

LTG CARGO

MANAGEMENT REPORT AND FINANCIAL STATEMENTS (UNAUDITED)

for the six-month period ended 30 June 2026

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This interim management report and these financial statements do not contain all the information disclosed in the annual report package and should therefore be read together with the annual management report and financial statements for the year ended 31 December 2025. (The Company's 2025 Annual Management Report), prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed for use in the EU.



LTG CARGO

Overview

1.1. Message from the CEO

Dear All,

It's time to take stock of the first half of 2026: what work have we done, what results have we achieved, and what do we expect in the second half of the year?

The first half of 2026 was a period full of events and momentum. Just as it has been for the past few years. Constant change is no longer just a trend, but the reality in which we operate. As an organisation, LTG Cargo has strengthened its resilience over the past few years and demonstrated its ability to operate and adapt. The world is constantly changing; we need to adapt quickly and take advantage of all the opportunities the market offers us. That is why I am particularly pleased that during the first half of this year we launched new partnerships: pellet shipments to Poland with Granul Invest and Laude, Lemcore's sulphur feedstock shipments from the West, B Group Steel's metal shipments to Klaipėda, and we manufactured and tested a special container for transporting wood panels in western Lithuania. Another piece of good news is that, as early as June, we had already leased 90% of the railcars intended for transporting grain for the upcoming grain season, including the new LTG Cargo grain cars. We are ready for what is likely to be the busiest time of the year.

Since the beginning of the year, we have also been actively involved in the rotation of NATO allied forces in the Baltic states – a total of 91 trains carrying military equipment have been transported. LTG Cargo's NCAGE code and inclusion on the NATO supplier list open the door to direct cooperation in submitting bids and participating in procurement of transportation services. We have also carried out some particularly significant projects, such as the transport of generators to Ukraine, which is defending itself, and the transport of the LTG Link passenger train from the Czech Republic, including its transfer in Šeštokai.

In the first half of 2026, we transported 10.6 million tonnes of cargo by rail. Compared to the same period last year, the first quarter was slow to get going – fewer volumes of wood chips and grain were shipped. However, we worked hard to ensure that our customers would continue to entrust us with their cargo, and in the second quarter we already saw an increase in traffic, which gives us reason to expect a strong annual result. We fully understand that competition in the market is what determines everything. Over the past few years, the share of domestic shipments has grown, and last year's customer satisfaction score reflects the efforts of everyone at LTG Cargo to improve the customer experience. Going forward, we will focus on delivering on our promise to customers, improving the customer experience, enhancing efficiency, and continuously improving the quality of our services.

The topic of sustainability remains relevant to our customers: at the beginning of the year, we updated the Green Kilometres Calculator, and in March, for the fourth time, we awarded Green Kilometres certificates to our intermodal transport service customers who achieved the greatest reductions in greenhouse gas emissions.

More than five years ago, we began exploring and operating in Western markets. The Kaunas–Duisburg–Kaunas route has seen growth, LTG Cargo Polska's performance metrics have improved, and it is highly likely that the Company will post a profit next year. Another factor contributing to the Company's operational efficiency in Poland is that, since the beginning of the year, customers' semi-trailers have been transported on the intermodal route between Kaunas and Duisburg using the Company's own pocket wagons, which were purchased by LTG Cargo Polska with support from the Polish National Intermodal Transport Revitalisation Plan Fund. The Company transports fuel from Poland to Ukraine, it has also supported other freight flows between Poland and Ukraine, and the General Safety Certificate it received in Germany opens up even more opportunities along the logistics corridors between Germany, Ukraine, and the Baltic states. LTG Cargo Ukraine will generate revenue from freight forwarding operations. The Company in Ukraine will also focus heavily on operational efficiency and on strengthening business synergy with LTG Cargo Polska.

The second half of the year will bring both challenges and opportunities. However, looking back at the first half of 2026, we can see that we will be better prepared and will not only be able to identify opportunities but also take advantage of them. The most important thing is to stay on course and maintain a consistent approach to what we do. As this year's events have shown once again, our strength lies in our people and their ability to come together and work toward a common goal. By working together, we can not only adapt to a changing environment but also shape it ourselves. We will seek solutions that create long-term value for both our customers and the organisation as a whole.

I would like to thank every employee for their daily work and dedication, and our clients for their trust and partnership.



Eglė Šimė
CEO of LTG Cargo

1.2. Activities of the Company

General information about the Company

Name **AB LTG Cargo**

Head office address **Geležinkelio g. 12, LT-02100**

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.



The Company's branches and representative offices abroad

During the period under review, the Company had no 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 strategic 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.

As part of the LTG Group, the Company follows the strategic initiatives formulated and implemented by LTG, which encompass the ESG, operational efficiency, strategic business areas for business development, strengthening organisational culture, and ensuring business resilience, as well as approved policies for specific areas of operation, which LTG group companies are required to follow in the course of their activities.

Activities of the Company and provided services

LTG Cargo was registered in the Register of Legal Entities of the Republic of Lithuania on 28 December 2018, and the freight transport operations of AB Lietuvos Geležinkeliai were transferred to it effective 1 May 2019.

The main activities of LTG Cargo are transport of freight by railway on domestic and international routes. The Company operates on 1,435 mm and 1,520 mm gauge railways, has 174 locomotives, 6,482 freight wagons of various types, and 88 containers, and can therefore transport and deliver cargo to the desired country according to customer needs and provide a wide range of other services. LTG Cargo transports freight of all types, including intermodal freight transported in containers and semi-trailers, as well as oversized and heavy freight. 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, making rail transport a more environmentally friendly option.

In 2020, with the aim of diversifying its operations and offering services tailored to different markets – particularly Western Europe – LTG Cargo established the subsidiaries LTG Cargo Polska Sp. z o. o. and LLC LTG Cargo Ukraine. LTG Cargo Polska is expanding its rail freight transport operations in Poland and between Lithuania and Poland, Germany and Ukraine, while LTG Cargo Ukraine, which had been providing freight forwarding services since its establishment, shifted its focus in 2025 to increasing the operational efficiency and utilization of the LTG Cargo rolling stock fleet by leasing it to customers in Ukraine.

In April 2022, LTG Cargo launched regular intermodal shipments to Duisburg, thereby expanding its 1,435 mm gauge freight transport services to the west.

In 2024, the Company expanded its transportation operations across the Baltic and European countries, became a carrier in Latvia and Estonia, and independently carried out regular rail shipments of petroleum products on the route from Bugeniai (Mažeikiai District) – Valga (Estonia) via Latvia.



LTG Cargo offers the following services:

- Transportation of freight on domestic and international routes
- Semi-trailer transportation
- 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 operating in a competitive market, i.e. under the same conditions as other Lithuanian and foreign market participants; the Company is a rail freight carrier providing domestic and international transport services within Lithuania. As part of its successful expansion, the Company obtained operating licences in 2024 to provide freight transportation services in Latvia and Estonia, thereby strengthening its position in the Baltic region.

Lithuanian market

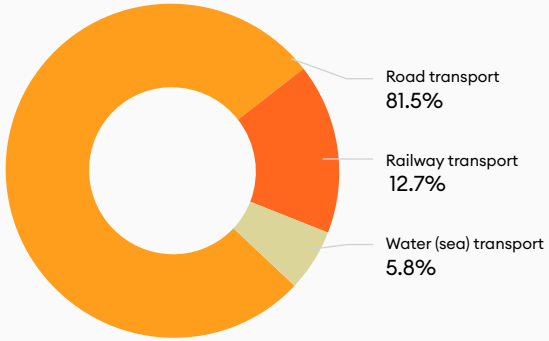
In the Lithuanian market, rail freight historically has had an especially strong competitor, i.e. transportation by road. The competition is especially fierce in the field of transportation of small-size and 'light' freight as well as in short-distance transportation. The main type of freight carried by railways is the liquid freight (oil and petroleum 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 data from the State Data Agency of Lithuania for the first quarter of 2026, which analyses the main types of freight carried on domestic routes, freight imported into and exported from Lithuania, and freight transported in transit through Lithuanian territory, the share of freight carried by rail accounted for 12.7% of the total market volume (in tonnes), which is 2.5 percentage points less than in the same period of 2025. Accordingly, the share of other modes of transport increased: road transport by 2.2 percentage points and water transport by 0.3 percentage points. The market share of rail freight transport, compared to road transport, declined mainly because sanctions had a greater impact on rail freight transport than on road transport.

International market

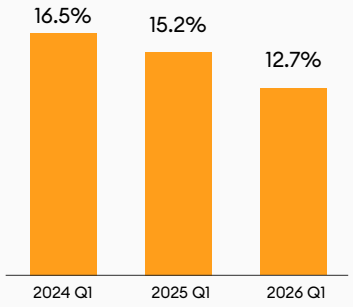
By participating in a common logistics chain with railways, cargo terminals and seaports of neighbouring countries, the Company competes not only in Lithuania but also in the international market with railways of other countries transporting cargo by alternative routes or by other modes of transport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

Breakdown of freight transport by modes of transport, Q1 2026, %*



** Data from the State Data Agency of Lithuania (volumes in tonnes). As of the date of this report, there is no data available for the second quarter.*

Share of rail transport in total freight transport, 2024–2026 Q1, %



** Data from the State Data Agency or Lithuania (volumes in tonnes). As of the date of this report, there is no data available for the second quarter.*

Expansion into new markets and full diversification. In 2020, LTG Cargo began actively expanding into the markets of Poland, Ukraine and Germany, and started exploring business opportunities in Central Europe. In response to the changing geopolitical situation in 2022 and the drastic decline in freight volumes from the East and Kaliningrad transit routes, the Company is consistently implementing a comprehensive business diversification of its operations.

Strengthening the western direction. The Company is expanding its freight transport services on the 1,435 mm gauge railway. 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. The Company, together with its subsidiary LTG Cargo Polska, launched semi-trailer transport services in 2022 between the Kaunas Intermodal Terminal (KIT) and Duisburg and back; these services have gained momentum, and the number of these trips has been optimized.

Operations in the Ukrainian market. LTG Cargo has been operating in Ukraine for five years now. Established at the end of 2020, the subsidiary LTG Cargo Ukraine initially provided freight forwarding services, but in 2025 shifted its business model to rolling stock leasing for customers in Ukraine.

Expansion in the Baltic region and integration with EU standards. The Company is actively participating in the long-term FREE Rail programme, which aims to develop and implement a railway operating model tailored to the Baltic region, based on EU railway standards and best practices, and adapted to the specific characteristics of broad-gauge railways. As part of the FREE Rail programme, alternative suppliers are being sought in order to completely eliminate reliance on spare parts, systems and regulatory frameworks produced in unfriendly countries.

In an effort to expand existing routes and develop new ones in the Northwest–South corridor, LTG Cargo successfully completed its first test run through the Baltic states to the Port of Muuga in Estonia in early 2025, using the EU railway sector standard – without data exchange or interfaces with the Russian Railway Transport Council (GTT) systems. This became a significant event not only for the Company but also for the development of the logistics system in the entire Baltic region.

The General Safety Certificate obtained by LTG Cargo Polska in Germany in the 1st half of 2026 enables the Company to independently carry out transport operations on the German rail network, strengthens the positions of LTG Cargo and its subsidiaries, and paves the way for further expansion of logistics services along strategic logistics corridors between Germany, Ukraine, and the Baltic states.

Customers

In the 1st half of 2026, LTG Cargo continued to implement the long-term solutions to its customers' needs that it had been actively pursuing in 2025 – a process that required systematic solutions – whilst making targeted improvements to the customer experience. The Company has focused its efforts on two main areas: strengthening its operations and improving the accessibility and responsiveness of its customer service.

The first area: Strengthening its operations. With the acquisition of 500 new grain wagons, the issue of the shortage of wagons was essentially resolved, paving the way for more stable service delivery to customers. The adoption of technology, including the use of drones, has made it possible to more effectively ensure the readiness, cleanliness, and consistent quality of service of the wagons delivered to customers.

The second area: Customer service. LTG Cargo has placed a strong emphasis on the accessibility of its customer service and its responsiveness. After reviewing employee roles and responsibilities, it became easier and faster for customers to reach the Company, and the introduction of 24/7 customer service enhanced the availability of services around the clock. This enabled a faster response – as many as 96% of customer inquiries were resolved within one business day, which allowed us to engage in a constructive dialogue with our customers.

These decisions contributed significantly to the growth of the 2025 Net Promoter Score (NPS) and enabled LTG Cargo to consistently maintain its competitive advantage in the market.



1.3. Strategy

The activities of LTG Group companies are based on rational strategic planning and management. The long-term corporate strategy of LTG was approved back in 2018, which covered all activities of LTG Group companies, such as 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 9 December 2025: detailed plan for the next 5 years and strategic guidelines up to 2040 were prepared.

LTG Cargo achieved its operating results for the 1st half of 2026 by leveraging and empowering the following strategic resources: the Company had a fleet of 174 locomotives and 6,482 freight wagons and employed a total of 1,439 people. LTG Cargo's total revenue for the 1st half of 2026 amounted to EUR 147.7 million, with a net profit of EUR 10.6 million.

LTG Cargo transported 10.6 million tonnes of freight in the 1st half of 2026. These volumes are 7.9% lower compared to the 1st half of 2025. Freight transport volume reached 2.4 billion tkm, or 7.7% less than in the 1st half of 2025. The decline in freight volume was due to a decrease in the transport of mineral and chemical products, as well as a drop in the transport of plant-based products. These losses were only partially offset by increased shipments of oil and petroleum products. As part of our business expansion in Lithuania during the 1st half of this year, we launched new partnerships: pellet shipments to Poland with Granul Invest and Laude, Lemcore sulphur feedstock shipments from the West, B Group Steel metal shipments to Klaipėda, and we manufactured and tested a special container for transporting wood panels in western Lithuania. Since the beginning of the year, we have also been actively involved in the rotation of NATO allied forces in the Baltic states – a total of 91 trains carrying military equipment have been transported. LTG Cargo's NCAGE code and inclusion on the NATO supplier list enables the Company to participate directly in NATO-related procurement procedures of transportation services. We have also carried out some particularly significant projects, such as the transport of generators to Ukraine and the transport of the LTG Link passenger train from the Czech Republic, including its transfer in Šeštokai.

By continuing to pursue our strategic direction of business expansion and diversification in Western markets, we have achieved significant results in our international operations. The subsidiary LTG Cargo Polska has obtained a General Safety Certificate in Germany and has become a rail carrier in that country, enabling it to independently carry out shipments on the German rail network. This allows for more efficient management of intermodal routes, ensures greater service reliability, and strengthens the logistics corridor between the Baltic states and Western Europe. We have also invested in the expansion of intermodal transport by conducting the acquisition of 72 new pocket wagons designed to transport semi-trailers on the Kaunas–Łódź–Duisburg route via the European gauge. Investing in our own rolling stock fleet increases operational efficiency, reduces our reliance on leased wagons, and strengthens our ability to provide competitive, sustainable and reliable freight transport services to Western Europe.

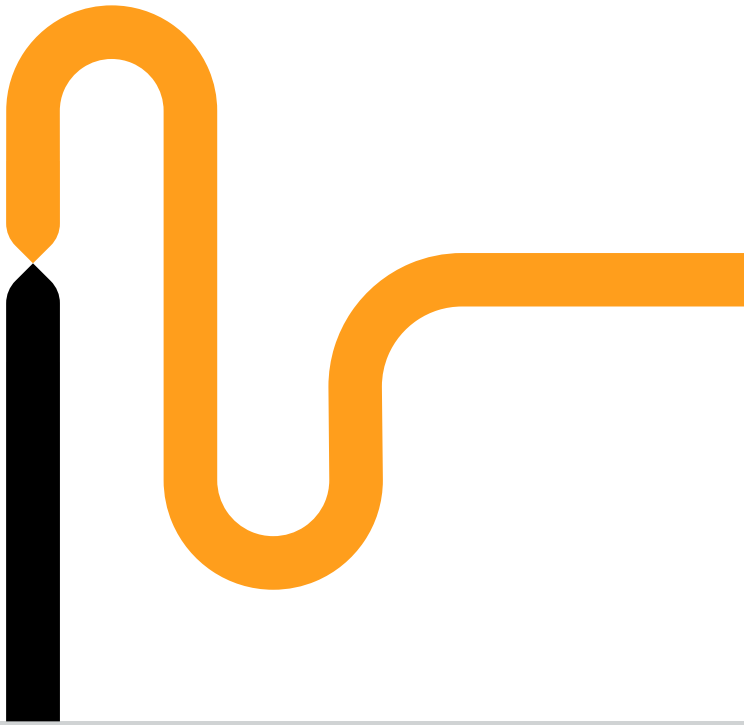
The intermodal transport volumes for the 1st half of 2026 amounted to 11,000 TEUs and were 38% lower than in the 1st half of 2025. This decline was caused by a significant drop in volume on the "Shuttle" intermodal trains in Vilnius and Kaunas due to the greater competitiveness of road transport in terms of prices. The losses were partially offset by increased traffic on the KIT–Duisburg–KIT route and improved train load factors, despite the fact that the Łódź–Duisburg project was suspended. Further growth in intermodal transport will be largely driven by regulatory factors, including sustainability requirements, road tolls, and the EU's Green Deal initiatives.

In the 1st half of 2026, sanctions control was strengthened by implementing the best risk management practices in internal control processes. Over the course of half a year, 30 wagons (some of which were empty) were denied entry into the country. The Company also rejected 4,221 customer applications and recorded 38 sanctions breaches committed by customers.

In 2025, LTG Cargo's freight transport services achieved a Net Promoter Score (NPS) of 34 points. By 2030, the goal is to increase the NPS for TOP customers to 60 points and to maintain the NPS for other customer segments at no less than 35 points. To achieve these goals, we are continuing to implement the customer service model, the customer journey map, the renewal of the rolling stock fleet, and the replacement of the customer self-service platform. In addition, the plan is to implement clearer service level agreements (SLA), improve the punctuality of shipments, proactive communication, and consistently use customer feedback to improve service processes.

Technology Asset Management projects have been actively implemented over the first six months. The project for the acquisition of freight electric locomotives is continuing: the design phase has been completed, and the first car body has been manufactured. The project to modernize the Radviliškis freight wagon depot is continuing, with the aim of improving working conditions for employees and increasing operational efficiency.

At the same time, taking into account the shareholder's updated expectations, a cycle of reviewing and updating the LTG Cargo strategy was launched in the 1st half of 2026 to assess the strategy's alignment with new priorities regarding profitability, operational efficiency, digitalization, customer experience, and strategic expansion.



Mission, vision, values

In 2025, mission, vision and values were discussed and updated by the LTG Group of companies.

Mission



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.

VISSION



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.

Values



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.



Responsibility

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



Development

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

Strategic directions:



Customer experience

The goal is for the NPS score of top customers to grow by at least 5% annually and reach 60 points by 2030, while the NPS for other customer segments must be maintained at no less than 35 points. This will be achieved by improving customer experience management, providing simple and reliable services, enhancing service quality, and fostering a customer-centred culture.



Business development and diversification

General cargo traffic remains steady, despite the decline in traffic from third countries. Freight volumes and revenue are being increased through business expansion in Lithuania and by shifting general cargo from road transport. The expansion of the Kaunas–Duisburg international route for intermodal freight to and from Western Europe is continuing. 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: Poland, Ukraine and Germany, and opportunities are being sought in Central Europe. The Company is also developing its military logistics services, which include the transportation, maintenance, and repair of military equipment.



Operational efficiency

Improving operational efficiency to the highest level (with growth in directly controllable costs not exceeding inflation) by fostering a culture of continuous improvement: to increase profitability, the focus is on digitization projects, cost control, improving employee productivity, and more efficient use of assets. Efforts are underway to reduce waste by reviewing, optimizing, and automating processes, and to digitize operations.



Environmental protection, social responsibility and governance (ESG)

The goal is to minimize the impact on the environment and climate change and to grow responsibly in line with the green course: developing sustainable, environmentally friendly solutions that contribute to value creation for the community, such as the “green” transformation of the logistics park by reducing CO_2 emissions and cutting energy costs for freight transport.



Inclusive organisational culture

The goal is to maintain a high level of employee engagement, satisfaction and productivity by creating an open and inclusive work environment, promoting inclusive and developmental leadership, ensuring that LTG Cargo’s values are upheld, and encouraging teams to be engaged.



Business resilience

The goal is to achieve comprehensive business resilience while maintaining a high level of safety in operations, traffic, and business safety, successfully managing the risks associated with sanctions enforcement and other risks, enhancing employee competence in safety matters, and strengthening business continuity plans.

Overview and achievements of strategic projects carried out in the 1st half of 2026

- Project-based freight services are continuing. During the 1st half of 2026, 91 train of military equipment were transported by rail on the 1,520 mm and 1,435 mm gauge networks (by comparison, 102 trains were transported during the 1st half of 2025), supporting the rotation of NATO allied forces in the Baltic states. A steady increase in the handling of military equipment is projected throughout the entire strategic period, in line with the expansion of military and dual-use facilities in Lithuania, while LTG Cargo's assignment of an NCAGE code and inclusion on the NATO supplier list pave the way for direct cooperation in submitting bids and participating in procurement of transportation services. In addition, other significant projects were carried out: the transport of generators to Ukraine and the transport of a passenger train from the Czechia. New transport routes are also being developed: shipments of pellets to Poland and metal products to Klaipėda have begun, and a special container for transporting wood panels in western Lithuania has been manufactured and tested.

- Since domestic intermodal transport in Lithuania does not generate the expected returns, its significant expansion is not being considered; however, the situation may change if the assumptions regarding road tolls change. Operations in the field of international intermodal transport to the West continue to be strengthened – LTG Cargo Polska's acquisition of a General Safety Certificate in Germany enables the Company to independently carry out transport operations in Germany and ensure greater service reliability. The route's competitiveness is also being strengthened by 72 new pocket wagons designed for transporting semi-trailers on the European gauge – these enable the Company to reduce its reliance on leased rolling stock, increase operational efficiency and reliability, and offer customers more flexible intermodal services.

- Technological Asset Management projects are continuing. The project for the acquisition of freight electric locomotives is continuing: the design phase has been completed, and the first car body has been manufactured. 17 new electric locomotives will transport freight on the electrified section between Vilnius and Klaipėda (Corridor IX B) from 2028 onwards, using electricity from renewable energy sources. The design of a maintenance depot for new 1,520 mm and 1,435 mm gauge rolling stock, including electric locomotives, is being finalized. A building permit is expected to be obtained in 2026. The project to modernize the Radviliškis freight wagon depot is continuing, with the aim of improving working conditions for employees and increasing operational efficiency: brake repair equipment has been acquired and installation has begun; a contract for wagon lifts has been signed; and the design work for the building's major renovation is nearing completion. The project is scheduled to be completed in 2028. The replacement of the outdated KLUB-U locomotive safety system is ongoing, with plans to replace these systems on all LTG Cargo locomotives by the end of 2027; currently, the system has been replaced on 40 locomotives. Ongoing digitization projects: implementation of condition-based maintenance solutions for locomotives (installed on all Siemens locomotives in service), and a computerized maintenance management system (CMMS). Completed projects: automated rolling stock repair scheduling, digitization solutions for workshop staff and warehouses, and 5G and video surveillance solutions for locomotives.

- Projects of operational efficiency. The organisation continues to implement the Lean philosophy, which is based on a culture of continuous improvement, and is carrying out projects to enhance operational efficiency. Following the successful completion of the pilot project for condition-based locomotive repairs, remote diagnostic equipment has been received and is being installed – it has already been installed on 42 of the 44 Siemens ER20CF locomotives, and rules for automatic fault reporting are also being developed. As part of the Computerized Maintenance Management System (CMMS) project, an analysis of the data to be migrated was conducted, solutions available on the market were evaluated, and the possibility of migrating CMMS functionality to SAP began to be assessed. The procurement of the Order Management System has been successfully initiated and is scheduled to be completed by the end of 2026. Measures to address issues related to employee efficiency and fuel consumption will also be updated, enabling more efficient use of fuel and working hours. After analysing the options for replacing the Stokis system, an action plan was launched, following which the system will no longer be used in freight transportation operations.



Annual targets for 2026

Taking into account the shareholder's expectations and with a view to ensuring the achievement of strategic goals, on 17 March 2026 the board of LTG Cargo has approved **the annual targets of LTG Cargo**, the indicators used to measure them and the target values, linked to the implementation of the LTG Strategy 2030. In light of LTG Cargo's ambitions and strategic goals, the annual targets that have been set help improve the customer experience, increase operational efficiency, ensure business growth, reduce environmental impact, ensure safety and boost employee engagement. Based on the approved annual targets, LTG Cargo employees have personal targets 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 targets to career, development and incentive plans. The table presents the annual targets for 2026 approved by the board of LTG Cargo and their achievement indicators, measurement units, weight in the overall structure of targets, and achievement guidelines.

Strategic direction	Performance indicators	Measurement unit	Weight, %	Target achievement thresholds
FINANCIAL INDICATORS				
Ensure the LTG Cargo Group EBITDA	LTG Cargo Group EBITDA margin (excluding transit)	%	10.0	≥15.9
CUSTOMER EXPERIENCE				
Improve customer experience	TOP Customer Net Promoter Score (LTG Cargo Lietuva TOP Customer NPS), TOP Customers NPS (Relationship)	score	10.0	≥38
OPERATIONAL EFFICIENCY				
Increase operational efficiency	Continuous improvement maturity level II	maturity assessment score	10.0	≥1.7
	LTG Cargo Group employee efficiency	million net tkm / average number of employees	10.0	≥3.9
BUSINESS DEVELOPMENT				
Stabilise business development and ensure profitable growth	LTG Cargo Polska net cash EBITDA	EUR million	10.0	≤-3.1
	Net loss from intermodal operations (VIT/KIT-KLP, KIT-DUI)	EUR million	10.0	≤-8.8
	LTG Cargo Group freight turnover (excluding transit),	billion net tkm	10.0	≥5.5
DECARBONISATION				
Sustainable operations	LTG Cargo Group climate impact	Scope 1 and 2 GHG emissions per unit of revenue, tCO_2e/EUR million	10.0	≤256.4
BUSINESS RESILIENCE				
Strengthen the level of business resilience	Level of business resilience	score	10.0	≥3.7
INCLUSIVE ORGANISATIONAL CULTURE				
Maintain the employer Net Promoter Score	Employer net promoter score (eNPS)	score	10.0	≥12

1.4. Highlights

January

By the Company's decision of 18 August 2025, acting as the sole shareholder of UAB LTG Wagons, UAB LTG Wagons was placed into liquidation. On 31 December 2025, an application was submitted to the State Enterprise Centre of Registers to remove UAB LTG Wagons from the Register of Legal Entities; the company was deregistered on 20 January 2026.

LTG Cargo has updated its Green Kilometres Calculator – a tool that businesses can use to estimate the amount of greenhouse gas emissions (t CO_2e) associated with freight transport using intermodal routes operated by LTG Cargo.

February

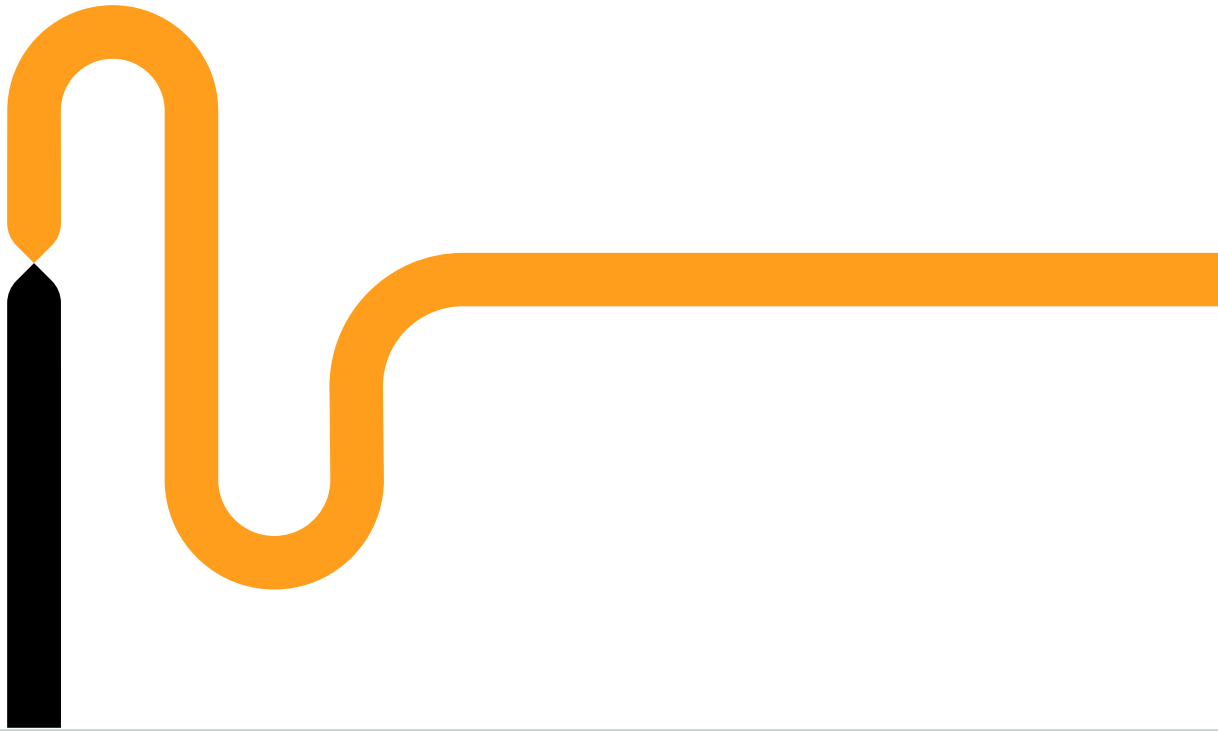
On 18 February, LTG Cargo signed a new financing agreement worth EUR 13,600 thousand with its subsidiary, LTG Cargo Polska. The loan is intended to finance the acquisition of 72 wagons. Under this agreement, EUR 10,579 thousand was disbursed to LTG Cargo Polska on 25 February.

LTG Cargo, together with its subsidiary in Poland, LTG Cargo Polska, organized the transport of a special cargo – powerful generators and their accessories – from Lithuania to Ukraine. The transfer of the generators was initiated by the Ministry of National Defence; they were allocated from the Lithuanian Armed Forces' resources.

March

For the fourth time, LTG Cargo has awarded Green Kilometres certificates to businesses that have opted for its intermodal transport services – these certificates show how much their decision to transport at least part of their cargo by rail has reduced greenhouse gas emissions. Companies that used intermodal transport services saved a total of 24.4 thousand tonnes of CO_2e in 2025.

LTG Cargo, the rail freight transport company within the LTG Group, has been assigned a special NATO Commercial and Governmental Entity (NCAGE) code, enabling it to participate directly in the Alliance's procurement processes as a supplier.



April

Audrius Pukas, who has headed LTG Cargo's technology asset management division for the past five years, has assumed the role of the head of LTG Cargo's subsidiary in Ukraine. A. Pukas noted that one of the priorities of the planned activities is to strengthen business synergy with LTG Cargo's subsidiary in Poland. By developing an integrated service offering with LTG Cargo Polska for international clients operating in Ukraine, the two companies will act as a unified and reliable partner in the region.

LTG Cargo unveiled the new wagons acquired by its subsidiary, LTG Cargo Polska. 72 new so-called pocket wagons are intended for transporting semi-trailers on the European gauge (1,435 mm) from Kaunas to Duisburg (Germany). With a focus on strengthening operations in the western direction, this investment is a logical and important step toward optimizing the rolling stock fleet. The Company's own wagons, acquired with support from the Polish National Intermodal Transport Revitalization Plan Fund, will enable it to provide reliable, sustainable, and efficient freight transport services on the international Kaunas–Duisburg–Kaunas route.

May

Cooperation with the Lithuanian Armed Forces continues: during the Iron Wolf 2026 exercises, LTG Cargo tested its modernized mobile platform ramp, designed for loading heavy equipment, for the first time. It allows for the rapid loading and unloading of military equipment even in areas where there is no standard infrastructure.

Due to railway incidents in Gudžiūnai (Kėdainiai District) and Jiesia (Kaunas District), passenger and freight train service was temporarily disrupted. After the LTG Group's teams quickly completed the infrastructure restoration work, traffic was fully restored on both sections. The investigation identified the causes of both incidents and additional measures were planned to improve rail traffic safety.

June

LTG Cargo Polska, a subsidiary of LTG Cargo in Poland, has obtained a General Safety Certificate for LTG Cargo in Germany. This means that the Company will be able to carry out shipments in Germany on its own, ensuring even faster and more efficient delivery of transportation services.





LTG CARGO

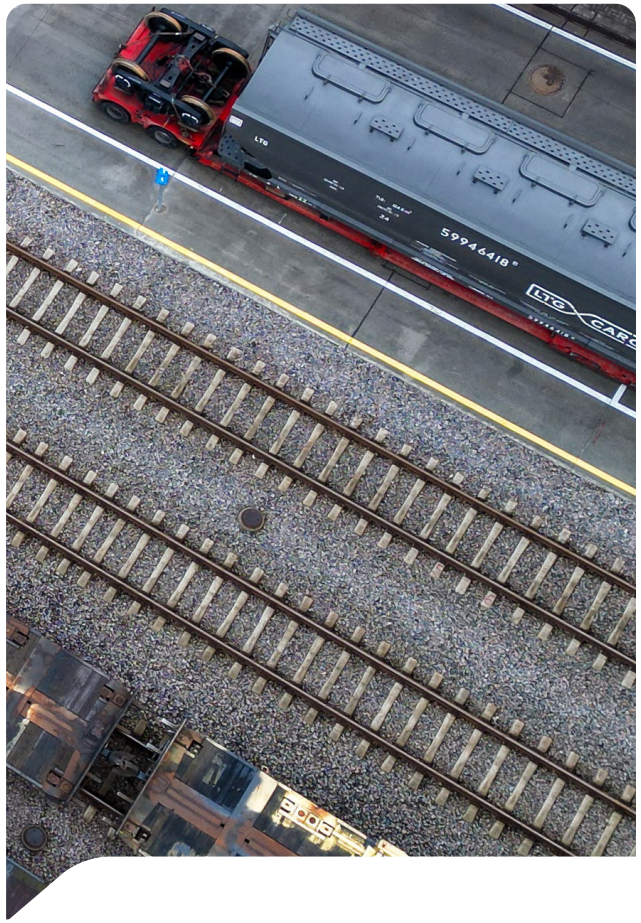
Results

2.1. Overview of the key performance indicators

Transport volume indicators	Measurement unit	1st half of 2026	1st half of 2025	2026/2025 Δ, %	1st half of 2024
Total freight transportation turnover:	**billion tonne-kilometres**	**2.4**	**2.6**	**(7.7%)**	**2.9**
freight transportation turnover in the territory of Lithuania	billion tonne-kilometres	2.4	2.6	(7.7%)	2.8
freight transportation turnover in the territories of other countries (Latvia, Estonia)	billion tonne-kilometres	0.0	0.0	(25.5%)	0.1
Average transportation distance per tonne	**km**	**228**	**227**	**0.3%**	**235**
Total freight transported	**million tonnes**	**10.6**	**11.5**	**(7.9%)**	**12.2**
Freight transport segments					
Domestic transportation	million tonnes	6.9	7.1	(4.0%)	7.1
International transportation:	million tonnes	3.7	4.4	(14.4%)	5.1
Transit	million tonnes	1.7	2.1	(16.8%)	2.8
Export from Lithuania	million tonnes	1.3	1.4	(4.5%)	1.5
Import to Lithuania	million tonnes	0.7	0.9	(24.4%)	0.8

In the 1st half of 2026, freight volumes declined due to an unfavourable geopolitical and economic environment. This was negatively impacted by prolonged shipping disruptions in the Red Sea region, tensions in the Strait of Hormuz, fluctuations in fuel and energy prices, weak industrial growth in Europe, and the ongoing impact of the loss of Russian and Belarusian freight flows.

LTG Cargo transported 10.6 million tonnes of freight in the 1st half of 2026. 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.



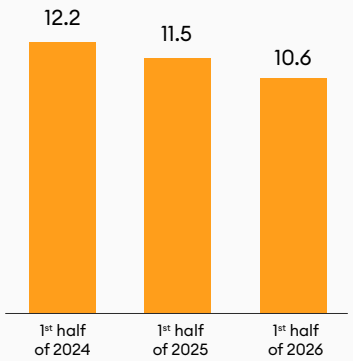
Since 2022, freight flows from the East, i.e. to and from Belarus and Russia, as well as transit via Kaliningrad, have fallen dramatically as a result of Russia's war in Ukraine, and continue to decline due to the expanding scope of international sanctions against Russia and the effective enforcement of those sanctions. Freight transport volumes decreased by 7.9%, from 11.5 million tonnes in the 1st half of 2025 to 10.6 million tonnes in the 1st half of 2026, while freight transport turnover fell by 7.7%, from 2.6 billion tkm in the 1st half of 2025 to 2.4 billion tkm in the 1st half of 2026. A sharp decline was recorded in the segments of fertiliser and plant-based product transportation, as well as construction materials transportation.

Domestic transport accounted for 64.8% of the total freight volume; compared to the 1st half of 2025, this figure decreased by 4.0% to 6.8 million tonnes. The significant decline in the flow of construction materials (due to reduced demand for road infrastructure improvements) and lower volumes of plant-based products were partially offset by an 8.3% increase in oil shipments.

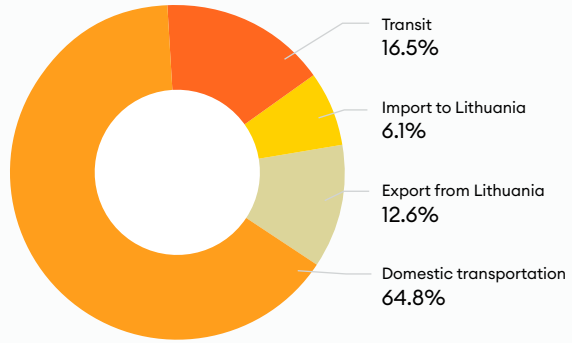
International transport accounted for 35.2% of the total freight volume, a decrease of 14.4% compared to the 1st half of 2025, and amounted to 3.7 million tonnes. During the period under review, the volume of cargo transported in transit through Lithuanian territory decreased by 16.8%. The flow of freight transported in transit towards the Kaliningrad region decreased by 16.4%. This decline was largely due to a decrease in the shipment of food, petroleum products, and construction materials. The volume of cargo imported and exported through the Port of Klaipėda decreased by 23.1% in the 1st half of 2026 due to a decline in freight transport for plant-based products and food industry products.

The volume of **intermodal** transport decreased by 32.0% to 24.3 thousand TEUs (the equivalent of a 20-foot container) in the 1st half of 2026. This was primarily due to a decline in the volume of domestic regular container train traffic and a decrease in traffic with CIS countries. In contrast, the volume of intermodal transport by semi-trailer trains, compared to the 1st half of 2025, increased by 47.0 % – from 2,199 semi-trailers in the 1st half of 2025 to 3,232 semi-trailers in the 1st half of 2026.

Freight transport volumes, million tonnes



Segments of freight transport in the 1st half of 2026, %



2.2. Financial results

Sales revenue

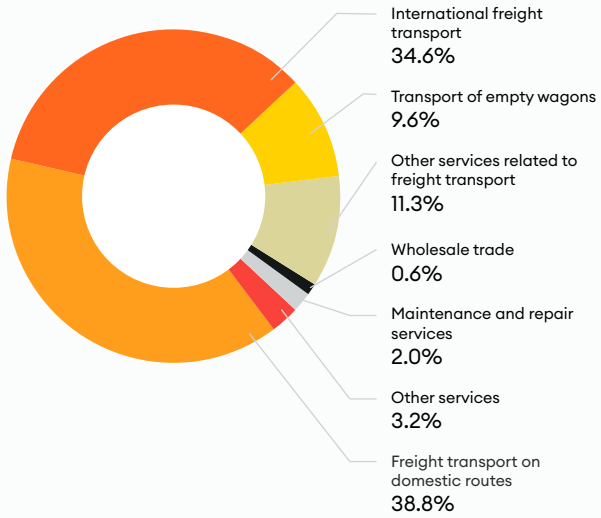
The Company's sales revenue in the 1st half of 2026 amounted to EUR 147,735 thousand, an increase of EUR 4,760 thousand, or 3.3%, compared with the 1st half of 2025. Freight transport revenue accounted for the largest share of revenue, at 73.4%.

- **Revenue from freight transport on domestic routes** in the 1st half of 2026 amounted to EUR 57,281 thousand, an increase of EUR 2,790 thousand (or 5.1%) compared to the corresponding period in 2025. This growth was primarily driven by an 8.3% increase in the volume of petroleum products in the cargo flow.

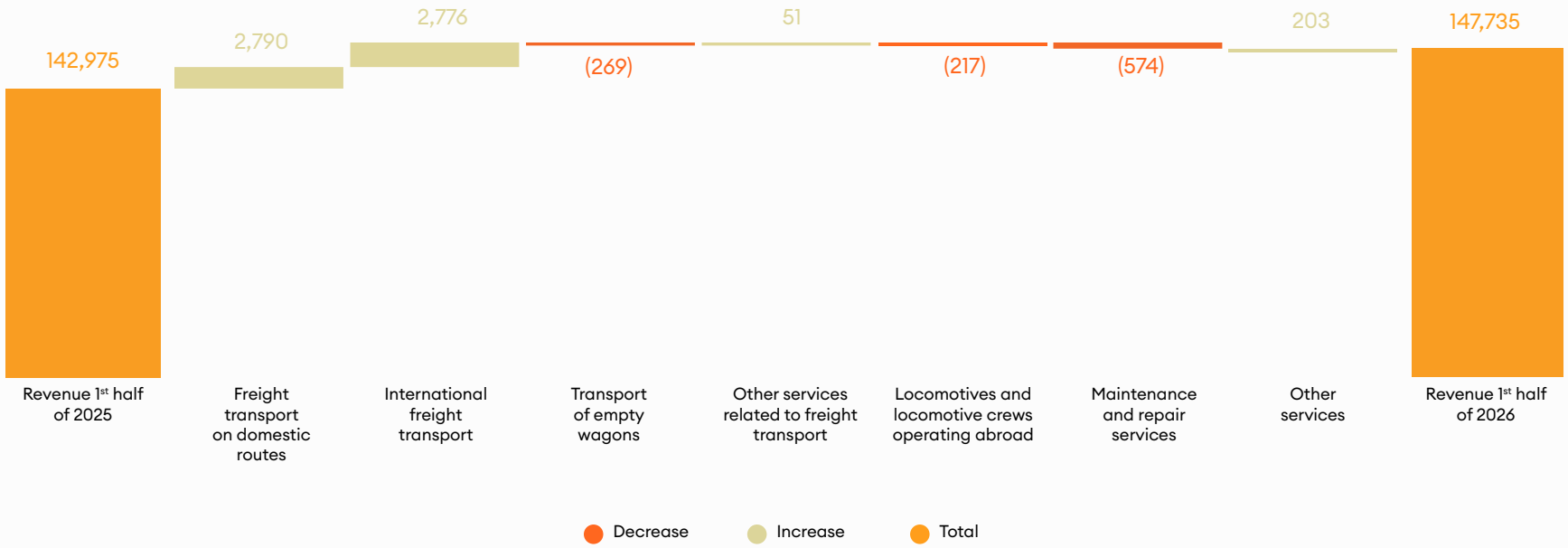
Company's sales revenue,
EUR thousand



Structure of the Company's sales revenue
1st half of 2026, %



Change in the Company's sales revenue, EUR thousand





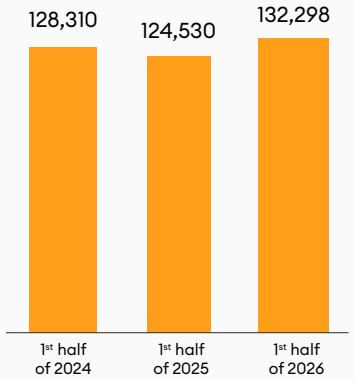
- **Revenue from international freight transport** in the 1st half of 2026, compared to the 1st half of 2025, increased by 5.7% (or EUR 2,776 thousand) and amounted to EUR 51,129 thousand. 53.2% of the volume (in tonnes) of the international transportation was transportation of freight to and out of Lithuania and 46.8% was transportation of freight in transit through Lithuania, including in the direction of the Kaliningrad region, i.e. 46.3% 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 transport amounted to EUR 32,509 thousand during the reporting period, an increase of 8.1%, or EUR 2,445 thousand, compared with the corresponding period of the previous year. This growth was driven by higher freight rates, which offset the 16.8% decline in transit freight volume.
- **Revenue from the transport of empty wagons** decreased slightly – by 1.9% (or EUR 269 thousand) – compared to the 1st half of 2025, totalling EUR 14,153 thousand. The decline in revenue was influenced by a decrease in the volume of freight transported in private wagons.
- **Other revenue related to freight transport** in the 1st half of 2026 amounted to EUR 16,692 thousand and remained at the previous year's level (EUR 16,641 thousand in the 1st half of 2025).
- **Revenue from locomotives and locomotive crews operating abroad** fell by 29.2% (or EUR 217 thousand) during the period under review compared to the 1st half of 2025, amounting to EUR 525 thousand. The decline was caused by a decrease in the volume of transit shipments to Kaliningrad and a corresponding drop in the number of trains.
- **Revenue from maintenance and repair services** in the 1st half of 2026 amounted to EUR 2,899 thousand, which is 16.5% less than in the same period last year due to lower volumes of customer rolling stock.
- **Revenue from other services** (wholesale trade, locomotive leasing with crews and fuel, property leasing) amounted to EUR 5,056 thousand in the 1st half of 2026 and, compared to the 1st half of 2025, increased by 4.2% (or EUR 203 thousand). The increase in revenue was driven by a 17.3% (or EUR 129 thousand) rise in wholesale revenue due to higher sales of spare parts.

Expenses

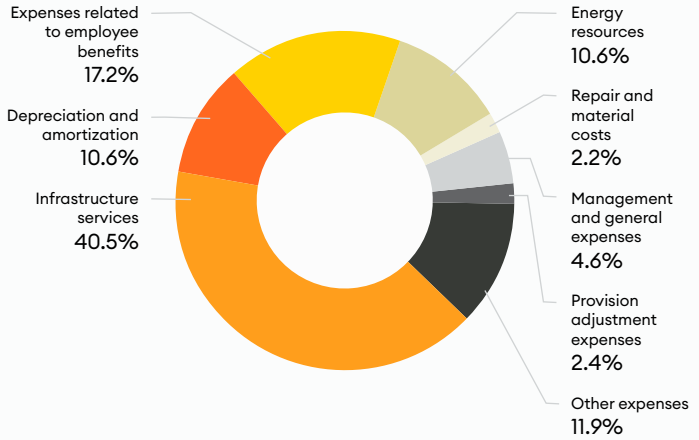
The Company's operating and other expenses amounted to EUR 132,298 thousand in the 1st half of 2026, an increase of 6.2%, or EUR 7,768 thousand, compared to the 1st half of 2025.

The majority of the Company's expenses in the reporting period include infrastructure charges (40.5%), wages and salaries (17.2%) and energy resources (fuel, electricity) (10.6%).

Company's expenses, EUR thousand

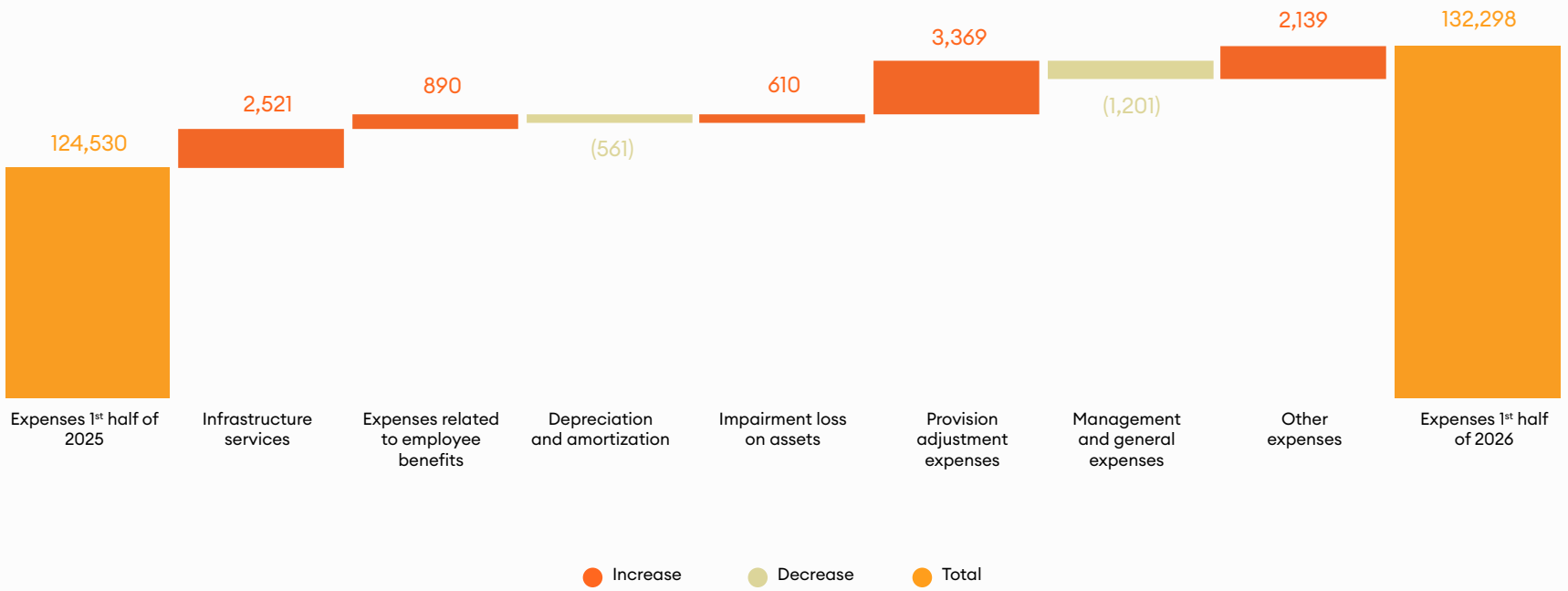


Structure of the Company's expenses 1st half of 2026, %



- **Infrastructure services expenses** consist of payments for services of the minimum access package to the public railway infrastructure and access to rail 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 2026, infrastructure fee expenses amounted to EUR 53,586 thousand, which is an increase by 4.9% or EUR 2,521 thousand compared to the same period in 2025. These expenses increased due to a rise of EUR 2,429 thousand (5.7%) in the cost of minimum access package services provided on the network of LTG Infra, the operator of the public railway infrastructure in Lithuania, following an increase in the rates for these services.
- **Expenses related to employee benefits** increased by 4.1%, or EUR 890 thousand, compared to the 1st half of 2025, and amounted to EUR 22,733 thousand. The increase in expenses was driven mainly by the annual review of base salaries, effective from 1 April, in response to changes in the labour market. The increase in employee compensation expenses was partially offset by the Company's efforts to optimize its workforce by prioritizing operational efficiency and consistently implementing continuous improvement methods and measures.
- **Depreciation and amortization expenses** in the 1st half of 2026 decreased by EUR 561 thousand (3.8%) to EUR 14,078 thousand. Of this amount, depreciation on assets held under a right of use fell by EUR 829 thousand following the Company's purchase of part of these assets and the disposal of some leased assets as part of more efficient asset management; offset by a EUR 319 thousand reduction in the capitalisation of depreciation expenses.

Change in expenses of the Company, EUR thousand



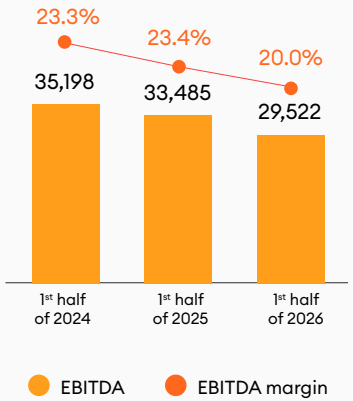
- **Impairment loss on assets** increased by EUR 610 thousand during the period under review and amounted to EUR 1,050 thousand. This change was primarily driven by the base effect: in the 1st half of 2025, after assessing the utilization of noncurrent assets held for sale, an impairment loss of EUR 1,079 thousand was reversed (which reduced the previous year's expenses), while in the 1st half of 2026, no changes in the value of this class of assets were recorded. The increase in costs was further exacerbated by a EUR 435 thousand rise in the cost of writing down inventory to net realizable value. This growth was partially offset by a reversal of impairment losses on long-term assets in the amount of EUR 961 thousand.
- **Provision adjustment expenses** in the 1st half of 2026 amounted to EUR 3,192 thousand, which is significantly – by EUR 3,369 thousand – higher than in the 1st half of 2025. This growth was driven by EUR 3,192 thousand in provisions related to expected expenses for infrastructure restoration work and customer claims arising from the May 2026 train accidents in Gudžiūnai and Jiesia.
- **Management and general expenses** in the 1st half of 2026 amounted to EUR 6,062 thousand, which is EUR 1,201 thousand (or 16.5%) less than in the corresponding period of 2025. Although the cost of LTG's management services rose by EUR 290 thousand, the cost of general services provided by UAB LTG Kompetencijų Centras fell by EUR 1,491 thousand. This decrease was driven by an optimized shared services structure and changes in accounting practices: a portion of the software rental and IT maintenance and development expenses was reclassified and accounted for directly by the Company, rather than being included in the shared services fee.
- **Other expenses** increased by EUR 2,139 thousand (7.3%) to EUR 31,597 thousand compared to the 1st half of 2025. This change was primarily driven by a EUR 1,540 thousand increase in software rental and IT service costs incurred by the Company whilst implementing digitalisation and automation projects as part of its efforts to improve operational efficiency, as well as by a reclassification of expenses, i.e. in the 1st half of 2025, part of the software rental and IT services costs formed part of the fee for general services provided by UAB LTG Kompetencijų Centras. Other expenses also increased due to higher purchases of Kaunas–Duisburg intermodal transport services from the subsidiary LTG Cargo Polska.

Performance results

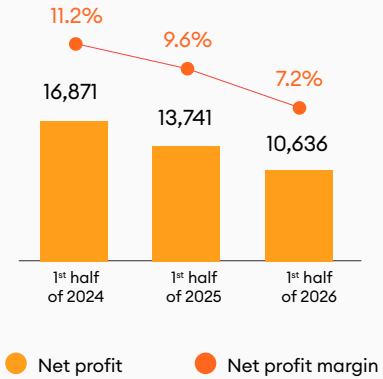
Despite the loss of cargo flows from the East since 2022, the steady decline in Kaliningrad transit and the uncertain geopolitical and economic environment, the Company demonstrated operational resilience, consistently pursuing its goal of improving operational efficiency. The Company has consistently implemented continuous improvement methodologies: it has optimized internal processes by reducing waste, carried out digitization and automation projects, and ensured effective asset management. At the same time, the Company focused its efforts on improving the quality of its services in two main areas: strengthening its operational activities at and increasing the accessibility and responsiveness of its customer service.

The decrease in the EBITDA figure for the reporting period, compared to the 1st half of 2025, by EUR 3,963 thousand (11.8%) was driven by provisions totalling EUR 3,192 thousand related to expected expenses for infrastructure restoration work and customer claims arising from the aforementioned railway accidents in Gudžiūnai and Jiesia. The same reason led to a decrease in the Company's net income of EUR 3,105 thousand (22.6%) in the 1st half of 2026 compared to the corresponding period in 2025.

Company's EBITDA, EUR thousand



Net profit of the Company, EUR thousand



Balance sheet changes

As of 30 June 2026, the Company's assets totalled EUR 340,200 thousand, a decrease of EUR 16,455 thousand, or 4.6%, compared with 31 December 2025.

Non-current assets in the 1st half of 2026 increased by 1.7% (or EUR 4,826 thousand) and amounted to EUR 287,635 thousand at the end of the period. The main driver of growth was a EUR 3,811 thousand increase in long-term loans granted to affiliated companies.

Property, plant and equipment increased slightly during the period under review – by 0.7% (or EUR 1,643 thousand). This change was influenced by a EUR 4,352 thousand increase in construction in progress and advance payments, while the positive change was partially offset by a decrease of EUR 3,108 thousand in the book value of the rolling stock fleet.

Assets employed under a right of use decreased by 4.0% (or EUR 413 thousand) during the 1st half of 2026, totalling EUR 10,037 thousand. This decline was due to more effective asset management.

Current assets at the end of the 1st half of 2026 totalled EUR 52,565 thousand and, compared to the end of 2025, decreased by 28.8% (or EUR 21,281 thousand). The main factor contributing to this change was a decrease of EUR 30,710 thousand in the balance of cash and cash equivalents. The main factors contributing to the decline in cash flows during the 1st half of 2026 were loan repayments (EUR 10,420 thousand), interest payments (EUR 1,990 thousand) and dividends paid to the sole shareholder, AB Lietuvos Geležinkeliai, which totalled EUR 15,880 thousand.

The decrease in current assets was partially offset by an increase in advance payments (EUR 3,207 thousand). Meanwhile, inventory decreased by 23.3% (or EUR 957 thousand) due to more efficient management.

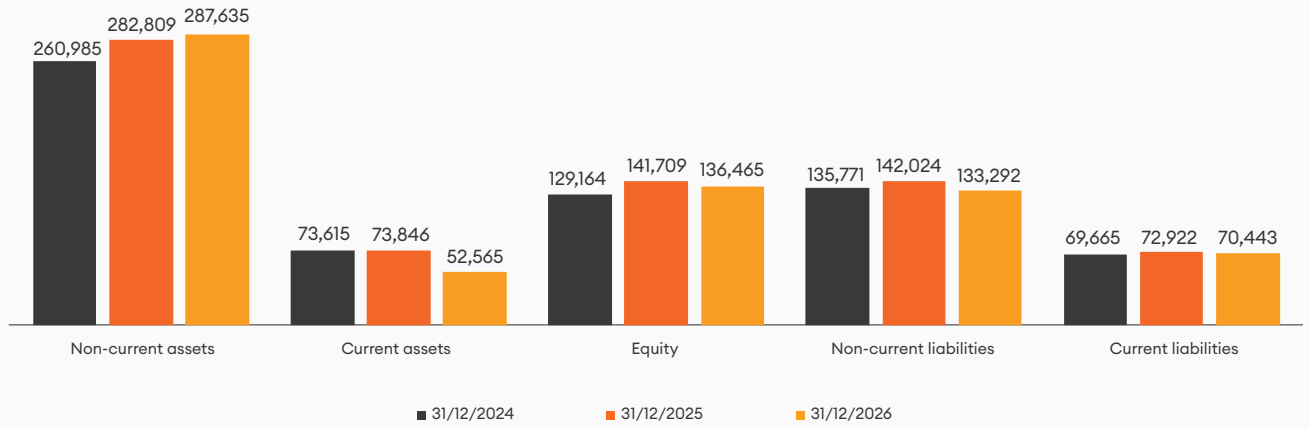
Authorised capital remained stable at EUR 44,087 thousand during the period under review.

Equity decreased by EUR 5,244 thousand during the 1st half of 2026 due to dividends of EUR 15,880 thousand allocated from distributable profit and paid to the parent company LTG, which were not offset by the net profit of EUR 10,636 thousand earned during the 1st half of 2026.

Liabilities as of 30 June 2026 decreased by 5.2% (or EUR 11,211 thousand) compared to 31 December 2025. This change was primarily driven by a reduction of EUR 10,556 thousand in loan and interest obligations, as the Company repaid EUR 10,420 thousand in loans during the 1st half of 2026.

The overall decrease in liabilities was also driven by a EUR 2,279 thousand reduction in trade and other payables and a EUR 1,274 thousand decrease in advances received (advance payments). The decrease in liabilities was partially offset by a EUR 3,192 thousand increase in provisions related to expected expenses for infrastructure restoration work and customer claims arising from railway accidents.

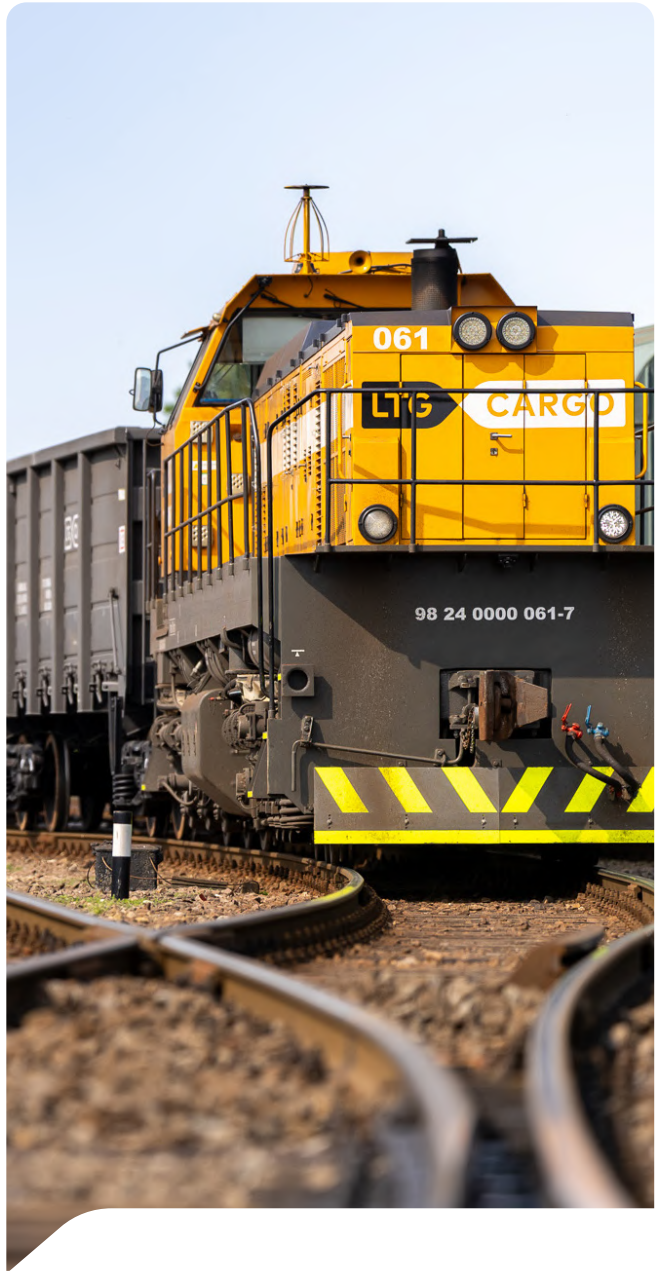
Changes in the Company's main balance sheet items, EUR thousand



Key financial indicators

	Measurement unit	1st half of 2026	1st half of 2025	1st half of 2024
Sales revenue	EUR thousand	147,735	142,975	151,097
Revenue from other activities	EUR thousand	6	401	10
Total revenue	**EUR thousand**	**147,741**	**143,376**	**151,107**
Expenses	**EUR thousand**	**132,298**	**124,530**	**128,310**
EBITDA	EUR thousand	29,522	33,485	35,198
Adjusted EBITDA	EUR thousand	30,486	34,125	38,545
EBITDA margin	%	20.0%	23.4%	23.3%
Adjusted EBITDA margin	%	20.6%	23.9%	25.5%
EBIT	EUR thousand	15,443	18,846	22,797
EBIT margin	%	10.5%	13.2%	15.1%
Net profit	**EUR thousand**	**10,636**	**13,741**	**16,871**
Net profit margin	%	7.2%	9.6%	11.2%
		30/06/2026	31/12/2025	31/12/2024
Non-current assets	EUR thousand	287,635	282,809	260,985
Current assets	EUR thousand	52,565	73,846	73,615
Total assets	**EUR thousand**	**340,200**	**356,655**	**334,600**
Equity	EUR thousand	136,465	141,709	129,164
Financial debt	EUR thousand	132,107	143,004	138,866
Net debt	EUR thousand	120,667	100,855	85,363
Return on equity (ROE)	%	16.8%	19.5%	18.9%
Return on assets (ROA)	%	6.7%	7.7%	7.0%
Return on investment (ROI)	%	8.2%	9.6%	8.7%
Financial debt / EBITDA	times	2.1	2.2	2.3
Financial debt / Equity	times	1.0	1.0	1.1
Net debt / EBITDA	times	1.9	1.5	1.4
Net debt / Adjusted EBITDA	times	1.7	1.4	1.1
Equity ratio	%	40.1%	39.7%	38.6%
Asset turnover ratio	times	0.9	0.8	0.9
Quick liquidity rate	times	0.7	1.0	1.0
Total liquidity rate	times	0.7	1.0	1.1

Definitions of the indicators are provided on page 47 of the report.



Financing of the Company

As at 30 June 2026, the Company's loan portfolio (having assessed accumulated interest) amounted to EUR 121.76 million (EUR 132.3 million as at 31 December 2025).

The weighted average interest rate on the Company's loan portfolio stood at 3.308% as at 30 June 2026 (3.170% as at 31 December 2025).

The longest remaining term to maturity of the financial debt is nine years, with the final repayment due in 2035.

The Company does not have any specific covenants set by the bank under its current loan agreements; however, there is a requirement that the LTG Group's financial indicators comply with the requirements set forth in these agreements. At LTG Group level, the targets as at 30 June 2026 were being met.

During the 1st half of 2026 the Company repaid EUR 10,420 thousand in loans (EUR 17,195 thousand in 2025) and paid EUR 1,990 thousand in interest (EUR 5,171 thousand in 2025).

To balance its working capital, the Company may use funds available through the LTG Group cash pool. The parent company of the LTG Group has entered into an agreement with a credit institution for the provision of cash-pooling services to the LTG Group; accordingly, a reciprocal lending and borrowing agreement has been entered into between LTG and the Company. The agreement is on arm's-length terms and remains in force until 31 December 2027.



2.3. Investments

In the 1st half of 2026, investments of LTG Cargo amounted to **EUR 11.545 million**. Most of the investment (86%) was allocated to repair programmes for locomotives and freight wagons.

Investments, EUR thousand	1st half of 2026	1st half of 2025	1st half of 2024
Overhaul repair of locomotives	6,341	4,803	6,635
Overhaul repair of freight wagons	3,565	3,766	5,642
Acquisition of freight wagons	-	23,398	-
Acquisition of electric locomotives	263	10,285	
Other LTG Cargo investments	1,376	2,259	1,297
Total LTG CARGO	**11,545**	**44,511**	**13,574**

Key investment projects

Key projects / Project groups	Work carried out in the 1st half of 2026
1. Acquisition of electric locomotives	• The project to acquire 17 electric locomotives is continuing under the Railway Electrification Programme. Under the contract signed with Stadler Valencia in 2024, the first advance payment was made in 2025. • Part of the design work was approved in the 1st half of 2026, and the manufacturing of the electric locomotive bodies is underway in the second half of 2026. • 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 2028.
2. Rolling stock repairs	• In the 1st half of 2026, the largest share of LTG Cargo's investments was allocated to upgrading the rolling stock in operation (locomotives and wagons), in order to ensure continuity of freight transport operations and the safe carriage of freight: • EUR 6.3 million was allocated to capitalised locomotive overhauls. In the 1st half of 2026, 6 freight and 20 shunting locomotives were repaired; • EUR 3.6 million was allocated to capitalised freight wagon overhauls. In the 1st half of 2026, 801 freight wagons were repaired.
3. Other projects	• A project is underway to upgrade locomotive safety systems (LSS), which involves replacing the Russian-made KLUB-U systems currently in use. The project includes 44 mainline locomotives and 67 shunting locomotives. In 2025, the LSS were replaced in 17 shunting locomotives and 7 mainline locomotives. In the 1st half of 2026, the safety systems were upgraded on an additional 10 locomotives, including 6 shunting locomotives and 4 mainline locomotives. • In the 1st half of 2026, the procurement of the Central Operational Management System was initiated as part of the new Cargo Purchase Order Management project. The goal of the project is to implement a modern customer purchase order management model that improves the customer experience, increases operational efficiency, and ensures smooth internal and external collaboration, using advanced IT solutions. • To ensure the continuity of operations at the Radviliškis Freight Car Depot's assembly shop, while ensuring operational efficiency and cost efficiency, employee safety and adequate working conditions, the project to modernize the freight wagon depot's equipment and infrastructure and implement a technology upgrade is continuing. Contracts were signed for the preparation of a technical design for the major overhaul of the depot assembly shop and for the design and repair of the heating system, and the procurement of technical equipment was initiated. • Work continues on the construction project for the LTG Cargo rolling stock repair depot in Vaidotai. In accordance with the design contract signed in 2022, a technical design was prepared, design proposals were developed, and the public review of the design proposals was completed. A building permit is expected to be obtained in the second half of 2026. The aim is to make the new bases suitable for servicing electric locomotives currently being acquired and to increase the efficiency of locomotive repairs.

Investments into freight transportation activities planned for the near future

- **Projects performed in 2025 and in the 1st half of 2026 and not yet completed are being continued, the most important being:** the acquisition of electric locomotives (the locomotive project was approved in the 1st half of 2026, and the second advance payment will be made in the second half of the year) and the construction project for the rolling stock repair depot in Vaidotai (the technical specifications have been approved, design proposals have been prepared, and the public consultation on the design proposals has been completed).
- **Scheduled maintenance programmes are being carried out on the 1,520 mm gauge rolling stock (locomotives and freight wagons) currently in service.**
- **The project for replacement of locomotive safety systems is continued.**
- **Smaller-scale projects are currently being carried out:**
  - renewal and modernisation of depots;
  - procurement and implementation of a new Cargo order management system;
  - development of a condition-based locomotive repair system, etc.

2.4. Dividend policy

The payment of dividends by state-owned enterprises and the amount of profit distributions is governed by Resolution No 665 of 6 June 2012 of the Government of the Republic of Lithuania 'On approval of the procedure for exercising pecuniary and non-pecuniary rights of the state in state-owned enterprises' (as amended) (link).

The declaration and payment of the Company's dividends are governed by the LTG Group's Dividend Policy, which was prepared in accordance with the provisions of the aforementioned resolution. The Dividend Policy is published on the website of AB Lietuvos Geležinkeliai (link).

The allocation of dividends to the shareholder for a financial year is planned with regard to the LTG Group company's return on equity (ROE) for the reporting period. The relationship between ROE and the share of distributable profit allocated to dividends is shown in the table.

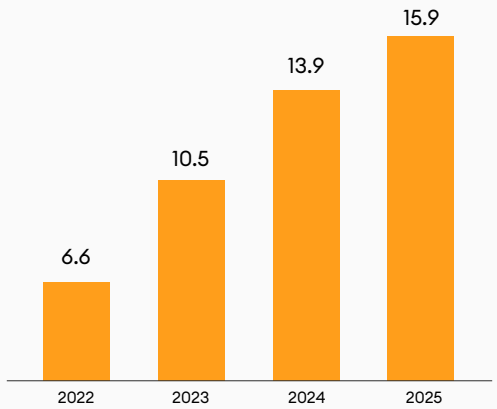
Indicator of the Company's ROE	The portion of distributable profit allocated to dividends (%)
≤1	≥85
>1 ir ≤3	≥80
>3 ir ≤5	≥75
>5 ir ≤10	≥70
>10 ir ≤15	≥65
>15	≥60

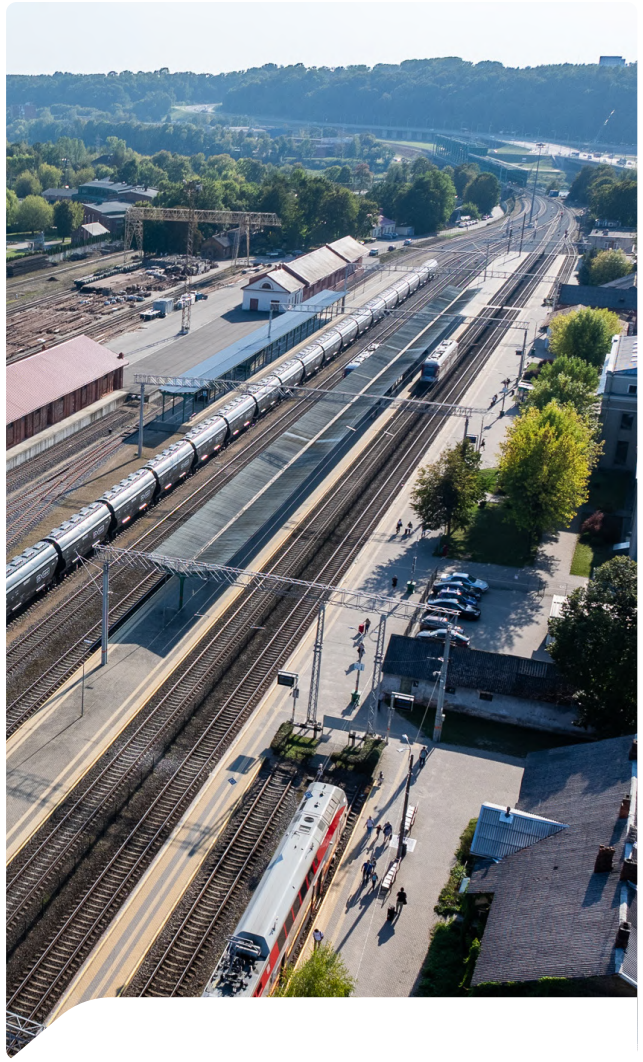
The portion of profits allocated for the distribution of dividends for a period shorter than the fiscal year must be at least 60 % of the distributable profit of the Group companies.

The board of the Company 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.

By its Resolution No AS(LTG)-24/2026 of 16 April 2026, the sole shareholder AB Lietuvos Geležinkeliai approved AB LTG Cargo's financial statements for 2025 and allocated the profit for 2025, including EUR 15.9 million for dividends.

Dividends allocated by the Company to the shareholder, EUR million







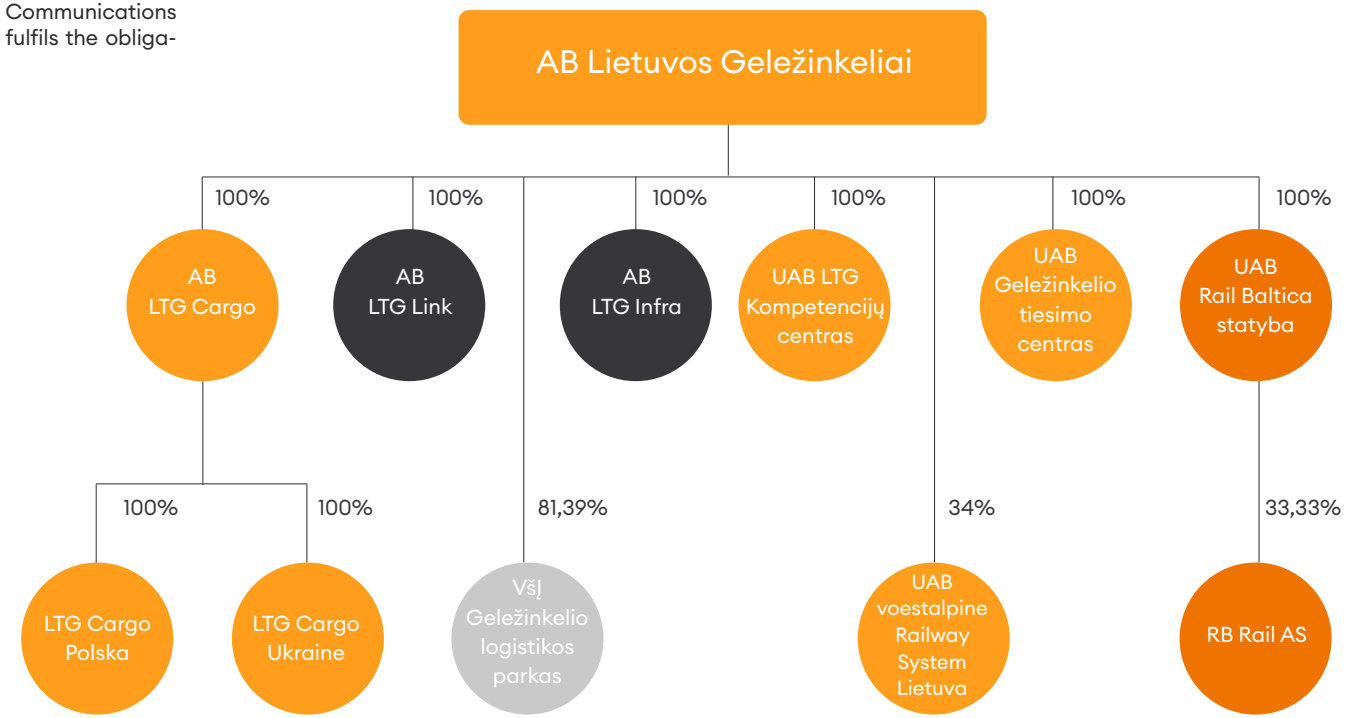
LTG CARGO

Governance

3.1. Overview

The Company is part of the largest group of freight and passenger transport and infrastructure management companies in the Baltic states. 100% of shares of the Company are owned by the parent company AB Lietuvos Geležinkeliai. The State of Lithuania is the shareholder of AB Lietuvos Geležinkeliai and owns 100% of its shares. The Ministry of Transport and Communications of Lithuania exercises the rights and fulfils the obligations of the shareholder.

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

Governance model

The LTG Group's **governance model is centralized**: the governing bodies of the parent company (LTG) review and approve the Group's consolidated business strategy, consolidated business objectives, the indicators used to measure them and their target values, as well as the consolidated budget and business plan. Although the law and the Articles of Association do not provide for direct management powers of LTG over the subsidiaries, LTG establishes rules and procedures for coordination, supervision and/or control of the activities and functions of the Group companies. It also establishes policies and rules applicable in the Group, acts as an active shareholder and exercises its rights properly.

The LTG Group applies the **functional leadership model** which means that added value is created by centralising business support (corporate) functions, consolidating competencies and introducing functional excellence. The parent company coordinates financial, legal, planning and monitoring, human resources, risk management, audit, technology, communications and other general areas of the companies of LTG Group, within the framework of common policies, regulations and norms applicable to all companies of LTG Group. Each corporate function or activity has an assigned function or activity owner who is responsible for the planning, organisation, implementation and control of the area under their responsibility. The provision of common services in these areas has been delegated to UAB LTG Kompetencijų Centras.

The corporate governance of LTG Group shall be organised in accordance with the following principles:

- Openness and transparency of operations;
- Compliance of corporate governance with the legal framework and its effectiveness;
- 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.

Policies applied within LTG Group

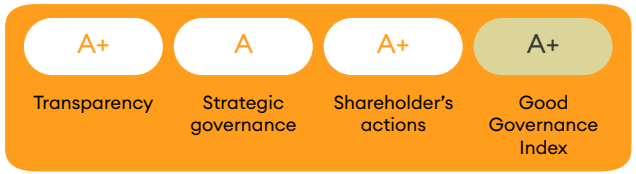
In accordance with the LTG Corporate Governance Policy, LTG establishes policies and rules that apply throughout LTG Group. Accordingly, the policies approved by the board of LTG are also applicable to other LTG group companies, including the Company.

During the reporting period, the board of LTG approved **an updated Internal Audit Policy**, which was implemented within the LTG Group; **the purpose of this policy is to define the fundamental principles for managing internal audit activities, objectives, and the organisation of internal audit activities within LTG Group of companies.**

Governance recognition

In the 2024/25 State-Owned Enterprises (SOEs) Good Governance Index assessment, LTG Group ranked among the leading state-owned enterprises in the category of large SOEs and received a high A rating.

The Company received **the highest A+ rating** in the corporate governance index assessment. The Company received the highest A+ rating in the categories of transparency and shareholder actions, andreceivedan A rating in the category of strategic management.



The Good Governance Index for SOEs, an assessment tool developed by Public Institution Governance Coordination Centre, is used to assess SOE governance quality. It measures how state-owned enterprises and the State institutions exercising ownership control implement the principal good-governance practices. This is currently the only instrument used to monitor the governance of SOEs and assess the governance quality and legal compliance of all SOEs and their subsidiaries.

Information on shares as at 30 June 2026

Company	Authorised capital	Number of shares, units	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
LLC LTG Cargo Ukraine	UAH 17,027,000	-	-

The Company's authorised capital did not change during the reporting period. On 20 January 2026, pursuant to a resolution of the Company, as the sole shareholder, the Company's subsidiary UAB LTG Wagons was liquidated and subject to deregistration from the Register of Legal Entities.

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

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

The Company and its subsidiaries belong to the companies of LTG Group. The Company is the sole shareholder of its subsidiaries LTG Cargo Polska sp. z o. o. and LLC LTG Cargo Ukraine.

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, LTG Group's operating model is focused on the purification and concentration of core activities in subsidiaries and downstream companies. Being part of LTG Group, the Company and its subsidiaries are responsible for implementation of principal activities and achievement of the set operating targets. In order to implement the set targets and ensure appropriate management, in their activities the Company and its subsidiaries are independent, they make relevant decisions and ensure reporting and responsibility for performance results.

Articles of association of the Company

During the reporting period, the articles of association of the Company were not amended.

The currently valid articles of association of the Company are available on the Company's website applicable version of the articles of association of the Company.



3.2. Information on the activities of and changes in the governing bodies of the Company

Up-to-date information regarding the governance is provided in the Company's 2025 Annual Management Report (2025 Annual Management Report)

- Powers of the general meeting of shareholders
- The board' functions and authority, selection criteria, information on compensation, education, qualifications and current positions, as well as the board' self-assessment of its activities and results
- Functions and responsibilities of the chief executive officer of the Company

The articles of association provide for the following bodies of the Company:

- General Meeting of Shareholders;
- Board;
- Chief Executive Officer.

General meeting of shareholders

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

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

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

Board

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 own shares of LTG Group companies.

Composition of the Board as at 30 June 2026

Vitalij Rakovski	Aivaras Čičelis	Natalija Baranauskienė	Vytautas Radzevičius
Independent Board Member, chairperson of the Board	Independent Board Member	Board Member, civil servant	Board Member delegated by the shareholder
Board Member since 23 January 2023	Board Member since 1 June 2024	Board Member since 6 March 2023	Board Member since 23 January 2023
Chairperson of the Board since 12 January 2024			
Area of competence: Financing strategy	Area of competence: International business development	Area of competence: Regional and national transport policy	Area of competence: Strategic management and business development
End of the term of office: 23/01/2027	End of the term of office: 23/01/2027	End of the term of office: 23/01/2027	End of the term of office: 23/01/2027

During the reporting period, **8 (eight) meetings of the Board were held**, of which 1 (one) was conducted by way of a survey (in writing).

Information on the attendance of Board meetings during the reporting period

Name, surname of the member	Board meetings
Number of meetings during the reporting period (including off-site meetings and advance written voting)	8
VITALIJ RAKOVSKI	8
AIVARAS ČIČELIS	8
NATALIJA BARANAUSKIENĖ	8
VYTAUTAS RADZEVIČIUS	8

Committees and their activities

During the reporting period, the following board committees operated within the parent company AB Lietuvos Geležinkeliai: The Audit Committee, the Nomination and Remuneration Committee, and the Strategic Projects and Investments Committee. The committees operated across the entire LTG Group.

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

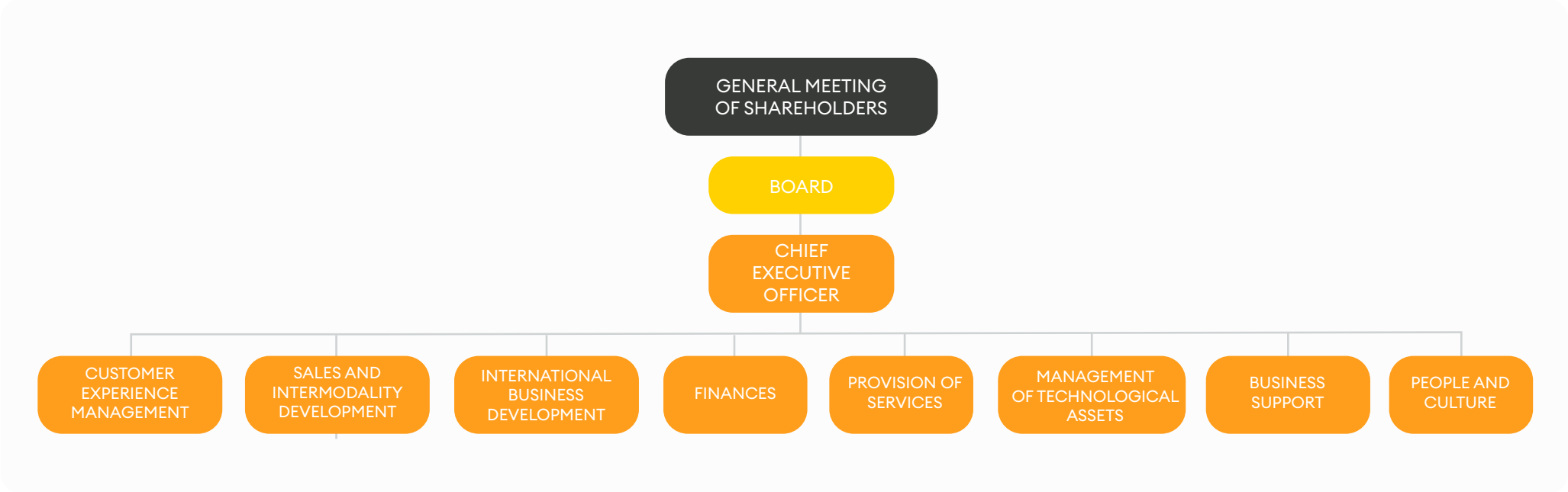
The Nomination and Remuneration Committee's role is to provide opinions, recommendations and proposals to the board of AB Lietuvos Geležinkeliai on the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

The main task of the Strategic Projects and Investments Committee is to provide AB Lietuvos Geležinkeliai with recommendations, opinions and proposals concerning progress in implementing the LTG Group's consolidated strategy through strategic projects, business-development and acquisition initiatives, and matters relating to project-management culture and maturity.

Management

Governance and organisational structure of the Company

At the meeting of the Board of the Company on 12 August 2025, a new organisational structure for the Company was approved, which took effect on 1 October 2025:



During the reporting period, the Company's governance and organisational structure remained unchanged.

Management of the Company

EGLĖ ŠIMĖ	Chief Executive Officer	Acting from 4 January 2022 to 21 August 2022 In office since 22 August 2022
ARŪNAS ŽILYS	Chief Financial Officer	In office since 5 November 2024
MINDAUGAS SKUNČIKAS	Head of Sales and Intermodality Development	In office since 1 October 2025 (from 1 January 2024 to 1 October 2025 he served as the Head of Intermodality and International Business Development)
MINDAUGAS SKUNČIKAS	Head of International Business Development	Acting from 1 October 2025 to 3 May 2026
DALIA ČIUTAITĖ-ANTANAITĖ		In office since 4 May 2026
VITA REMEZAITĖ-MATEIKIENĖ	Head of Customer Experience Management	In office since 1 January 2024 (acting Head of Customer Services from 1 August 2023 to 1 January 2024)
SAULIUS VAIČEKAUSKAS	Head of Provision of Services	In office since 1 May 2024
MILDA MASLAUSKAITĖ	Head of Business Support	In office since 1 August 2023
JUSTINAS KIRBUTAS		In office from 18 August 2025 to 28 February 2026.
LINA PETRAUSKIENĖ		In office since 1 March 2026
AUDRIUS PUKAS	Head of Technological Asset Management	In office from 15 June 2020 to 28 February 2026.
JUSTINAS KIRBUTAS		In office since 1 March 2026
RASA LATVĖNIENĖ	People and Culture Partner	In office since 1 February 2025

Internal audit

A centralized Internal Audit Department has been established within LTG Group; it functions as the third line and covers all companies in LTG Group, including the Company. The purpose of internal audit is to strengthen the capacity of the organisation to create, safeguard and sustain value by providing independent, risk-based and objective assurance, advice, insight and foresight, thereby contributing to the achievement of the strategic objectives of the Company.

Management of interests

During the reporting period, the Board of the Company actively ensured compliance with national and internal Company regulations regarding the prevention of 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 of private interests, which can be found on the website of the Chief Official Ethics Commission at www.vtek.lt.

Information on remuneration of Board members

The principles for determining the remuneration of the Board of the Company are disclosed in the (Company's 2025 Annual Management Report), and the Governance Report.

Remuneration paid to members of the Board in the 1st half of 2026:

Name, surname of the member	Remuneration for service as a Board member 1st half of 2026, EUR
Aivaras Čičelis	15,306
Natalija Baranauskienė	7,656
Vitalij Rakovski	20,406
Vytautas Radzevičius	7,656

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



LTG CARGO

Employees and remuneration

Initiatives and key events in the 1st half of 2026

- Following the Employee Voice survey conducted in autumn 2025, which maintained the highest level of employee participation and demonstrated growing engagement, work continues in the strategic areas refined together with employees: leadership development, reputation improvement, greater efficiency and better working conditions, employee well-being and recognition, and talent management. Teams with lower engagement scores have incorporated individual, targeted measures into their action plans to improve this metric.
- At the beginning of April, as is customary, we met with trade union representatives to discuss the results of the implementation of the sectoral collective agreement in 2025; topics relating to pay, employee development, organisational culture, training and occupational safety were presented in detail and discussed.
- The annual review of base salaries took effect on 1 April 2026. Following the review, the Company's monthly base salary budget increased by EUR 185 thousand or 5.5%.
- In April 2026, following a decision of the board of the Company, a performance bonus for 2025 was paid, with EUR 1.89 million distributed to employees.
- As part of the continuous improvement initiatives, 26 online lectures were organised for employees during the 1st half of the year on digital literacy, sustainability, personal effectiveness, diversity and inclusion, and other topics. Employees actively took advantage of the opportunity to participate in these lectures.
- To foster an inclusive organisational culture, LTG Group managers participated in sessions on how to create a safe and respectful culture within teams. The training developed managers' ability to identify inappropriate workplace conduct, clarified the distinction between conflict and psychological violence, and provided practical tools for creating an emotionally safe and respectful working environment.
- As part of ongoing efforts to strengthen responsible leadership and promote sustainable human resources development, all managers were invited to complete the annual 360-degree leadership competency assessment. The assessment was conducted using the internal SAP SF 360 feedback platform, aiming to provide quality and constructive feedback on leadership competencies, help identify strengths and areas for improvement, and develop individual development plans. The value and need for this assessment were demonstrated not only by the high level of participation among managers seeking to assess their leadership competencies, but also by the active participation of the evaluators.
- Representatives of the organisation actively participated in various projects organized by educational partners – VILNIUS TECH, Engineering of the Future, KTU Children's University, KTU Gifted, KTU Power of Habits, WANTED Summer, university and college career days, Career and Studies, and other events.
- The Growing Leaders programme again offered summer internships to students from Lithuanian and foreign universities.
- In 2026, a customer-centred organisational-culture transformation project was launched to strengthen understanding of customer needs, encourage customer-centred behaviour and create a consistent customer experience throughout the organisation. As part of the project, an audit was conducted to assess the organisation's maturity and identify its principal strengths, areas for improvement and priorities. A transformation programme was also developed, setting out clear objectives, an action plan, measures for engaging employees and managers, and the stages of cultural change.
- To strengthen leadership capabilities, disseminate good practice and improve organisational effectiveness, several heads of department were rotated during the 1st half of the year. This helped foster a stronger leadership culture, develop managerial capabilities and improve the organisation's ability to respond flexibly to business needs.
- Significant attention was given to the Radviliškis region in planning initiatives for attracting and retaining employees, improving employer image and working conditions.

Up-to-date information on Remuneration Management is provided in the Company's 2025 Annual Management Report and on its website

- People and Culture Policy, Remuneration Policy
- Principles for determining and reviewing remuneration and additional benefits
- Information on the framework governing the determination of remuneration for the Company's collegial bodies and the Chief Executive Officer
- Performance indicators for the achievement of annual targets, used to determine and pay performance-based bonuses

Number and remuneration of employees of the Company

As at 30 June 2026, **the Company had 1,439 employees** (excluding employees on parental leave, performing military service or on long-term sick leave). The number of employees has decreased by 82 or 5.4%, compared to the data as at 31 December 2025.

The average monthly salary increased from EUR 2,561 to EUR 2,737 as compared to the average in 2025. The most significant impact on remuneration developments was the LTG Group-wide review of remuneration in April.

The total payroll fund amounted to **EUR 24.24 million** (excluding compensation for unused annual leave, severance payments, accruals, annual performance bonuses and capitalised payroll costs). In addition, in April 2026, as in the other LTG Group companies, the Company's employees received **EUR 1.89 million in annual performance bonuses**.

Number of Company employees and average remuneration

Function group	30/06/2026**						31/12/2025		31/12/2024	
	Number of employees			Average remuneration, EUR			Number of employees	Average remuneration, EUR	Number of employees	Average remuneration, EUR
	Total	Women	Men	Total	Women	Men				
Chief Executive Officer*	1	1		13,000	13,000		1	12,400	1	10,800
Top level management*	8	3	5	8,303			7	7,764	8	7,166
Senior-level managers and specialists in exceptional fields	32	12	20	5,824	5,759	5,864	29	5,482	20	5,223
Middle-level managers and individual experts	117	54	63	3,737	3,729	3,743	115	3,572	106	3,278
Team leaders and experienced specialists	306	141	165	2,660	2,550	2,757	305	2,522	327	2,311
Specialists and experienced operational/service employees	807	94	713	2,612	2,039	2,689	877	2,473	950	2,528
Operational/service employees and skilled workers	168	83	85	1,978	1,853	2,103	187	1,867	246	1,744
Total	**1,439**	**388**	**1,051**	**2,737**	**2,569**	**2,799**	**1,521**	**2,561**	**1,658**	**2,322**

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

- The components of the remuneration of the Chief Executive Officer and the annual performance indicators used to determine the performance bonus are disclosed in the Company's 2025 Annual Management Report.
- At 30 June 2026, the fixed monthly remuneration of the Chief Executive Officer was EUR 13,000. During the reporting period, the monthly basic remuneration of the Chief Executive Officer of the Company increased by 5% or EUR 600. In 2025, the monthly instalment (1/12) of the annual performance bonus paid to the Chief Executive Officer of the Company for achieving the 2025 objectives amounted to EUR 2,654. The average actual remuneration, including the annual performance bonus, amounted to EUR 15,330.
- At 30 June 2026, the fixed monthly remuneration of top-level managers was EUR 8,303, while their average actual monthly remuneration, including the annual performance bonus, was EUR 9,082.

Number of employees of LTG Cargo Group and average remuneration by companies

Group companies	30/06/2026 Number of employees	31/12/2025 Number of employees	31/12/2024 Number of employees
AB LTG Cargo	1,439	1,521	1,658
UAB LTG Wagons	-	-	1
LTG Cargo Polska Sp.zo.o.	129	117	133
LLC LTG Cargo Ukraine	5	5	6
Total**	**1,570**	**1,640**	**1,793**

** Due to differences in taxation in the countries where LTG Cargo has subsidiaries, only LTG Cargo's average remuneration is presented; companies registered abroad are excluded.*

*** In cases where the same employee works at several LTG Group companies, the number of employees is not counted twice at the LTG Group level.*



LTG CARGO

Changes in risk management

Overview

As part of LTG Group, LTG Cargo faces internal and external risks in the course of its operations that could affect its operating results and the achievement of its strategic objectives. Risk management is carried out in accordance with the system implemented by LTG Group, which is based on the principles and best practices of ISO 31000 and COSO ERM.

The Company's consistent risk management process includes the identification and assessment of risks, the planning and implementation of risk management measures, and ongoing monitoring. Risk management information is provided to management on a regular basis, ensuring timely decision-making.

Key risks and changes thereto

During the 1st half of the year, the external risk environment intensified, and significant internal incidents were recorded. In early May, two major railway accidents occurred in Gudžiūnai and Jiesia; although no one was injured, the railway infrastructure was significantly damaged, and service was disrupted for a certain period of time. One of the incidents is attributed to a technical malfunction, while the other is attributed to human error. In order to prevent incidents of a similar scale in the future and taking into account the findings of the investigations, LTG Group has developed and presented to the GoRL a comprehensive railway traffic safety action plan encompassing both short- and long-term measures; the Company is also conducting internal sessions on lessons learned, areas for improvement have been identified, and so on. The Company continues to conduct external risk assessments. Government agencies are warning of an increased threat of hybrid attacks, and acts of sabotage targeting critical infrastructure have been reported in Europe. In light of this context, LTG Group of companies is placing additional emphasis on national security issues: LTG Group has approved and implemented a National Security Compliance Assurance System that encompasses policies, methodologies and processes. In light of these circumstances, the Company reviewed and is strengthening its risk management measures, with particular emphasis on incident prevention, strengthening response capabilities and ensuring business continuity. Managers of the Company and other employees regularly participate in drills whose scenarios cover the most relevant risks for that period, thereby reinforcing their ability to ensure the continuity of the Company's operations during emergencies.

No significant changes were identified during the reporting period that could have a material impact on the Company's overall risk level. The main risks continue to be related to:

- business continuity and the reliability of technological solutions;
- resilience of infrastructure to external factors;
- prevention of safety incidents.

A description of the Company's key risks, its risk management plans and a risk map are provided in the Company's 2025 Annual Management Report (link).



LTG CARGO

Additional information

6.1. Information on subsidiaries

These financial statements for the period ended 30 June 2026 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	**1st half of 2026**	**1st half of 2025**	**1st half of 2024**
Revenue	20,975	16,169	19,402
Expenses	23,542	18,575	24,182
Net profit/loss	(2,567)	(2,406)	(4,780)
	30/06/2026	**31/12/2025**	**31/12/2024**
Assets	41,719	30,197	32,684
Equity	3,335	5,388	6,437
Liabilities	38,384	24,809	26,247
Number of employees as at the end of the period	**129**	**117**	**133**

Transport volume indicators	**Measurement unit**	**1st half of 2026**	**1st half of 2025**	**2026/2025 Δ, %**	**1st half of 2024**
Freight transportation turnover in the territory of Poland	billion tonne-kilometres	0.39	0.34	14%	0.49

LTG Cargo Polska, a subsidiary of LTG Cargo, demonstrated strong commercial growth in the 1st half of 2026 and strengthened its market position. In the 1st half of 2026, the Company achieved significant growth in revenue and freight volumes, particularly in the domestic and international freight transport business segments. Growing business volumes and a higher number of tonne-kilometres confirm our strengthening market position. Key performance indicators show a significant increase in revenue and effective management of cargo flows. Total revenue increased by 29.7% – from EUR 16.2 million to EUR 21.0 million.

A great deal of attention is paid to operational efficiency and expansion into the German market. In June, LTG Cargo Polska obtained a General Safety Certificate in Germany, allowing it to independently carry out transport operations in Germany and ensuring even more efficient and effective delivery of transport services.

In June, LTG Cargo Polska recognized an impairment loss due to damage to four wagons during a train accident in Jiesia, after the wagons derailed. Repair costs (EUR -0.4 million) were recognized in the second quarter and will be offset by insurance indemnities in the coming quarters.

LLC LTG Cargo Ukraine

Rolling-stock rental operations 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:	**Audrius Pukas**

Performance results, thousand EUR	**1st half of 2026**	**1st half of 2025**	**1st half of 2024**
Revenue	468	332	547
Expenses	606	363	208
Net profit/loss	(138)	(31)	339
	30/06/2026	**31/12/2025**	**31/12/2024**
Assets	1,018	1,186	1,499
Equity	239	405	956
Liabilities	779	781	543
Number of employees as at the end of the period	**5**	**5**	**6**

In 2025, LTG Cargo Ukraine shifted its business model from that of a freight forwarding and train scheduling operator to that of a rolling stock leasing operator in order to make use of idle rolling stock in Lithuania. As of the end of the period under review, LTG Cargo Ukraine manages two of its own wagons and 492 LTG Cargo wagons located in Ukraine. A new business model is currently being developed to strengthen business synergy with LTG Cargo's subsidiary in Poland and to create an integrated service offering together with LTG Cargo Polska for international clients operating in Ukraine, and both companies will act as a unified and reliable partner in the region.

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 on compliance with the Transparency Guidelines is provided in the Company's 2025 Annual Management Report. (report)



6.3. Definitions

Indicator	Definition of calculation
Revenue	Sales revenue + Other operating income (excluding Income from financial activities)
Sales revenue	Revenue, excluding Other operating income and Income from financial activities
Expenses	Expenses, excluding Income tax and Finance expenses
Financial debt	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
Net debt	Financial debt – Cash and cash-equivalent investments
Return on equity (ROE)	Net profit (loss) for the last 12 months / 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 income tax – Result from financial activities
EBITDA	Profit (loss) before income tax – Result of financial activities + Depreciation and amortisation
Adjusted EBITDA	Profit (loss) before income tax + Interest expense – Interest income + Depreciation and amortisation + Increase (decrease) in the value of non-current assets, inventories and investments + Increase (decrease) in the value of receivables and contract assets + Expenses for provisions unrelated to ordinary activities
EBIT margin	EBIT / Sales revenue
EBITDA margin	EBITDA / Sales revenue
Adjusted EBITDA margin	Adjusted EBITDA / Sales revenue
Net profit margin	Net profit (loss) / Sales revenue

Indicator	Definition of calculation
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 + Depreciation, amortisation and grant expense for the last 12 months + Interest expense for the last 12 months (adjusted for non-cash balance sheet items) / Amortisation of debt for interest + Interest payable for the last 12 months
Asset turnover ratio	Sales revenue for the last 12 months / Assets at the end of the reporting period
Financial debt / EBITDA	Financial debt / EBITDA for the last 12 months
Financial debt / Equity (D/E)	Financial debt / Equity at the end of the reporting period
Net debt / EBITDA	Net debt / EBITDA for the last 12 months
Quick ratio	Current assets at the end of the reporting period – Inventories at the end of the reporting period / Current liabilities at the end of the reporting period
Current ratio	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Freight transportation turnover (tonne-kilometres)	Freight transportation indicator calculated as the product of the volume of freight transported (in tonnes) and the distance travelled (in kilometres)
Number of employees	The number of active employees on the payroll at the end of the period (excluding the employees on parental leave, performing military service, or on long-term sick leave)
Average remuneration	Gross remuneration calculated per full-time equivalent employee

6.4. Abbreviations

ESG	Environmental protection, social responsibility and governance
CO_2	Carbon dioxide
EU	European Union
IT	Information technology
GoRL	Government of the Republic of Lithuania
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 Link	UAB LTG Link
LTG Infra	AB LTG Infra
LTG Wagons	UAB LTG Wagons
NPS	Net Promoter Score
GHG	Greenhouse gases
IFRS	IFRS Accounting Standards
AR	Average remuneration
SOE	State-owned enterprise



LTG CARGO

Financial statements for the six-month period ended 30 June 2026 (UNAUDITED)
(all amounts are in EUR thousand unless otherwise stated)

Separate statement of financial position

	Notes	30/06/2026	31/12/2025
NON-CURRENT ASSETS			
Property, plant and equipment	5	249,194	247,551
Right-of-use assets	6	10,037	10,450
Intangible assets	7	1,854	2,242
Investment property		64	66
Financial assets	8	18,567	18,567
Loans to related and other companies	11	7,723	3,912
Trade and other receivables.	10	196	21
Total non-current assets		**287,635**	**282,809**
CURRENT ASSETS			
Inventories	9	3,147	4,105
Non-current assets held for sale	9	1,058	2,399
Trade and other receivables	10	18,031	19,663
Loans to related companies	11	10,183	31
Prepayments	12	8,706	5,499
Cash and cash equivalents	13	11,440	42,149
Total current assets		**52,565**	**73,846**
TOTAL ASSETS		**340,200**	**356,655**

	Notes	30/06/2026	31/12/2025
EQUITY			
Authorised capital		44,087	44,087
Legal reserve	14	4,420	4,420
Other reserves	14	66,736	66,736
Retained profit (losses)		21,222	26,466
Total equity		**136,465**	**141,709**
Non-current liabilities			
Loans and other financial debts	16	99,506	109,927
Lease liabilities		8,863	9,277
Employee benefits	17	2,107	1,847
Deferred income tax liabilities		22,816	20,973
Total non-current liabilities		**133,292**	**142,024**
Current liabilities			
Loans and current portion of non-current loans	16	22,257	22,374
Lease liabilities		1,481	1,426
Income tax liabilities		2,482	4,134
Employee benefits	17	7,749	8,152
Trade and other payables	18	33,253	36,806
Provisions	19	3,221	30
Total current liabilities		**70,443**	**72,922**
Total liabilities		**203,735**	**214,946**
TOTAL EQUITY AND LIABILITIES		**340,200**	**356,655**

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

The financial statements and the explanatory notes on pages 50-64 were approved and signed:

Eglė Šimė
Chief Executive Officer

Arūnas Žilys
Chief Financial Officer

Darius Saladžius
UAB LTG Kompetencijų centras
Financial Controller, acting under Decision
No. SPR-L1(KC)-1/2026 of 5 February 2026

Separate statement of profit or loss and other comprehensive income

	Notes	06/2026	06/2025
Sales revenue	20	147,735	142,975
Revenue from other activities		6	401
Total revenue		147,741	143,376
Infrastructure services		(53,586)	(51,065)
Expenses related to employee benefits		(22,733)	(21,842)
Depreciation and amortisation	5,6,7	(14,078)	(14,639)
Fuel		(13,742)	(13,879)
Materials		(2,111)	(2,373)
Services rendered by other foreign railway companies		(2,413)	(2,294)
Management and general administrative services		(6,062)	(7,263)
Electricity		(224)	(259)
Repairs and maintenance		(795)	(592)
(Decrease) increase in the value of non-current assets		(854)	(1,815)
(Decrease) increase in the value of non-current assets held for sale			1,079
Inventories write down to net realisable value (reversal)		(161)	274
Increase (decrease) in the value of receivables		(35)	22
Change in provisions		(3,192)	177
Other expenses		(12,312)	(10,061)
Total expenses:		**(132,298)**	**(124,530)**
Operating profit (loss)		**15,443**	**18,846**
Finance income	21	511	554
Finance expenses	21	(2,120)	(2,590)
Net result from financial activity		(1,609)	(2,036)
Profit (loss) before taxation		**13,834**	**16,810**
Income tax		(3,198)	(3,069)
Net profit (loss)		**10,636**	**13,741**
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		**10,636**	**13,741**

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 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**
Balance as at 31 December 2025		**44,087**	**4,420**	**66,736**	**26,466**	**141,709**
Net profit (loss)		-	-	-	10,636	10,636
Other comprehensive income, after tax		-	-	-		
Total comprehensive income (expenses)		-	-	-	*10,636*	*10,636*
Unrecognised profit (loss) in the statement of profit or loss and other comprehensive income		-	-	-	-	-
Transfers between reserves		-	-	-	-	-
Dividends	15	-	-	-	(15,880)	(15,880)
Total transactions with owners of the Company		-	-	-	*(15,880)*	*(15,880)*
Balance as at 30 June 2026		**44,087**	**4,420**	**66,736**	**21,222**	**136,465**

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

Separate statement of cash flows

	Notes	06/2026	06/2025
Cash flows from operating activities			
Net profit (loss)		10,636	13,741
Adjustments			
Depreciation and amortization costs	5,6,7	14,078	14,639
(Gain) loss from disposal of non-current assets		108	82
Change in impairment of receivables		35	98
Impairment (reversal) of the value of non-current assets, inventories and investments		865	462
Change in accrued income/expenses		(3,986)	(5,430)
Interest (income) expenses		1,506	1,912
Interest on lease liability		167	204
Increase (decrease) in provisions		3,192	(177)
Impact of currency exchange fluctuations		(1)	(34)
Income tax expenses (income)		3,198	3,069
Cash flows from operating activities after adjustments		29,798	28,566
Changes in working capital			
Decrease (increase) in inventories		(2,464)	1,021
Decrease (increase) in trade and other receivables and prepayments		(1,865)	(2,156)
Increase (decrease) in current and non-current trade payables and received prepayments		385	(536)
Increase (decrease) in employment related liabilities		(143)	(599)
Increase (decrease) in other non-current and current payables		1,387	1,635
Income tax (paid)		(2,960)	(1,233)
Net cash flows from operating activities		24,138	26,698
Cash flows from investing activities			
(Acquisition) of non-current assets		(19,249)	(40,925)
Change in prepayments for non-current assets			(13,128)
Income from sale of non-current assets and investments		151	243
Dividends received			239
Interest received		443	202
Loans (granted) repaid		(13,988)	(10,841)
Net cash flows from investing activities		(32,643)	(64,210)
Cash flows from financing activities			
Loans received		-	20,000
Loan repayment		(1,823)	-
Interest (paid)		(3,599)	(2,834)
Interest on lease liabilities		(167)	(204)
Payments of lease liabilities		(735)	(1,468)
Dividends paid	15	(15,880)	(13,921)
Net cash flows from financing activities		(22,204)	1,573
Net increase (decrease) in cash and cash equivalents		(30,709)	(35,939)
Cash and cash equivalents at the beginning of the period		42,149	53,504
Cash and cash equivalents at the end of the period	**13**	**11,440**	**17,565**

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 2025 and 30 June 2026, 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's share capital amounted to EUR 44,087 thousand and consisted of 209,299 ordinary registered shares with a nominal value of EUR 210.64 each. All shares were fully paid up.

The company has no branches and representative offices.

The actual number of employees in the Company as at 30 June 2026 was 1,439 (31 December 2025: 1,521).

Investments in subsidiaries are as follows:

Company	Head office address	Owned share, %		Main activity
		30/06/2026	30/06/2025	
LTG Cargo Polska Sp. Zo.o.	Świętojerska 5/7. 1, Warsaw	100	100	Freight transportation and provision of related services in Poland
LLC LTG Cargo Ukraine	Yevhena Chykalenka Street 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 2026, 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 2025, 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 2026 are unaudited. The annual financial statements for the year ended 31 December 2025 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 2025, except for new standards that came into effect from 1 January 2026. 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 2026 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 2025.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Buildings and structures	Machinery and equipment	Vehicles	Other equipment, fittings and tools	Construction in progress and prepayments	Total
Acquisition cost						
31 December 2024	630	4,598	316,573	1,415	26,810	350,026
- acquisitions	-	-	-	-	70,751	70,751
- assets sold, written off, disposed	-	(59)	(4,245)	(8)	(28)	(4,340)
- reclassification from (to) current assets	(64)	(2,559)	954	(4)	(239)	(1,912)
- reclassifications	6,294	6,012	58,368	299	(71,040)	(67)
31 December 2025	6,860	7,992	371,650	1,702	26,254	414,458
- acquisitions	-	-	-	-	11,516	11,516
- assets sold, written off, disposed	-	(28)	(131)	(12)	-	(171)
- reclassification from/(to) current assets	-	(88)	2,467	-	3,261	5,640
- reclassifications	-	1,220	8,774	65	(10,059)	
30 June 2026	6,860	9,096	382,760	1,755	30,972	431,443
Accumulated depreciation and impairment losses						
31 December 2024	(286)	(2,079)	(129,176)	(695)	(2,255)	(134,491)
- depreciation	(157)	(935)	(26,395)	(193)	-	(27,680)
- impairment	-	-	(5,508)	-	(1,086)	(6,594)
- assets sold, written off, disposed	-	32	2,472	8	-	2,512
- reclassification (from)/to current assets	39	14	(712)	4	-	(655)
- reclassifications	1	(159)	159	-	-	1
31 December 2025	(403)	(3,127)	(159,160)	(876)	(3,341)	(166,907)
- depreciation	(153)	(532)	(13,248)	(109)	-	(14,042)
- impairment depreciation	1	-	529	-	-	530
- impairment	(53)	(8)	(427)	-	(366)	(854)
- assets sold, written off, disposed	-	16	35	11	-	62
- reclassification (from)/ to current assets	-	73	(1,111)	-	-	(1,038)
- reclassifications						
30 June 2026	(608)	(3,578)	(173,382)	(974)	(3,707)	(182,249)
Carrying amount						
31 December 2024	344	2,519	187,397	720	24,555	215,535
31 December 2025	6,457	4,865	212,490	826	22,913	247,551
30 June 2026	**6,252**	**5,518**	**209,378**	**781**	**27,265**	**249,194**

Depreciation and amortisation expense recognised in the Statement of Profit or Loss and Other Comprehensive Income amounted to EUR 14,078 thousand (30 June 2025: EUR 14,639 thousand). This amount includes EUR 13,512 thousand of depreciation of property, plant and equipment (30 June 2025: EUR 14,639 thousand), EUR 794 thousand of depreciation of right-of-use assets (30 June 2025: EUR 1,622 thousand), and EUR 417 thousand of amortisation of intangible assets (30 June 2025: EUR 376 thousand). Capitalised depreciation amounted to EUR 645 thousand (30 June 2025: EUR 963 thousand).

During the reporting period, the Company recognised impairment losses of EUR 854 thousand, including EUR 397 thousand related to the railway accident in Jiesia and EUR 11 thousand related to the railway accident in Gudžiūnai. Additional information concerning these accidents is disclosed in Note 24

The acquisition cost of fully depreciated property, plant and equipment that remained in use amounted to EUR 11,764 thousand as at 30 June 2026 (31 December 2025: EUR 11,109 thousand). The majority of fully depreciated property, plant and equipment consisted of transport vehicles (rolling stock).

6. RIGHT-OF-USE ASSETS

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

	Buildings and structures	Other assets	Total
Acquisition cost			
31 December 2024	31,263	535	31,798
- acquisitions	1,249	287	1,536
- assets sold, written off, disposed	(18,240)	(152)	(18,392)
31 December 2025	14,272	670	14,942
- acquisitions	274	164	438
- assets sold, written off, disposed	(31)	(127)	(158)
30 June 2025	14,515	707	15,222
Accumulated depreciation and impairment losses			
31 December 2024	(7,370)	(211)	(7,581)
- depreciation	(2,412)	(154)	(2,566)
- assets sold, written off, disposed	5,561	94	5,655
31 December 2025	(4,221)	(271)	(4,492)
- depreciation	(714)	(80)	(794)
- assets sold, written off, disposed	20	81	101
30 June 2026	(4,915)	(270)	(5,185)
Carrying amount			
31 December 2024	23,893	324	24,217
31 December 2025	10,051	399	10,450
30 June 2026	**9,600**	**437**	**10,037**

7. Intangible assets

The Company's intangible assets consisted of:

	Software	Other intangible assets	Total
Acquisition cost			
31 December 2024	3,275	447	3,722
- acquisitions	-	355	355
- sold, written off, disposed assets	(61)	(94)	(155)
- reclassifications	442	(442)	-
31 December 2025	3,656	266	3,922
- acquisitions	-	29	29
- sold, written off, disposed assets	19	(19)	-
- reclassifications	-	-	-
30 June 2026	3,675	276	3,951
Accumulated amortisation and impairment losses			
31 December 2024	(1,002)	(125)	(1,127)
- amortisation	(572)	(68)	(640)
- sold, written off, disposed assets	23	64	87
- reclassifications	-	-	-
31 December 2025	(1,551)	(129)	(1,680)
- amortisation	(393)	(24)	(417)
- sold, written off, disposed assets	-	-	-
30 June 2026	(1,944)	(153)	(1,680)
Carrying amount			
31 December 2024	2,273	322	2,595
31 December 2025	2,105	137	2,242
30 June 2026	**1,731**	**123**	**1,854**

8. Investments

Movement of investments in subsidiaries and other companies consisted of:

Company		Controlled share, %	30/06/2026			31/12/2025		
			Investment value	Impairment	Carrying value	Investment value	Impairment	Carrying value
Shares of subsidiaries								
LTG Cargo Polska Sp. Zo.o.	a)	100	25,755	(7,677)	18,078	25,755	(7,677)	18,078
LLC LTG Cargo Ukraine	c)	100	489	-	489	489	-	489
Total			**26,513**	**(7,946)**	**18,567**	**26,513**	**(7,946)**	**18,567**

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

	Investment value
Acquisition value as at 31 December 2024	**17,621**
Acquisition (+)	120
Impairment (-)/reversal (+)	826
Acquisition value as at 31 December 2025	**18,567**
Acquisition (+)	-
Impairment (-)/reversal (+)	-
Acquisition value as at 30 June 2026	**18,567**

Financial position of the subsidiaries:

30/06/2026	Non-current assets	Current assets	Ilgalaikiai Non-current liabilities	Current liabilities	Equity
LTG Cargo Polska Sp. Zo.o.	34,963	6,756	17,895	20,489	3,335
LLC LTG Cargo Ukraine	339	679	20	759	239

31/12/2025	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity
LTG Cargo Polska Sp. Zo.o.	21,771	8,426	8,872	15,937	5,388
LLC LTG Cargo Ukraine	353	833	127	654	405

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

	06/2026			06/2025		
	Revenue	(Expenses)	Profit (loss)	Revenue	(Expenses)	Profit (loss)
LTG Cargo Polska Sp. Zo.o.	20,975	(23,542)	(2,567)	16,169	(18,575)	(2,406)
LLC LTG Cargo Ukraine	468	(606)	(138)	332	(363)	(31)

9. Inventories and non-current assets held for sale

The Company's inventories consisted of:

	30/06/2026	31/12/2025
Fuel	1,019	904
Materials	1,638	2,081
Other	489	1,119
Total raw materials, supplies and components	3,146	4,104
Purchased goods for resale	1	1
Purchased goods for resale, total	1	1
Non-current assets held for sale	1,058	2,399
Non-current assets held for sale, total	1,058	2,399
Total	**4,205**	**6,504**

The carrying amount of the Company's inventories amounting to EUR 3,906 thousand (31 December 2025: EUR 4,705 thousand) was reduced by EUR 761 thousand (31 December 2024: EUR 601 thousand) to the net realisable value as at 30 June 2026.

During the 1st half of 2026, the inventories of EUR 2,111 thousand (the 1st half of 2025: EUR 2,373 thousand) (without fuel) were written off at operating costs.

10. Trade and other receivables

The Company's trade and other receivables included:

	2026 06 30	2025 12 31
Long-term trade and other receivables		
Guarantees paid to related parties	21	21
Other receivables	175	-
Total Long-term	**196**	**21**
Short-term trade and other receivables		
External trade receivables, gross value	14,409	15,775
Impairment (-)	(1,515)	(1,526)
Total external trade receivables	**12,894**	**14,249**
Receivables from related parties	3,102	2,856
Impairment (-)	-	-
Total receivables from related parties	**3,102**	**2,856**
VAT receivable	-	-
Other receivables from the budget	715	735
Accrued income	-	287
Guarantees paid to external suppliers	223	35
Guarantees paid to related parties	108	484
Other receivables	989	1,017
Impairment (-)	-	-
Total other receivables	**2,035**	**2,558**
Total Short-term	**18,031**	**19,663**

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

Įmonės pavadinimas	30/06/2026				31/12/2025			
	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%	17,761	(1)	17,760	0.01%	17,638	(2)	17,636
1-30 days past due	0,39%	161	(1)	160	0.39%	735	(2)	733
31-60 days past due	0,00%				0.00%	-	-	-
61-120 days past due	20,56%	69	(14)	55	0.00%	-	-	-
More than 120 days past due	96,37%	1,555	(1,499)	56	97.43%	1,562	(1,522)	40
Total		**19,546**	**(1,515)**	**18,031**		**19,935**	**(1,526)**	**18,409**

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:

	30/06/2026	31/12/2025
Long-term loans	7,723	3,912
Short-term loans	10,177	-
Impairment (-)	6	31
Total	**17,906**	**3,943**

As of 30 June 2026, the outstanding balance of loans granted by the Company to its subsidiary LTG Cargo Polska amounted to EUR 13.6 million. The loans were provided to finance operating activities, implement investment projects, and partially finance the acquisition of rail wagons. The latest loan maturity date is 31 December 2036.

As of 30 June 2026, the Company had lent EUR 4.3 million through the cash pooling platform.

12. Prepayments

The Company‘s prepayments consisted of::

	30/06/2026	31/12/2025
Prepayments to external suppliers	5	3
Prepayments to related parties	6,541	5,255
Deferred expenses	2,160	241
Total	**8,706**	**5,499**

13. Cash and cash equivalents

The Company‘s cash and cash equivalents consisted of:

	30/06/2026	31/12/2025
Cash in bank	11,440	42,149
Total	**11,440**	**42,149**

As at 30 June 2026, 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 2026, the legal reserve amounted to EUR 4,420 thousand. By the end of the year 2025, the compulsory reserve amounted to EUR 4,420 thousand.

Other reserves
As at 30 June 2026, other reserves designated for investments amounted to EUR 66,736 thousand (31 June 2025: EUR 66,736 thousand).

15. Dividends

Dividends distributed from the distributable profit of LTG Cargo for the year 2025 and paid amounted to EUR 15,880 thousand (2024 EUR 13,921 thousand).

16. Loans and other financial debts

The Company’s loans consisted of:

	30/06/2026	31/12/2025
Long-term loans	99,506	109,927
Short-term loans	20,841	20,841
Interest	1,416	1,533
Total	**121,763**	**132,301**

As of 30 June 2026, the Company‘s loan portfolio (including accrued interest) amounted to EUR 121.76 million (31 December 2025: EUR 132.3 million).

The maximum repayment term of the Company‘s financial debt is 9 years, with the final maturity date in 2035.

During the first half of 2026, the Company repaid loans amounting to EUR 10,420 thousand (during 2025: EUR 17,195 thousand) and paid interest of EUR 1,990 thousand (during 2025: EUR 5,171 thousand).

17. Employee benefits

Employee benefits and liabilities by type:

	30/06/2026	31/12/2025
Non-current liabilities		
Provisions for pensions and similar liabilities	2,107	1,847
Total non-current liabilities:	**2,107**	**1,847**
Current liabilities		
Accumulated leave	2,583	1,707
Wages and salaries payable	2,254	2,152
Social security contributions payable	1,022	1,003
Personal income tax payable	790	717
Other employment-related liabilities	1,100	2,573
Total current liabilities:	**7,749**	**8,152**
Total	**9,856**	**9,999**

18. Trade and other payables

The Company's trade and other payables consisted of:

	30/06/2026	31/12/2025
Trade accounts payable	3,578	5,208
Trade accounts payable to related parties	14,637	11,229
Prepayments received	4,934	6,075
Prepayments received from related parties	7,216	7,350
Cash guarantees received	125	138
Other taxes payable to the budget	231	414
Accumulated costs of foreign railway services	174	176
Accumulated payables to related parties	1,597	1,717
Accumulated expenses	483	4,411
Other accounts payable and liabilities	278	88
Total	**33,253**	**36,806**

19. Provisions

Balance as at 31 December 2024	**207**
Accrued	-
Used	(177)
Balance as at 31 December 2025	**30**
Accrued	3,191
Used	-
Balance as at 30 June 2026	**3,221**

As at 30 June 2026, a provision was recognized for AB LTG Cargo's obligations to compensate for the following losses (costs):

1. Losses (costs) incurred by the infrastructure manager, AB LTG Infra, for the repair of a 10.6 km railway section damaged as a result of the 1 May 2026 accident involving an AB LTG Cargo train in Gudžiūnai, during which freight wagons carrying cargo derailed: EUR 2,770 thousand.

2. Losses incurred by a customer as a result of the 1 May 2026 train accident in Gudžiūnai, based on the customer's submitted claim: EUR 2 thousand.

3. Losses incurred by customers as a result of the 2 May 2026 train accident in Jiesia, based on claims already submitted and claims expected to be submitted: EUR 419 thousand.

Additional information regarding these accidents is disclosed in Note 24.

20. Sales revenue

The Company's revenue consisted of:

	06/2026	06/2025
Revenue from domestic freight transportation	57,281	54,491
Revenue from international freight transportation	51,129	48,353
Provision of services related to freight transportation	30,845	31,063
Locomotives and work of locomotive crews abroad	525	742
Maintenance and repair	2,899	3,473
Wholesale trade	873	744
Lease of assets	84	65
Other services	4,099	4,044
Total	**147,735**	**142,975**

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

	06/2026	06/2025
Recognised immediately	144,227	138,695
Recognised over an ongoing period	3,508	4,280
Total	**147,735**	**142,975**

21. Result from financial activity

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

	06/2026	06/2025
Total finance income	511	554
Dividends	-	239
Penalties and default interest for overdue trade receivables	62	98
Interest	449	217
Impact of currency exchange fluctuations	-	-
Total finance costs	(2,120)	(2,590)
Impact of currency exchange fluctuations	(1)	(34)
Interest	(2,121)	(2,318)
Impairment of financing activities	-	(120)
Other expenses	2	(118)
Total	**(1,609)**	**(2,036)**

22. Related party transactions

The Company's transactions with related parties for the six-month period in 2026 and balances as at 30 June 2026 amounted to:

	06/2026		30/06/2026	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	11	3,127	4,442	95,308
AB LTG Infra	406	67,570	7,217	11,859
UAB LTG LINK	4,182	70	1,898	101
UAB Geležinkelio tiesimo centras	439	5	129	2
UAB LTG Kompetencijų centras	-	4,411	-	2,912
LLC LTG Cargo Ukraine	15	291	391	79
LTG Cargo Polska SP. Zo.o.	667	6,051	13,920	256
Total	**5,720**	**81,525**	**27,997**	**110,517**

The Company's transactions with related parties for the six-month period in 2025 and balances as at 31 December 2025 amounted to:

	06/2025		31/12/2025	
	Sales	Purchases	Receivables	Payables
AB Lietuvos Geležinkeliai	9	21,214	646	104,496
AB LTG Infra	234	49,841	5,383	8,643
UAB LTG LINK	4,147	287	2,068	29
UAB Geležinkelio tiesimo centras	685	-	28	133
UAB LTG Kompetencijų centras	-	4,866	-	2,635
LLC LTG Cargo Ukraine	-	63	405	74
LTG Cargo Polska SP. Zo.o.	518	5,308	4,040	295
UAB voestalpine VAE Legetecha	28	-	-	-
Total	**5,621**	**81,579**	**12,570**	**116,305**

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.

23. Management remuneration and other benefits

As at 30 June 2026, there were 9 executives, namely the CEO and the heads of the following departments: Finance, Sales and Intermodal Development, International Business Development, Customer Experience Management, Service Delivery, Business Support, Technological Asset Management, and People & Culture Business Partner.

Management remuneration	525	484
Incentives*	-	1
	146	137
Accumulated long-term benefits **	4	2
Number of executives	9	9
Allowances for members of the Board	51	57
Number of Board members	4	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 2026, 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.

24. Contingent Assets and Liabilities – Significant Operating Event

Railway accidents in Gudžiūnai and Jiesia

Railway incident in Gudžiūnai

On 1 May 2026, a railway incident occurred at the Gudžiūnai railway station, during which three freight wagons derailed. The incident disrupted rail traffic at the Gudžiūnai railway station and on the associated railway sections, which temporarily affected the Company's rail freight transport operations. Railway rolling stock used by the Company was also damaged during the incident.

This incident resulted in unplanned costs and losses for the Company related to the loss of rolling stock and its restoration, additional employee labour costs, ensuring fulfilment of contractual obligations to customers, and other direct operating losses.

The Company took the necessary steps to restore normal business operations as quickly as possible, to minimize the impact of the incident on customers, and to ensure the safe and efficient execution of freight transport processes.

During the reporting period, the Company recognized losses and additional expenses totaling EUR 2,803 thousand, primarily related to the impairment of rolling stock (as described in Note 5), customer claims, operational recovery measures, and additional employee labour costs.

Railway incident in Jiesia

On 2 May 2026, a railway incident occurred at the Jiesia railway station, during which railway rolling stock derailed. The incident disrupted rail traffic at the Jiesia railway station and temporarily affected the Company's freight transport operations.

As a result of this incident, the Company incurred unplanned expenses and losses related to the repair of damaged rolling stock, rolling stock downtime, and other direct costs. The Company has taken steps to restore normal operations as quickly as possible and to minimize the negative impact on customers and ongoing freight transport.

During the reporting period, the Company recognized losses and additional expenses totaling EUR 849 thousand, primarily related to the impairment of rolling stock (as described in Note 5), customer claims, business recovery measures, and additional employee labour costs.

The circumstances and financial consequences of both events are assessed in accordance with the procedures established by law, based on the results of the ongoing investigation and the information available at the end of the reporting period. As of 30 June 2026, the Company had established provisions in the amount of EUR 3,191 thousand (Note 19) related to probable obligations for infrastructure restoration works and customer claims arising from the incidents in Gudžiūnai and Jiesia.

As of 30 June 2026, the Company did not recognize any receivable related to compensation for potential losses incurred during these events, as the amount and receipt of compensation were not sufficiently ensured at the end of the reporting period. In the management's assessment, is considered a contingent asset in accordance with IAS 37.

Investigations into the circumstances of the aforementioned incidents, as well as the damage assessment and compensation processes, had not yet been completed at the end of the reporting period; therefore, the ultimate financial impact may differ from the amounts recognized in these financial statements. It will depend on the results of the investigations, the final assessment of actual and anticipated costs, the decisions of insurance companies and other relevant parties, and any potential additional claims.

25. Events after the reporting period

No significant events occurred after the reporting date that would require recognition in or disclosure to the financial statements for the first half of 2026.





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