



FIRST HALF YEAR 2023

UAB „RAIL BALTICA STATYBA“

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2023 (UNAUDITED),
PROVIDED TOGETHER WITH INTERIM REPORT



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ABBREVIATIONS:

LTG - AB "Lietuvos geležinkeliai"

LTG group, Group, Group of companies - AB "Lietuvos geležinkeliai" and its subsidiaries

RBS, Company – UAB „Rail Baltica statyba“

LRV - Government of the Republic of Lithuania

EU - European Union

Annual and interim reports and financial statements are made publicly available on the Company's website:

<https://www.rail-baltica.lt/finansines-ataskaitos/>



NOTICE OF THE HEAD OF THE COMPANY

Dear colleagues, customers, partners,

An infrastructure project of unquestionable importance - this is how the "Rail Baltica" European railway gauge project is described today, both in Lithuania and Europe. As the tense geopolitical situation in Eastern Europe continues, attention to the issue is not only continuing to grow, but is also increasing.

By common agreement of all the countries implementing the "Rail Baltica" project, "Rail Baltica" must be fully completed by 2030. Lithuania maintains its ambition to start reaping the value of the newly built "Rail Baltica" earlier, by consistently expanding the European rail infrastructure already in operation. So our ambition is to operate the newly built railway in smaller sections without waiting for the whole project to be completed.

At the beginning of this year, Lithuania, together with Latvia, Estonia and the Baltic states Joint Undertaking "RB Rail AS", applied for additional EU funding for the implementation of "Rail Baltic", a railway of the European tracks gauge. The total funding requested by the three Baltic countries was EUR 954 million.

In June, the European Commission gave us an extraordinary news: the European Commission approved the full funding requested for the implementation of the European track gauge network "Rail Baltica" in the Baltic States, allocating almost EUR 1 billion (EUR 928 million), of which Lithuania's share is €394 million. This is the largest funding Lithuania has ever received from the Connecting Europe Facility (CEF). One of the main reasons for the European Commission's favourable decision in favour of the project in Lithuania is that the construction of the "Rail Baltica" railway in Lithuania is well advanced and it shows that the maturity of the project is high.

The funding is not only a great achievement, but also a responsibility and a commitment to continue delivering a major infrastructure project with consistency, ambition and project-accelerating solutions.

"Rail Baltica" is the epicentre from which future changes in rail infrastructure are likely to start, both in Lithuania and across the Baltic States. With the implementation of this project of exceptional scale, we will also complete the integration of the country and the region into the West, both in areas of transport and logistics.

ARENIJUS JACKUS

Director

UAB „Rail Baltica statyba“

MAIN INFORMATION ABOUT THE COMPANY

Name	UAB „Rail Baltica statyba“
Registered office address	Geležinkelio str. 16, LT-02100 Vilnius
Legal form	Closed joint stock company
Date, place of registration	23 January 2014
Company code	303227458
Phone	+370 61418055
Email	rbs@litrail.lt
Website	https://www.rail-baltica.lt/apie-uab-rail-baltica-statyba/
Main activities	Performing the functions of a shareholder in the Baltic joint venture "RB Rail AS", coordinating the implementation of the "Rail Baltica" project
Director of the Company	Arenijus Jackus
Shareholders	AB "Lietuvos geležinkeliai (100% of owned authorised capital)

SUBSIDIARIES AND FURTHER LEVEL COMPANIES

Name	RB Rail AS
Registered office address	Satekles iela 2B, Riga, Republic of Latvia, LV-1050
Legal form	Joint stock company (Latvian: <i>akciju sabiedrība</i>)
Date, place of registration	12 November 2014, Republic of Latvia
Company code	40103845025
Phone	+371 6696 7171
Email	info@railbaltica.org
Website	www.railbaltica.org
Main activities	Implementation and coordination of the "Rail Baltica" project
Shares held in the company, %	33,33%

COMPANY BRANCHES, REPRESENTATIVE OFFICES ABROAD

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

COMPANY ACTIVITIES

RBS is a subsidiary of LTG, established to participate in the implementation of the "Rail Baltica" project and the management of the Baltic states established "RB Rail AS".

"Rail Baltica" is the largest and most expensive transport infrastructure project in the Baltic states since the restoration of independence. The project involves the construction of more than 870 km of European-gauge railway from the Lithuanian-Polish border to Tallinn, with a link to Vilnius.

On 16 September 2013, a joint declaration by the Finnish, Estonian, Latvian, Lithuanian and Polish ministers responsible for the transport sector foresees the establishment of a joint Baltic undertaking to ensure the implementation of "Rail Baltica" project. The Government of the Republic of Lithuania has proposed to establish a new subsidiary of AB "Lietuvos geležinkeliai", which would participate as a shareholder in the envisaged joint venture.

On 28 October 2014, a shareholders' agreement was signed on the establishment of the Baltic states joint venture "RB Rail AS". RBS became the founder and shareholder of the company with a 33.33% stake of shares.

The implementation of "Rail Baltica" is ensured through the execution of the investment projects that make up the project and the management of shares in "RB Rail AS", which performs part of the project's implementation functions.

The object and main functions of RBS are the management of the shares in "RB Rail AS" and the exercise of the rights and obligations attaching thereto (The management chart of "RB Rail AS" is set out in Figure 1). Taking the above-mentioned into account, the Company's principal activities are:

- participation in "RB Rail AS" corporate bodies;
- participation in the decision-making of "RB Rail AS" bodies, within the scope of their respective competences;
- the exercise of the non-pecuniary rights conferred on the organs of "RB Rail AS";
- coordination of positions on key issues related to the implementation of the "Rail Baltica" project with the institutional oversight and control bodies, etc.);
- Participation in cooperation and institutional formats for "Rail Baltica" project implementation.



Figure 1. Corporate governance chart of RB Rail AS.

In order to coordinate the implementation processes of the Rail Baltica project, which are carried out by the subsidiary AB "LTG Infra", a subsidiary of AB "Lietuvos Geležinkeliai" established to perform the functions of the public railway infrastructure manager, and "RB Rail AS", a company managed by RBS (see Figure 2), carries out the coordination and systematisation of the information, and to this end, AB LTG Infra, a subsidiary established to perform the functions of the public railway infrastructure manager, provides the coordination service for the "Rail Baltica" project. By providing these services, the company secures the income needed to cover its operating costs.

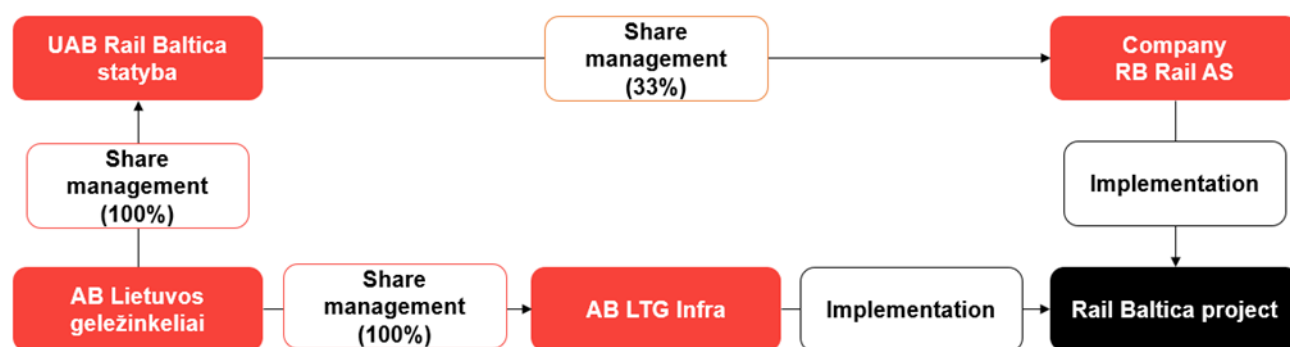


Figure 2. Model for implementation of the Rail Baltica project.

The specific object of RBS's activities means that the Company does not have core activities, i.e. inbound-outbound logistics, marketing and sales, after-sales services, etc., but only provides services of an exclusive nature related to its object. Taking this in to account, the Company is not participating in the market and competitive environment, and has no customers and no infrastructure to manage.

The company's business model includes:

- the Company's independent activities and decisions (including the resources required to do so) to carry out the object of the Company's business and to perform its functions in connection therewith.

In this respect, it should be noted that the limited nature of the Company's activities object and functions does not require exceptional capabilities, a developed business model or a multi-level organisational structure. In this context, the Company carries out its activities and related functions solely on the basis of its own internal resources.

- Supporting the company's operations, partly through centrally managed support (corporate) functions within the LTG Group and an appropriate operational architecture. To this end, the Company's activities are guided by the LTG operational architecture documents - policies, methodologies, process standards, etc. - except where the relevant activities described in them are governed by separate internal Company documents.

In this respect, it should be noted that the LTG Group's governance model is based on the **LTG Group's consolidated business strategy** and functional leadership. The parent company's collegiate management body considers and approves

the consolidated strategy/budget of the LTG Group, consolidated performance targets, performance measuring indicators and targets, takes key management decisions within the Group, and supervises and controls the activities of subsidiaries. LTG Group also applies the **functional leadership** model, which means that added value is created by centralising operational support (corporate) functions, consolidating competencies and introducing functional excellence. The Parent Company coordinates the LTG Group companies' finance, legal, planning and monitoring, human resources, risk management, audit, technology, communications and other general areas through common policies, regulations and norms applicable to all LTG Group companies. Each function or activity has a function or activity owner, who is responsible for planning, organising, implementing and controlling the area under his responsibility.

COMPANY MANAGEMENT

INFORMATION ON SHARES AS OF 30 JUNE 2023

The Company is a member of the AB "Lietuvos geležinkeliai" group of companies, the sole shareholder of which is the parent company AB "Lietuvos geležinkeliai". The State of Lithuania is the shareholder of AB "Lietuvos geležinkeliai", owning 100 % of the shares, and the Ministry of Transport and Communications of the Republic of Lithuania exercises the rights and duties of a shareholder.

All shares are of one class - ordinary registered shares. Shares are intangible and are recorded in personal securities accounts in accordance with the effective legislation. The Company did not acquire any of its own shares or shares in other LTG Group companies during the reporting period.

As of 30 June 2023 Number of shares held by the Company and other companies:

Company	Amount of share capital, EUR	Number of shares, pcs.	Nominal value of shares, EUR
UAB „Rail Baltica statyba“	4, 161 494.08	143,698	28.96
Associated companies			
RB Rail AS	650,005	650,005	1

CORPORATE GOVERNANCE AND ORGANISATIONAL STRUCTURE

The limited nature of RBS's activities and functions does not require a multi-level organisational structure, it consists of the Head of the Company and the staff working directly under him (see Figure 3).

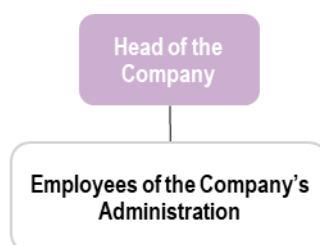


Figure 3. Organisational structure of UAB Rail Baltica statyba.

ARTICLES OF ASSOCIATION OF THE COMPANY

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

The Company's Articles of Association were not amended during the reporting period. The Company's Articles of Association are available on the Company's [website](#).

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

COMPANY BODIES

As of 30 June 2023 The Company's Articles of Association provide for the following bodies of the Company:

- General Meeting of Shareholders;
- Company manager (director).

The Supervisory board and the Board shall not be formed in the Company.

General Meeting of Shareholders - is the highest management body of the Company; The competence of the General Meeting of Shareholders corresponds to the competence set out in the Law on Companies of the Republic of Lithuania and other laws. The Company's Articles of Association also confer on the General Meeting of Shareholders the additional competence to approve the decisions of the Company's Head taken in accordance with clause 27 and clause 39 of the Company's Articles of Association, i.e.:

- approving the Company's business strategy and long-term objectives;
- setting the Company's performance indicators;
- approving the Company's investment plan;
- approving the Company's annual budget and business plan;
- making decisions on the investment, sale and purchase or any other transfer, pledge or mortgage of the Company's owned facilities and assets, which is important for ensuring national security importance;
- making decisions on the investment, disposal or lease of the Company's fixed assets with a carrying amount of more than EUR 300 000 in the Company's group companies or third parties (calculated separately for each type of transaction);
- making decisions on pledges and mortgages of the Company's fixed assets with a carrying value of more than EUR 300 000 (in the aggregate amount of transactions);
- making decisions whether to guarantee or indemnify other persons in respect of obligations of more than EUR 300 000;
- making decisions to acquire fixed assets for a price of more than EUR 300 000;
- making decisions on the conclusion of contracts for the purchase of goods, services, works (excluding transactions in conventional or derivative financial instruments), the value of which, excluding value added tax, is equal to or exceeds EUR 300 000;
- deciding on the approval of the essential terms of contracts for the provision of services by the Company, if the estimated annual revenue of the contract, or the revenue estimated for the entire duration of the contract, is likely to exceed EUR 3 000 000, excluding value-added tax;
- making decisions on the Company becoming a founder or participant of other legal entities;
- making decisions for the Company to commence new activities or to discontinue the Company's existing activities, if the relevant decision has not been taken at the time of the approval of the Company's business strategy;
- approving the amount of the incentive for the Company's employees for their annual performance;
- considering information on the Company's material operational risks and approving the Company's Operational Risk Management Plan;
- considering information and reports on the progress of the Company's programmes;
- considering the list of information that is held to be the Company's trade (industrial) secrets and confidential information, and the conditions for the use and storage of such information;
- making decisions to establish branches and representative offices of the Company, to terminate their activities, to appoint and dismiss the heads of the Company's branches and representative offices, to approve the regulations of the Company's branches and representative offices.

The rights and obligations of shareholders, the procedure for convening the General Meeting of Shareholders and the procedure for making decisions are laid down in the Law on Companies of the Republic of Lithuania, other legal acts, as well as in the Articles of Association of the Company.

The Company's sole shareholder is AB "Lietuvos geležinkeliai", which makes the main decisions related to the implementation of ownership rights and obligations. The Company has not issued any preference shares. There were no restrictions on voting rights during the reporting period.

During the reporting period, the shareholder's pecuniary and non-pecuniary rights were not restricted and no special rights were granted to the shareholder.

Key decisions of the General Meeting of Shareholders during the reporting period:

- the Company's set of financial statements for the year ended 31 December 2022 is approved;
- the distribution of the Company's profit (loss) for 2022;
- the Company's annual budget and operational plan for 2023 are approved.

Director (Head) - is the Company's sole governing body, who, in accordance with his powers, organises the day-to-day activities of the Company. The duties and powers of the Director are defined in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company.

The Director is elected by the General Meeting of Shareholders of the Company for a term of 5 years. The Company's General Meeting of Shareholders also approved the job description of the Head of the Company, which sets out the procedures, rights and duties of the Head of the Company. The same person may not be appointed as a Director for more than 2 consecutive terms.



HEAD OF THE COMPANY (DIRECTOR)

ARENIJUS JACKUS

Performing his duties since
1 April 2023

Education

- Higher university education

Main place of work, position

AB „LTG Infra“

Head of Strategy and business development, Rail Baltica management
Geležinkelio str. 2, Vilnius, company code 305202934

Other current duties

RB Rail AS

Member of the Supervisory Board

Satekles iela 2B, Riga, Republic of Latvia, LV-1050,
company code 40103845025

COMPANY MANAGEMENT

Given that the Company does not have a multi-tier management structure, there are no separate business units (departments) and their heads.

During the period under review, the organisational structure of the Company remained unchanged and therefore there were no changes in the Company's management.

The Company's Head and employees have filed declarations of private interests, which can be found on the website of the Chief Official Ethics Commission <http://www.vtek.lt>. During the reporting period, there were no conflicts of interest between the members of the Board, the Company's Director and the Company's employees.

INFORMATION ON REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD, THE COMPANY'S DIRECTOR

The salary of the Company's Director is a fixed monthly salary set out in the employment contract. The salary of the Company's Director has no other components (variable component, annual incentive, etc.).

The salary of the Director of the Company at the end of the reporting period ended 30 June 2023, as set out in the employment contract, was EUR 2,000. The salary of the company's director increases from EUR 800 to EUR 2,000.

Information on the salary of the Company's Head:

2021 12 31	2022 12 31	2023 06 30
Salary, Eur	Salary, Eur	Salary, Eur
676	800	2,000

STRATEGY

The object of the Company's activities is the management of the shares of "RB Rail AS" and the exercise of the rights and obligations conferred by those shares, and the Company is not engaged in commercial activities, is not involved in the market or in the competitive environment, and therefore does not develop a long-term business strategy.

The long-term strategy and objectives related to the implementation of the Rail Baltica project and the future operation of the developed railway infrastructure are planned by the manager of the public railway infrastructure - LTG's subsidiary AB "LTG Infra", which, in accordance with the Railway Transport Code of the Republic of Lithuania, is assigned the function of development of the public railway infrastructure, which also includes the planning of the financial and investment planning of public railway infrastructure.

The Company's activities are planned in a one-year planning document, the Annual operating plan, which is considered and approved by the Head of the Company (subject to the approval of the Head's decision by a decision of the General Meeting of Shareholders), taking into account the Company's founding purpose, mission and vision:

MISSION - Representing Lithuania in "RB Rail AS", to ensure that the "Rail Baltica" project is developed and implemented with the funds of the European Union and the countries participating in the "Rail Baltica" project, by designing and constructing the European-gauge railway infrastructure in Lithuania, Latvia and Estonia.

VISION - The "Rail Baltica" project is implemented, creating optimal value for the Lithuanian state.

Taking into account the limited and specific nature of the Company's object of activity and the fact that the Company does not carry out commercial activities and does not directly implement projects, the Company has special performance objectives related to the representation of the Lithuanian side in "RB Rail AS":

- ensure alignment of strategic positions related to the Company's object of activity;
- ensure the participation of the Company's representatives (i.e. the Lithuanian shareholder) in the activities of "RB Rail AS" bodies.

Given that the Company does not develop a long-term business strategy, the Company's business objectives have been shaped by the Company's mission, vision and founding purpose.

Information on the achievement of the Company's objectives in 2023:

Main objectives	Indicators for measuring achievement of the objectives	Measurement units	Guidelines for achieving the objectives	Indicators of achievement of the objectives
Alignment of strategic positions at the meetings of the "Rail Baltica" project working group established by the Order No. 3-93 of the Minister of Transport and Communications of the Republic of Lithuania of 15 February 2013.	Participation in the meetings of the "Rail Baltica" Project working group established by Order No. 3-93 of the Minister of Transport and Communications of the Republic of Lithuania of 15 February 2013	%	100%	100%
Attendance of "RB Rail AS" meetings and meetings of its bodies by the company or by the company's appointed representatives	Participation in "RB Rail AS" bodies meetings and sessions	%	100%	100%

MAJOR PROJECTS IMPLEMENTED AND PLANNED IN 2023:

Given the nature of the Company's business, the Company does not directly carry out projects and has no plans to do so. The "Rail Baltica" project is being implemented by "RB Rail AS" and a subsidiary company AB "LTG Infra", established by AB "Lietuvos geležinkeliai" to perform the functions of a public railway infrastructure manager. The company's activities do not involve the direct execution of projects, but rather participation in the processes involved in the execution of a project in order to coordinate them.

MAJOR PROJECTS IMPLEMENTED DURING FIRST HALF OF 2023 AND PLANNED:

Given the nature of the Company's business, the Company does not carry out projects and has no plans to do so.

HIGHLIGHTS FOR THE FIRST HALF OF 2023

JANUARY

- The Company's business plan and annual budget for 2023 are approved;
- The Supervisory Board of "RB Rail AS" is re-elected, replacing the representative appointed by the Latvian shareholder;
- The Baltic countries and "RB Rail AS" have submitted their second applications for funding for the period of 2021-2027 by Connecting Europe Facility;
- A new Chairman of the Supervisory Board of "RB Rail AS" is elected (<https://www.railbaltica.org/ligita-austrupe-appointed-as-chairperson-of-the-rb-rail-as-supervisory-board/>).



FEBRUARY

- A new member of the Board of "RB Rail AS", Head of Programme management (<https://www.railbaltica.org/lt/bendrojoje-rail-baltica-baltijos-saliu-imoneje-rb-rail-darba-pradeda-vyriausiasis-programu-valdymo-pareigunas/>), has joined the company;
- The annual progress review of the "Rail Baltica" project is held with representatives of the European Climate, Infrastructure and Environment Executive Agency (<https://www.railbaltica.org/progress-meeting-with-european-climate-infrastructure-and-environment-executive-agency-cinea-and-rail-baltica-management-held-in-riga/>);
- The Head and Chairman of the Board of "RB Rail AS" have resigned. An interim Head has been appointed and the search for a new Head of Company has started (<https://www.railbaltica.org/lt/rb-rail-ieskos-naujo-vadovo/>).

MARCH

- Karolis Sankovski has been dismissed as the Company's Head by decision of the Company's General Meeting of Shareholders;
- Arenijus Jackus has been elected as the Head of the Company by the decision of the Company's General Meeting of Shareholders;
- The Annual Financial Statements of "RB Rail AS" for the year ending 31 December 2022 are approved by a resolution of the Ordinary General Meeting of Shareholders.

APRIL

- The new Head of the Company, Arenijus Jackus, has taken up his duties;

MAY

- The Company's set of financial statements for the year ended 31 December 2022 was approved by a resolution of the Company's shareholder on 31 May 2023;
- The Annual Report of the Company for 2022 was approved by a decision of the Head of the Company on 25 May 2023.

JUNE

- After the completion of an expert assessment of the applications submitted to the EU funding programme for 2021-2027 and the confirmation of the results, it has been decided to allocate more than EUR 920 million of additional EU funding to the further implementation of the "Rail Baltica" project in the Baltic States.
- The Company's shareholder has decided to review and expand the Company's performance object and the selection of a new Head of Company has been announced.

EVENTS AFTER THE REPORTING PERIOD

JULY

- The public procurement contract for the audit of the consolidated Company's financial statements, prepared in accordance with International Financial Reporting Standards, adopted by the EU, for the year 2023–2025, was awarded to KPMG Baltics, UAB. The candidacy of auditors was confirmed by the Audit Committee of LTG, it was approved by the Board of LTG and the confirmation of the shareholder was obtained. The contract for audit services was signed on 27 July 2023.
- There were no other events after 30 June 2023 until the approval of the half-yearly report.

IMPACT OF THE MILITARY OPERATIONS OF THE RUSSIAN FEDERATION IN UKRAINE ON THE COMPANY'S OPERATIONS

Given the unpredictable nature of the military situation in Ukraine and the rapidly changing nature of the actions of the Lithuanian and other governments, it is difficult to reliably assess the potential impact on the Company's operations. Although the Company is not currently exposed to adverse consequences, the Company's management cannot exclude the possibility that further military action, changes in the economic or geopolitical environment will not adversely affect the Company's financial condition and the conduct of its business in the medium and long term.

ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE RESULTS

The object of the Company's activities is the management of the shares in "RB Rail AS" and the exercise of the rights and obligations conferred by them. As a result, the Company does not have any core activities, i.e. inbound/outbound logistics, marketing and sales,

after-sales services, etc., and is not active in the market or in the competitive environment, and does not have any managed infrastructure.

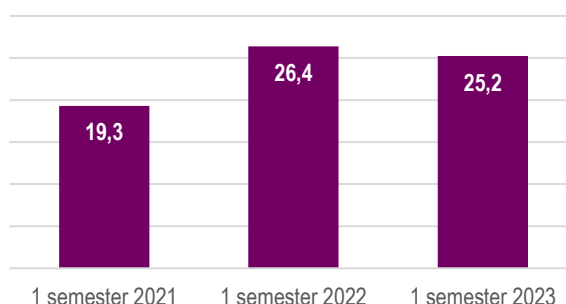
In this context, the Company does not calculate profitability and return ratios.

RESULTS OF ACTIVITY

SALES INCOME

In 2023 Company revenues in the first half of the year amounted to EUR 25.2 thousand euros. Compared to EUR 26,4 euros thousand in the first half of the year of 2022 and EUR 19,30 thousand in the first half of the year in 2021. Revenue changes during the first half of 2023 was influenced by value of the "Rail Baltica" project coordination services contract concluded with AB "LTG Infra" and the number of working hours of the Company's employees (the pricing of this transaction is based on the "cost-plus" pricing method, which is based on the Company's planned costs and the actual working hours of the Company's employees in the current month).

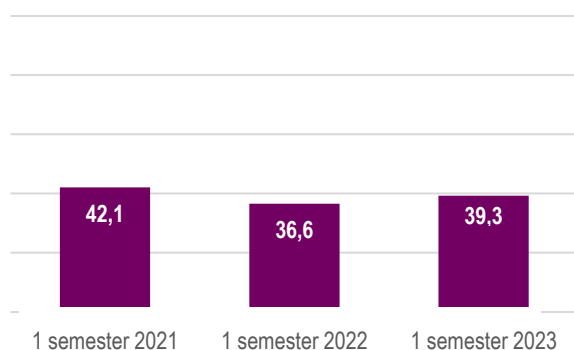
Company sales income, thous. EUR



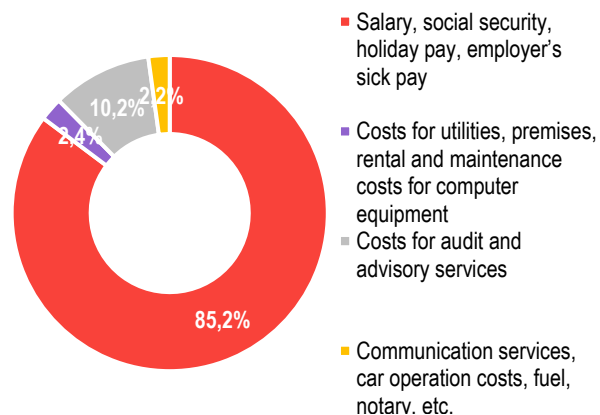
COSTS

Company's costs for main and other activities during the first half of 2023, amounted to EUR 25.2 thousand. Compared to the first half of 2022, costs increased by EUR 2.7 thousand (holiday accruals). The largest part of first half of the year 2023, the cost of wages and related costs (salaries, social security taxes, holiday pay, sickness benefits) amounted to EUR 33.4 thousand (85.2%), and EUR 5,786 thousand (85.2%) for other costs (rent, audit, communications, etc.) (14.8%). A detailed breakdown of the costs is provided in the notes to the financial statements (point 12).

Company's costs, thous. EUR



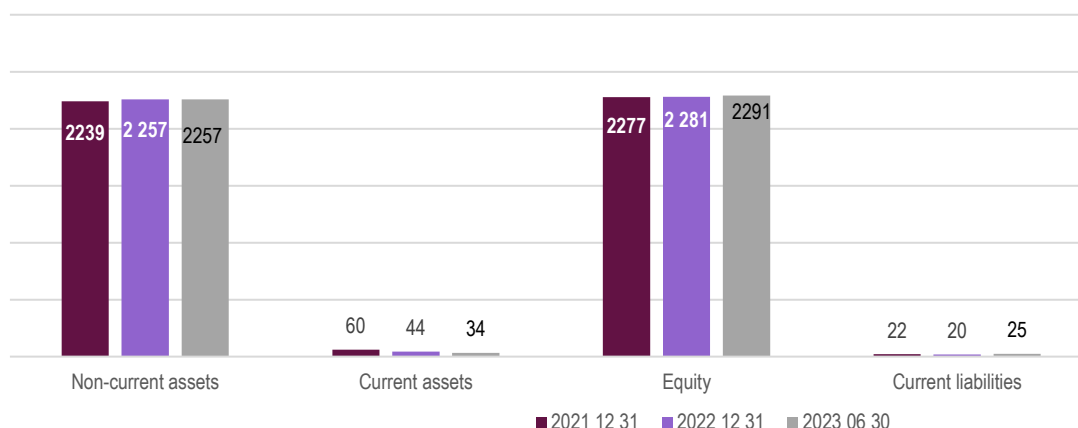
Costs structure of in 1 semester 2023, %



CHANGES IN THE BALANCE SHEET

- Fixed assets did not change in the first half of 2023.
- The decrease in cash has led to a decrease in current assets.
- During the first half of 2023 current liabilities were increased by other payables and liabilities.

Changes in the main items the Statement of Financial Position, EUR thousand



KEY FINANCIAL INDICATORS*

	Measurement units	2021 I semester	2022, I semester	2023, I semester
Sales income	thous. Eur	19.3	26.4	25.2
Costs	thous. Eur	42.1	36.6	39.3
Result of financial activities	thous. Eur	(0.1)	(0.1)	(0.1)
EBITDA	thous. Eur	(22.8)	(10.2)	(14.0)
EBIT	thous. Eur	(22.8)	(10.2)	(14.0)
Net profit	thous. Eur	(22.9)	(10.2)	(14.0)
	Measurement units	2021 12 30	2022 12 31	2023 06 30
Fixed assets	thous. Eur	2, 238.5	2, 256.9	2, 256.9
Current assets	thous. Eur	60.0	44.0	34.3
Total assets	thous. Eur	2, 298.5	2,301.0	2, 291.2
Own capital.	thous. Eur	2, 276.6	2,280.7	2, 266.7
Financial debts	thous. Eur	-	-	-
Net debt	thous. Eur	(54.0)	(37.8)	(28.5)
Return On Equity (ROE)	%	(4.2)	0.2	(0.6)
Return On Assets (ROA)	%	(4.2)	0.2	(0.6)
Return on Investment (ROI)	%	(4.2)	0.2	(0.6)
Own capital coefficient	%	99.0	99.0	99.0
Asset turnover indicator	times	0.03	0.03	0.01
Immediate liquidity ratio	times	3.0	2.2	1.4
Total liquidity coefficient	times	3.0	2.2	1.4

* for definitions of indicators, see page 17 of the Annual report.

COMPANY FINANCING

The Company has no loans or other debt obligations to credit institutions. The company's activities are financed from its own resources. The company obtains the funds needed for its operations by providing coordination services for the "Rail Baltica" project to the manager of the public railway infrastructure - LTG's subsidiary AB "LTG Infra".

In preparing the financial statements, the Company has taken into account and properly evaluated: post-statement events; going concern; impairment of assets; enforceability of contracts; and possible losses.

Management estimates that the cash flow generated by the Company is likely to be sufficient to service its existing commitments to partners. At the time of reporting, settlements were normal and the Company does not identify any additional liquidity or credit risk issues.

In the opinion of the Company's management, the geopolitical situation, the war in Ukraine and the sanctions against Russia are not expected to affect the continuity of the Company's operations and do not change the Company's long-term business plans.

The financial statements are not restated because the financial position or performance as at the last day of the reporting period is not affected by subsequent events.

There have been no other events subsequent to the end of the financial year and up to the date of approval of these financial statements that could have a material effect on the financial statements or that require additional disclosure.

DIVIDEND POLICY

The payment of dividends and the amount of profit contributions in state-owned enterprises is regulated by the Resolution of the Government of the Republic of Lithuania No.665 of 6 June 2012 "On the Approval of the Description of the Procedure for the Exercise of State Property and Non-Property Rights in State-Owned Enterprises" (as amended) ([link](#)).

The granting and payment of dividends by LTG Group companies is governed by the LTG Group Dividend policy.

Appointing dividends for a financial year or a period shorter than a financial year shall be planned while taking into account the rate of return on equity, the net profit earned, the financial capacity to pay dividends, the implementation of economic projects of national importance and other conditions and circumstances as set out in the Dividend policy.

The dividend payout ratio, calculated on the company's retained earnings, depends on the return on equity (ROE) at the end of the reporting period.

Company ROE Indicator (%)	Share of distributable profit allocated to dividends (%)
≤ 1	≥ 85
> 1 and ≤ 3	≥ 80
> 3 and ≤ 5	≥ 75
> 5 and ≤ 10	≥ 70
> 10 and ≤ 15	≥ 65
> 15	≥ 60

The Board of the Company may propose to set a larger part of the profit for dividend payout based on the achievement of financial plans, significant financial indicators (net profit, EBITDA, financial debt to EBITDA ratio, financial debt to own equity ratio) at the end of the reporting period, provided that such a higher payout would not have a negative impact on the Company's long term strategy.

The Board of the Company may propose to set a lower amount or no dividends for payout if at least one of the following conditions is met:

- The Company made a net loss for the period;
- The Company's indicators monitored by institutional creditors would not be within the contractual limits at the end of the reporting period for which the dividend is proposed or the level of the indicators would have a negative impact on the credit rating;
- The Company implements or participates in the implementation of an economic project of national importance or a project of special importance recognised by the decisions of the Government of the Republic of Lithuania / the Parliament of the Republic of Lithuania, which has an impact on the LTG Group's long-term strategy;
- The Company's equity after payment of dividends would be less than the sum of the LTG Group's share capital, statutory reserve, revaluation reserve and reserve for purchasing its own shares;
- The company is insolvent, or would become insolvent if dividends were paid.

Given that the Company's activities are not profit-oriented, the Company did not pay a dividend in 2023 in respect of 2022. In previous years, the Company did not pay dividends.

SPECIFIC OBLIGATIONS

Given the specific nature of the Company's business, the Company does not perform specific obligations.

INVESTMENTS

In view of the nature of the Company's performance object and functions, the Company does not have any investment projects underway and has no plans to do so.

EMPLOYEES

The Company follows HR principles based on good HR practices in order to successfully implement its strategy, efficiently execute day-to-day operations, create competitive advantage and adapt to changing business needs. Focusing on employees is a strategic direction, which is primarily implemented through the development of organisational culture.

Across the LTG Group, a high-performance culture based on LTG values is pursued:



NUMBER OF EMPLOYEES AND AVERAGE SALARY OF THE COMPANY

The number of employees of the company at 30 June 2023 was 4. The number of employees of the Company has remained stable compared to 31 December 2022.

NUMBER OF EMPLOYEES AND AVERAGE SALARY OF THE COMPANY

Groups of posts (duties)	2021 12 31		2022 12 31		2023 06 30	
	Factual number of employees at end of period	Average salary, Eur	Factual number of employees at end of period	Average salary, Eur	Factual number of employees at end of period	Average salary, Eur
Head of company	1	671	1	768	1	898
Senior managers and specialists in exceptional fields	3	3,482	3	3,655	3	4,523
Total	4	3,057	4	3,148	4	3,381

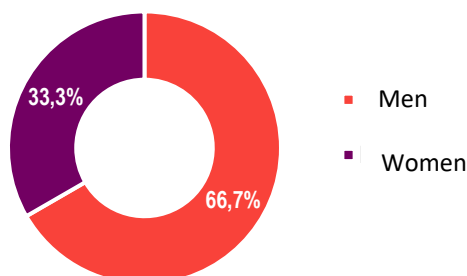
Total salary fund in 2023 first half of year amounted to EUR 33.4 thousand. No annual incentives have been paid to Company employees during the first half of 2023.

The salary of the Company's Director is a fixed monthly salary set out in the employment contract. The salary of the Company's Director has no other components (variable component, annual incentive, etc.).

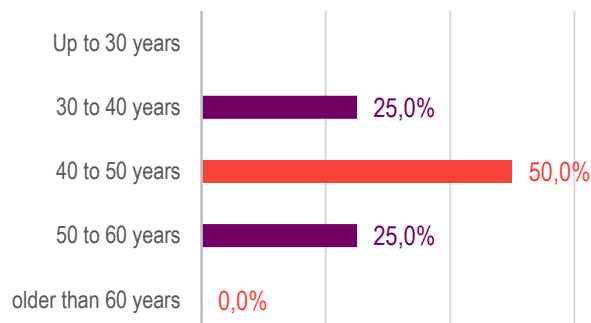
The salary of the Head of Company at the end of the reporting period was EUR 2,000.

The graphs below show the distribution of staff by age, gender, seniority and education at 30 June 2023.

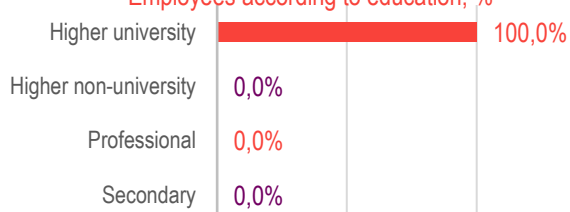
Employees according to sex, %



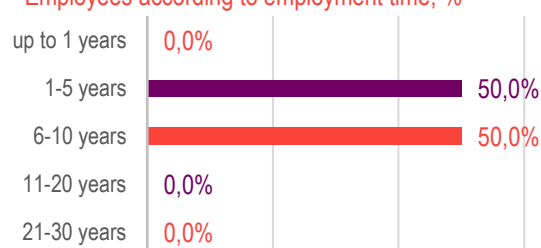
Employees according to age groups, %



Employees according to education, %



Employees according to employment time, %



REMUNERATION AND PERFORMANCE MANAGEMENT

The general principles for designing a remuneration package are designed to:

- attract, motivate and retain highly qualified and competent staff;
- encourage staff development;
- comply with internal fairness in rewarding the work and efforts of staff;
- continuously improve staff conditions to increase productivity;
- motivate staff with a package of additional benefits;
- contribute to the efficient management of staff costs.

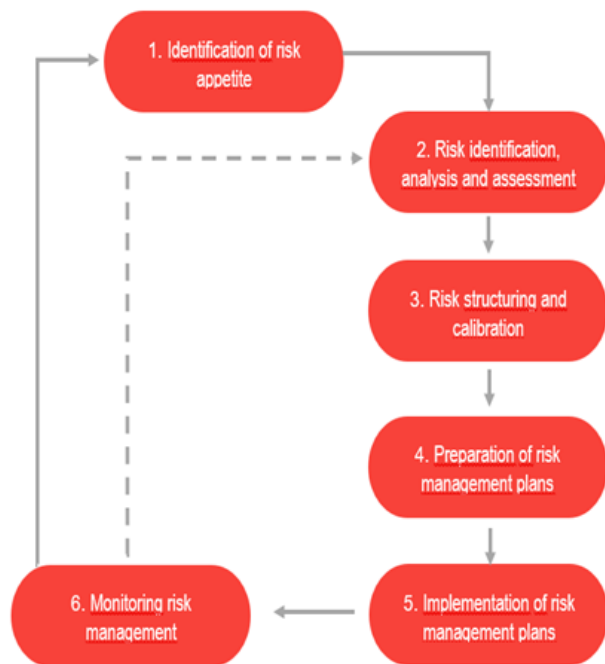
To achieve these objectives, the classic elements of remuneration management are used: methodical job evaluation; periodic comparison of internal remuneration data with the market and implementation of a review; and direct linking of opportunities for reward changes to employee performance in terms of achievement of annual targets.

From the middle of 2020, the results of all duties evaluations, expressed at corporate level, are published and made available to all LTG Group employees. This consistently reinforces the principles of transparency, internal fairness and an open culture, and promotes internal careers.

RISK AND RISK MANAGEMENT

The LTG Group and the Company have a **unified LTG Group risk management system** in place, which is being continuously improved. It is defined in the LTG Group's risk management policies, methodologies and process standards, which have been developed in line

with international standards ISO 31000. *International Organization of Standardization*) and COSO ERM (*Committee of Sponsoring Organisations of the Treadway Commission, Enterprise Risk Management*) standards and best practices.



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

1. Determining risk appetite.
2. Risk identification and assessment.
3. Risk systemization and calibration.
4. Developing risk management plans.
5. Implementation of risk management plans.
6. Risk management monitoring.

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

The LTG Group allocates risk management responsibilities according to the **3 Lines of Defence (3LoD) model**. According to it:

- Level 1 risk management activities are carried out by LTG Group companies and LTG corporate functions that identify, assess and manage risks;
- Level 2 risk management activities are carried out by the LTG Risk Management function, which develops and refines the overall framework and carries out coordination and control activities;
- Level 3 risk management is carried out by the LTG's Internal audit department, which provides an independent assessment of the effectiveness of Level 1 and Level 2 risk management, and makes observations and recommendations.

It is important to underline the active involvement of both line managers at different levels and collegiate bodies in risk management practices. The Group has a **Risk Management Committee** which calibrates and refines risks relevant to the Group as a whole.

A timely and periodic dissemination of risk-related information ensures a well-established reports preparation and submission system. On a quarterly basis, the risk management status of each of the companies is reviewed in reports submitted to the boards of the companies and the LTG Group. The Group's Board is informed on a monthly basis about risks exceeding the appetite. Such a cyclical system not only helps to monitor the status of identified risks, but also provides an opportunity to discuss the emergence of new risks.

Taking into account the Company's history and specificities and the current operating context, the main risks to the Company's operations in 2023 are identified and presented below:

Name of the risk	Risk level	Sources of risk	Possible effects	Main risk management measures
Risk of asset insufficiency	Low	• Limited assets of the Company (only short-term assets - cash); • Unplanned or unforeseen expenses that may lead to insufficiency of the Company's assets / insolvency of the Company	• Failure to ensure financial stability • Failure to ensure continuity of operations	• Securing funding for the Company's current operating costs; • Submission of timely and adequate information to the Company's shareholder on the Company's financial and capital developments and on the occurrence of capital deficiencies; • Application of the Company's authorised capital management measures

Name of the risk	Risk level	Sources of risk	Possible effects	Main risk management measures
External regulatory and exposure risks	Low	- Decisions taken by external actors and institutions; - Differences and incompatibilities between "Rail Baltica" partners' positions	- Untimely decision-making - Performance deficiencies	- Developing and representing the company's position in decision-making institutions, working groups, etc. related to the "Rail Baltica" project.; - Regular and proactive informing of "Rail Baltica"-related decision-making bodies and working groups; - Establishing a procedure for escalating disputes.

It should be noted that the risks related to the implementation of the "Rail Baltica" project are managed by the subsidiary AB LTG Infra, established to perform the functions of the public railway infrastructure manager of AB "Lietuvos geležinkeliai", and therefore, this Annual Report covers only the risks related to the Company's direct activities.

INFORMATION ON EXTERNAL AUDIT

Audit of the Company's financial statements is conducted in accordance with International Standards on Auditing.

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

The fee set for the audit firm for the audit of the financial statements for 2023 amounts to EUR 13 thousand (VAT excluded).

During the reporting period, the auditor did not provide any additional services to the Company beyond the audit of the financial statements.

INFORMATION ON COMPLIANCE WITH THE TRANSPARENCY GUIDELINES

The Company complies with the requirements of the "Description of Guidelines for Ensuring Transparency of the Activities of State-Owned Enterprises" (hereinafter - the "Description"), approved by the Resolution of the Lithuanian Government No. 1052 of 14 July 2010, by disclosing the required information in its annual and interim reports as well as on the Company's website <http://rail-baltica.lt/apie-bendrove-2/>.

Structured information on compliance with the Transparency Guidelines is provided in the Company's 2022 Annual Reports, which are published on the Company's website <https://www.rail-baltica.lt/finansines-ataskaitos/>.

DEFINITIONS

Income	Sales revenue + other operating revenue, excluding income from financing activities
Sales income	Revenue, excluding other and financial activity income
Costs	Costs excluding income tax and financial activity costs
Net debt	Interest-bearing financial debt, including finance/operating leases, excluding cash and cash equivalent investments
Return On Equity (ROE)	Net profit/loss for the period of the last 12 months / average equity as at the beginning and the end of the reporting period
Return On Assets (ROA)	Net profit/loss for the period of the last 12 months / average assets as at the beginning and the end of the reporting period
Return On Investment (ROI)	Net profit/loss for the period of the last 12 months / average assets as at the beginning and the end of the reporting period - average short-term liabilities as at the beginning and the end of the reporting period
EBIT	Profit (loss) before income tax - result of financial investment activities
EBITDA	Profit (loss) before income tax - result of financial investment activities + depreciation and amortisation
Own capital coefficient	Equity at the end of the period/total assets at the end of the period.



Asset turnover indicator	Sales revenue / total assets at the end of the period for the last 12 months
Immediate liquidity ratio	(Current assets at the end of the period - stocks) / current liabilities at the end of the period.
Total liquidity coefficient	Current assets at the end of the period/current liabilities at the end of the period
Average salary	Estimated gross earnings per contingent worker

Signed by the electronic signature of Arenijus Jackus, Director of UAB Rail Baltica Statyba, in 2023. Interim report for the first half of the year on pages 3-18 of this document.



UAB "RAIL BALTICA STATYBA"
CONDENSED INTERIM FINANCIAL INFORMATION
PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION

FOR THE SIX-MONTHS PERIOD ENDED ON 30 JUNE 2023
(UNAUDITED)

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2023-06-30	2022-12-31
Non-current assets			
Property, plant and equipment	3	1	1
Other equipment, fittings and tools	3	1	1
Financial assets	5	2,256,889	2,256,889
Total non-current assets		2,256,890	2,256,890
Current assets			
Receivables from related parties	6	5,848	6,282
Cash and cash equivalents	7	28,483	37,796
Total current assets		34,331	44,078
TOTAL ASSETS:		2,291,221	2,300,968

EQUITY AND LIABILITIES	Notes	2023-06-30	2022-12-31
Equity			
Share capital	8	4,161,494	4,161,494
Share premium		86	86
Retained profit (loss)		(1,894,884)	(1,880,864)
Total equity		2,266,696	2,280,716
Short-term liabilities			
Trade debts	10	117	155
Amounts due to related parties	10	112	-
Employment related liabilities	9	8,381	9,092
Other payables	10	15,915	11,005
Total current liabilities		24,525	20,252
Total liabilities		24,525	20,252
Total own capital and liabilities		2,291,221	2,300,968

The following presented explanatory note forms an integral part of these financial statements

The electronic signatures of Arenijus Jackus, Director of UAB "Rail Baltica Statyba", and Daiva Preveliėne, Chief Financial Officer, are affixed to the Financial Statements and the explanatory note to the Financial statements on pages 20-29 of this document.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ITEMS	Notes	2023-06-30	2022-06-30
Income from operating activities	11	25,239	26,400
Total income		25,239	26,400
Salaries and related costs	12	(33,423)	(28,029)
Fuel, materials	12	-	(669)
Rent and utilities	12	(932)	(1,007)
Other costs	12	(4,854)	(6,861)
Operating profit (loss)		(13,970)	(10,166)
Finance costs (commission)	13	(50)	(57)
Share of results of associate companies	13	-	-
Profit (loss) before taxation		(14,020)	(10,233)
Income tax		-	-
Net profit (loss)		(14,020)	(10,233)
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		(14,020)	(10,233)

The following presented explanatory note forms an integral part of these financial statements

STATEMENT OF CHANGES IN OWN EQUITY

INDICATORS	Notes						Total
		Authorized capital	Share extras	Mandatory reserve	Other reserves	Undistributed profit (loss)	
Balance at 31 December 2021		4,161,494	86	-	-	(1,884,955)	2,276,625
Net profit (loss)		-	-	-	-	(10,223)	(10,223)
Other general income, after tax		-	-	-	-	-	-
<i>Total general income (costs)</i>		-	-	-	-	(10,223)	(10,223)
Profit (loss) not recognised in the general income statement (loss)		-	-	-	-	-	-
Increase in authorised capital by shareholder contribution		-	-	-	-	-	-
Reduction of authorised capital		-	-	-	-	-	-
Compiled reserves		-	-	-	-	-	-
Uses of reserves		-	-	-	-	-	-
Other general income, after tax		-	-	-	-	-	-
Balance at 30 June 2022		4,161,494	86	0	0	(1,895,178)	2,266,402
Balance at 31 December 2022		4,161,494	86	-	-	(1,880,864)	2,280,716
Net profit (loss)		-	-	-	-	(14,020)	(14,020)
Other general income, after tax		-	-	-	-	-	-
<i>Total general income (costs)</i>		-	-	-	-	(14,020)	(14,020)
Profit (loss) not recognised in the general income statement (loss)		-	-	-	-	-	-
Increase in authorised capital by shareholder contribution		-	-	-	-	-	-
Reduction of authorised capital		-	-	-	-	-	-
Compiled reserves		-	-	-	-	-	-
Uses of reserves		-	-	-	-	-	-
Other general income, after tax		-	-	-	-	-	-
Balance at 30 June 2023		4,161,494	86	0	0	(1,894,884)	2,266,696

CASH FLOW STATEMENT

	2023-06-30	2022-06-30
Cash flows from main operating activities		
Net profit (loss)	(14,020)	(10,223)
Adjustments to non-cash items:		
Depreciation and amortization expenses	-	-
(Profit) loss on disposal/write-down of non-current assets (other than financial assets)	-	-
Impairment (reversal) of tangible and financial fixed assets	-	-
Impairment (reversal) of trade receivables and prepayments	-	-
Decrease (reversal) in realisable value of inventories	-	-
Decrease (increase) in accrued income	-	-
Increase (decrease) in accrued costs	-	-
Interest (income)	-	-
Interest costs	-	-
Interest on lease liability	-	-
Increase (decrease) in provisions	-	-
Income tax expense (benefit)	-	-
	(14,020)	(10,223)
Changes in turnover capital		
Decrease (increase) in inventories	-	15
Decrease (increase) in trade and other receivables and prepayments	434	(347)
Increase (decrease) in long-term and short-term trade debt, and trade prepayments received		
increase (decrease)	-	(215)
Increase (decrease) in employment-related liabilities	(711)	(1,546)
Increase in other long-term and short-term payables (decrease)	(4,984)	(6,554)
Income tax (paid)		
Net cash flows from main operative activities	(9,313)	(18,870)
Cash flows from investing activities		
Financial assets (acquisition)	-	-
Interest received	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Obtaining loans	-	-
Loans (repayments)	-	-
Grants received (returned)	-	-
Cash flows related to owners of the company (authorized capital increase)	-	-
Net cash flows from financing activities	-	-
Net increase (decrease) in cash flows	(9,313)	(18,870)
Cash and cash equivalents at the beginning of the period	37,796	53,963
Cash and cash equivalents at the end of the period	28,483	35,093

The following presented explanatory note forms an integral part of these financial statements.

EXPLANATORY NOTE

1. General information

The closed joint stock company "Rail Baltica statyba" (hereinafter - Company) was registered on 23 January 2014 in the Register of Legal Entities of the Republic of Lithuania. The main objective of the Company is to strive that the "Rail Baltica" project is developed and implemented with the funds of the European Union and the countries participating in the "Rail Baltica" project, by designing and constructing the European-gauge railway infrastructure in Lithuania, Latvia and Estonia.

The main registered office is located at Geležinkelio str. 16, LT-02100, Vilnius, registration code 303227458.

On 20 July 2017, the company became a VAT payer, VAT payer's number LT100011033413.

The company is part of a group of companies. The parent company of the Company is AB "Lietuvos geležinkeliai", registration code 10053842, the registered office is located at Geležinkelio g. 16, LT-02100, Vilnius.

On 30 June 2023 d., as well as during the reporting period the sole shareholder of the Company was AB "Lietuvos geležinkeliai".

30 June 2023 The authorised capital of UAB "Rail Baltica statyba" consisted of 143 698 ordinary shares with a nominal value of EUR 28.96 each. The amount of the share capital in value terms was EUR 4 161 494. And EUR 86 was transferred to share extras.

UAB "Rail Baltica statyba" has an investment in an associated Baltic states joint venture, "RB Rail AS" (hereinafter - "RB Rail AS"). The "RB Rail AS" Company was established on 28 October 2014 and the Company became the founder and shareholder of "RB Rail AS", holding 1/3 of its shares. The management of "RB Rail AS" shares and the exercise of the rights and obligations they confer is the main object of the company's activities.

The object of the Company's activities is the management of the shares in "RB Rail AS" and the exercise of the rights and obligations conferred by them. As a result, the Company does not have any core activities, i.e. inbound/outbound logistics, marketing and sales, after-sales services, etc. The Company's support activities consist of managing human resources and corporate infrastructure (planning and reporting, quality assurance and risk management, accounting and financial resource management, and other processes).

Information on the shareholders of "RB Rail AS":

	Controlled share, %	Authorised capital, EUR	Shares premium, Eur
UAB „Rail Baltica statyba“	33.33	650,005	3,249,995
Eiropas dzelzceļa līnijas SIA	33.33	650,005	3,249,995
Rail Baltic Estonia OU	33.33	650,005	3,249,995
	100.00	1,950,015	9,749,985

30 June 2023 the average number of employees in the Company was 4 (4 at 31 December 2022).

2. Significant accounting policies

The Company's financial statements are prepared in accordance with International Accounting Standards (hereinafter - "IAS") and International Financial Reporting Standards (hereinafter - "IFRS") as adopted by the European Union. The principal accounting policies applied in the preparation of the Company's financial statements are set out below. This policy has been applied to all periods presented in the report unless otherwise stated.

These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which have been prepared in accordance with IFRS adopted by the EU and are available on the Company's website [HTTPS://WWW.RAIL-BALTICA.LT/API/IE-UAB-RAIL-BALTICA-STATYBA/](https://www.rail-baltica.lt/api/ie-uab-rail-baltica-statyba/).

As of 1 January 2023, any effective IFRS and amendments to IFRS that were permitted to be applied earlier have not been applied in preparing these condensed interim financial statements.

The financial statements are prepared using the historical purchase cost method.

The financial year of the Company is the same as the calendar year.

In the financial statements, all amounts are presented in euro unless otherwise stated. The Company's functional currency is the euro. In these financial statements, all amounts are presented in euro and rounded to the nearest zero, and figures between tables may not add up due to rounding. Such mismatches are considered non-essential in the financial statements.

Standards and interpretations of standards not yet in force

New standards, amendments to standards and interpretations became effective for annual periods beginning on 1 January 2023. The Group and the Company are not materially affected by these new standards, amendments and interpretations.

On 28 February 2023, the following standards, amendments to standards and interpretations were issued, but were not required to be applied for annual periods ending 31 December 2023:

Non-current liabilities with bank specific indicators (amendments to IAS 1)

The 2020 amendments to IAS 1 Presentation of Financial Statements clarify the requirements for classifying liabilities as current or non-current, depending on the rights held at the end of the reporting period. The amendments were due to apply from 1 January 2022, but the date of entry into force was later postponed to 1 January 2023 and then to 1 January 2024. The International Accounting Standards Board issued additional amendments clarifying the classification of liabilities into non-current and current.

The new amendments clarify that the specific bank indicators for loan contracts will not affect the classification of liabilities at the end of the reporting period if the economic operator is required to comply with the specific bank indicator after the end of the reporting period. However, if an economic operator is required to comply with these indicators at or before the reporting date, this will affect classification, even if compliance with the bank's specific indicators is not tested until after the end of the reporting period.

The amendments require disclosures if an economic operator has classified a liability as a non-current liability and the liability is subject to specific bank indicators that must be met for 12 months after the end of the reporting period. Disclosures include:

- the residual value of the liability;
- information on the bank's special indicators;
- the facts and circumstances, if any, indicating that the economic operator may have difficulties in meeting the bank's specific indicators.

The amendments shall be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Based on the information currently available, the Group's and the Company's management estimates that the new amendments will not have a material impact on the Group's and the Company's financial statements when first applied.

Sale and leaseback obligations (Amendments to IFRS 16)

September 2022 The International Accounting Standards Board finalised narrowly scoped amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases that clarify how an economic operator accounts for sales and leasebacks after the transaction date.

The amendments clarify that, in measuring the lease liability after sale and leaseback, the seller-lessee determines "lease fees" and "adjusted lease payments" in such a way that the seller-lessee does not recognise any gain or loss on the asset, managed according to the right of use.

These amendments may particularly affect sale and leaseback transactions, where the lease payments include variable charges that are not index or rate dependent.

The amendments apply to annual reporting periods from 1 January 2024.

Based on the information currently available, the Group's and the Company's management estimates that the new amendments will not have a material impact on the Group's and the Company's financial statements when first applied.

There are no other new or amended standards or interpretations that have not yet entered into force that could have a material impact on the Group and the Company.

3. Real estate assets, equipment and installations

	Other devices, appliances and tools	Total
Acquisition value		
On 31 December 2021,	1,326	1,326
- acquisitions	-	-
- sales, disposals, write-offs	-	-
- reclassifications	-	-
At 31 December 2022	1,326	1,326
- acquisitions	-	-
- sales, disposals, write-offs	-	-
- reclassifications	-	-
30 June 2023	1,326	1,326
Accumulated depreciation and impairment losses		
On 31 December 2021,	1,325	1,325
- amortization	-	-
- impairment during the year	-	-
- sales, disposals, write-offs	-	-
- reclassifications	-	-
At 31 December 2022	1,325	1,325
- amortization	-	-
- impairment during the year	-	-
- sales, disposals, write-offs	-	-
- sales, disposals, write-offs	-	-
- reclassifications	-	-
30 June 2023	1,325	1,325
Residual value		
On 31 December 2021,	1	1
At 31 December 2022	1	1
30 June 2023	1	1

The cost of fully depreciated property, plant and equipment in use was:

	2023-06-30	2022-12-31
Other devices, appliances and tools	1,326	1,326
Total	1,326	1,326

4. Assets held under right of use

As at the date of the financial statements, the Company does not have any real estate (premises) or vehicle lease agreements. The only contract concluded with AB "Lietuvos geležinkeliai" is a lease and maintenance contract for computer equipment.

The Company has not recognised any additional lease obligations under the leases as at 1 January 2023 and 30 June 2023 and has not recognised any additional right to use the property as the Company's existing leases qualify for the practical application exemption.

5. Investments in associates and other undertakings

UAB "Rail Baltica statyba" owns 33.33 % of the shares in "RB Rail AS". The table shows the 1/3 share owned by the company.

	Acquisition self-cost	Investments (equity method)
Acquisition value at 31 December 2021	3,900,000	2,238,502
Increase (-)	-	18,387
Acquisition value at 31 December 2022	3,900,000	2,256,889
Acquisition value at 30 June 2023	3,900,000	2,256,889

In 2023 Company did not make any investments in "RB Rail AS" in the first half of the year.

6. Trade receivables

Receivables from related companies:

	2023-06-30	2022-12-31
Receivables from related parties (AB "LTG Infra")	5,848	6,282
Total customers debts:	5,848	6,282

Receivables from related companies are interest-free and usually have a maturity of 30 days.

Analysis of trade and other receivables at 30 June 2023:

	2023-06-30	2022-12-31
Not past due	5,848	6,282
Total	5,848	6,282

7. Cash and cash equivalents

Cash and cash equivalents consisted of:

	2023-06-30	2022-12-31
Cash in the bank	28,483	37,796
Total	28,483	37,796

In 2023 first half and 31 December 2022 The company had no fixed-term deposits.

8. Capital

The nominal value of one share in the company is Eur 28.96. All shares are paid up.

The share capital registered on 30 June 2023 consisted of 143 698 ordinary shares with a nominal value of EUR 28,96 each. The amount of the authorised capital in value terms was EUR 4 161 494.

The change in share capital is shown in the table below:

	Authorized capital	Number of shares, pcs.
Subscribed share capital		
Number of shares 2022-12-31	4,161,494	143,698
Increased	-	-
Number of shares 2023-06-30	4,161,494	143,698
2. Capital structure		
2.1. By type of shares	-	-
2.10. Ordinary shares	4,161,494	143,698
2.11. Preference shares	-	-
2.2. State capital	-	-
B. Unclaimed and claimed but unpaid amounts, including:	-	-
Shareholders (debtors)	-	-
Total	4,161,494	143,698

9. Employment related liabilities

As at 30 June 2023, the employment liabilities were as follows:

	2023-06-30	2022-12-31
Accumulated holiday pay	5,044	3,897
Wages to be paid	1,985	3,176
Payable personal income tax	691	986
Payable social security contributions	661	1,033
Total	8,381	9,092

10. Trade and other payables

As at 30 June 2023, trade and other payables included:

	2023-06-30	2022-12-31
Trade payables	117	155
Amounts due to related parties	112	-
Accrued audit service costs	12,000	8,000
Amounts due to reporting persons	-	-
Other payables (VAT)	3,915	3,005
Total	16,144	11,160

11. Sales income

In 2022 first half of the year and 2023 first half of the year the income consisted of:

	2023-06-30	2022-06-30
"Rail Baltica" project management services	26,400	19,272
Total	26,400	19,272

The purpose of these services is to manage, administer and coordinate the implementation of the "Rail Baltica" project to ensure that the "Rail Baltica" activities implemented in the territory of the Republic of Lithuania are carried out on time, to a high quality standard and within budget.

The transaction pricing for the "Rail Baltica" project management services provided by the company was based on a cost-plus pricing approach, which is based on the company's target costs and the actual working hours of the company's staff in the current month. The hourly rate is calculated by dividing the projected direct costs in 2023 by the planned hours of work plus a margin of 7.99%,

the income generated by the Company from the services provided for the management of the "Rail Baltica" project ensures that the operating costs incurred by the Company in the current month are covered and provides an additional source of financing, thus avoiding the need to cover costs from the share capital, which would lead to an insufficiency of the Company's share capital in the long term.

12. Costs

	2023-06-30	2022-06-30
Salaries and social security contributions	32,276	29,457
Holiday reserve	1,147	(1,428)
Fuel (for cars)	-	669
Car operating lease, running costs, insurance	-	1,711
Rent of premises and utilities, rental and maintenance of computer equipment	932	1,007
Mobile services, fixed connection services	441	581
Non-deductible value added tax	-	8
Audit and legal services	4,000	4,000
Other costs	413	561
Total	39,209	36,566

13. Result of financial activities

In 2022 first half of the year and 2023 first half of the year the income and costs from financing activities were as follows:

	2023-06-30	2022-06-30
Total revenue from financial activities	-	-
Share of gross income of an associate under the equity method	-	-
Total cost of financial activities	(50)	(57)
Bank commission fees	(50)	(57)
Share of gross costs of an associate under the equity method	-	-
Result of financial activities	(50)	(57)

14. Income tax

For the years ended 30 June 2023 and 31 December 2022, the Company had no profit and paid no income tax.

For the reporting period ending 30 June 2023 The tax administrator has not performed full tax inspections in the Company. The tax administrator may at any time inspect the accounting, transactional and other documents, accounting records and tax returns for the current and previous 3 calendar years, and, where applicable, for the current and previous 5 or 10 calendar years, and calculate additional taxes and penalties. The Company's management is not aware of any circumstances that could give rise to a potential material liability for unpaid taxes.

15. Related party transactions

Parties are considered related when one party has the ability to control the other, or to exercise significant influence over the other party's financial and operational decisions. The Company's related parties and transactions with them in 2023 and 2022 were as follows:

	2023-06		2023-06-30	
	Purchases	Sales	Receivable s	Payables
AB „Lietuvos geležinkeliai“	932	-	-	112
AB „LTG Infra“	-	25,239	5,848	-
	932	25,239	5,848	112

	2022-06		2022-12-31	
	Purchases	Sales	Receivables	Payables
AB „Lietuvos geležinkeliai“	2,843	-	-	-
AB „LTG Infra“	-	26,400	6,282	-
	2,843	19,272	6,282	-

Salaries and other benefits for senior management

30 June 2023 The company's organisational structure consists of a Director, a Deputy Director, a Chief Financial Officer and a Chief Project Manager.

During the year of 2023 during the first half of the year, there were no loans or guarantees granted to the Company's senior managers, no other amounts paid or accrued, and no transfers of assets.

	2023-06-30	2022-06-30
Employment-related attributions, excluding employers' social security contributions	18,022	15,073
Attributions to other related parties	-	-
Number of senior staff (Director, Chief Financial Officer)	2	2

16. Off-balance sheet commitments, undescribed liabilities and undescribed assets

The Company had no off-balance sheet commitments, undescribed liabilities and undescribed assets.

17. Non-monetary transactions

In 2022 and 2023, I semester the Company has not entered into any non-cash transactions that are not reflected in the cash flow statement.

18. Business continuity

On 8 March 2023 the "Rail Baltica" Project Management Services Contract No. SUT(RBS)-02 was signed with AB "LTG Infra", which ensures the receipt of revenues in 2023 and the continuity of the Company's operations.

The Strategic Action Plan 2023-2025 of the Minister of Transport and Communications of the Republic of Lithuania foresees the following funding (2023 - EUR 2.9 million, EUR 3.3 million in 2024, EUR 2.7 million in 2025), to ensure the operation of "RB Rail AS", a joint venture between Lithuania, Latvia and Estonia, in the implementation of the "Rail Baltica" multilateral project.

These financial statements have been prepared on a going concern basis and do not include any adjustments that might be required if the going concern basis were not applied.

19. Events after the reporting period

There have been no other events subsequent 30 June 2023 and up to the date of approval of these interim financial statements that could have a material effect on the financial statements or that require additional disclosure.