LTG CARGO

THE COMPANY'S INTERIM MANAGEMENT REPORT AND FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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This interim management report and financial statements do not contain all information required for drawing up of the annual set of financial statements; therefore, it should be read in conjunction with the annual management report and financial statements for the year ended 31 December 2024 (The Company's annual management report for 2024), which have been prepared in accordance with the International Financial Reporting Standards as approved by the International Accounting Standards Board and as adopted for application in the EU.

Overview

CEO's foreword

Dear All,

Regarding the first half of this year for LTG Cargo, I would summarize it with Winston Churchill's words: success is not final, failure is not fatal: it is the courage to continue that counts. Driven by courage, we have set ambitious goals in this dynamic geopolitical and economic environment.

Our aim is to be the leaders in the Northwest-South corridor by expanding existing routes and developing new ones. At the beginning of the year, we successfully performed the first test run through the Baltic states to Muga port in Estonia by applying the standard of EU railway sector - without exchanging information and connections with Russian systems of the Railway Transport Council (RTC). This is an important event both for the expansion of opportunities to transport cargo on international routes and in the context of the LTG Group's strategic program FREE Rail – we have practically demonstrated that in the broad-gauge space, we can operate on the basis of the European standards.

In June, we conducted trial runs on the route Kaunas–Duisburg with a stop in Łódź. This means two new routes: Kaunas–Łódź and Łódź–Duisburg for our intermodal service customers. As we stop in Łódź to unload freight for some customers and to load freight for others, the load factor of the intermodal train will increase.

Since 2022, when freight flows drastically decreased, we have set ourselves the goal of consistently increasing them by growing the domestic market. Last year, we transported more freight domestically (16.1 million tons) than in 2023. However, the transportation business also relies on the success of our customers. As the economic situation, the prices of alternative freight transportation methods, and even the weather, which can be more or less favourable for grain yields, change, we will soon feel that. When evaluating the first half of this year, we transported a total of 11.5 million tons of freight compared to 12.2 million tons during the same period last year. This change was mainly due to the consistently and significantly decreasing transit flow through Kaliningrad from January to June this year.

The desire to win and a culture of continuous improvement drive us to achieve our goals using inventive solutions. Therefore, our third goal is to improve efficiency and service quality. We are changing the things we can change in order to achieve our set goals, create value for our customers and provide return to the state. In the pursuit of operational efficiency, several innovative solutions have emerged: wagon inspectors have employed drones for inspections from above; the acquisition of a robot-dog, which will be used for preparing wagon formations for transportation, is almost completed; a locomotive diagnostics system has been tested, which we will now be applied to all Siemens locomotives; and fuel-saving measures will reduce consumption and CO_2 emissions.

I believe that our customers already feel the impact of our efforts. Every change, decision and investment contributes to providing services more efficiently and with higher quality. In times when artificial intelligence is increasingly used across various fields, we strive to maintain a genuine and real connection with our customers, who have assigned managers. We take feedback into account, do our homework, and prepare for a new NPS survey.

Another area where we have made noticeable progress is the modernization of the rolling stock fleet. During the first half of the year, new grain wagons and open wagons lined up at tracks near major stations. We actively collaborate with Stadler Valencia on the design of new electric locomotives.

The first half of the year shows that LTG Cargo is firmly moving along the path outlined in the strategy by strengthening positions and enhancing operations. Therefore, I thank everyone who contributes to the company's results through their daily work, encourages us to improve, and inspires the courage to continue: LTG Cargo team, our customers and partners. We are ready to adapt to market challenges and continue creating value for our service recipients and the state.

Eglė Šimė
Chief Executive Officer of AB LTG Cargo

1.2. Activity of the Company

Background information on the Company

Name: AB LTG Cargo

Head office address: Geležinkelio g. 12, LT-02100 Vilnius

Legal form: Joint Stock Company

Date and place of registration: 28 December 2018, Register of Legal Entities

Company code: 304977594

Telephone: (+370 5) 202 1515

E-mail: info@ltgcargo.lt

Website: http://ltgcargo.lt

Main activity: Freight transportation and provision of related services, rolling stock repair services

Chief Executive Officer: Eglė Šimė

Shareholders: 100% of shares are owned 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.

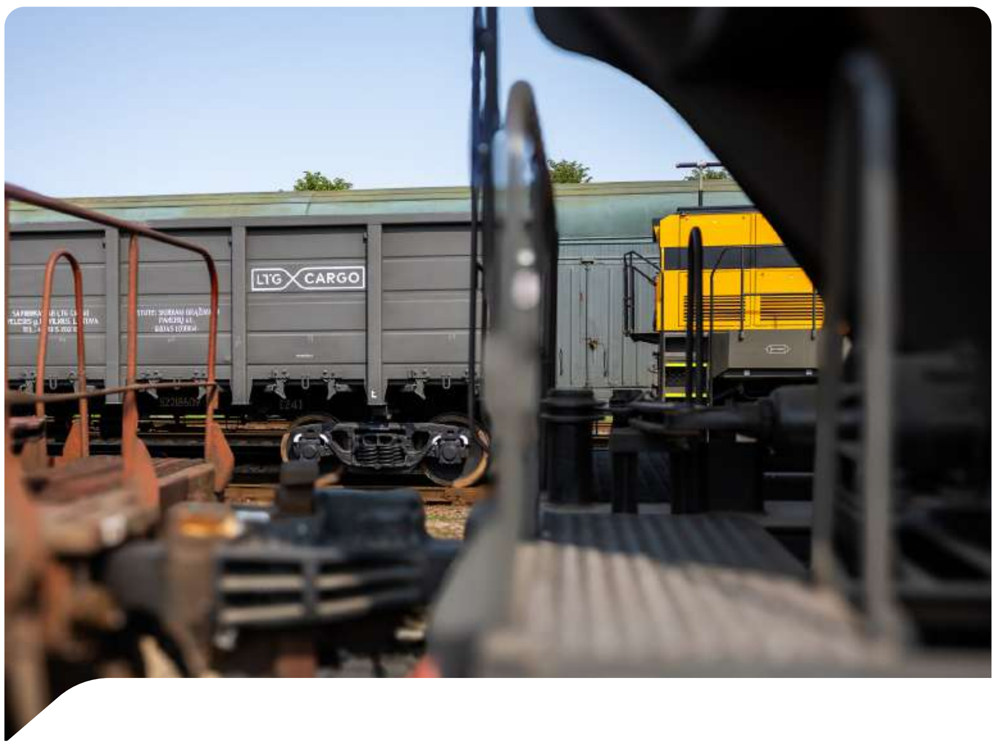
Branches of the Company, representative offices abroad

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

Business model of the Company

LTG Cargo 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 in the LTG Group. To ensure compliance with the said requirements, all decisions concerning the execution of the functions of LTG Cargo are taken by the head of the Company or by the Company's employees authorised by him/her.

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.



Activities of the Company and provided services

The main activities of LTG Cargo are transport of freight by railway on domestic and international routes. The Company operates on 1435 mm and 1520 mm gauges, has 190 locomotives, 5 locotractors, 6415 wagons of various types and 88 containers , and is therefore able to transport and deliver freight to the required country according to the customer's needs, as well as to provide a wide range of services. LTG Cargo transports freight of all types, including intermodal, containers and semi-trailers, non-standard and extra heavy loads. LTG Cargo delivers almost 2 million wagons to customers during the year. When the freight is transported by railway, the Company consumes up to 10 times less fuel than transporting the same amount of freight by road, therefore, it is environment-friendly.

In order to diversify its activities and to provide services to different markets, in particular Western Europe, LTG Cargo established the subsidiaries LTG Cargo Polska Sp. z o. o. and LLC LTG Cargo Ukraine in 2020. LTG Cargo Polska develops the activities of rail freight transport in Poland and between Lithuania and Poland, Germany and Ukraine. LTG Cargo Ukraine develops the activities of freight forwarding in Ukraine.

In April 2022, LTG Cargo started regular intermodal transportation to Duisburg and, thus, looked for opportunities to refocus supply chains to Western Europe.

In 2024, the Company expanded its transportation geography in the Baltic and European countries, became a carrier in Latvia and Estonia. It independently conducted regular transportation of oil products by rail on the route from Bugeniai (Mažeikiai district) through Latvia to Valga (Estonia).

LTG Cargo offers the following services:

- Transportation of freight on domestic and international routes
- Transportation of semi-trailers
- Project transportation
- Lease of freight wagons and containers
- Lease of locomotives
- Wagon shunting
- Freight forwarding and services related to freight transportation
- Customs brokerage
- Repair and modernisation of wagons and locomotives
- Other types of repair (repair of units and assemblies, containers).

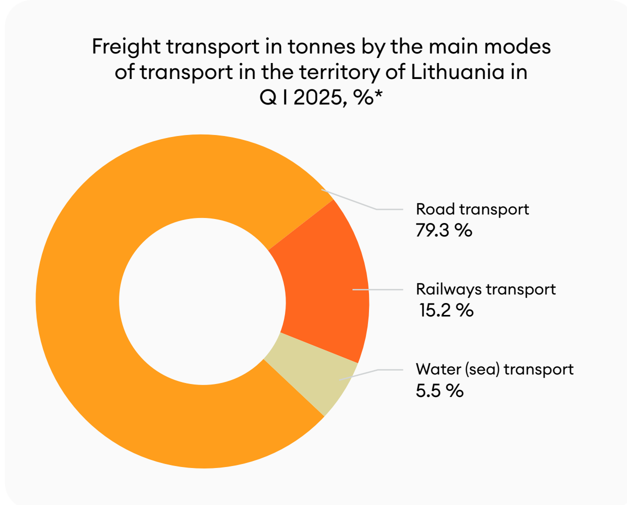
Market and competitive environment

Since 2019, LTG Cargo has been a licensed railway undertaking that operates on a competitive market and is engaged in the transportation of local and foreign freight within the territory of the Republic of Lithuania according to the needs of its customers. Successfully expanding its activities, in 2024 the Company obtained a license to transport freight in Latvia, thus strengthening its position in the Baltic region.

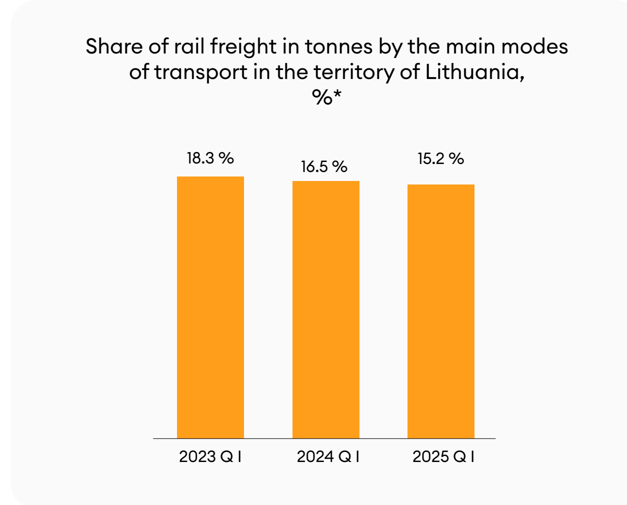
In the Lithuanian market, rail freight historically has had an especially strong competitor, i.e., transportation by road. The competition is especially fierce in the field of transportation of small-size and 'light' freight as well as in short-distance transportation. The main type of freight carried by railways is the liquid freight (oil and its products) and bulk freight (chemical and mineral fertilisers, construction materials). For the carriage of such freight, railway transport is able to offer unique (safer, more reliable, cheaper, and sometimes more efficient) conditions for the transportation of freight, including loading and/or transhipment.

According to the data of the State Database Agency for Q1 of 2025 regarding the freight transported by the main modes of transport on domestic routes, freight in and out of Lithuania, and freight in transit through the territory of Lithuania (measured in tonnes), the share of railways in the freight transport market amounted to 15.2%, which has shrunk by 1.3% compared to Q1 of 2024. These transportations were taken over by road transport, whose market share in the first quarter of 2025 increased by 0.5 percentage points compared to the corresponding period in 2024.

The share of domestic transport in the Company's freight transportation by rail within the territory of Lithuania (in tons) has been growing in recent years. In the 1st half of 2022, this share was 36.8%, in the comparative periods of 2023 – 53.6%, 2024 – 58.5%, and 2025 – 62.2%, with a corresponding decrease in the share of international transportation. Not only is the relative share of domestic transportation growing, but also in absolute terms: in the first half of 2022 – 5.9 million tons, in the comparative periods of the 1st half of 2023 – 7.0 million tons, the 1st half of 2024 – 7.1 million tons, and the 1st half of 2025 – 7.1 million tons.



*Data from the State Database Agency



*Data from the State Database Agency

By participating in a common logistics chain with railways, cargo terminals and seaports of neighbouring countries, the Company competes not only in Lithuania but also in the **international market** with railways of other countries transporting cargo by alternative routes or by other modes of transport - by sea (water) or road.

In 2022, LTG Cargo began a comprehensive diversification and expansion into new markets, in particular Western and Northern Europe. As part of this strategy, the Company is developing freight transport on 1435 mm gauge track. An important step in the expansion of LTG Cargo's activities in this direction was taken in July 2021, when Kaunas Intermodal Terminal was connected to the European rail system. LTG Cargo is working intensively in this strategic direction, and keeps strengthening its position in Poland. Together with its subsidiary LTG Cargo Polska, in 2022, the Company started semi-trailer transports between Kaunas Intermodal Terminal (KIT) and Duisburg and back. This activity gained momentum and the number of these trips was optimized and new routes were developed. Since June this year, intermodal transportation on the route of Kaunas–Duisburg has been initiated with a stop in Łódź, thus offering customers two new routes: Kaunas–Łódź and Łódź–Duisburg, with the expectation of higher train load capacity.

With the aim to be a leader in the Northwest-South corridor by expanding existing routes and developing new ones, at the beginning of this year, LTG Cargo successfully performed the first test run through the Baltic states to Muga port in Estonia by applying the standard of EU railway sector - without exchanging information and connections with Russian systems of the Railway Transport Council (RTC). This became a significant event not only for the Company but also for the development of the logistics system in the entire Baltic region.

In implementing the aforementioned diversification and expansion strategy into new markets, LTG Cargo also began operations in the Ukrainian market. Established at the end of 2020, LTG Cargo's subsidiary LTG Cargo Ukraine has offered freight forwarding services. Moving forward, it will focus on optimizing LTG Cargo's fleet and boosting employment by leasing LTG Cargo's rolling stock to Ukrainian customers.

1.3. Strategy

The LTG Group's activities are based on rational strategic planning and management. LTG's long-term corporate strategy was approved back in 2018, which covered all LTG Group companies' activities - freight and passenger transport and related logistics services in domestic and international markets, management of railway infrastructure, and implementation of priority investment projects. A detailed review of the strategy is carried out annually to take account of the changes in the transport services market and the evolving operating environment.

LTG Cargo's strategy was updated on 16 December 2024: detailed plan for the next 5 years and strategic guidelines up to 2040 were prepared.

LTG Cargo's performance for the first half of 2025 was achieved by engaging and enabling the following strategic resources: a fleet of 195 locomotives, a fleet of 6,415 freight wagons, and a total of 1,620 employees. LTG Cargo's total revenue for the first half of 2025 amounted to EUR 143.4 million, with a net profit of EUR 13.7 million.

During the first half of 2025, LTG Cargo transported 11.5 million tons of freight. These volumes are 5.7% lower compared to the first half of 2024. Freight turnover reached 2.6 billion tkm or was 8.5% less than in the first half of 2024. The lower freight turnover was due to decreased transportation of oil and mineral products, as well as a decline in the transit of food industry products. These losses were only partially offset by increased transportation of chemical and mineral fertilizers.

The intermodal transport volumes for the first half of 2025 amounted to 36 thousand TEUs and were 39% lower than in the first half of 2024. The deviation resulted from a significant drop in container flow from Ukraine and CIS countries, as well as lower activity on the KIT–Duisburg–KIT route due to very low freight movement in the first quarter between Lithuania and Germany, and efforts to reduce the intermodal operation loss. It is expected that the newly opened stop in Łódź will increase the load capacity of the KIT–Duisburg–KIT route. Losses were partially offset by the increased demand for Vilnius and Kaunas Shuttle services. Future growth in intermodal transport will be significantly influenced by regulatory changes: sustainability requirements set by financial institutions, road taxes, and the EU Green Deal.

In the first half of 2025, sanctions control was strengthened by implementing the best risk management practices in internal control processes. During six months, 40 transport applications were rejected and 183 wagons with freight were refused to enter the country. An internal audit on the implementation of sanctions control was conducted across LTG, and LTG Cargo did not receive any recommendations. Considering the changes in sanctions requirements, periodic quarterly training sessions for employees have been initiated to ensure compliance with regulatory requirements in accordance with internal processes. Additionally, data collected about customers is being consolidated, which will form the basis for developing comprehensive risk monitoring scenarios.

In 2024, assessment of LTG Cargo's freight transportation services according to NPS was 18. The goal is to reach the average sector level by 2027 (43 points). In order to achieve the goal of improving customer satisfaction, implementation of the model for customer service, installation of customer journey map, renewal of rolling stock fleet have continued and preparations for changes in the customer portal have started. Continuous review and implementation of process improvements allow us to achieve the set goals.

Technology Asset Management projects have been actively implemented over the first six months. The purchase of electric locomotives is ongoing, and the delivery of 500 grain wagons and 200 open wagons is being finalized by September 2025. These changes will allow adaptation of the rolling stock fleet to meet customer needs and enable efficient freight transportation on electrified routes.

Mission, vision, values

Connecting people and businesses for a more sustainable future

Ensuring the necessary connections so that each of us may travel and expand businesses in a sustainable way both in Lithuania and abroad, protecting the environment around us.

By ensuring viability and creating value for Lithuania, we pursue our vision of driving change towards a more sustainable and equitable national transport model.

Mission

Being the backbone of the transport system

Transport axis. By laying the foundations for more sustainable domestic connectivity for passengers and freight, we are promoting the transformation of railways from a rudimentary link to a major axis to which other modes of transport connect: roads, seas and airports converge into a single network.

Smooth connection. We smoothly integrate Lithuania with other European countries.

Critical infrastructure. We ensure important transportation infrastructure for civil and military mobility, supply of essential goods.

Our values are born from within the organisation, identified as the most important by employees themselves. They guide us in our day-to-day operations to achieve our vision.
to which other modes of transport connect: roads, seas and airports converge into a single network.

VISSION

Responsibility

I do what I say.
I promise what I can.
I protect myself and others.
I boldly commit.

Customer

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

Cooperation

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

Development

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

Values

Strategic directions

Customer experience

Customer experience. Goal - average NPS in the industry (43). This will be achieved by improving customer experience managements, increasing quality of services and promoting culture oriented towards customer.

Business development and diversification

Businessdevelopment and diversification. Freight flows and revenues are growing as the business expands: Expansion of the North-West-South corridors and development of new routes. Logistics “corridor” (Kaunas – Muuga, Kaunas - Duisburgas) for intermodal freight to/ from Western Europe is under construction and it will allow moderate growth in international intermodal flows as soon as state-regulated incentives occur (e.g. Increase in road taxes). In order to meet the customer needs, the rolling stock strategies are developed, investments and acquisitions of new rolling stocks are planned, and the existing fleet of rolling stock is optimised. Business expansion into foreign markets: Latvia, Estonia, Poland, Ukraine and Germany, search for possibilities in the Central Europe.

Operational efficiency

Operational efficiency. Improving top-level operational efficiency by engaging the culture of continuous improvement: focusing on digitisation projects, use of rolling-stock fleet and improvement of efficiency of repair programmes to increase profitability. Long-term and short-term planning (including the creation of an operational control centre), adaptation of the best asset management models, automation and digitisation of daily operations.

Environment, Social Responsibility and Governance (ESG)

Environment, Social Responsibility and Governance (ESG). The aim is to minimize environmental and climate change impacts and develope reponsibly in line with the Green Deal: sustainable, environmentally friendly solutions creating value to society are being developed, including the ‘green’ transformation of the traction park by reducing CO_2 emissions and energy consumptions of freight transportation.

Inclusive organisational culture

Inclusive organisational culture. The aim is to increase employee engagement, satisfaction and productivity by creating an open and inclusive working environment, promoting inclusive and developmental leadership based, ensuring the importance of LTG Cargo values and encouraging engagement of the teams.

Business resilience

Business resilience The FREE Rail project is aimed at increasing national security and business resilience by breaking away from the Railway Transport Council (RTC) system. Ensuring comprehensive safety through implementation of cyber security initiatives Ensuring comprehensive security through cyber security initiatives while maintaining a high level of work, traffic and business safety, successfully managing the risks related to sanction implementation and others, and increasing the employees’ competence regarding safety issues.

Strategy implementation measures

- Project transports are continued. During the first half of 2025, a total of 102 transports of military equipment were carried out on the 1520 mm and 1435 mm network (compared to 94 trains in the first half of 2024). A steady growth of military equipment handling is foreseen throughout the main strategy period up to 2029, in line with the development of military and dual-use sites in Lithuania. Also, the second pilot transportation of cars by railway, this time from Slovakia to Lithuania, was carried out. Other car manufacturers got interested in the success of this project, therefore, it is expected to continue expanding this area.

- In Lithuania, domestic intermodal transport remains frozen at current levels to reduce the loss from intermodal operations. The decision may be changed in case of changes in the assumptions related to road taxes. International intermodal (containers and semi-trailers) transport is further developed. It is expected that the stop initiated this year in Łódź on the route KIT–Duisburg–KIT will increase the route's occupancy and the quantities transported. In the future, it is planned to further develop the international intermodal route KIT–Duisburg–KIT and look for new routes.

- Technology Asset Management projects are continued. The purchase of freight electric locomotives continues. 17 new electric locomotives will transport freight on the electrified section between Vilnius and Klaipėda (Corridor IX B) from 2027 onwards, using electricity from renewable energy sources. In order to meet the needs of Lithuanian grain growers and producers of crushed stone, grain wagons (500) and semi-wagons (200) were bought and their delivery will be completed until September 2025. Further acquisition and modernisation of wagon fleet is planned up to 2029. The design of the infrastructure for a new depot for the maintenance of 1520 mm and 1435 mm rolling stock, including electric locomotives, has been continued and the necessary land plots have been secured. It is expected to get a construction permit in 2025 and to complete construction in 2028. The new depot will meet the future maintenance needs of the rolling stock fleet, as well as increase the efficiency of LTG Cargo's operations and the use of its assets (automated processes, energy-saving systems). The modernization project for the Radviliškis freight wagon depot has been initiated with the aim to improve working conditions for employees and enhance operations. The project is scheduled to be completed by 2028. The replacement of unsafe locomotive safety systems is ongoing, with plans to replace the systems in all locomotives used by LTG Cargo by the end of 2027. Digitalization projects are being implemented: automatic planning of rolling stock repairs; digitalization solutions for workshop employees and warehouses; implementation of condition-based repair solutions for locomotives; 5G and video surveillance solutions in locomotives. To ensure operations in Latvia, DMR radio stations have been installed in 10 locomotives.

- Projects of operational efficiency. Implementation of a culture based on the LEAN philosophy will ensure continuous improvement in the organisation. Following the success of the pilot system project to repair locomotives according to their condition, investments will be made in the purchase and installation of equipment in order to have more efficient management of assets and human resources, improve readiness of locomotives and reduce costs. Development of a tool to manage the utilisation and maintenance of technological assets, which will improve the efficiency of repair planning. The new planning system (RCP - Rail Cargo Planning) started as planned; in addition, we have staff task applications, where operations staff receive tasks and mark their completion. Functionality testing has been installed and carried out in LTG Cargo services operation. Modules that optimise or automate the planning of trains and capacity, locomotives, crews, orders, empty wagons and station operations have been installed. The pilot project for robotic wagon inspection has moved into the implementation stage, and the training of image recognition algorithms has begun, the rental acquisition of the robot is almost completed. Drones have been acquired and are being used in operations for wagon cleanliness inspections. The order management implementation project has been updated, and the scope of the project has been clarified. Functional requirements for procurement are being prepared, which will allow for the initiation of the order management system procurement by the beginning of 2026. The digital workplace project (traction rolling stock depot) started at the end of 2023 and was supplemented this year with functionalities that allow for full repair planning and tracking the efficiency of repair work. Work on digital terminals has also started (an employee can conveniently scan the job card and see/manage the tasks scheduled for him/her). Train document automation project which digitalises specific service delivery processes is being completed. There are plans that are regularly updated to reduce fuel consumption, both in terms of expenses and CO_2 emissions. Synthetic fuel pilot is carried out to test reduction of potential CO_2 emissions from diesel locomotives to 90%. Increase in effective hours of locomotives from current 13 to 17 hours for electric locomotives and 15 hours for Siemens locomotives will allow making better use of existing assets.

Annual targets for 2025

Taking into account the shareholder's expectations and aiming to ensure the implementation of strategic goals, on 16 December 2024, the board of LTG Cargo approved the **annual targets of LTG Cargo**, the indicators measuring them, and the target values, linked to the implementation of the LTG Strategy 2029. Considering LTG Cargo's ambition and strategic goals, the set annual targets help improve customer experience, increase operational efficiency, ensure business growth, reduce environmental impact, ensure safety, and enhance employee engagement. Based on the approved annual objectives, LTG Cargo employees have personal goals set. In this way, LTG Cargo employees are involved in a structured and coherent process of implementing LTG Cargo's strategy, linking the achievement of objectives to career, development and incentive plans. The table presents the annual targets for 2025 approved by the board of LTG Cargo and their achievement indicators, measurement units, weight in the overall structure of goals, and achievement guidelines.

Strategic activity goals	Strategic activity indicators	Unit of measure	Weight, %	2025 Goal achievement guidelines
VALUE CREATION THROUGH INTEGRATION INTO WESTERN MARKETS				
Ensure LTG Cargo's EBITDA margin	Ensured LTG Cargo Group's EBITDA margin	%	25.0%	≥19.3
CUSTOMER EXPERIENCE				
Improve customer experience	Increased level of customer experience (LTG Cargo Lietuva NPS)	%	15.0%	≥22
OPERATIONAL EFFICIENCY				
Increase of operational efficiency	Achieved level I maturity of continuous improvement	maturity assessment in points	10.0%	≥1.3
BUSINESS DEVELOPMENT				
Progressing activities developed by LTG Cargo Polska	Increased LTG Cargo Polska's Cash EBITDA	EUR million	10.0%	≤-4.8
	Implemented new LTG Cargo Polska's operational model focused on direct customers	EUR million	10.0%	Additional income amounting to ≥ EUR 8 million per year
ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE PRACTICES)				
Sustainable implementation of activities	Reduce environmental impact per freight turnover in Lithuania	gCO_2e/ tkm	10.0%	≤12,87
BUSINESS RESILIENCE				
Improve the level of risk management and strengthen the overall safety of employees	Ensured business resilience level	%	5.0%	≥80
	Ensured employee safety (Accidents due to employer's fault)	Accidents at work due to employer's fault*1 M / Total working hours	5.0%	≤0,5
INCLUSIVE ORGANIZATIONAL CULTURE				
Increase employee engagement	Increased employee engagement level	%	10.0%	≥73

1.4. Highlights

January

In accordance with the agreement with the Railway Transport Council (RTC), LTG Cargo has rejected the shared wagon fleet used for 1,520 mm railway track as of 1 January 2025. It has been replaced by a private fleet consisting of 6,415 wagons controlled by LTG Cargo. This change contributes to the national security as well as helps us to meet the needs of our customers better.

LTG Cargo successfully performed the first test run through the Baltic states to Muga port in Estonia by applying the standard of EU railway sector - without exchanging information and connections with Russian systems of the Railway Transport Council (RTC).

On 30 January, Íñigo Parra, the head of Stadler Valencia which manufactures electric locomotives for LTG Cargo visited Vilnius. The electric locomotives are based on Stadler's existing Eurodual six-axle locomotive model, but adapted to the broad gauge and Lithuanian climate: they will be able to operate in temperatures as low as -40 °C.

February

Ignitis ON fast charging station has been installed at the Vilnius intermodal terminal which allows electric trucks bringing containers or trailers for further transportation by rail to charge on-site and continue their journey. Infrastructure for electric trucks at intermodal terminals allows for the expansion of the electric truck fleet in Lithuania, which is particularly important for reducing the pollution footprint of freight transport.

March

LTG Cargo presented Green Kilometer certificates to businesses that chose to shift part of their freight transportation from road to rail, indicating how much greenhouse gas carbon dioxide was saved by their decision. Companies using intermodal transportation services saved over 30,000 tons of carbon dioxide in 2024; in case of transportation of such weight by train, it would require up to 3,000 wagons.

April

LTG Cargo announced that it is expanding intermodal transportation opportunities and will offer a stop in Łódź on the route Kaunas–Duisburg at the beginning of summer. This means that intermodal transportation organized by LTG Cargo will be supplemented with two routes: Kaunas–Łódź and Łódź–Duisburg.

June

LTG Cargo participated in one of the largest and most important events in the logistics world held in Munich - the exhibition Transport and Logistic 2025. The exhibition covers the entire logistics value chain: from transport and freight forwarding to warehousing, supply chain management, specialized equipment, and innovative technologies. It showcases the latest market trends, innovations, and technologies, and includes discussions, forums, various thematic events, and demonstrations.

On 27 June, LTG Cargo transported over 200 new KIA cars intended for the Lithuanian, Latvian, and Estonian markets from Slovakia to Kaunas solely on the European gauge. This is the second car transportation project implemented by LTG Cargo together with its subsidiary in Poland LTG Cargo Polska and other partners; Škoda cars transported from the Czech Republic in the previous autumn.

1.5. Subsequent events

July

On 17 July, LTG Cargo transported the Lithuanian Army's freight for the first time by relocating armored wheeled and tracked military equipment and troops by rail from Panevėžys to Pabradė. This transportation was an important part of the field tactical training the King's Strike 2025 of the King Mindaugas Hussar Battalion of the Lithuanian Army's Infantry Brigade Iron Wolf.

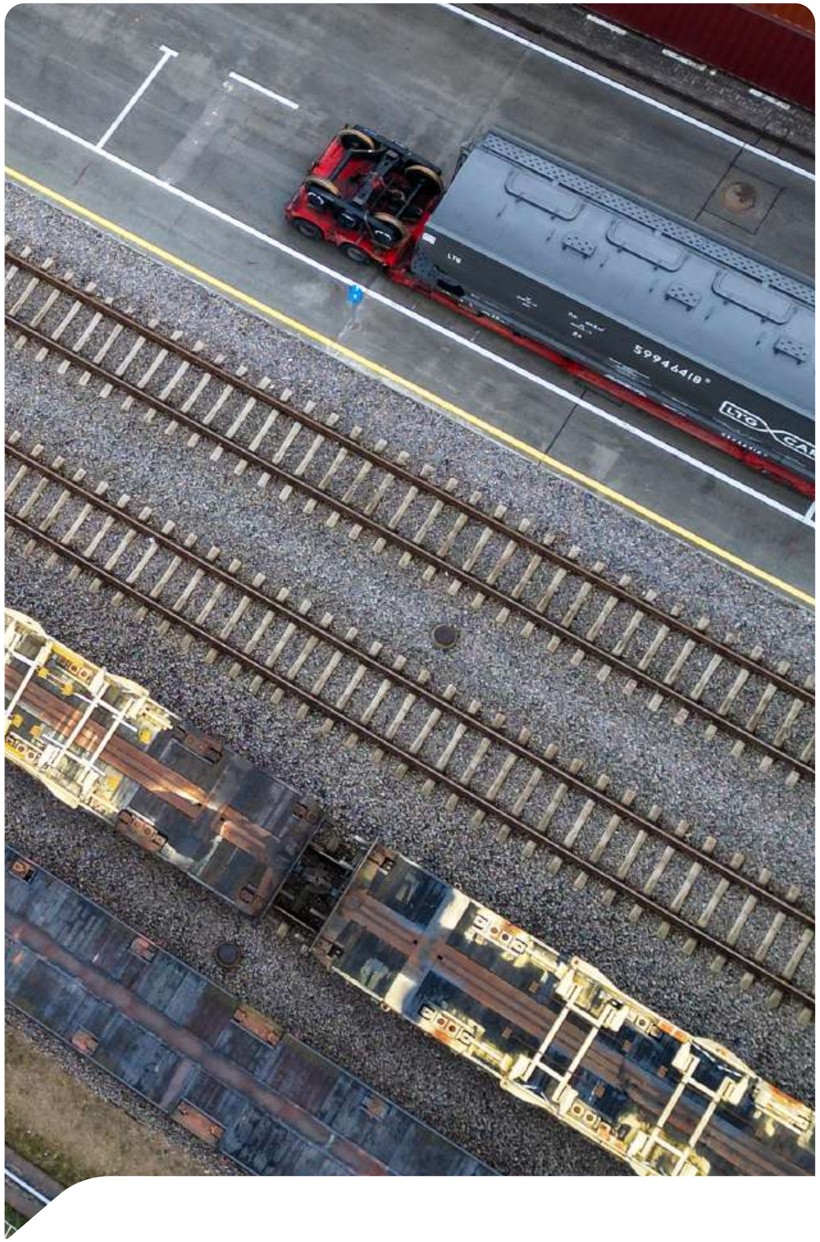
LTG Cargo Polska, the subsidiary of LTG Cargo in Poland, celebrated its five-year anniversary on 20 July. The company currently ranks sixth in the Polish intermodal transport market and enables smooth freight transportation between Western Europe and Lithuania. LTG Cargo Polska provides rail freight services to one of Poland's largest food industry companies Cedrob and also develops partnerships with UZ Cargo Poland, CFL Cargo, Spedcont terminal in Łódź, among others.

LTG Cargo Ukraine, LTG Cargo's subsidiary in Ukraine, which has been providing forwarding services since its establishment in 2020, is changing its business direction and will now focus on efficiently of LTG Cargo's rolling stock fleet and increasing its occupancy rate by leasing it to customers in Ukraine.

Results

2.1. Key performance indicators

Transport volume indicator	Unit of measure	1st half of 2025	1st half of 2024	2025/2024 Δ, %	1st half of 2023
Total freight transportation turnover:	**billion tons-kilometres**	**2.6**	**2.9**	**(8.5%)**	**3.0**
freight transportation turnover in the territory of Lithuania	billion tons-kilometres	2.6	2.8	(5.8%)	3.0
freight transportation turnover in the territories of other countries (Latvia, Estonia)	billion tons-kilometres	0.0	0.1	(97.9%)	-
Average distance travelled per tonne	**km**	**227**	**235**	**(3.0%)**	**233**
Total freight transportation	**million tons**	**11.5**	**12.2**	**(5.7%)**	**13.1**
Segments of freight transportation					
Domestic transportation	million tons	7.1	7.1	0.2%	7.0
International transportation:	million tons	4.4	5.1	(14.0%)	6.1
Transit	million tons	2.1	2.8	(24.6%)	3.5
Export from Lithuania	million tons	1.4	1.5	(6.2%)	1.6
Import to Lithuania	million tons	0.9	0.8	9.2%	1.0

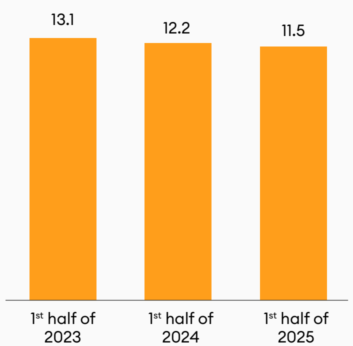


LTG Cargo transported 11.5 million tons of freight in the s1t half of 2025. Traditionally, heavy or bulk goods (oil and its products, crushed stone, grains) transported by rail predominated during the reporting period and accounted for more than 70% of all freight transported by rail.

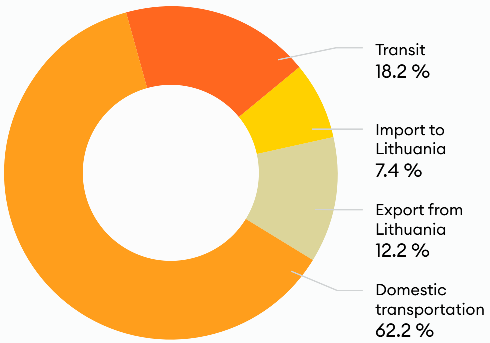
Since 2022, due to Russia's war in Ukraine, drastically reduced freight flows from the East, i.e., to/from Belarus and Russia, as well as transit in the Kaliningrad direction, continue to decline due to the expanding spectrum of international sanctions against Russia and effective sanctions control. Freight transportation volumes decreased by 5.7% from 12.2 million tons in the 1st half of 2024 to 11.5 million tons in the 1st half of 2025, and freight transportation turnover decreased by 8.5% from 2.9 billion tkm in the 1st half of 2024 to 2.6 billion tkm in the 1st half of 2025. A strong decline was recorded in the segments of transportation of food and oil products and construction materials.

Having significantly renewed its wagon fleet in 2024-2025, LTG Cargo successfully diversified its operations and actively expanded to the West following the mentioned decline in freight transportation, laid a strong foundation for stabilizing the decline in transportation and sustainable further growth. However, considering the situation in the European market, a breakthrough in international transportation has not yet been achieved, but domestic transportation is steadily increasing by growing the internal market.

Freight transport volumes
(in million tons)



Segments of freight transport in the 1st half of 2025, %



Domestic transport, which accounted for 62.2% of the total freight transported, increased by 0.2%, compared to the first half of 2024, and reached 7.1 million tonnes. The significantly decreased flow of construction materials (due to reduced demand for road infrastructure improvement) and the lower volumes of plant-based product transportation were compensated by the recovery of transportation of chemical and mineral fertilizers due to the renewed operations of AB Lifosa. Cargo flows through the Klaipėda Seaport from local customers increased by around 8% to 3.5 million tonnes. The growth was largely driven by the increase in the volume of transportation of chemical and mineral fertilizers.

International transport, which accounted for 37.8% of the total freight transported, decreased by 14%, compared to the first half of 2024, and reached 4.4 million tonnes. During the analysed period, the flow of goods in transit through the territory of the Republic of Lithuania decreased by 24.6% The flow of cargo in transit towards Kaliningrad region decreased by 25.3%. The decline was largely driven by decreased transportation of food industry and oil products. The volume of freight imported and exported through the Port of Klaipėda decreased by 19.9% in the 1st half of 2025 due to reduced transportation of food industry products and chemical and mineral fertilizers.

The volume of **intermodal** transport decreased by 38.5% to 35.8 thousand TEUs (the equivalent of a 20-foot container) in the first half of 2025. This was mainly influenced by decreasing flows in communication with CIS countries. The volumes of intermodal transportation by semi-trailer trains decreased by 17.9% compared to the 1st half of 2024 from 2,677 semi-trailers in the 1st half of 2024 to 2,199 semi-trailers in the 1st half of 2025.

Intermodal transport is currently loss-making and no significant growth in this flow is foreseen in the coming years; instead efforts are being made to create the conditions for a greater shift of volumes from road to rail in the future, when a more favourable regulatory environment will come into force (road taxes, other restrictions that will have a significant impact on the volumes and profitability of intermodal transport).

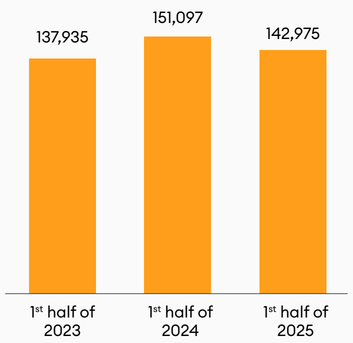
2.2. Financial performance

Sales revenue

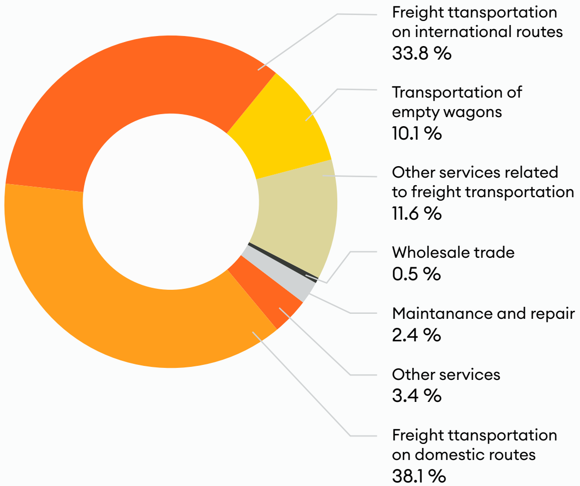
The Company's sales revenue in the 1st half of 2025 amounted to EUR 142,975 thousand, i.e. by EUR 8,122 thousand or 5.4% less than in the 1st half of 2024. The major portion of revenue – 71.9 comprised revenue from freight transportation.

In the 1st half of 2025, **revenue from freight transportation on domestic routes** amounted to EUR 54,491 thousand, an increase of EUR 892 thousand (1.7%) compared to the same period in 2024 due to a 0.2% increase in transport volumes in this segment and higher transport tariffs. The growth in domestic transport volumes was driven by the recovery of transportation of chemical and mineral fertilizers due to the renewed operations of AB Lifosa, which compensated for the decreased flow of construction materials.

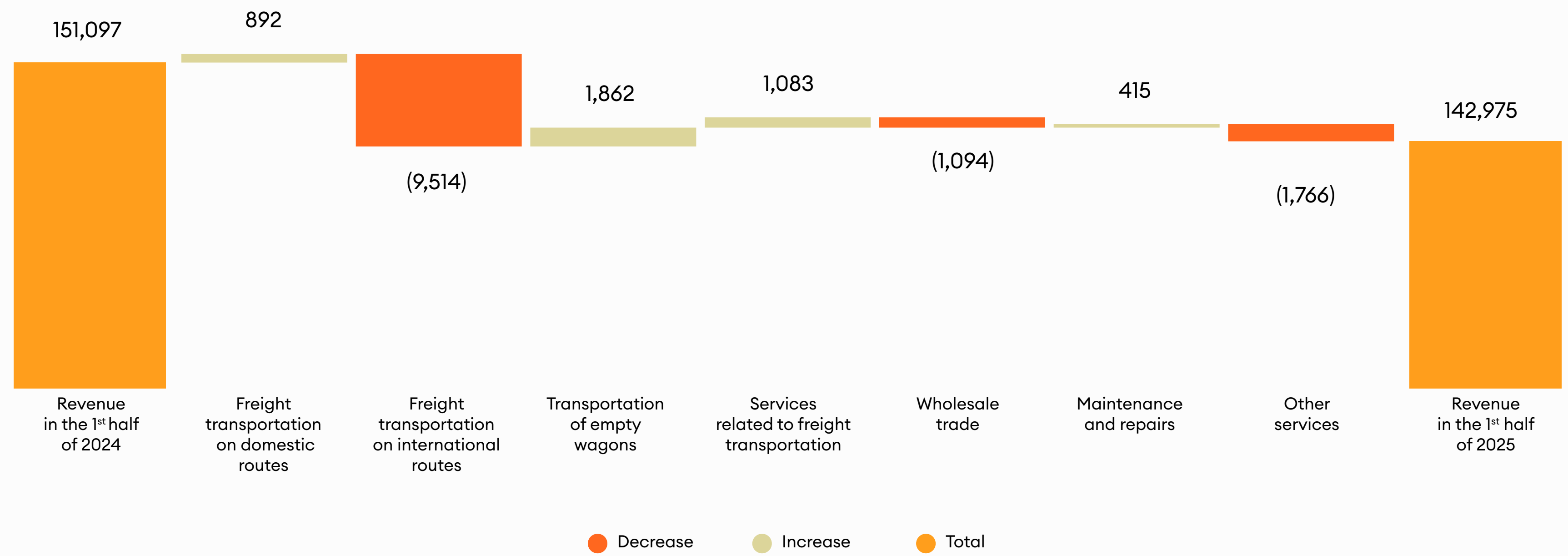
Company's sales revenue,
EUR thousand



Structure of the Company's sales revenue
1st half of 2025, %



Change in the Company's sales revenue, EUR thousand



- **Freight transportation on international routes** in the first half of 2025 decreased by 16.4% or EUR 9,514 thousand compared to the 1st half of 2024, reaching EUR 48,353 thousand. 51.8% of the volume (in tonnes) of the international transportation was transportation of freight to and out of Lithuania and 48.2% was transportation of freight in transit through Lithuania, including in the direction of the Kaliningrad region, i.e. 47.7% in transit through Lithuania between the mainland of the Russian Federation and the Kaliningrad region in accordance with the EU restrictions and 0.5% in other transit. Revenue from transit freight transportation during the reporting period amounted to EUR 30,064 thousand, which is EUR 7,482 thousand less compared to the same period last year.

- **Revenue from transportation of empty wagons** increased by EUR 1,862 thousand (14.8%) compared to the 1st half of 2024 and reached EUR 14,422 thousand. This revenue growth was driven by a higher number of wagons rented to customers and increased transportation using private wagons, as well as the transfer of all LTG Cargo's wagons to the private wagon fleet from the beginning of the reporting period.

- **Other freight-related revenues** in the 1st half of 2025 amounted to EUR 16,641 thousand and it was EUR 1,083 thousand (7.0%) more compared to the same period last year. This revenue growth was driven by an increase of EUR 770 thousand in wagon rental revenue and revenue higher by EUR 392 thousand from the use of freight wagons and containers in Lithuania. Revenue growth was offset by forwarding revenues lower by EUR 238 thousand as LTG Cargo did not purchase freight transportation services in the territory of Latvia during the reporting period, unlike in the 1st half of 2024.

- During the reporting period, **wholesale revenue** decreased by EUR 1,094 thousand (59.5%) compared to the 1st half of 2024 and amounted to EUR 744 thousand due to lower sales volumes of scrap metal and spare parts.

- In the 1st half of 2025, **revenue from maintenance and repair services** amounted to EUR 3,473 thousand, which is 13.6% more than in the same period last year, due to increased volumes of customers' rolling stock and higher repair prices.

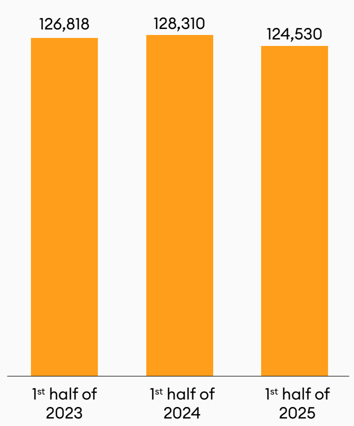
- In the 1st half of 2025, **revenue from other services** (rental of locomotives with crews and fuel, work of locomotives and their crews abroad, asset rental) amounted to EUR 4,044 thousand, which decreased by EUR 1,746 thousand (30.2%) compared to the 1st half of 2024. The decline in revenue was due to lower income from the work of locomotives rented with crews by UAB LTG Link in passenger traffic, resulting from a lower service price.

Expenses

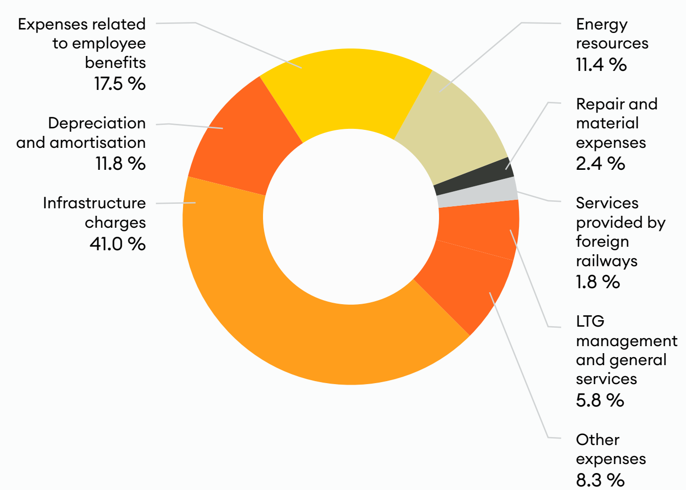
The Company's expenses of operating and other activities in the 1st half of 2025 amounted to EUR 124,530 thousand, i.e. by EUR 3,780 thousand or 2.9% less than in the 1st half of 2024.

The majority of the Company's expenses in the reporting period include infrastructure charges (41%), wages and salaries (17.5%) and energy resources (fuel, electricity) (11.4%).

Company's expenses, EUR thousand



Structure of the Company's expenses 1st half of 2025, %

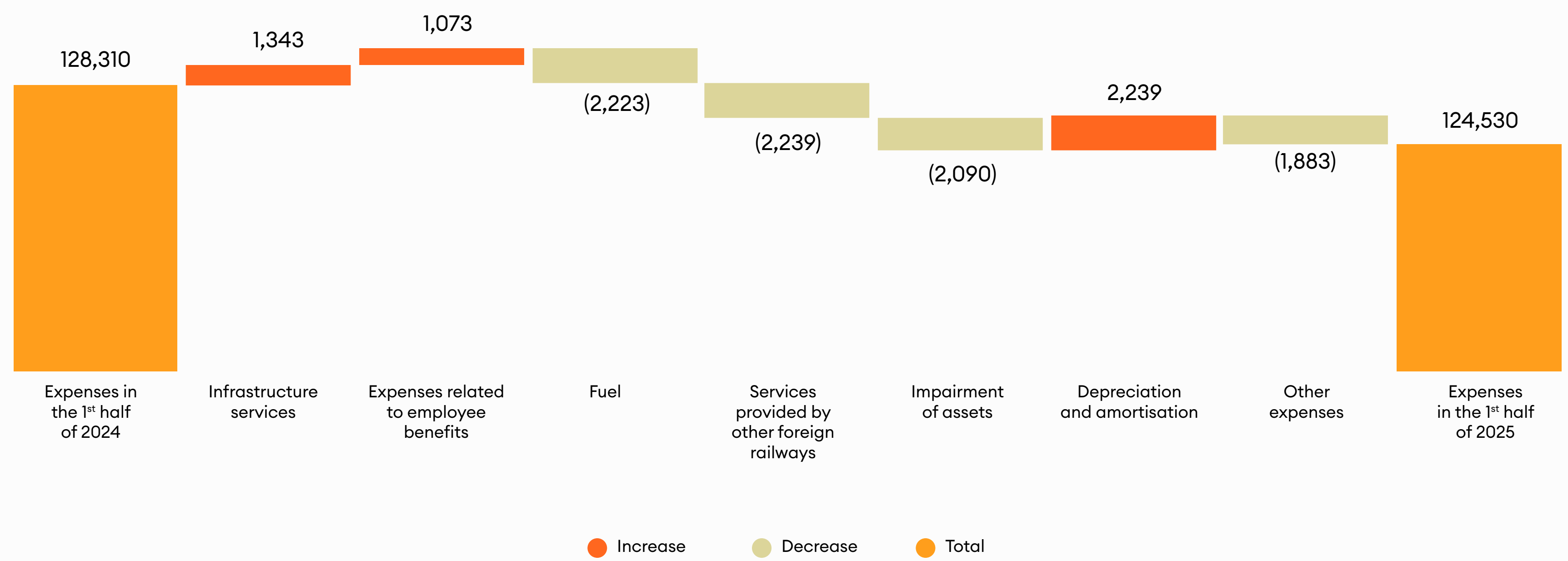


- **Infrastructure fee expenses** consist of payments for services of the minimum access package to the public railway infrastructure and access to railway service facilities (marshalling yards, train formation and shunting facilities, loading terminals, railway rolling stock maintenance facilities) and the costs of services provided therein. In the 1st half of 2025, infrastructure fee expenses amounted to EUR 51,065 thousand, which is an increase by 2.7% or EUR 1,343 thousand compared to the same period in 2024. These expenses increased due to EUR 1,650 thousand (19.6%) higher costs for access to railway service facilities and services provided therein driven by significantly increased rates for using railway service facilities for storing rolling stock and using the wagon marshalling hump. The increase in expenses was partially offset by EUR 307 thousand lower costs for the minimum access package services to the public railway infrastructure due to a 5.8% decrease in the Company's freight transportation turnover (in ton-kilometres) in the network of AB LTG Infra, the public railway infrastructure manager in Lithuania.

- **Expenses related to employee benefits** increased by EUR 1,073 thousand (5.2%) compared to the 1st half of 2024 and reached EUR 21,842 thousand. The greatest impact on the increase in expenses was the annual review of basic salaries implemented from 1 April, which resulted in an 8% increase in the monthly basic payroll fund. The increase in expenses related to employee benefits was partially offset by the optimization of the number of employees in the Company through the implementation of a series of operational efficiency measures.

- During the reporting period, **fuel expenses** amounted to EUR 13,879 thousand, which is EUR 2,223 thousand (13.8%) less than in the same period last year. The decrease in expenses was due to the following reasons: a 6.6% decline in train operations, an average 4.9% lower diesel price and a 3.2% reduction in fuel consumption per 10,000 gross tonne-km.

Change in the Comany's expanses, Eur thousand



- In the reporting period, **services rendered by other foreign railway companies** amounted to EUR 2,294 thousand, which is EUR 2,239 thousand or 49.4% less than in the 1st half of 2024. This decrease was mainly influenced by a 97.7% drop in freight transportation turnover within the territories of Latvia and Estonia.

- In the 1st half of 2025, **asset impairment expenses** decreased by EUR 2,090 thousand to EUR 440 thousand. After analysing the utilization of long-term assets held for sale, their write-down to net realizable value was reversed in the amount of EUR 1,079 thousand. The decrease was also influenced by the increase in the values of non-current assets and receivables, as well as lower inventory write-down expenses to net realizable value.

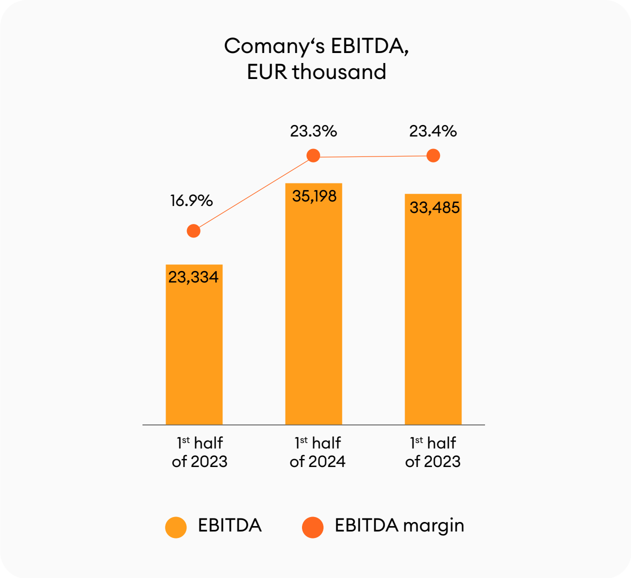
- In the 1st half of 2025, **depreciation and amortisation expenses** amounted to EUR 14,639 thousand, which is significantly higher - by EUR 2,239 thousand or 18.1% - compared to the 1st half of 2024. This increase was driven by the Company's renewal of its rolling stock fleet, through the acquisition of grain wagons and open wagons. During the reporting period, 422 grain wagons and 78 open wagons were received, most of which are already prepared for operation.

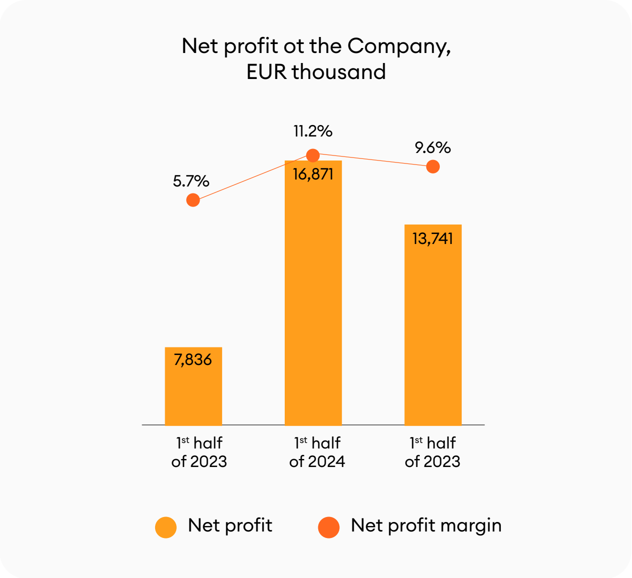
- **Other expenses** decreased by EUR 1,883 thousand (8.5%) to EUR 20,371 thousand compared to the 1st half of 2024. The largest influence on this change was the reduction of purchases of freight transportation operator services by the subsidiary LTG Cargo Polska by EUR 971 thousand. This is directly related to lower volumes of Kaunas–Duisburg intermodal transportation and the discontinuation of Kaunas–Slavkov transportation. Additionally, this change was contributed by EUR 864 thousand lower cost of sold spare parts and scrap metal due to decreased sales volumes, and EUR 177 thousand lower provisions for legal case expenses.

Performance results

When analysing the Company's financial results, we see that due to the impact of sanctions on Russia and Belarus, the significantly decreased volumes of transported freight in 2022 continued to decline at a slower pace. During the reporting period, freight transport volumes decreased by 5.7% from 12.2 million tons in the 1st half of 2024 to 11.5 million tons in the 1st half of 2025. Having lost cargo from the East, the Company managed to stabilize its performance results: in the 1st half of 2025, compared to the 1st half of 2024, EBITDA slightly decreased by EUR 1,713 thousand (4.9%), while the EBITDA margin was 23.4% and remained practically unchanged. This was driven by the Company's consistently pursued goal of improving efficiency and service quality, implementing an operational optimization program that includes increasing operational efficiency, optimizing the number of employees, reducing costs, and updating the operational strategy that envisages integration into Europe, expansion into Western and Northern European markets, and ensuring service quality.

The Company's net profit in the first half of 2025 decreased by EUR 3,130 thousand (18.6%) compared to the same period in 2024.





Balance sheet changes

As at 3 0June 2025, the Company's assets amounted to EUR 340,096 thousand and, compared to 31 December 2024, increased by EUR 5,497 thousand or 1.6%.

During the 1st half of 2025, **non-current assets** increased by EUR 34,092 thousand or 13.1% up to EUR 295,076 thousand.

The renewal of the rolling stock fleet increased non-current assets by EUR 15,350 thousand. After purchasing grain wagons (500 units) and open wagons (200 units), their delivery will be completed by September 2025. By the end of the 1st half of 2025, 401 grain wagons are in operation. Non-current assets were also increased by EUR 13,128 thousand due to increased prepayments for them, with and advance payment of EUR 10,288 thousand made in the 1st half of 2025 for the acquisition of 17 electric locomotives, based on the procurement conducted in 2024 and the contract signed with the Spanish manufacturer Stadler Valencia, as well as wagons purchased from Ukrainian manufacturers.

As at 30 June 2025, financial assets increased by EUR 3,912 thousand compared to 31 December 2024 due to long-term loans granted to related companies.

In the 1st half of 2025, assets managed under the right of use decreased by EUR 586 thousand (2.4%) due to more efficient management of these assets and amounted to EUR 23,633 thousand.

At the end of the 1st half of 2025, **current assets** amounted to EUR 45,020 thousand and decreased by EUR 28,595 thousand (38.8%) compared to the end of 2024. The most significant decrease was in the balance of cash and cash equivalents (EUR 35,939 thousand), which was offset by an increase in prepayments (EUR 5,369 thousand) and loans granted to related companies (EUR 6,809 thousand). Inventories decreased by 8.9% due to more efficient management.

Authorised capital remained stable at EUR 44,087 thousand during the period under review.

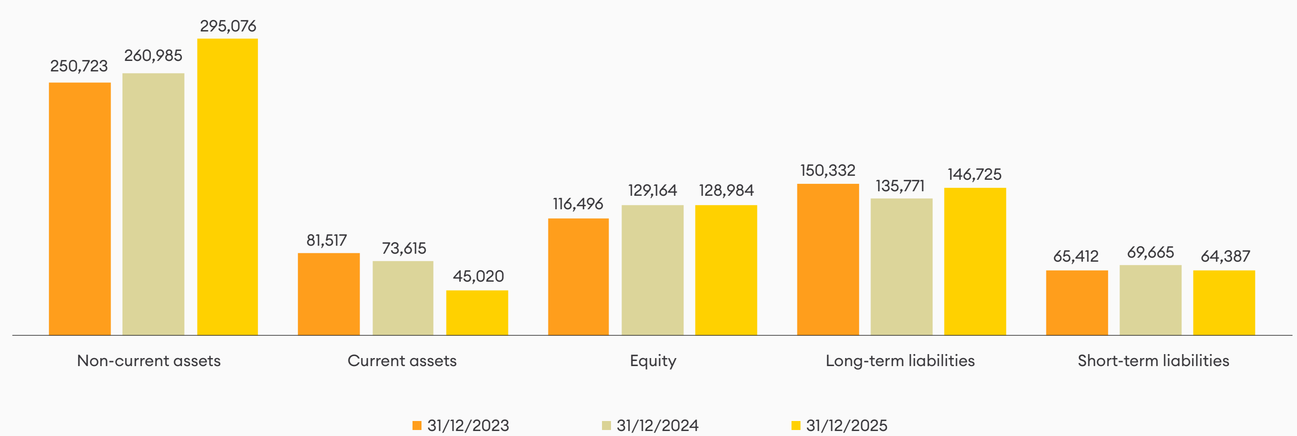
In the 1st half of 2025, **equity** remained practically unchanged (decreased only by EUR 180 thousand): the decrease resulted from profit earned in the first half of 2025 due to offset of the dividends of EUR 13,921 thousand allocated and paid to the parent company LTG from distributable profit.

As at 30 June 2025, compared to 31 December 2024, **liabilities** increased insignificantly by EUR 5,677 thousand (7.6%). In the 1st half of 2025, the Company signed a long-term financing agreement amounting to EUR 36,460 thousand with a credit institution for financing acquisition of rolling stock, and the amount of loan used during this period reached EUR 20,000 thousand.

Additionally, in the first half of 2025, the Company repaid loans amounting to EUR 8,597 thousand (in the 1st half of 2024: EUR 667 thousand) and paid EUR 2,834 thousand (in the 1st half of 2024: EUR 9 thousand) in interest.

During the reporting period, trade and other payables decreased by EUR 2,792 thousand, and received prepayments decreased by EUR 2,364 thousand, while deferred income tax liabilities increased by EUR 1,730 thousand.

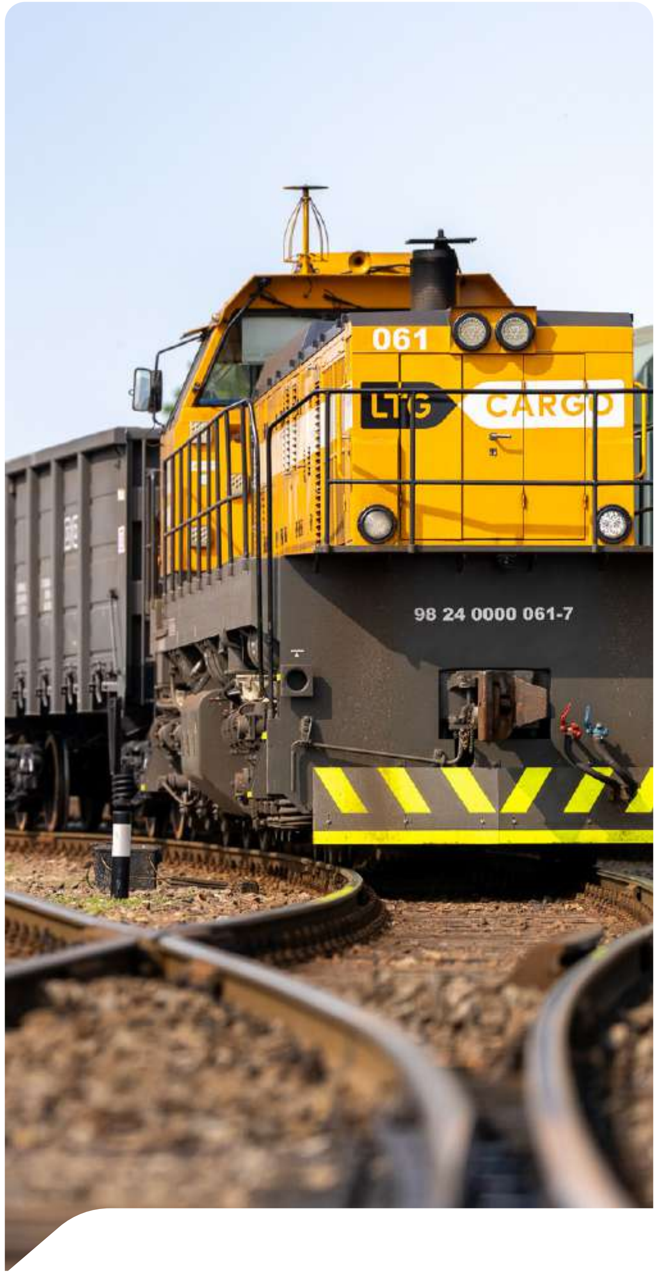
Changes in the Company's main balance sheet items, EUR thousand



Key financial indicators

	Unit of measure	1st half of 2025	1st half of 2024	1st half of 2023
Sales revenue	EUR thousand	142,975	151,097	137,935
Revenue from other activities	EUR thousand	401	10	202
Total revenue	EUR thousand	143,376	151,107	138,137
Expenses	EUR thousand	124,530	128,310	126,818
EBITDA	EUR thousand	33,485	35,198	23,334
Adjusted EBITDA	EUR thousand	34,125	38,545	23,221
EBITDA margin	%	23.4%	23.3%	16.9%
Adjusted EBITDA margin	%	23.9%	25.5%	16.9%
EBIT	EUR thousand	18,846	22,797	11,319
EBIT margin	%	13.2%	15.1%	8.2%
Net profit	EUR thousand	13,741	16,871	7,836
Net profit margin	%	9.6%	11.2%	5.7%
		30/06/2025	31/12/2024	31/12/2023
Non-current assets	EUR thousand	295,076	260,985	250,723
Current assets	EUR thousand	45,020	73,615	81,517
Total Asset	EUR thousand	340,096	334,600	332,240
Equity	EUR thousand	128,983	129,164	116,496
Financial debt	EUR thousand	148,688	138,867	158,369
Net debt	EUR thousand	131,124	85,363	100,315
Return on equity (ROE)	%	15.6%	18.9%	15.8%
Return on assets (ROA)	%	6.0%	7.0%	5.3%
Return on investment (ROI)	%	7.2%	8.7%	6.6%
Financial debt / EBITDA	In times	2.5	2.3	3.2
Financial debt / Equity	In times	1.2	1.1	1.4
Net debt / EBITDA	In times	2.2	1.4	2.0
Net debt / Adjusted EBITDA	In times	1.8	1.1	2.0
Equity ratio	%	37.9%	38.6%	35.1%
Asset turnover ratio	In times	0.9	0.9	0.9
Quick liquidity rate	In times	0.6	1.0	1.1
Total liquidity rate	In times	0.7	1.1	1.2

For definitions of the indicators see page 42 of the Report.



Financing of the Company

As at 30 June 2025, the Company's loan portfolio (having assessed accumulated interest) amounted to EUR 124.7 million (EUR 114.3 million as at 31 December 2024).

In the first half of 2025, the Company signed a long-term financing agreement in the amount of EUR 36.5 million with a credit institution. As at 30 June 2025, the used amount of the loan was EUR 20 million. The loan provided to the Company was guaranteed by AB Lietuvos Geležinkeliai. The weighted average interest rate of the Company's loan portfolio was 3.638% as at 30 June 2025 (4.783% as at 31 December 2024).

The longest repayment term of a financial debt is 6 years, and the last repayment term is in 2031. There are no direct bank-monitored indicators set for the Company under the current loan agreements, but there is a requirement that the financial indicators of the LTG Group meet the requirements set in these agreements. As at 30 June 2025, the indicators at the LTG Group level are being met.

The Company repaid loans in the amount of EUR 8.6 million and paid interest and other taxes in the amount of EUR 2.9 million during the st1 half of 2025.

The Company can use the LTG Group's cash pool to balance its working capital. The parent company of the LTG Group has signed an agreement with a credit institution for the provision of account services for the LTG Group. Accordingly, a mutual borrowing and lending agreement has been signed between LTG and the Company. The terms of the agreement correspond to standard market conditions and are valid until 31 December 2027.

2.3. Investments

In the 1st half of 2025, investments of LTG Cargo amounted to **EUR 44.5 million**. Most of the investments were intended for purchase of freight wagons (**53%**).

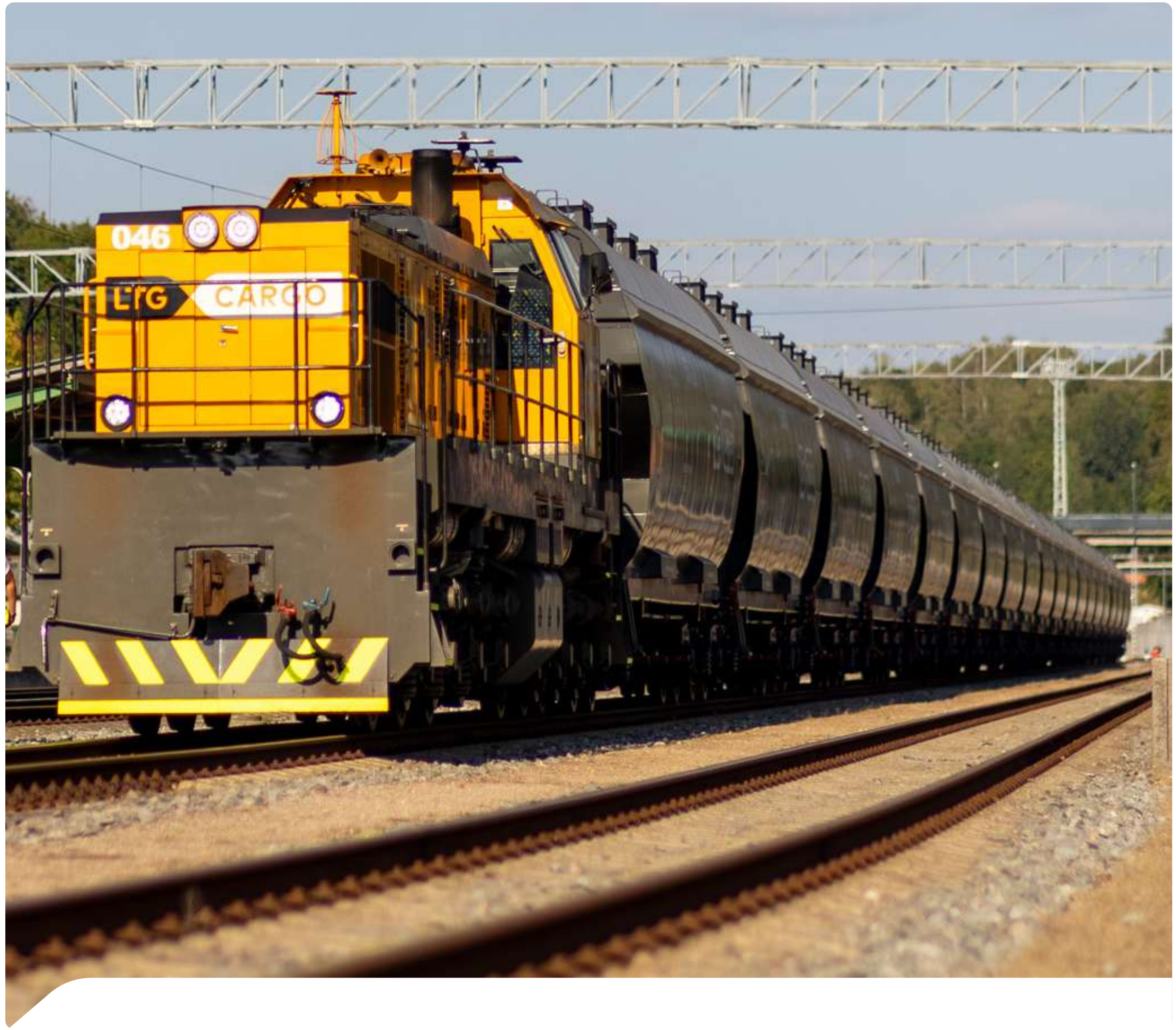
Investments, EUR thousand	1st half of 2025	1st half of 2024	1st half of 2023
Overhaul repair of locomotives	4,803	6,635	6,268
Overhaul repair of freight wagons	3,766	5,642	3,062
Acquisition of freight wagons	23,398	-	-
Acquisition of electric locomotives	10,285		
Other investments of LTG Cargo	2,259	1,297	1,249
Total LTG CARGO	**44,511**	**13,574**	**10,579**

Key investment projects

Main projects/ project groups	Work carried out in the 1st half of 2025
1. Renewal and development of the fleet of freight wagons	To meet the need of the Lithuanian companies for transportation of grain by rail, 500 new wagons for transportation of grain (grain wagons) have been purchased. Purchases were made in 2024, and 422 wagons were delivered by the end of June 2025. The project will be completed in 2025.
	During the renewal of depreciated fleet of semi-wagons, the purchase was made and a contract for the purchase of 200 new semi-wagons was signed in 2024. 78 wagons were delivered by the end of June 2025. The project will be completed in 2025.
2. Acquisition of electric locomotives	As part of the LTG Group's rail electrification programme, LTG Cargo has acquires 17 electric locomotives. In 2024, purchases were made and a contract was concluded with the manufacturer Stadler Valencia from Spain. A 10% advance payment was made in the first half of 2025.
	New electric locomotives will replace old diesel locomotives and ensure environment-friendly freight transport on the electrified railway corridor Kena-Vilnius/Vaidotai-Radviliškis-Klaipėda. It is expected that operation of the new electric locomotives on the Lithuanian rail network will begin in 2027.
3. Rolling stock repairs	19% of investments of LTG Cargo in the 1st half of 2025 were aimed at renewing rolling stock (locomotives and wagons) in operation to ensure continuity of freight transport operations and safe transport of freight:
	• EUR 4.8 million for capitalised repairs of locomotives. 14 freight and 32 shunting locomotives were repaired in the 1st half of 2025;
	• EUR 3.8 million for capitalised repairs of freight wagons. 1,116 freight wagons were repaired in the 1st half of 2025.
4. Other projects	The project Construction of the Depot for Rolling Stock Repairs in Vaidotai of LTG Cargo is being implemented. Technical project was prepared as a part of the designing contract signed in 2022. The plan is to move out from the worn-out repair bases in the centre of Vilnius city and relocate locomotive maintenance and repair activities to the area near Vaidotai station. Start of operations in the new depot by the end of 2027. The aim is to make the new bases suitable for servicing electric locomotives currently being acquired and to increase the efficiency of locomotive repairs.
	In the 1st half of 2025, LTG Cargo continued the implementation of the Operational Control Centre in order to increase operational efficiency. The project results in the planning and management of freight transport activities in accordance with new business processes, automation and digitalisation of activities, and data exchange with the relevant LTG systems;
	The project for replacement of Locomotive Safety Systems (LSS) is implemented. It is planned to replace unsafe Russian-made KLUB-U systems currently used in 44 mainline locomotives and 67 shunting locomotives. In the 1st half of 2025, LSSs were replaced in seven locomotives.

Investments into freight transportation activities planned for the near future

- Projects performed in 2024 and in the 1st half of 2025 and not yet completed are being continued, the most important being: Acquisition of electric locomotives (advance payment for 17 locomotives was made in 2025, designing of locomotives is in progress) and the project for construction of the depot for rolling stock repairs in Vaidotai (the technical design was approved in the 1st half of 2025 is expected to be completed and the project, it is expected enter the phase of contract works and acquisition of technological equipment).
- Upkeep programmes for the 1,520 rolling stock (locomotives and freight wagons) currently in service are being implemented;
- Renewal of the depreciated fleet of freight wagons, in particular the acquisition of new grain wagons and semi-wagons is continued;
- The project for replacement of locomotive safety systems is continued.
- Smaller projects in progress:
  - renewal and modernisation of depots;
  - installation of the new Order Management System;
  - installation of digital radio communication in ER20CF locomotives;
  - development of a condition-based locomotive repair system and etc.



2.4. Dividend policy

The payment of dividends and the amount of profit contributions of state-owned enterprises is regulated by Resolution No. 665 of the Government of the Republic of Lithuania dated 6 June 2012 On the Approval of the Description of the Procedure for the Implementation of the Property and Non-property Rights of the State in State-owned Enterprises and its amendments (link). The summary version has been valid since 5 April 2022.

Allocation and payment of dividends of the LTG Group companies are regulated by the Dividend Policy of LTG Group which has been updated and approved by the LTG Board during the reporting period. The Dividend Policy is publicly available on the Company's website (link).

Allocation of dividends for the financial year or a shorter period 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 Dividend Policy. The dividend pay-out ratio, calculated on retained earnings, depends on ROE at the end of the reporting period.

Indicator of the Company's ROE (%)	Portion of distributed profit allocated to dividends (%)
≤1	≥85
>1 ir ≤3	≥80
>3 ir ≤5	≥75
>5 ir ≤10	≥70
>10 ir ≤15	≥65
>15	≥60

The Company's Board may propose to the shareholder to set a lower or higher portion of profit for dividend distribution or propose not to distribute them, taking into account the conditions and circumstances listed in the Dividend Policy.

On 16 April 2025, by the decision of AB Lietuvos Geležinkeliai, the Company's sole shareholder, the Company's financial statements for 2024 were approved and the profit (loss) for 2024 was allocated. The Company allocated and paid EUR 13,921 thousand in dividends to the parent company LTG.

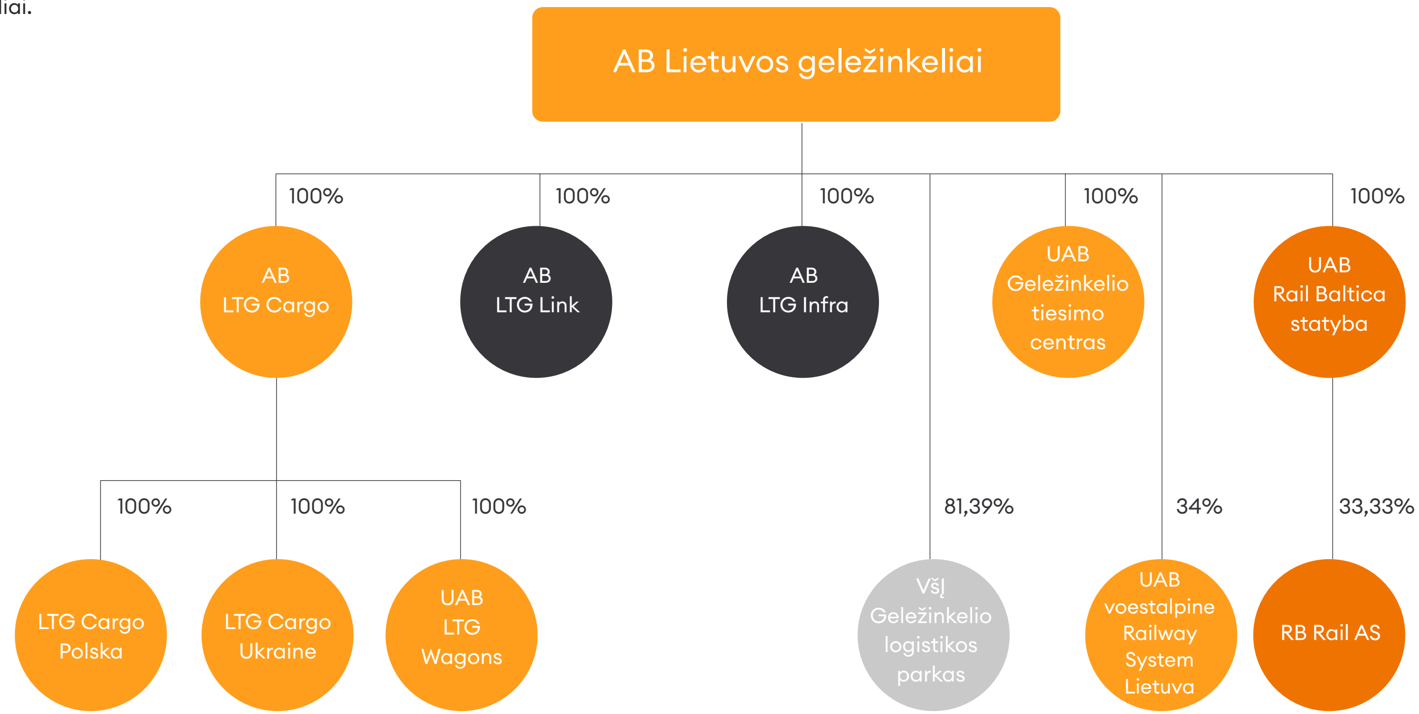
In 2024, the Company paid dividends in the amount of EUR 10,534 thousand from the distributable profit for 2023. In 2023, the dividends paid by the Company from the distributable profit for 2022 amounted to EUR 6,573 thousand. The Company did not pay out dividends in 2022 and the previous year.

Governance

3.1. Overview

The Company belongs to the LTG Group that is the largest in the Baltic States in terms of freight, passenger transport and infrastructure management. 100% of shares of the Company are owned by the parent company AB Lietuvos Geležinkeliai.

Structure of the LTG Group



- Subsidiaries and downstream companies operating in a competitive market under the same conditions as other Lithuanian and foreign market participants;
- UAB Rail Baltica statyba is the founder and shareholder of RB RAIL AS which coordinates implementation of the project Rail Baltica;
- Subsidiaries performing functions assigned by the state - special obligations
- Public institution

Information on shares as at 30 June 2025

Company	Amount of authorised capital	Number of shares, items	Par value per share
Parent company			
AB LTG Cargo	EUR 44,086,741.36	209,299	EUR 210.64
Subsidiaries			
LTG Cargo Polska sp. z o.o.	PLN 39,678,000	39,678	PLN 1,000
UAB LTG Wagons	EUR 150,000	150	EUR 1,000
LLC LTG Cargo Ukraine	UAH 17,027,000	-	-

The Company is part of AB Lietuvos Geležinkeliai Group whose sole shareholder is the parent company AB Lietuvos Geležinkeliai. The shareholder of AB Lietuvos Geležinkeliai is the State which is controlling 100% of shares, and rights and obligations of the shareholder are implemented by the Ministry of Transport and Communications of the Republic of Lithuania.

All the shares are of the same class; i. e. ordinary registered shares. The shares are intangible, they are recorded in Personal Securities Accounts in accordance with the procedures established by legislation.

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

The Company and its subsidiaries belong to the companies of the LTG Group. The Company is the sole shareholder of its subsidiaries LTG Cargo Polska, LTG Cargo Ukraine and LTG Wagons.

In order to increase the long-term value of LTG Group companies, to use funds, assets and other resources rationally and efficiently, and to meet shareholders‘ expectations and interests, the LTG Group‘s operating model is focused on the purification and concentration of core activities in subsidiaries and downstream companies. Being part of the LTG Group, the Company and its subsidiaries are responsible for implementation of principal activities and achievement of the set operating goals. In order to implement the raised goals and ensure appropriate management, in their activities the Company and its subsidiaries are independent, they make relevant decisions and ensure reporting and responsibility for operating results.

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. parent the governing bodies of the parent 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.

LTG Group applies the **functional leadership model**, which means that added value is created by centralising operational support, corporate function management as well as the functions themselves, consolidating competencies 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.

Governance principles

The corporate governance of the LTG Group shall be organised in accordance with 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.

Recognitions of governance

In the evaluation of the good governance index of state-owned enterprises (SOEs) for 2023/24, in the category of large enterprises, the LTG Group was recognised as one of the leaders among SOEs and received the highest A+ rating.

The Company also received the highest rating of „A+" in the categories of transparency, collegial bodies, and 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 SOE's 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.

Internal regulation

In its activities the Company follows the Law on Companies of the Republic of Lithuania, the Company's Articles of Association, decisions of the bodies of the Company, and other laws and legal acts regulating the activities of the Company including the activities of State-owned enterprises.

The Company's articles of association

The Company's Articles of Association were not amended during the reporting period. The currently valid Articles of Association of the Company are available on the Company's website applicable version of the Company's Articles of Association.

Operating policies applied within the LTG Group

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 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 of companies, whose respective companies are considered important for ensuring national security, and the resulting obligation to operate in accordance with national security interests.
- **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 **updated Strategic Planning and Management Policy** establishes the general principles, responsibilities, and main operational processes of strategic planning and management for the AB Lietuvos Geležinkeliai Group of companies. It aims to ensure coordinated strategic planning and management throughout the Group.

3.2. Management bodies

The following governing bodies of the Company are set out by Articles of Association:

- General Meeting of Shareholders;
- Board;
- Head of the Company.

General meeting of shareholders

The supreme management body. The competence of the General shareholders meeting, the procedure of its convening as well as resolution-passing is established by the Law on Companies of the Republic of Lithuania, other legislation and in the Articles of Association of the Company.

The sole shareholder of the Company is AB Lietuvos Geležinkeliai, which adopts the main decisions related to implementation of property rights and obligations.

The Company has not issued preference shares. During the reporting period, the 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.

Board

The Board is a collegial governing body provided for in the Articles of Association of the Company, consisting of 5 (five) members, including 2 (two) independent members, 1 (one) civil servant, 2 (two) members delegated by the shareholder of the Company. The members of the Board are elected by the General Meeting of Shareholders for a term of 4 (four) years. The Board elects the chairman of the Board from among its members. The same person may be elected as a member of the Board no more than for two consecutive offices. The Board is accountable to the General Meeting of Shareholders.

Independent Board members are elected in accordance with the Procedures for the Nomination of Candidates to the Board of Directors of a State or Municipal Enterprise and Candidates to the Supervisory or Governing Body of a State- or Municipality-owned Enterprise Elected by the General Meeting of Shareholders (hereinafter - Nomination Procedures), approved by Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015 (with successive amendments). 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 competence of the Board meets the competencies of boards laid down in the Law on Companies of the Republic of Lithuania and the additional competences of the Board set forth in the Articles of Association.

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

The composition of the Board did not change during the reporting period.

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

This relevant governance information is provided in the **Company's annual management report for 2024** (annual management report for 2024) and on our website (Governance| LTG Cargo)

- Additional Competence of the General Meeting of Shareholders
- Functions and additional competencies of the board members, selection criteria, information about remuneration, self-assessment of the board and results.

Composition of the Company's Board during the reporting period

Vitalij Rakovski

Independent Board Member, Chairperson
Member of the Board from 23 January 2023 and Chairperson of the Board from 12 January 2024.

Education
- Vilnius University, Bachelor of Business Administration and Management

Main employer, position held
- Head of UAB Perlas Finance, Olimpiečių g. 15-1, Vilnius, company code 301169732.

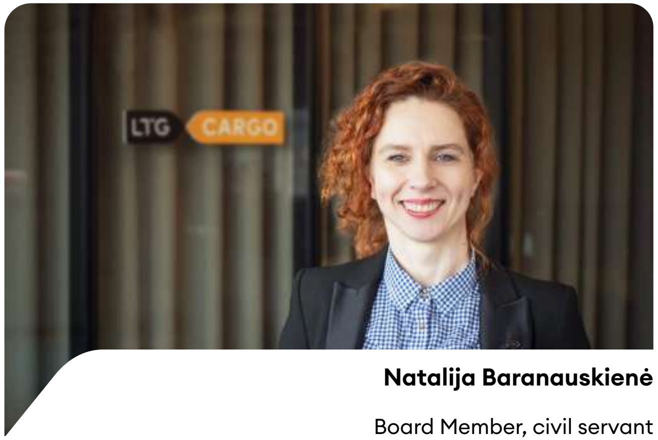
Aivaras Čičelis

Independent Member of the Board
Member of the Board from 1 June 2024.

Education
- Vilnius University, Master in Finance and Banking
- Vilnius University, Bachelor in Economics
- University of Wisconsin, USA, Bachelor in Finance Management

Main employer, position held
- –

Other current positions
- AB HISK, Panevėžys, S. Kerbedžio g. 7, company code 147710353, Independent Member of the Board.
- BMI Executive Institute, VšĮ, Vilnius, Konstitucijos pr. 18B, company code 195005151, Independent Member of the Board.
- UAB ILTE, Vilnius, Konstitucijos pr. 7, company code 110084026, Deputy Chairperson of the Supervisory Board.



Natalija Baranauskienė

Board Member, civil servant
Holds position from 6 March 2023.

Education
- Vilnius Gediminas Technical University, Master of Business Management
- Vilnius Gediminas Technical University, Bachelor of Transport Engineering

Main employer, position held
- Senior Adviser to the Ministry of Transport and Communications of the Republic of Lithuania, Vilnius, Gedimino pr. 17, legal entity code 188620589

Irena Jankutė-Balkūnė

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

Education

- Graduate of the Baltic Institute of Corporate Governance (BICG) Board member education programme
- Vytautas Magnus University, Master of Applied Sociology
- Vytautas Magnus University, Bachelor of Sociology

Main employer, position held

- Director of People and Culture of AB Lietuvos Geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842

Other current positions

- Head of Lietuvos geležinkelių įmonių asociacija, Geležinkelio g 16, Vilnius, company code 304949011

Vytautas Radzevičius

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

Education

- Graduate of the Baltic Institute of Corporate Governance (BICG) Board member education programme
- Vilnius University, Master of Management and Business Administration
- Vilnius University, Bachelor of Management and Business Administration

Main employer, position held

- Director of Strategy and Business Development, AB Lietuvos Geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842

Information on the attendance of Board meetings during the reporting period

During the reporting period, a total of 9 meetings of the Board were held, including 2 meetings which took place in the form of a survey (in writing).

Name, surname of a member	Board meetings
Number of meetings in the reporting period (including away days, early-voting in writing)	9
VITALIJ RAKOVSKI	9
AIVARAS ČIČELIS	9
NATALIJA BARANAUSKIENĖ	9
IRENA JANKUTĖ-BALKŪNĖ	9
VYTAUTAS RADZEVIČIUS	9

Committees and their activities

The Nomination and Remuneration Committee and the Audit Committee of AB Lietuvos Geležinkeliai Board were active at LTG Group level.

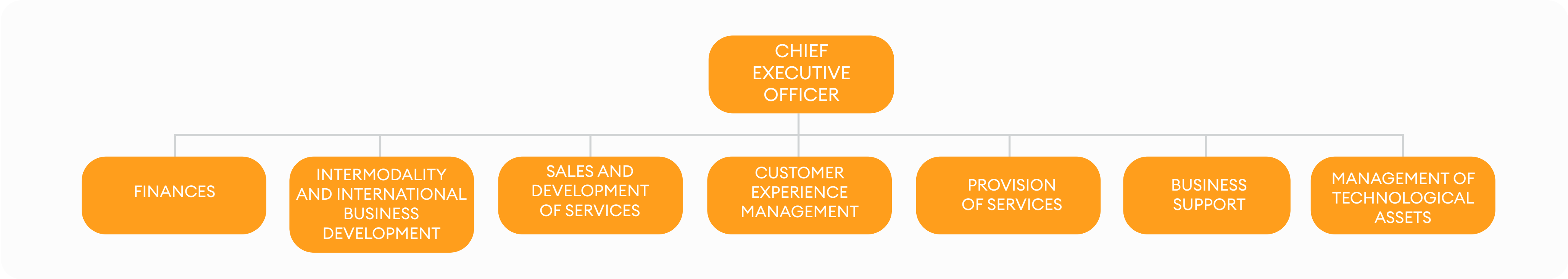
The Audit Committee's main task is to provide opinions and proposals to the AB Lietuvos Geležinkeliai Board on the functioning of the internal and external audit, risk management and control systems at AB Lietuvos Geležinkeliai and its subsidiaries.

The Nomination and Remuneration Committee's role is to provide opinions, recommendations and proposals to the AB Lietuvos Geležinkeliai. Board on the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

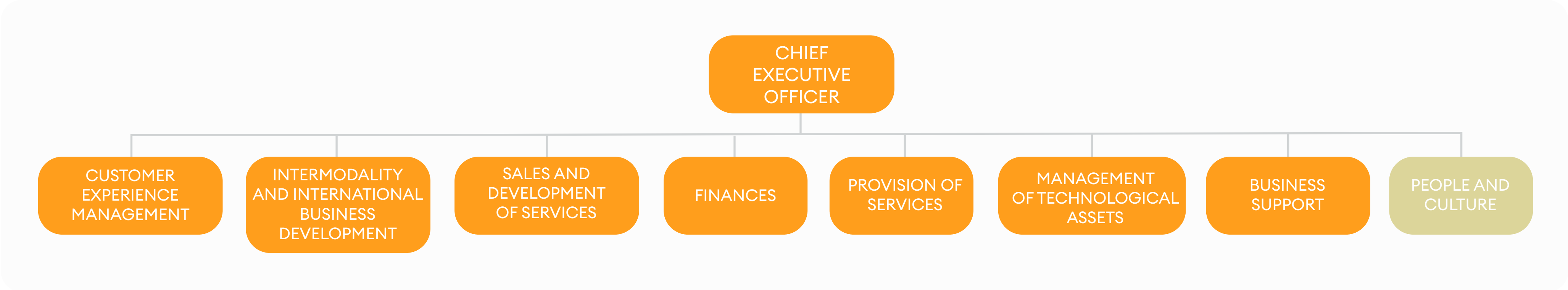
3.3. Management

Organisational structure of the Company

Organisational structure of the Company as at 31 January 2025.



Organisational structure of the Company applicable from 1 February 2025 was approved by the Board of the Company in the meeting held on 3 December 2024: A new position of **People and Culture Partner** was established, it directly reports to the Company's CEO.



The Head of the Company

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

The Head of the Company's powers are in accordance with those established by the Law on Companies of the Republic of Lithuania and other applicable legislation. The first 5-year term of office of the Company's Chief Executive officer Eglė Šimė began on 22 August 2022.

Before being appointed as the CEO of the Company on 19 August 2019, Eglė Šimė was Head for Service Delivery of the Company. Until then Eglė Šimė has gained experience in company management by managing the company UAB Franmax of the Maxima group, the companies UAB Verslo Aptarnavimo Centras and Public Institution Energy Training Centre of the Ignitis group.

Eglė Šimė has a bachelor's degree in economics awarded by the Lithuanian University of Educational Sciences. Eglė Šimė is the graduate of the Baltic Institute of Corporate Governance (BICG) Board member education programme.

Management of the company

EGLĖ ŠIMĖ	Chief Executive Officer	Temporarily held position from 4 January 2022 to 21 August 2022 Holds position from 22 August 2022
ARŪNAS ŽILYS	Head of Finance of the Company	Holds position from 5 November 2024
MINDAUGAS SKUNČIKAS	Head of Intermodality and International Business Development of the Company	Holds position from 1 January 2024
JUSTINAS ŽVIRBLIS	Head of Sales and Development of Services of the Company	Temporarily held position from 1 October 2024 to 18 February 2025
KRISTIJONAS BAKUTIS	Head of Customer Experience Management of the Company	Holds position from 19 February 2025
VITA REMEZAITĖ-MATEIKIENĖ	Head of Customer Experience Management of the Company	Holds position from 1 January 2024
SAULIUS VAIČEKAUSKAS	Head for Service Delivery of the Company	Holds position from 1 May 2024
MILDA PRANSKAITĖ	Head of Business Support of the Company	Holds position from 1 August 2023
ALMANTĖ KUPČINSKIENĖ		Temporally holds position from 18 April 2025
AUDRIUS PUKAS	Head of Technological Asset Management of the Company	Holds position from 15 June 2020
RASA LATVĖNIENĖ	Partner of People and Culture of the Company	Holds position from 1 February 2025

Interest management

During the reporting period, the Company's Board actively ensured compliance with national and internal Company regulations regarding prevention of the conflicts of interest. Potential conflicts of interest were checked at the beginning of each Board meeting, and no potential conflicts of interest were identified.

During the reporting period, all members of the Board, the CEO and managers of the Company have submitted to the Chief Official Ethics Commission declarations on private interest, which can be found on the website www.vtek.lt of the Chief Official Ethics Commission.

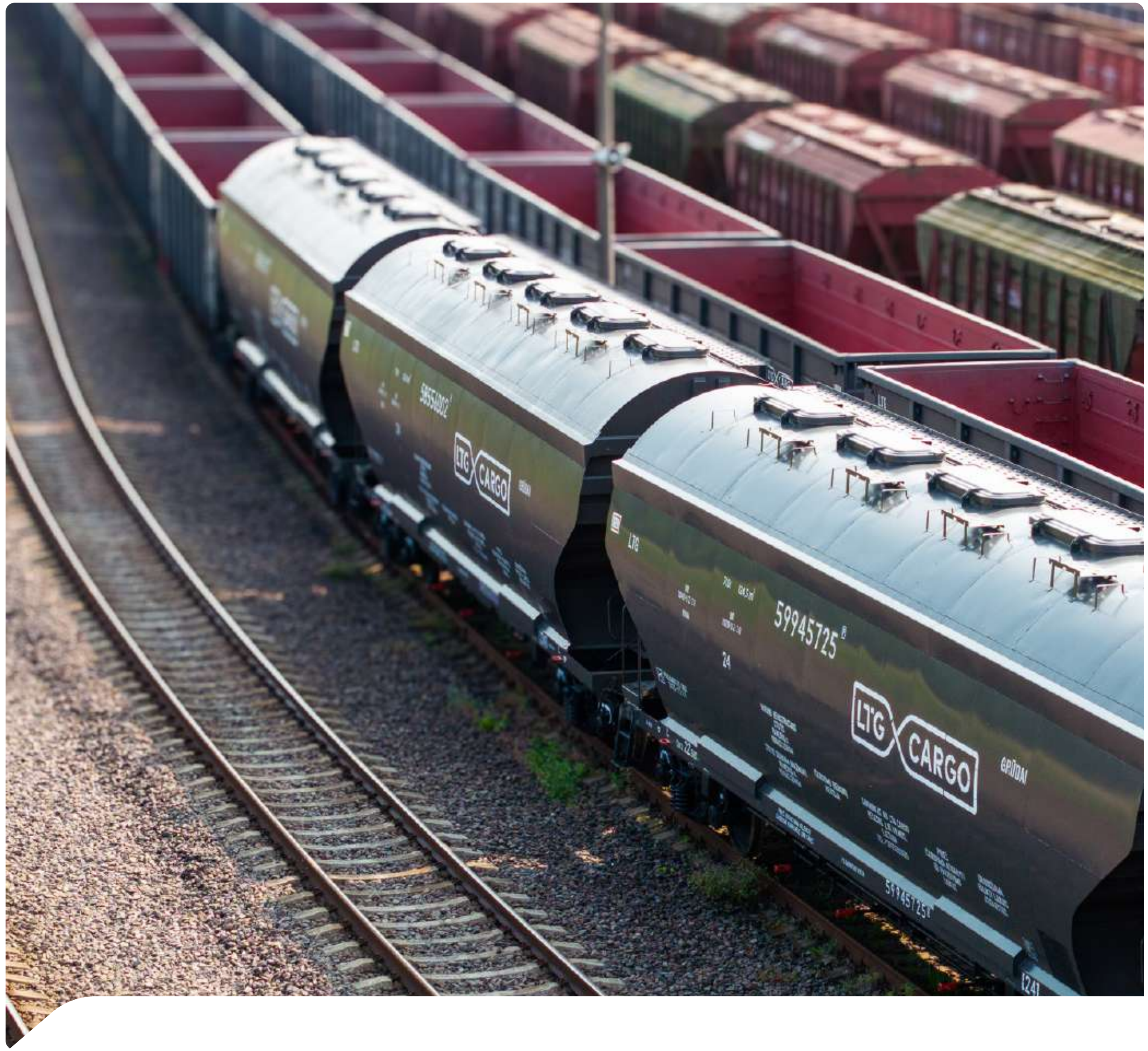
Information on remuneration of Board members

The principles for determining the remuneration of the Company's Board are disclosed in the Company's 2024 Annual Management Report, and the Governance Report.

Remuneration paid to members of the Board in the 1st half of 2025:

Name, surname of a member	Remuneration for activity of a member of the Board in the 1st half of 2025, EUR
Aivaras Čičelis	15,306
Irena Jankutė-Balkūnė	7,656
Natalija Baranauskienė	7,656
Vitalij Rakovski	20,406
Vytautas Radzevičius	7,656

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



Employees

The current People and Culture Policy, applicable to all LTG Group companies, is published along with publicly disclosed internal regulations on the website of the LTG Group.

Information on the distribution of employees by age, gender, length of service, and education, as well as on remuneration management principles – including references to the applicable remuneration policy – is published in the Company's annual management report for 2024, Employees section.

Initiatives and key events in the 1st 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 267 thousand or 8 percent, and the salary increase, based on unified review criteria, was implemented for 93 percent of employees.
- In April 2025, by decision of the Company's Board, a bonus amounting to EUR 2.1 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 (88 percent) and revealed a significantly increased engagement indicator (77), 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 organized independently and together 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, 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.
- Leadership Days, leadership sessions for management teams, and meetings between managers and the People and Culture Partner were continuously organized to strengthen leadership competencies and enhance the management of people and culture.
- Significant attention was given to the Radviliškis region in planning initiatives for attracting and retaining employees, improving employer image and working conditions.
- A volunteer program was planned to encourage team collaboration.

Number of employees and their remuneration

As at 30 June 2025, the **number of the Company's employees** (excluding the employees on parental leave, military service, long-term incapacity) was 1,620. The number of employees has decreased by 38 or 2.3%, compared to the data as at 31 December 2024.

The average monthly salary increased from EUR 2,322 to EUR 2,471 as compared to the average in 2024. The most significant impact on remuneration developments was the LTG Group-wide review of remuneration in April.

The **total payroll fund** amounted to 23.4 million. In addition, in April 2025, in line with other LTG Group companies, the Company's employees were paid an annual incentive of EUR 2.1 million for their performance.

Number of employees of the company 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,	Number of employees	Average salary,
	Total	Women	Men	Total	Women	Men				
The Head of the Company*	1	1		12,400	12,400		1	10,800	1	9,750
Top level management*	8	1	7	7,877	-	7,993	8	7,166	8	6,560
Senior managers and specialists in exceptional fields	26	8	18	5,378	5,227	5,423	20	5,223	24	4,973
Middle-level managers and individual experts	109	40	69	3,511	3,561	3,481	106	3,278	100	2,961
Team leaders and experienced specialists	320	156	164	2,463	2,372	2,548	327	2,311	320	2,133
Specialists and experienced operational/service staff	945	110	835	2,366	1,859	2,434	950	2,528	548	2,417
Operational/service staff, qualified workers	211	106	105	1,844	1,702	1,980	246	1,744	722	1,627
Total	**1,620**	**422**	**1,198**	**2,471**	**2,262**	**2,545**	**1,658**	**2,322**	**1,723**	**2,098**

** Fixed remuneration as at the end of the period.*
***For confidentiality, if a particular function group includes less than 5 employees of the same gender, the information on the average wage and the difference of the average wage are not disclosed.*

The components of the CEO's remuneration are disclosed in the Company's Annual Management Report for 2024, Governance section. As of 30 June 2025, the established monthly salary for the Company's general director was EUR 12,400. During the reporting period, the monthly basic salary of the CEO of the Company increased by 15 percent or EUR 1,600. In 2025, the Company's CEO was paid a monthly (1/12) portion of the annual incentive for achieving the 2024 goals, which are disclosed in the Company's Annual Management Report for 2024, Strategy section of the Management Report, amounting to EUR 2,646. The average actual salary, including the annual performance bonus, amounted to EUR 14,219.

The average monthly salary of top-level executives provided in their employment contracts as at 30 June 2025 amounted to EUR 7,877 and the average actual salary of this group of employees, taking into account the annual incentive, amounted to EUR 8,678.

Risks and their management

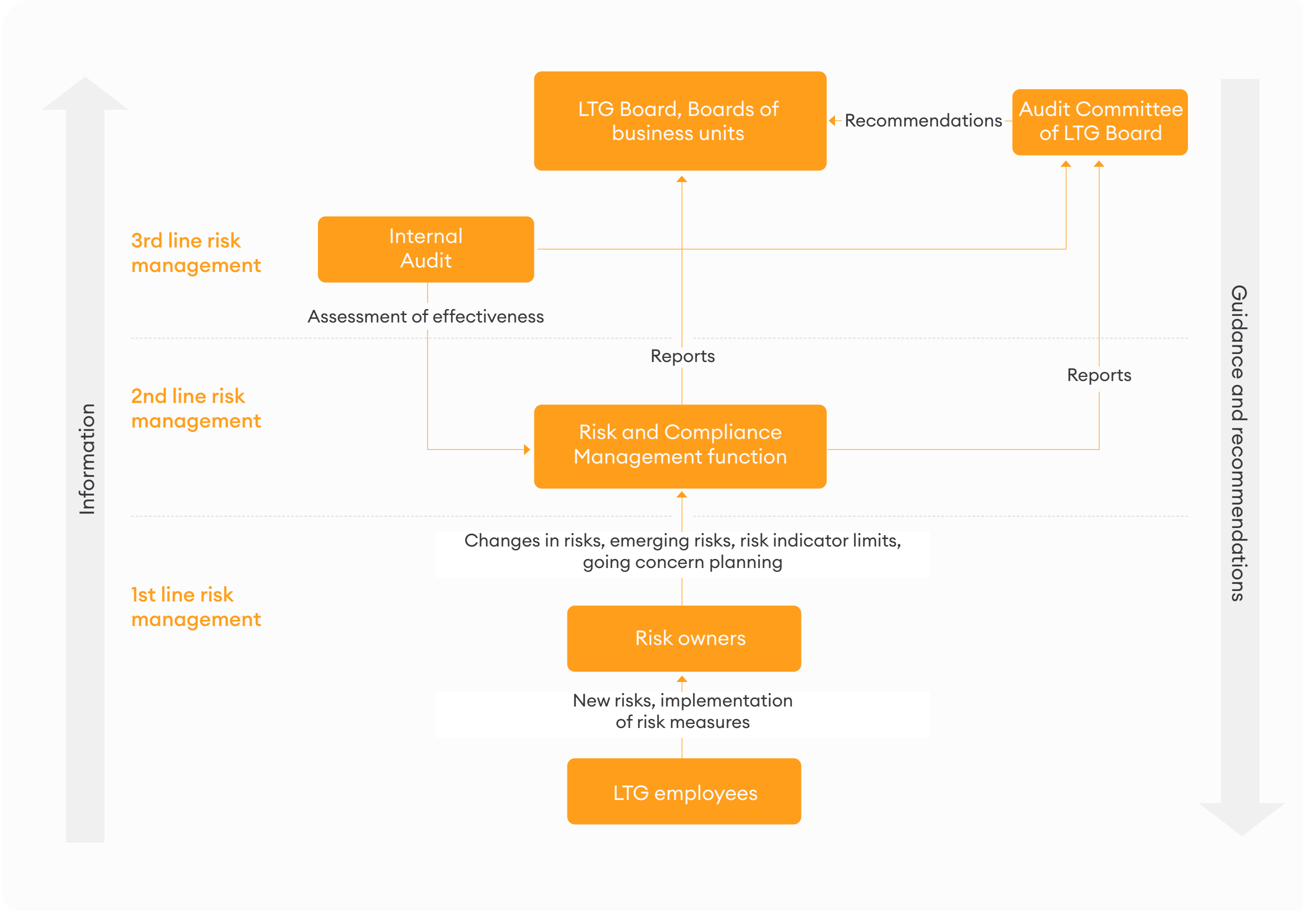
The LTG Group's unified risk management system is implemented and continuously improved in the Company. It is defined in the LTG Group's risk management policies, methodologies and process standards, which have been developed with reference to the International Organization of Standardization's (ISO 31000) and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO ERM) Enterprise Risk Management (ERM) international standards, as well as best practice examples.

In LTG Group, the risk management responsibilities are allocated according to 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 below discloses the risk management system, detailing the flow of information and distribution of responsibilities.



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

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

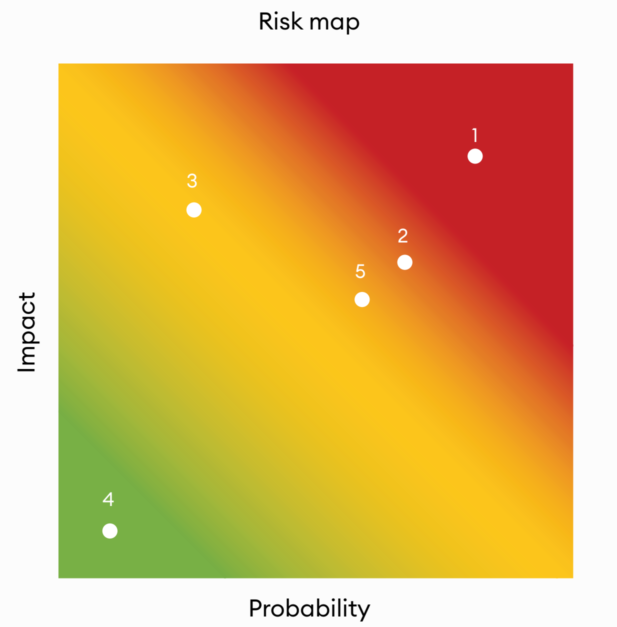
The level of identified risks is assessed by determining their likelihood and potential impact (assessing financial, legal and reputational impact, impact on activities as a going concern, on employee safety) and attributing them to one out of four risk categories (strategic, operational, financial,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

Periodic and timely dissemination of risk-related information is ensured by a well-established and settled preparation and reporting system. On a quarterly basis, the risk management status of each of the companies is reviewed in reports to the management boards of the companies and the LTG Group. The LTG Group Management Board 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 an opportunity to discuss the emergence of new risks.

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 related global risks and the context of the external environment. Based on the nature of the Company's business, the main risks relevant in the 1st half of 2025 are presented below.

Main risks and their management measures

1. Risks of expansion in foreign markets
2. Failure to ensure that IT systems meet business needs
3. Risk of sanctioned freight transport/circumvention schemes
4. Supply chain and technological dependence on "third parties"
5. Risk of safety incidents



Risk	Main risk sources	Possible impact	Main risk management measures
Risks of expansion in foreign markets	• Increasing competition in the market • Lack of specialists with specific competences • Lack of wagons, transhipment systems, locomotives • Inadequate customer service	• Revenue targets not met • Non-compliance with good governance practices • Delays in transportation	• Expansion of service supply • Consolidation of the customer service process • Ensuring quality control • Ensuring competences as required
Failure to ensure that IT systems meet business needs	• The changing business environment creates new needs • Insufficient digitisation and automation	• Performance disorders • Low operational efficiency • Financial losses • Reputational damage	• System modernisation and development of new systems • Corrective changes to functionalities • Updating access control processes and tools
Risk of sanctioned freight transport/ circumvention schemes	• Possible malicious attempt by customers to circumvent sanctions	• Reputational damage • Financial losses	• Sanction control and monitoring • Continous cooperation with authorities • Maintenance of competences
Supply chain and technological dependence on “third parties”	• Increase in prices of materials and raw materials • Extended delivery time • Possible sanctions for suppliers	• Operational failures due to lack of repair parts • Work delays • Increase in expenses	• Advance planning • Replacement of technologies • Search for and validation of alternative suppliers • Rolling stock restoration programmes
Risk of safety incidents	• Failure to comply with work safety instructions • Failure to comply with technological requirements during repair work *Inherent risks specific in conducted 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 • Inspections of safety systems • Periodic monitoring of physical and technical security • Inspections of quality control

Additional information

6.1. Information on subsidiaries

These financial statements for the period ended 30 June 2025 are unaudited.

LTG Cargo Polska Sp.zo.o.

Freight transportation and provision of related services in Poland

Company code:	386573260
Legal form:	Private limited liability company
Registered office:	Świętojerska 5/7, Warsaw, Poland
Telephone:	+48 22 103 38 15
E-mail:	office@ltgcargo.pl
Website:	http://ltgcargo.pl
Shareholder	100% of shares are owned by AB LTG Cargo
Authorized capital:	PLN 39,678,000
Number of shares:	39,678
Par value per share:	PLN 1,000
Date and place of registration:	21 July 2020, the Polish National Court Register
The head of the Company:	**Laimonas Nekrošius**

Performance results, thousand EUR	**2025 1st half of 2025**	**2024 1st half of 2025**	**2023 1st half of 2025**
Revenue	16,169	19,402	16,161
Expenses	18,575	24,182	17,403
Net profit / loss	(2,406)	(4,780)	(1,242)
	30/06/2025	**31/12/2024**	**31/12/2023**
Assets	29,895	32,684	17,960
Equity	4,031	6,437	1,834
Liabilities	25,864	26,247	16,126
Number of employees as at the end of the period	**145**	**133**	**126**

Transport volume indicator	**Unit of measure**	**1st half of 2025**	**1st half of 2024**	**2024/2023 ∆, %**	**1st half of 2023**
Freight transportation turnover in the territory of Poland	billion tons- kilometres	0.34	0.49	(31.3%)	0.36

LTG Cargo Polska, the subsidiary of LTG Cargo signed agreements with new customers and significantly increased transportation volumes to Ukraine. In the first half of 2025, 859 freight trains were transported, and freight transportation turnover decreased by 31.3% compared to the first half of 2024. The reduced transportation volume is a planned company's action aimed at eliminating unprofitable customers and optimizing company's results. The revenue for the first half of this year amounts to EUR 16.2 million, with a net loss of EUR 2.41 million (the net loss for the first half of 2024 was EUR 4.78 million). Throughout 2025, there are plans to review the business model of LTG Cargo Polska updated in 2024 by addressing the current market situation. It has been decided to develop additional services so that LTG Cargo Polska could expand its portfolio of direct customers (not logistics companies), as this type of customer requires a broader range of services.

LLC LTG Cargo Ukraine

Freight transportation and provision of related services in Ukraine

Company code:	43987945
Legal form:	Private limited liability company
Registered office:	Chikalenka 21 g., Kyiv, Ukraine
Telephone:	+380 68 1769673
E-mail:	Contacts are available on the website http://ltgcargo.ua
Website:	http://ltgcargo.ua
Shareholder:	100% of shares are owned by AB LTG Cargo
Authorized capital:	UAH 17,027,000
Number of shares:	–
Par value per share:	–
Date and place of registration:	9 December 2020, the United State Register of Legal Entities, Individual Entrepreneurs and Public Organisations
The head of the Company:	**Saulius Stasiūnas**

Performance results, thousand EUR	**2025 1st half of 2025**	**2024 1st half of 2025**	**2023 1st half of 2025**
Revenue	332	547	287
Expenses	363	208	260
Net profit / loss	(31)	339	27
	30/06/2025	**31/12/2024**	**31/12/2023**
Assets	812	1,499	759
Equity	571	956	316
Liabilities	241	543	443
Number of employees as at the end of the period	**5**	**6**	**5**

In 2025, LTG Cargo Ukraine is changing its business direction from forwarding and wagon transportation services to rolling stock rental operator activities, which has led to a decrease in revenue to EUR 0.03 million in the first half of 2025. By the end of the reporting period, LTG Cargo Ukraine administers 494 wagons of LTG Cargo located in Ukraine. A new business model is currently being developed, and LTG Cargo Ukraine's strategy is being updated; it is expected to complete updating alongside the update of the LTG Cargo's strategy by the end of 2025.

UAB LTG Wagons

Lease of wagons used for freight transportation

Company code:	305651295
Legal form:	Private limited liability company
Registered office:	Geležinkelio g. 12, Vilnius
Telephone:	+380 68 1769673
E-mail:	info@ltgwagons.lt
Website:	http://ltgcargo.lt
Shareholder:	100% of shares are owned by AB LTG Cargo
Authorized capital:	EUR 150,000
Number of shares:	150
Par value per share:	EUR 1000
Date and place of registration:	4 November 2020, the Register of Legal Entities of the Republic of Lithuania
The head of the Company:	**Mindaugas Skunčikas**

During the reporting period, LTG Wagons did not perform sales operations and is under liquidation.

6.2. Information on compliance with the guidelines for ensuring transparency of state-owned enterprises

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

Structured information of the compliance with the Guidelines on Transparency is provided in the annual management report of the Company for 2024. (Annual Management Report of the Company for 2024).

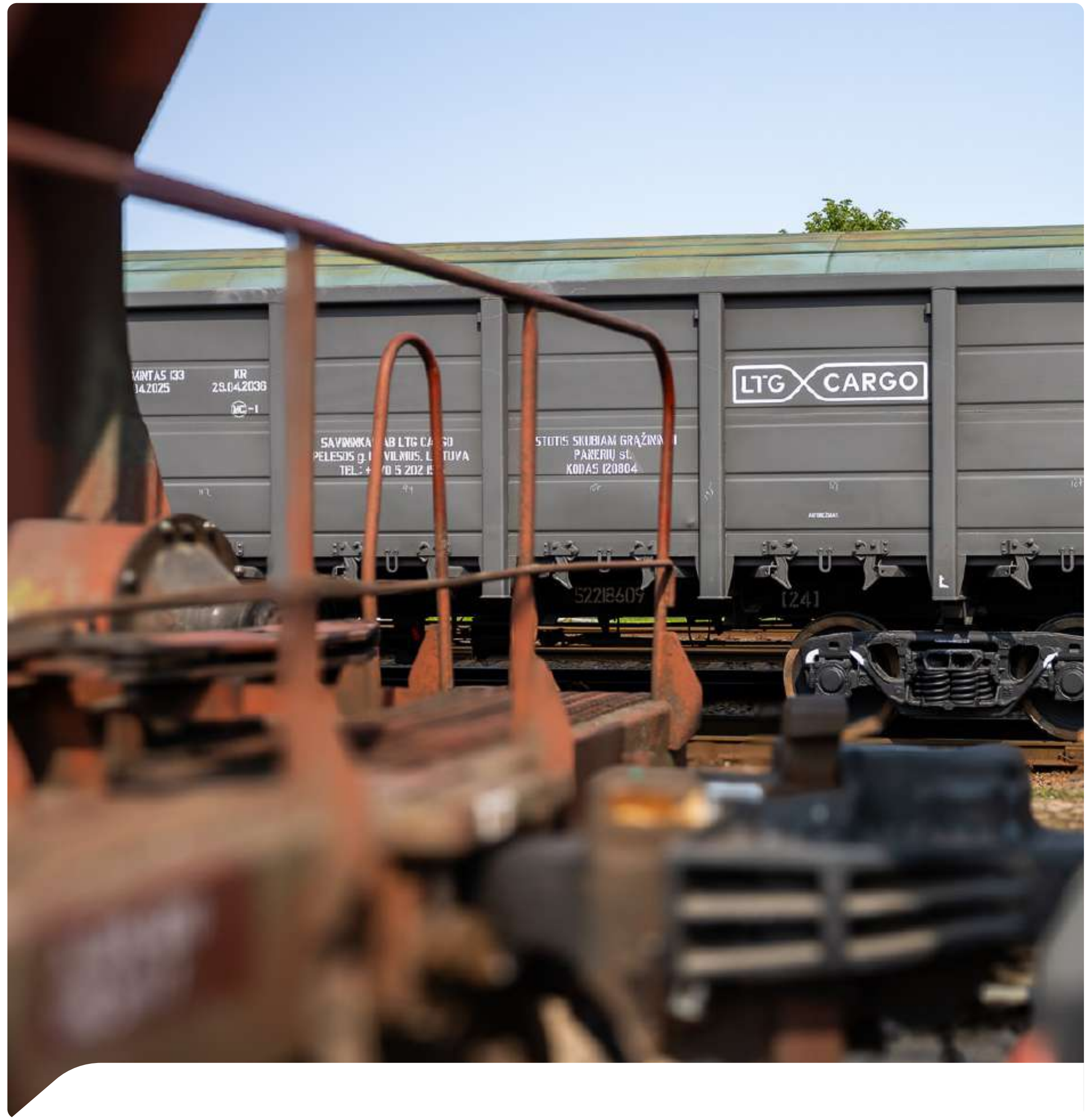
6.3. DEFINITIONS

Indicator	Formulė
Revenue	Sales revenue + Other operating income (excluding income from financial activities)
Sales revenue	Revenue, excluding income from other activities and income from financial activities
Expenses	Expenses, excluding the corporate tax and income from financial activities
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 / Average of equity at the beginning and end of the reporting period
Return on assets (ROA)	Net profit (loss) for the last 12 months / Average of assets at the beginning and end of the reporting period
Return on investments (ROI)	Net profit (loss) for the last 12 months / 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 amortisation
Adjusted EBITDA	Profit (loss) before taxation + Interest expenses - Interest income + Depreciation and amortisation + Increase (decrease) in the value of non-current assets, inventories and investments + Increase (decrease) in the value of amounts receivable and contract assets + Expenses of provisions not related to ordinary activities
EBIT margin	EBIT / Sales revenue
EBITDA margin	EBITDA / Sales revenue
Adjusted EBITDA margin	Adjusted EBITDA / Sales revenue

Indicator	Formulė
Net profit margin	Net profit (loss) / Sales revenue
Equity ratio	Equity at the end of the reporting period / Assets at the end of the reporting period
Loan servicing ratio	Net profit/(loss) for the last 12 months + amortisation, depreciation and grant costs of the last 12 months + interest expenses of the last 12 months (adjusted considering the non-monetary items) / Amortisation of debt for interest + Interest payable for the last 12 months
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
Total liquidity rate	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Turnover of freight transportation (ton/km)	Freight transport indicator, which is the product of the amount of transported freight (tonnes) and the distance travelled (kilometres)
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	The average gross salary per employee

6.4. Abbreviations

CO2	Carbon dioxide
ESG	Environmental, Social and Corporate Governance
EU	European Union
IFRS	IFRS accounting standards
LTG	AB Lietuvos Geležinkeliai
LTG Cargo, the Company	AB LTG Cargo
LTG Cargo Group	AB LTG Cargo and its subsidiaries
LTG Cargo Polska	LTG Cargo Polska Sp.zo.o.
LTG Cargo Ukraine	LLC LTG Cargo Ukraine
LTG Group	AB Lietuvos Geležinkeliai and its subsidiaries
LTG Infra	AB LTG Infra
LTG Wagons	UAB LTG Wagons
NPS	Net Promoter Score



LTG CARGO

Interim financial statements (unaudited)
Prepared in accordance with the IFRS accounting standards as adopted by the European Union for the six-month period ended 30 june 2025

Separate statement of financial position

	Notes	30/06/2025	31/12/2024
NON-CURRENT ASSETS			
Property, plant and equipment	5	246,644	215,535
Right-of-use assets	6	23,631	24,217
Non-current intangible assets	7	2,281	2,595
Financial assets	8	17,621	17,621
Loans to related companies	11	3,912	-
Prepayments	12	987	1,017
Total non-current assets		**295,076**	**260,985**
CURRENT ASSETS			
Inventories	9	4,326	4,747
Non-current assets held for sale	9	474	1,486
Trade and other receivables	10	8,832	12,232
Loans to related companies	11	6,809	-
Prepayments	12	7,014	1,646
Cash and cash equivalents	13	17,565	53,504
Total current assets		**45,020**	**73,615**
TOTAL ASSETS		**340,096**	**334,600**

	Notes	30/06/2025	31/12/2024
EQUITY			
Authorised capital	14	44,087	44,087
Legal reserve	14	4,420	3,260
Other reserves		66,736	58,615
Retained profit (losses)		13,741	23,202
Total equity		**128,984**	**129,164**
Non-current liabilities			
Loans and other financial debts	16	104,151	94,571
Lease liabilities		20,983	21,391
Employee benefits	17	1,896	1,844
Deferred income tax liabilities		19,695	17,965
Total non-current liabilities		**146,725**	**135,771**
Current liabilities			
Loans and current portion of long-term loans	16	20,530	19,764
Lease liabilities		3,025	3,141
Income tax liabilities		1,898	1,841
Employee benefits	17	7,620	8,271
Trade and other payables	18	31,284	36,441
Provisions		30	207
Total current liabilities		**64,387**	**69,665**
TOTAL EQUITY AND LIABILITIES		**340,096**	**334,600**

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

The financial statements and the explanatory notes on pages 56-71 were approved and signed:

Eglė Šimė
Chief Executive Officer

Arūnas Žilys
Chief Financial Officer

Raimonda Duobuvienė
UAB LTG Kompetencijų centras
Finance Controller acting under the decision
No SPR-L1(KC)-35/2025 of 12 August 2025

Separate statement of profit or loss and other comprehensive income

	Notes	06/2025	06/2024
Sales revenue	19	142,975	151,097
Revenue from other activities		401	10
Total revenue		143,376	151,107
Infrastructure services		(51,065)	(49,722)
Expenses related to employee benefits		(21,842)	(20,769)
Depreciation and amortisation	5,6,7	(14,639)	(12,400)
Fuel		(13,879)	(16,102)
Materials		(2,373)	(2,055)
Services rendered by other foreign railway companies		(2,294)	(4,533)
Management and general administrative services		(7,263)	(7,290)
Electricity		(259)	(237)
Repairs and maintenance		(592)	(598)
(Decrease) increase in the value of non-current assets		(1,815)	(2,190)
(Decrease) increase in the value of non-current assets held for sale		1,079	-
Inventories write down to net realisable value (reversal)		274	(95)
Increase (decrease) in the value of receivables		22	(245)
Change in provisions		177	-
Other expenses		(10,061)	(12,074)
Total expenses:		**(124,530)**	**(128,310)**
Operating profit (loss)		**18,846**	**22,797**
Finance income	20	554	851
Finance expenses	20	(2,590)	(3,267)
Net result from financial activity	20	(2,036)	(2,416)
Profit (loss) before taxation		**16,810**	**20,381**
Income tax		(3,069)	(3,510)
Net profit (loss)		**13,741**	**16,871**
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		**13,741**	**16,871**

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

Separate statement of changes in equity

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Balance as at 31 December 2023		**44,087**	**2,382**	**52,470**	**17,557**	**116,496**
Net profit (loss)		-	-	-	16,871	16,871
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*16,871*	*16,871*
Unrecognised profit (loss) in the statement of profit or loss and other comprehensive income		-	-	-	-	-
Transfers between reserves		-	878	6,145	(7,023)	-
Dividends	15	-	-	-	(10,534)	(10,534)
Total transactions with owners of the Company		*-*	*-*	*-*	*(10,534)*	*(10,534)*
Balance as at 30 June 2024		**44,087**	**3,260**	**58,615**	**16,871**	**122,833**
Balance as at 31 December 2024		**44,087**	**3,260**	**58,615**	**23,202**	**129,164**
Net profit (loss)		-	-	-	13,741	13,741
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*13,741*	*13,741*
Unrecognised profit (loss) in the statement of profit or loss and other comprehensive income		-	-	-	-	-
Transfers between reserves		-	1,160	8,121	(9,281)	-
Dividends	15	-	-	-	(13,921)	(13,921)
Total transactions with owners of the Company		*-*	*-*	*-*	*(13,921)*	*(13,921)*
Balance as at 30 June 2025		**44,087**	**4,420**	**66,736**	**13,741**	**128,984**

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

Separate statement of cash flows

	Notes	06/2025	06/2024
Cash flows from operating activities			
Net profit (loss)		13,741	16,871
Adjustments			
Depreciation and amortization costs	5,6,7	14,639	12,400
(Gain) loss from disposal of non-current assets		82	198
Change in impairment of receivables		98	205
Impairment (reversal) of the value of non-current assets, inventories and investments		462	2,990
Change in accrued income/expenses		(5,430)	644
Interest (income) expenses		1,912	2,366
Interest on lease liability		204	221
Increase (decrease) in provisions		(177)	-
Impact of currency exchange fluctuations		(34)	(33)
Income tax expenses (income)		3,069	3,510
Cash flows from operating activities after adjustments		28,566	39,372
Changes in working capital			
Decrease (increase) in inventories		1,021	3,523
Decrease (increase) in trade and other receivables and prepayments		(2,156)	(6,762)
Increase (decrease) in current and non-current trade payables and received prepayments		(536)	(5,631)
Increase (decrease) in employment related liabilities		(599)	(692)
Increase (decrease) in other non-current and current payables		1,635	2,001
Income tax (paid)		(1,233)	-
Net cash flows from operating activities		26,698	31,811
Cash flows from investing activities			
(Acquisition) of non-current assets		(40,925)	(14,470)
Change in prepayments for non-current assets		(13,128)	-
Income from sale of non-current assets and investments		243	26
Dividends received		239	-
Interest received		202	669
Loans (granted) repaid		(10,841)	-
Net cash flows from investing activities		(64,210)	(13,775)
Cash flows from financing activities			
Loans received		20,000	-
Interest (paid)		(2,834)	(9)
Interest on lease liabilities		(204)	(221)
Payments of lease liabilities		(1,468)	(1,647)
Dividends paid	15	(13,921)	(10,534)
Net cash flows from financing activities		1,573	(12,411)
Net increase (decrease) in cash and cash equivalents		(35,939)	5,625
Cash and cash equivalents at the beginning of the period		53,504	58,054
Cash and cash equivalents at the end of the period	**13**	**17,565**	**63,679**

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

Notes to the financial statements

1. General information

AB LTG Cargo (hereinafter referred to as the Company) was registered in the Register of Legal Entities of the Republic of Lithuania on 28 December 2018.

The Company is a private legal entity of limited civil liability, independently organising economic, financial, organisational, and legal activities. AB LTG Cargo is the company of the AB Lietuvos Geležinkeliai Group. AB Lietuvos Geležinkeliai is its sole shareholder. The Company's code: 304977594, VAT code: LT100012103918, legal (registration) address: Geležinkelio g. 12, LT-02100 Vilnius.

The main activities of the company are freight transport and logistics, loading and unloading, wagon rent, coordination of locomotives and crews, manufacture of new locomotives, auto-drains and infrastructure road machinery, overhaul and technical maintenance of railway rolling stock, manufacture of freight wagons and depot repair, overhaul repair and servicing of freight wagons. Repair and maintenance works of railway locomotives and rolling stock are also performed.

As at 31 December 2024 and 30 June 2025, the sole shareholder of the Company was the parent company AB Lietuvos Geležinkeliai. 100% of shares of AB Lietuvos Geležinkeliai belong to the Ministry of Transport and Communications of the Republic of Lithuania.

The company has no branches and representative offices.

The actual number of employees in the Company as at 30 June 2025 was 1,620 (31 December 2024: 1,658).

Investments in subsidiaries are as follows:

Company	Head office address	Owned share, %		Main activity
		30/06/2025	31/12/2024	
LTG Cargo Polska Sp. Zo.o.	Świętojerska 5/7. 1, Warsaw	100	100	Freight transportation and provision of related services in Poland
UAB LTG Wagons	Geležinkelio g. 12, Vilnius	100	100	Lease of wagons used for freight transportation
LLC LTG Cargo Ukraine	Puškino g. 21, Kiev	100	100	Freight transportation and provision of related services in Ukraine

2. Basis of preparation

These condensed interim financial statements of the Company (hereinafter referred to as interim financial statements) for the 6-month period ended 30 June 2025, are prepared in accordance with International Accounting Standard 34 (IAS 34) Interim Financial Reporting.

These interim financial statements do not contain all information required for drawing up of the annual financial statements; therefore, it should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the International Accounting Standards Board (IASB) and as adopted for application in the EU.

These interim financial statements of the Company are prepared on the historical cost basis.

The presentation currency is the euro. These financial statements are presented in thousand euros, unless otherwise stated.

The statement of cash flows is prepared indirectly.

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

These financial statements for the period ended 30 June 2025 are unaudited. The annual financial statements for the year ended 31 December 2024 were audited by KPMG Baltics, UAB.

3. Significant accounting principles

Changes and disclosures in accounting policies: The accounting policy applied in preparing these interim financial statements is consistent with the accounting principles followed in preparing the Company's annual financial statements for the year ended 31 December 2024, except for new standards that came into effect from 1 January 2025. In preparing these interim financial statements, the Company did not apply new standards, amendments, and interpretations that have been approved but are not yet effective. Some adopted changes are applied for the first time in 2025 but do not have a significant impact on the Company's financial statements.

4. Significant accounting estimates

In preparing these interim financial statements, significant management decisions 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

Depreciation and amortisation expense included in the Statement of Profit or Loss and Other Comprehensive Income amounted to EUR 14,639 thousand (30 June 2024: EUR 12,400 thousand). This amount includes EUR 13,604 thousand (30 June 2024: EUR 11,381 thousand) of depreciation of property, plant and equipment, EUR 1,622 thousand (30 June 2024: EUR 1,747 thousand) of depreciation of right-of-use assets and EUR 376 thousand (30 June 2024: EUR 262 thousand) of amortisation of intangible assets. Capitalised depreciation amounted to EUR 963 thousand (30 June 2024: EUR 990 thousand).

The cost of the Company's fully depreciated property, plant and equipment still in use amounted to EUR 11,109 thousand (31 December 2024: EUR 11,242 thousand). The majority of fully depreciated property, plant and equipment consisted of transport vehicles.

The Company's property, plant and equipment consisted of:

	Buildings and structures	Machinery and equipment	Vehicles	Other equiment, fittings and tools	Construction in progress and prepayments	Total
Acquisition cost						
31 December 2023	630	4,116	289,346	1,382	21,245	316,719
- acquisitions	-	-	-	-	42,159	42,159
- assets sold, written off, disposed	-	(30)	(4,904)	(28)	-	(4,962)
- reclassification from/(to) current assets	-	(19)	(796)	(35)	(3,040)	(3,890)
- reclassifications	-	531	32,927	96	(33,554)	-
31 December 2024	630	4,598	316,573	1,415	26,810	350,026
- acquisitions	-	-	-	-	44,321	44,321
- assets sold, written off, disposed	-	(49)	(406)	(4)	-	(459)
- reclassification from/(to) current assets	(2)	3	4,701	(4)	438	5,136
- reclassifications	-	1,272	27,218	104	(28,594)	-
30 June 2025	628	5,824	348,086	1,511	42,975	399,024
Accumulated depreciation and impairment losses						
31 December 2023	(236)	(1,636)	(102,605)	(556)	(1,357)	(106,390)
- depreciation	(50)	(476)	(22,916)	(192)	-	(23,634)
- impairment	-	6	(5,176)	-	(898)	(6,068)
- assets sold, written off, disposed	-	20	1,205	25	-	1,250
- reclassification (from)/ to current assets	-	7	316	28	-	351
31 December 2024	(286)	(2,079)	(129,176)	(695)	(2,255)	(134,491)
- depreciation	(25)	(401)	(13,088)	(90)	-	(13,604)
- impairment	-	-	(735)	-	(1,080)	(1,815)
- assets sold, written off, disposed	-	24	95	4	-	123
- reclassification (from)/ to current assets	2	1	(2,600)	4	-	(2,593)
- reclassifications	-	(159)	159	-	-	-
30 June 2025	(309)	(2,614)	(145,345)	(777)	(3,335)	(152,380)
Carrying amount						
31 December 2023	394	2,480	186,741	826	19,888	210,329
31 December 2024	344	2,519	187,397	720	24,555	215,535
30 June 2025	**319**	**3,210**	**202,741**	**734**	**39,640**	**246,644**

6. Right-of-use assets

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

	Buildings and structures	Other assets	Total
Acquisition cost			
31 December 2023	32,872	451	33,323
- acquisitions	3,649	319	3,968
- assets sold, written off, disposed	(5,258)	(235)	(5,493)
31 December 2024	31,263	535	31,798
- acquisitions	1,566	272	1,838
- assets sold, written off, disposed	(1,560)	(107)	(1,667)
30 June 2025	31,269	700	31,969
Accumulated depreciation and impairment losses			
31 December 2023	(4,812)	(272)	(5,084)
- depreciation	(3,290)	(136)	(3,426)
- assets sold, written off, disposed	732	197	929
31 December 2024	(7,370)	(211)	(7,581)
- depreciation	(1,550)	(72)	(1,622)
- assets sold, written off, disposed	789	76	865
30 June 2025	(8,131)	(207)	(8,338)
Carrying amount			
31 December 2023	28,060	179	28,239
31 December 2024	23,893	324	24,217
30 June 2025	**23,138**	**493**	**23,631**

7. Non-current intangible assets

The Company's non-current intangible assets consisted of:

	Software	Other intangible assets	Total
Acquisition cost			
31 December 2023	2,433	1,004	3,437
- acquisitions	-	285	285
- reclassifications	842	(842)	-
31 December 2024	3,275	447	3,722
- acquisitions	-	100	100
- assets sold, written off, disposed	(61)	-	(61)
30 June 2025	3,214	547	3,761
Accumulated amortisation and impairment losses			
31 December 2023	(419)	(74)	(493)
- amortisation	(583)	(51)	(634)
- reclassifications	-	-	-
31 December 2024	(1,002)	(125)	(1,127)
- amortisation	(344)	(32)	(376)
- assets sold, written off, disposed	23	-	23
30 June 2025	(1,323)	(157)	(1,480)
Carrying amount			
31 December 2023	2,014	930	2,944
31 December 2024	2,273	322	2,595
30 June 2025	**1,891**	**390**	**2,281**

8. Investments

Movement of investments in subsidiaries and other companies consisted of:

Company	Controlled share, %	30/06/2025			31/12/2024		
		Investment value	Impairment	Carrying value	Investment value	Impairment	Carrying value
Shares of subsidiaries							
LTG Cargo Polska Sp. Zo.o.	100	25,755	(8,623)	17,132	25,755	(8,623)	17,132
UAB LTG Wagons	100	150	(150)	-	150	(150)	-
LLC LTG Cargo Ukraine	100	489	-	489	489	-	489
Total		**26,394**	**(8,773)**	**17,621**	**26,394**	**(8,773)**	**17,621**

Movement of the Company's investments in the companies of related parties:

	Investment value
Acquisition value as at 31 December 2023	**8,224**
Acquisition (+)	18,020
Impairment (-)/reversal (+)	(8,623)
Acquisition value as at 31 December 2024	**17,621**
Acquisition (+)	-
Impairment (-)/reversal (+)	-
Acquisition value as at 30 June 2025	**17,621**

Financial position of the subsidiaries:

30/06/2025	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity
LTG Cargo Polska Sp. Zo.o.	23,019	6,876	12,532	13,332	4,031
UAB LTG Wagons	-	4	-	124	(120)
LLC LTG Cargo Ukraine	1	811	-	241	571

31/12/2024	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity
LTG Cargo Polska Sp. Zo.o.	25,141	7,543	14,133	12,114	6,437
UAB LTG Wagons	-	13	-	122	(109)
LLC LTG Cargo Ukraine	1	1,498	-	543	956

The Statement of Profit or Loss and Other Comprehensive Income of the subsidiaries:

	06/2025			06/2024		
	Revenue	(Expenses)	Profit (loss)	Revenue	(Expenses)	Profit (loss)
LTG Cargo Polska Sp. Zo.o.	16,169	(18,575)	(2,406)	19,402	(24,182)	(4,780)
UAB LTG Wagons	-	(11)	(11)	-	(12)	(12)
LLC LTG Cargo Ukraine	332	(363)	(31)	547	(208)	339

9. Inventories and non-current assets held for sale

The Company's inventories consisted of:

	30/06/2025	31/12/2024
Fuel	995	1,096
Materials	2,036	2,382
Other	1,294	1,266
Total raw materials, supplies and components	4,325	4,744
Purchased goods for resale	1	3
Purchased goods for resale, total	1	3
Non-current assets held for sale	474	1,486
Non-current assets held for sale, total	474	1,486
Total	**4,800**	**6,233**

The carrying amount of the Company's inventories amounting to EUR 4,983 thousand (31 December 2024: EUR 5,679 thousand) was reduced by EUR 657 thousand (31 December 2024: EUR 932 thousand) to the net realisable value as at 30 June 2025.

During the 1st half of 2025, the inventories of EUR 2,373 thousand (the 1st half of 2024: EUR 2,055 thousand) (without fuel) were written off at operating costs.

10. Trade and other receivables

The Company's trade and other receivables included:

	30/06/2025	31/12/2024
External trade receivables, gross value	7,461	10,908
Impairment (-)	(1,801)	(2,135)
Total external trade receivables	**5,660**	**8,773**
Receivables from related parties	2,836	1,876
Impairment (-)	-	-
Total receivables from related parties	**2,836**	**1,876**
VAT receivable	-	703
Other receivables from the budget	113	206
Accrued income	157	636
Other receivables	66	38
Impairment (-)	-	-
Total other receivables	**336**	**1,583**
Total	**8,832**	**12,232**

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables:

	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	0.01%	8,639	(1)	8,638	0.01%	10,055	(1)	10,054
1-30 days past due	0.00%	70	-	70	0.37%	630	(2)	628
31-60 days past due	0.00%	-	-	-	0.33%	46	-	46
61-120 days past due	0.00%	-	-	-	22.94%	9	(2)	7
More than 120 days past due	98.40%	1,811	(1,800)	11	78.37%	2,718	(2,130)	588
Total		**10,520**	**(1,801)**	**8,719**		**13,458**	**(2,135)**	**11,323**

The impairment recorded by the Company reflects the estimated losses on doubtful trade receivables. The main component of this impairment is the individually assessed losses due to significant doubtful recovery of receivables from customers. Impairment measurement methods are revised on an ongoing basis in order to minimise differences between estimated losses and actual losses.

11. Loans to related companies

The loans granted by the Company consisted of:

	30/06/2025	31/12/2024
Long-term loans	3,912	-
Short-term loans	6,929	-
Impairment (-)	(120)	-
Total	**10,721**	**-**

Under the agreement of cash-pool of AB Lietuvos Geležinkeliai Group, and the mutual borrowing and lending agreement signed between AB Lietuvos Geležinkeliai and AB LTG Cargo on 2 January 2025, as at 30 June 2025, the Company has lent EUR 6,809 thousand to AB Lietuvos Geležinkeliai.

The company in 2025 I half signed loan agreements with subsidiaries. EUR 3,912 thousand of the loan were paid. In 30 June 2025 amounts EUR 3,912 thousand of the loan were paid, for one of them impairment was recognized.

12. Prepayments

The Company's prepayments consisted of:

	30/06/2025	31/12/2024
Prepayments to external suppliers	13	37
Prepayments to related parties	5,601	1,062
Guarantees paid to external suppliers	35	35
Guarantees paid to related parties	1,629	639
Deferred expenses	723	890
Total	**8,001**	**2,663**

13. Cash and cash equivalents

The Company's cash and cash equivalents consisted of:

	30/06/2025	31/12/2024
Cash in bank	17,565	53,504
Total	**17,565**	**53,504**

As at 30 June 2025, the Company had no fixed-term deposits. Cash was not pledged.

14. Reserves

LEGAL RESERVE

Legal reserve is compulsory in accordance with the Lithuanian legislation. An annual transfer of 5% of net profit to the legal reserve is compulsory until the reserve reaches 10% of the share capital. As at 30 June 2025, the legal reserve amounted to EUR 4,420 thousand. By the end of the year 2024, the compulsory reserve amounted to EUR 3,260 thousand.

OTHER RESERVES

As at 30 June 2025, other reserves amounted to EUR 66,736 thousand (31 June 2024: EUR 58,615 thousand).

15. Dividends

Dividends distributed from the distributable profit of LTG Cargo for the year 2024 and paid amounted to EUR 13,921 thousand (2023: EUR 10,534 thousand).

16. Loans and other financial debts

The Company's loans consisted of:

	30/06/2025	31/12/2024
Long-term loans	104,151	94,571
Short-term loans	20,530	19,764
Total	**124,681**	**114,335**

In the first half of 2025, the Company signed a long-term financing agreement in the amount of EUR 36,460 million with a credit institution. As at 30 June 2025, the used amount of the loan was EUR 20,000 thousand.

In the first half of 2025, the Company repaid loans amounting to EUR 8,597 thousand (in the 1st half of 2024: EUR 667 thousand) and paid EUR 2,834 thousand (in the 1st half of 2024: EUR 9 thousand) in interest.

The Company has access to the Group's account (Cash-pool), in which there were no debt liabilities as at 30 June 2025.

As at 30 June 2025, the financial and non-financial conditions of the loan agreements have been met.

17. Employee benefits

Employee benefits and liabilities by type:

	30/06/2025	31/12/2024
Non-current liabilities		
Provisions for pensions and similar liabilities	1,896	1,844
Total non-current liabilities:	**1,896**	**1,844**
Current liabilities		
Accumulated leave	2,527	2,270
Wages and salaries payable	2,165	2,063
Social security contributions payable	1,023	996
Personal income tax payable	785	684
Other employment-related liabilities	1,120	2,258
Total current liabilities:	**7,620**	**8,271**
Total	**9,516**	**10,115**

18. Trade and other payables

The Company's trade and other payables consisted of:

	30/06/2025	31/12/2024
Trade accounts payable	2,481	4,222
Trade accounts payable to related parties	14,139	10,280
Prepayments received	4,492	6,453
Prepayments received from related parties	7,216	7,219
Cash guarantees received	338	400
VAT payable	418	-
Other taxes payable to the budget	195	429
Accumulated costs of foreign railway services	179	216
Accumulated payables to related parties	1,508	1,569
Accrued expenses	311	5,642
Other accounts payable and liabilities	7	11
Total	**31,284**	**36,441**

The major part of the accumulated costs relate to not received invoices for fuel. The Company accounted for EUR 50 thousand liability for audit and other non-audit services in the accrued costs.

19. Sales revenue

The Company's revenue consisted of:

	06/2025	06/2024
Revenue from domestic freight transportation	54,491	53,599
Revenue from international freight transportation	48,353	57,867
Provision of services related to freight transportation	31,063	28,118
Locomotives and work of locomotive crews abroad	742	659
Maintenance and repair	3,473	3,058
Wholesale trade	744	1,838
Lease of assets	65	168
Other services	4,044	5,790
Total	**142,975**	**151,097**

The Company's income according to the moment of income recognition consisted of:

	06/2025	06/2024
Recognised immediately	139,437	147,871
Recognised over an ongoing period	3,538	3,226
Total	**142,975**	**151,097**

20. Result from financial activity

The result of the Company's financial activity consisted of:

	06/2025	06/2024
Total finance income	554	851
Dividends	239	-
Penalties and default interest for overdue trade receivables	98	148
Interest	217	669
Impact of currency exchange fluctuations	-	34
Total finance costs	(2,590)	(3,267)
Impact of currency exchange fluctuations	(34)	-
Interest	(2,318)	(3,035)
Impairment of financing activities	(120)	-
Other expenses	(118)	(232)
Total	**(2,036)**	**(2,416)**

21. Related party transactions

The Company's transactions with related parties for the six-month period in 2025 and balances as at 30 June 2025 amounted to:

	06/2025		30/06/2025	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	9	21,214	13,259	114,959
AB LTG Infra	234	49,841	300	9,727
UAB LTG LINK	4,147	287	1,708	36
UAB Geležinkelio tiesimo centras	685	-	480	-
UAB LTG Kompetencijų centras	-	4,866	-	2,212
LLC LTG Cargo Ukraine	-	63	28	-
LTG Cargo Polska SP. Zo.o.	518	5,308	4,169	541
UAB voestalpine VAE Legetecha	28	-	4	-
Total	**5,620**	**81,579**	**19,949**	**127,475**

The Company's transactions with related parties for the six-month period in 2024 and balances as at 31 December 2024 amounted to:

	06/2024		31/12/2024	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	155	28,978	717	127,290
AB LTG Infra	299	48,346	299	6,186
UAB LTG LINK	6,117	184	792	34
UAB Geležinkelio tiesimo centras	441	-	58	-
LLC LTG Cargo Ukraine	44	313	113	1
LTG Cargo Polska SP. Zo.o.	281	6,184	1,134	343
UAB voestalpine VAE Legetecha	37	-	-	3
Total	**7,374**	**84,005**	**3,113**	**133,857**

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

Management remuneration and other benefits

As at 30 June 2025, there were 9 executives, namely the CEO and the heads of the following departments: Service Delivery, Technological Asset Management, Service Sales and Development, Intermodality and International Business Development, Customer Experience Management, Finance, Business Support, and People and Culture Partner.

	30/06/2025	30/06/2024
Management remuneration	484	427
Incentives*	137	88
Accumulated long-term benefits **	2	1
Number of executives	9	8
Allowances for members of the Board	57	48
Number of Board members	5	5

** Incentives are performance bonuses and lump sums.*

*** Accumulated long-term benefits are provisions for pensions and similar liabilities accrued as at the end of the reporting period.*

As at 30 June 2025, no loans, guarantees, or other disbursements or accruals or disposals of assets were made to the Company's management other than as set forth above.

22. Events after the reporting period

In July 2025, it was decided to increase the authorised capital of LLC LTG Cargo Ukraine with assets by adding 494 wagons and 2 locomotives to the subsidiary's rolling stock fleet. LTG Cargo Ukraine will now focus on the efficient rental of rolling stock to customers in Ukraine.

On 29 July 2025, a depot purchase/sale agreement was signed with AB Lietuvos Geležinkeliai. Repair depots with associated infrastructure were acquired for EUR 7,062 thousand excluding VAT.

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