvos Geležinkeliai are held by the state of Lithuania, represented by the Ministry of Transport and Communications of the Republic of Lithuania.

As at 30 June 2025 and as at 30 June 2024, the Company's share capital amounted to EUR 654,928 thousand. It consists of 654,928 ordinary registered shares at par value of EUR 1,000 each. All issued shares were fully paid.

The Company has no branches and representative offices.

The actual number of employees in the Company as of 30 June 2025 was 2,398 (31 December 2024 – 2,353).

2. Basis of preparation

These condensed interim financial statements of the Company (hereinafter - interim financial statements) for the six-month period ended June 30, 2025, are prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting.

These interim financial statements do not provide all the information required for preparation of annual financial statements, therefore, they should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which were prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and endorsed for application in the EU.

The interim financial statements are prepared on the historical cost basis.

The presentation currency is the euro. These financial statements are presented in thousands of euros unless otherwise indicated.

The cash flow statement is prepared using the indirect method.

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

These financial statements for the period ended 30 June 2025 have not been audited. The audit of the annual financial statements for the year ended 31 December 2024 was conducted by KPMG Baltics, UAB.

3. Material accounting principles

The accounting principles applied in preparing these interim financial statements are the same as those applied in preparing the financial statements for the year 2024.

4. Significant accounting estimates

In preparing these interim financial statements, significant management judgments regarding the application of accounting policies and the determination of key uncertainties were the same as those applied in preparing the financial statements for the year ended 31 December 2024.

5. Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other assets, equipment, fittings and tools	Construction in progress and prepayments	Total
ACQUISITION COST							
31 December 2023	**152,688**	**1,280,387**	**76,484**	**18,401**	**9,023**	**557,710**	**2,094,693**
- additions	2	149	-	-	-	266,055	266,206
- assets sold, written off, disposed	(25)	(2,898)	(314)	(188)	(1,294)	(5,037)	(9,756)
- transferred to (from) current assets	-	2	-	(222)	-	(10,225)	(10,445)
- transferred to intangible assets	-	-	-	-	(229)	-	(229)
- transferred from investment property	67	2,036	-	-	-	-	2,103
- reclassifications	-	121,266	5,578	623	559	(128,026)	-
31 December 2024	**152,732**	**1,400,942**	**81,748**	**18,614**	**8,059**	**680,477**	**2,342,572**
- additions	4	-	-	-	-	89,283	89,287
- assets sold, written off, disposed	(30)	(32)	(547)	(206)	(4)	(4,670)	(5,489)
- transferred to (from) current assets	-	(24)	105	77	(52)	448	554
- transferred to intangible assets	-	-	-	-	-	(2,488)	(2,488)
- transferred to investment property	-	(106)	-	-	-	-	(106)
- reclassifications	-	33,706	2,788	3,350	(710)	(39,134)	-
30 June 2025	**152,706**	**1,434,486**	**84,094**	**21,835**	**7,293**	**723,916**	**2,424,330**

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other assets, equipment, fittings and tools	Construction in progress and prepayments	Total
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES							
31 December 2023	**-**	**(297,136)**	**(20,806)**	**(4,710)**	**(3,280)**	**(11,561)**	**(337,493)**
- depreciation	-	(72,984)	(4,997)	(1,241)	(1,424)	-	(80,646)
- impairment	-	(4)	-	-	-	(91)	(95)
- assets sold, written off, disposed	-	1,097	149	56	1,283	5,012	7,597
- transferred to current assets	-	(1)	-	109	-	-	108
- transferred from investment property	-	(430)	-	-	-	-	(430)
31 December 2024	**-**	**(369,458)**	**(25,654)**	**(5,786)**	**(3,421)**	**(6,640)**	**(410,959)**
- depreciation	-	(37,271)	(2,531)	(637)	(493)	-	(40,932)
- assets sold, written off, disposed	-	33	242	60	4	4,606	4,945
- transferred to (from) current assets	-	3	(20)	(16)	9	-	(24)
- transferred to intangible assets	-	-	-	-	264	-	264
- transferred to investment property	-	176	-	-	-	-	176
30 June 2025	**-**	**(406,517)**	**(27,963)**	**(6,379)**	**(3,637)**	**(2,034)**	**(446,530)**
CARRYING AMOUNT							
31 December 2023	**152,688**	**983,251**	**55,678**	**13,691**	**5,743**	**546,149**	**1,757,200**
31 December 2024	**152,732**	**1,031,484**	**56,094**	**12,828**	**4,638**	**673,837**	**1,931,613**
30 June 2025	**152,706**	**1,027,969**	**56,131**	**15,456**	**3,656**	**721,882**	**1,977,800**

The amount of depreciation expenses for the Company's property, plant and equipment, reflected in the Statement of Profit or Loss and Other Comprehensive Income, amounted to EUR 29,037 thousand (as at 30 June 2024: EUR 28,590 thousand). This amount includes EUR 40,932 thousand of depreciation expenses (as at 30 June 2024: EUR 39,567 thousand), which were reduced by EUR 11,894 thousand (as at 30 June 2024: EUR 10,977 thousand) of grant amortisation expenses as described in Note 12. Capitalised depreciation amounted to EUR 1 thousand.

As at 30 June 2025, the value of the Company's assets managed by the right of trust was EUR 1,037,546 thousand (as at 31 December 2024: EUR 1,007,497 thousand).

The acquisition cost of the Company's fully depreciated property, plant and equipment in use amounted to EUR 27,354 thousand (31 December 2024: EUR 25,927 thousand). A major share of fully depreciated property, plant and equipment in use included buildings and structures, machinery and equipment.

6. Right-of-use assets

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

	Land	Buildings and structures	Vehicles	Other equipment, fittings and tools	Total
ACQUISITION COST					
31 December 2023	**-**	**111**	**3,926**	**-**	**4,037**
- acquisitions	4	-	633	-	637
- assets sold, written off, disposed	-	-	(661)	-	(661)
31 December 2024	**-**	**111**	**3,898**	**-**	**4,013**
- additions	-	20	728	-	748
- assets sold, written off, disposed	-	-	(426)	-	(426)
30 June 2025	**4**	**131**	**4,200**	**-**	**4,335**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
31 December 2023	**-**	**(12)**	**(1,923)**	**-**	**(1,935)**
- depreciation	-	(13)	(976)	-	(989)
- assets sold, written off, disposed	-	-	613	-	613
31 December 2024	**-**	**(25)**	**(2,286)**	**-**	**(2,311)**
- depreciation	-	(8)	(503)	-	(511)
- assets sold, written off, disposed	-	-	382	-	382
30 June 2025	**-**	**(33)**	**(2,407)**	**-**	**(2,440)**
CARRYING AMOUNT					
31 December 2023	**-**	**99**	**2,003**	**-**	**2,102**
31 December 2024	**-**	**86**	**1,612**	**-**	**1,702**
30 June 2025	**4**	**98**	**1,793**	**-**	**1,895**

7. Intangible assets

The Company's intangible assets consisted of:

	Software	Concessions, patents, licences, trademarks and similar rights	Other intangible assets	Total
ACQUISITION COST				
31 December 2023	**20,615**	**33**	**1,895**	**22,543**
- additions	-	-	1,826	1,826
- assets sold, written off, disposed	(10)	-	-	(10)
- transferred from property, plant and equipment	229	-	-	229
31 December 2024	**20,834**	**33**	**3,721**	**22,543**
- additions	-	-	194	194
- assets sold, written off, disposed	(560)	-	-	(560)
- transferred from property, plant and equipment	4,314	-	(1,826)	2,488
30 June 2025	**24,588**	**33**	**2,089**	**26,710**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES				
31 December 2023	**(8,848)**	**(33)**	**(52)**	**(8,933)**
- amortisation	(2,975)	-	(14)	(2,589)
- assets sold, written off, disposed	10			10
31 December 2024	**(11,413)**	**(33)**	**(66)**	**(11,512)**
- amortization	(1,583)	-	(7)	(1,590)
- assets sold, written off, disposed	187	-	-	187
- transferred from property, plant and equipment	(264)	-	-	(264)
30 June 2025	**(13,073)**	**(33)**	**(73)**	**(13,179)**
CARRYING AMOUNT				
31 December 2023	**11,767**	**-**	**1,843**	**13,610**
31 December 2024	**9,421**	**-**	**3,655**	**13,076**
30 June 2025	**11,515**	**-**	**2,016**	**13,531**

The cost of the Company's fully amortised intangible assets still in use amounted to EUR 1,478 thousand (31 December 2024: EUR 1,478 thousand). The major part of fully amortised assets consisted of software.

The amount of amortisation expenses for the Company's intangible assets, reflected in the Statement of Profit or Loss and Other Comprehensive Income, amounted to EUR 813 thousand (as at 30 June 2024: EUR 524 thousand). This amount includes EUR 1,590 thousand of amortisation expenses (as at 30 June 2024: EUR 1,282 thousand), which were reduced by EUR 777 thousand (as at 30 June 2024: EUR 758 thousand) of grant amortisation expenses.

8. Investment property

The Company's investment property consisted of:

	Investment property
ACQUISITION COST	
31 December 2023	**4,025**
- assets sold, written off, disposed	-
- transferred to property, plant and equipment	(2,103)
31 December 2024	**1,922**
- transferred from property, plant and equipment	106
30 June 2025	**2,028**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	
31 December 2023	**(778)**
- depreciation	(167)
- assets sold, written off, disposed	-
- transferred to property, plant and equipment	430
31 December 2024	**(515)**
- depreciation	(53)
- transferred from property, plant and equipment	(176)
30 June 2025	**(744)**
CARRYING AMOUNT	
31 December 2023	**3,247**
31 December 2024	**1,407**
30 June 2025	**1,284**

9. Inventories and non-current assets held for sale

The Company's inventory consisted of:

	30/06/2025	31/12/2024
Superstructure materials (SM)*	-	1,409
Materials	244	243
Spare parts	2,203	2,050
Fuel	72	71
Other inventories	936	1,132
Total raw materials, supplies and components	3,455	4,905
Purchased services/assets for resale	15,761	15,763
Total	**19,216**	**20,668**

**From 2025, the produced goods are transferred to non-current assets along with other SM inventories, which are used for CAPEX repairs of more than 80 percent of the inventory.*

The change in the write-down of the Company's inventories to net realisable value is reflected in the item of expenses of write-down to net realisable value in the statement of profit or loss and other comprehensive income.

As of 30 June 2025, the book value of the Company's inventory (excluding non-current assets held for sale and services/assets intended for resale) amounting to EUR 4,225 thousand was reduced by EUR 770 thousand to net realisable value of EUR 3,455 thousand (as at 31 December 2024: an amount of EUR 5,674 thousand was reduced by EUR 769 thousand to net realisable value of EUR 4,905 thousand).

As of 30 June 2025, the change was in the Company's purchased services/assets held for sale due to the transfer of reconstructed/created assets for the benefit of a partner.

	30/06/2025	31/12/2024
Non-current assets held for sale	118	261
Total non-current assets held for sale	**118**	**261**

As of 30 June 2025, the book value of the Company's non-current assets held for sale amounting to EUR 1,826 thousand was reduced by EUR 1,708 thousand to net realisable value of EUR 118 thousand (as at 31 December 2024: an amount of EUR 1,951 thousand was reduced by EUR 1,690 thousand to net realisable value of EUR 261 thousand).

10. Trade and other receivables

The Company's trade and other receivables included:

	30/06/2025	31/12/2024
External trade receivables, gross value	2,311	1,380
Impairment (-)	(901)	(865)
Total external trade receivables	**1,410**	**515**
Receivables from related parties	11,034	7,660
Total receivables from related parties	**11,034**	**7,660**
Receivable VAT	-	1,039
Other receivables from the budget	39,239	5,440
Accrued income	323	116
Accrued income from related parties	215	357
Other receivables	12,522	14,806
Total other receivables	**52,299**	**21,758**
Total	**64,743**	**29,933**

As of 30 June 2025, trade and other receivables in the Company, compared to 31 December 2024, have largely increased by EUR 35,775 thousand due to the recognition of a subsidy accrual in accordance with the contract 'Ensuring the Quality and Financing of Public Railway Infrastructure and Railway Service Facilities Owned by the State of Lithuania' (as of 30 June 2024, compared to 31 December 2023, it amounted to EUR 33,256 thousand).

External trade receivables of the Company consisted of:

	30/06/2025				31/12/2024			
	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount
Not past due	0.03%	24,504	(8)	24,496	0.01%	22,917	(3)	22,914
1-30 days past due	1.81%	509	(9)	500	0.51%	438	(2)	436
31-60 days past due	2.50%	161	(4)	157	4.55%	52	(2)	50
61-120 days past due	2.56%	353	(9)	344	29.05%	72	(21)	51
More than 120 days past due	99.14%	878	(871)	7	99.73%	840	(837)	3
Total		**26,405**	**(901)**	**25,504**		**24,319**	**(865)**	**23,454**

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

11. Reserves

Legal and other reserves. Based on the shareholder's decision, the set of financial statements for 2024 was approved, and a loss of EUR 22,799 thousand for 2024 was confirmed. The legal reserve cannot be distributed for dividend purposes, but can be used to cover future losses. As of 30 June 2025, the legal reserve amounted to EUR 0 (as of 31 December 2024 – EUR 0, because based on the shareholder's decision EUR 1,258 thousand were used to cover the loss of 2023).

As of 30 June 2025, other reserves amounted to EUR 0 (as of 31 December 2024 – EUR 0, because EUR 3,117 thousand were used to cover part of the 2023 loss based on the shareholder's decision).

12. Grants

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

	30/06/2025	31/12/2024
Opening balance of the period	**1,119,277**	**982,862**
Received	35,230	241,926
Reversal of grant	18	-
Received free of charge (land, assets)	4	2
Used to reduce depreciation costs of property, plant and equipment	(11,894)	(23,014)
Used to reduce amortisation costs of non-current intangible assets	(777)	(1,539)
Used to reduce other costs	(2,549)	(5,005)
Used to balance income and costs	-	(65,634)
Transferred to current payable amounts	-	34
Impairment	-	(862)
Repaid/transferred to State-controlled entities	(170)	(9,493)
Closing balance of the period	**1,139,139**	**1,119,277**
Including assets managed under the right of trust	**315,975**	**387,173**

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.

13. Loans and other borrowings

The Company's borrowings consisted of:

	30/06/2025	31/12/2024
Long-term loans	86,190	93,968
Current part of the long-term loans	15,555	15,555
Loans received from related parties	81,233	11,982
Loan interest	914	1,245
Total	**183,892**	**122,750**

During the first half of 2025, the Company repaid EUR 7,778 thousand of the loans (during the first half of 2024: EUR 7,778 thousand) and paid EUR 2,405 thousand of interest (during the first half of 2024: EUR 3,321 thousand and EUR 3 thousand of other fees).

To achieve a more effective management of funds and ensure the liquidity of the Group companies, the Company used the Group's cash-pool. The liability under the Group account agreement as of June 30, 2025 was EUR 81,233 thousand (as at 31 December 2024: EUR 11,982 thousand). During the first half of 2025, the Company paid EUR 697 thousand of interest (EUR 92 thousand during the first half of 2024).

14. Employee benefits

Employee benefits and liabilities by type:

	30/06/2025	31/12/2024
NON-CURRENT LIABILITIES		
Provisions for pensions and similar liabilities	4,246	3,588
Total non-current liabilities	**4,246**	**3,588**
CURRENT LIABILITIES		
Accumulated vacation pay	3,434	2,416
Wages and salaries payable	3,105	2,799
Social security contributions payable	1,362	1,218
Personal income tax payable	1,067	867
Other employment-related liabilities	1,607	3,005
Total current liabilities	**10,575**	**10,305**
Total	**14,821**	**13,893**

15. Trade and other payables

The Company's trade and other payables consisted of:

	30/06/2025	31/12/2024
Trade accounts payable	81,885	81,758
Trade accounts payable to related parties	8,799	8,545
Prepayments received	12,418	13,471
Received prepayments from related parties	25	74
Cash guarantees received	1,980	1,220
Cash guarantees received from related parties	659	624
VAT payable	349	-
Prepayments received for use of railway infrastructure	351	721
Accumulated costs	1,184	9,470
Accumulated costs from related parties	2,026	2,106
Other amounts payable and liabilities	78	126
Total	**109,754**	**118,115**

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.

16. Revenue

The Company’s revenue consisted of:

Service group	06/2025	06/2024
Revenue from use of railway infrastructure	46,775	46,398
Revenue from use of railway service facilities	8,861	6,793
Revenue from other operating activities	5,489	5,388
Total revenue from operating activities	**61,125**	**58,579**
Grant	35,741	33,256
Total grant	**35,741**	**33,256**
Other operating income	328	95
Total income from other activities	**328**	**95**
Total	**97,194**	**91,930**

17. Related party transactions

Related party transactions of the Company:

	06/2025		30/06/2025	
Related parties	**Sales**	**Purchases**	**Receivables**	**Payables**
AB Lietuvos Geležinkeliai	773	5,033	129	82,814
AB LTG Cargo	49,841	234	9,727	300
UAB LTG Link	5,334	281	1,303	106
UAB Geležinkelio tiesimo centras	175	7,072	79	3,605
UAB Rail Baltica statyba	-	33	-	7
UAB LTG Kompetencijų centras	31	9,784	11	4,619
voestalpine Railway Systems Lietuva, UAB	-	3,749	-	1,291
Total	**56,154**	**26,186**	**11,249**	**92,742**

	06/2024		31/12/2024	
Related parties	**Sales**	**Purchases**	**Receivables**	**Payables**
AB Lietuvos Geležinkeliai	938	12,622	431	18,042
AB LTG Cargo	48,346	299	6,186	298
UAB LTG Link	4,077	326	1,220	86
UAB Geležinkelio tiesimo centras	460	5,405	180	2,864
UAB Rail Baltica statyba	-	29	-	6
voestalpine Railway Systems Lietuva, UAB	-	2,283	-	2,035
Total	**53,821**	**20,964**	**8,017**	**23,331**

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 consisted of ordinary business transactions, therefore, these transactions have not been disclosed.

18. Management remuneration and other benefits

As t 30 June 2025, the management consisted of the Chief Executive Officer and the heads of the following departments: Technical Supervision, Service Delivery, Service Development and Sales, Strategy and Management, Finance, Project Management, Rail Baltica Management, and partners: Business Resilience; People and Culture.

Company	30/06/2025	30/06/2024
Management remuneration	514	585
Incentive benefits*	123	91
Accrued non-current benefits**	7	4
Number of executives	10	8
Allowances for members of the Board	60	60
Number of Board members	5	5

* Incentive benefits include performance bonuses and lump sums.
** Accrued non-current benefits are provisions for pensions and similar liabilities, accrued as at the end of the reporting year.

During the first half of 2025, the Company's management have not been granted any loans, guarantees, or other disbursements or accruals, or disposals of assets other than as set forth above.

19. Contingent assets and liabilities, potential liabilities

Elecnor Servicios y Proyectos, S.A.U. and Instalaciones Inabensa, S.A. have filed a lawsuit against AB LTG Infra seeking an order to recalculate the price of works (indexation), to recover a debt of EUR 15,354 thousand, procedural interest, and litigation costs. AB LTG Infra disagrees with the lawsuit, as it believes the delay in works is due to the Contractor's fault, and therefore the Contractor is not entitled to indexation of the work price. The case is currently under examination.

20. Investment commitments

During the six-month period of 2025, there were no material investment commitments beyond those disclosed in the annual financial statements for 2024.

21. Events after the reporting period

On August 12, 2025, the court of first instance issued a decision on the merits of the claim filed by Elecnor Servicios y Proyectos, S.A.U. and Instalaciones Inabensa, S.A. against AB LTG Infra regarding the obligation to recalculate the price of works (indexation). The court ruled that the plaintiffs have grounds to demand recalculation of the work price and the awarding of the debt from AB LTG Infra. The court's decision is not final and may be appealed by the procedures established by law. The part of the case concerning the possible amount of the debt and the allocation of litigation costs has been suspended until the court's decision on the merits becomes final.

On 17 June 2025, the Board of AB Lietuvos Geležinkeliai approved the decision to transfer part of the Railway Service Facilities business operations to AB LTG Infra effective from 1 October 2025.

There were no other significant events after the reporting period until the date of issuance of these financial statements.

ltginfra.lt/en/home/

LTG INFRA