



BNSF RAILWAY COMPANY

**Consolidated Financial Statements
for the consolidated balance sheets as of March 31, 2025 and December 31,
2024, and the related consolidated statements of income, comprehensive
income, changes in stockholder's equity, and cash flows for the periods
ended March 31, 2025 and 2024.**

BNSF RAILWAY COMPANY and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 5,675	\$ 5,642
Operating expenses:		
Compensation and benefits	1,383	1,407
Fuel	770	854
Depreciation and amortization	673	658
Purchased services	536	502
Equipment rents	182	174
Materials and other	314	332
Total operating expenses	3,858	3,927
Operating income	1,817	1,715
Interest expense	1	2
Interest income, related parties	(357)	(463)
Other (income) expense, net	(35)	(36)
Income before income taxes	2,208	2,212
Income tax expense	536	549
Net income	\$ 1,672	\$ 1,663

See accompanying Notes to Consolidated Financial Statements.

BNSF RAILWAY COMPANY and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 1,672	\$ 1,663
Other comprehensive income (loss):		
Change in pension and retiree health and welfare benefits, net of tax	(6)	(4)
Change in accumulated other comprehensive income (loss) of equity method investees	1	1
Other comprehensive income (loss), net of tax	(5)	(3)
Total comprehensive income	\$ 1,667	\$ 1,660

See accompanying Notes to Consolidated Financial Statements.

BNSF RAILWAY COMPANY and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 442	\$ 541
Accounts receivable, net	2,518	2,064
Materials and supplies	1,032	1,063
Other current assets	229	181
Total current assets	4,221	3,849
Property and equipment, net of accumulated depreciation of \$20,915 and \$20,360, respectively	70,718	70,739
Goodwill	15,333	15,333
Operating lease right-of-use assets	1,172	1,186
Other assets	4,097	3,930
Total assets	\$ 95,541	\$ 95,037
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 4,261	\$ 4,230
Long-term debt and finance leases due within one year	62	63
Total current liabilities	4,323	4,293
Deferred income taxes	15,758	15,749
Operating lease liabilities	753	722
Long-term debt and finance leases	627	628
Casualty and environmental liabilities	379	408
Pension and retiree health and welfare liability	176	180
Other liabilities	1,064	1,104
Total liabilities	23,080	23,084
Commitments and contingencies (see Note 6)		
Stockholder's equity:		
Common stock, \$1 par value, 1,000 shares authorized; issued and outstanding and paid-in capital	42,920	42,920
Retained earnings	56,418	54,746
Intercompany notes receivable	(27,453)	(26,294)
Accumulated other comprehensive income (loss)	576	581
Total stockholder's equity	72,461	71,953
Total liabilities and stockholder's equity	\$ 95,541	\$ 95,037

See accompanying Notes to Consolidated Financial Statements.

BNSF RAILWAY COMPANY and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Operating Activities		
Net income	\$ 1,672	\$ 1,663
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	673	658
Deferred income taxes	11	44
Other, net	(135)	(45)
Changes in current assets and liabilities:		
Accounts receivable, net	(454)	(389)
Materials and supplies	31	20
Other current assets	113	(17)
Accounts payable and other current liabilities	(138)	(657)
Net cash provided by operating activities	1,773	1,277
Investing Activities		
Capital expenditures excluding equipment	(621)	(647)
Acquisition of equipment	(31)	(75)
Purchases of investments and investments in time deposits	—	(23)
Other, net	(59)	(89)
Net cash used in investing activities	(711)	(834)
Financing Activities		
Payments on long-term debt and finance leases	(2)	(5)
Net increase in intercompany notes receivable classified as equity	(1,159)	(555)
Net cash used in financing activities	(1,161)	(560)
Increase (decrease) in cash and cash equivalents	(99)	(117)
Cash and cash equivalents:		
Beginning of period	541	508
End of period	\$ 442	\$ 391
Supplemental Cash Flow Information		
Interest paid, net of amounts capitalized	\$ (5)	\$ (4)
Capital investments accrued but not yet paid	\$ 131	\$ 149
Income taxes paid, net of refunds	\$ 485	\$ 654

See accompanying Notes to Consolidated Financial Statements.

BNSF RAILWAY COMPANY and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(In millions)
(Unaudited)

	Common Stock and Paid-in Capital	Retained Earnings	Intercompany Notes Receivable	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's Equity
Balance as of December 31, 2023	\$ 42,920	\$ 55,620	\$ (28,488)	\$ 234	\$ 70,286
Change in intercompany notes receivable	—	—	(555)	—	(555)
Comprehensive income (loss), net of tax	—	1,663	—	(3)	1,660
Balance as of March 31, 2024	\$ 42,920	\$ 57,283	\$ (29,043)	\$ 231	\$ 71,391

	Common Stock and Paid-in Capital	Retained Earnings	Intercompany Notes Receivable	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's Equity
Balance as of December 31, 2024	\$ 42,920	\$ 54,746	\$ (26,294)	\$ 581	\$ 71,953
Change in intercompany notes receivable	—	—	(1,159)	—	(1,159)
Comprehensive income (loss), net of tax	—	1,672	—	(5)	1,667
Balance as of March 31, 2025	\$ 42,920	\$ 56,418	\$ (27,453)	\$ 576	\$ 72,461

See accompanying Notes to Consolidated Financial Statements.

BNSF RAILWAY COMPANY and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Accounting Policies and Interim Results

The Consolidated Financial Statements should be read in conjunction with BNSF Railway Company's Consolidated Financial Statements for the year ended December 31, 2024, including the financial statements and notes thereto. The Consolidated Financial Statements include the accounts of BNSF Railway Company and its subsidiaries (collectively, BNSF Railway or Company), all of which are separate legal entities. BNSF Railway Company is a wholly-owned subsidiary of Burlington Northern Santa Fe, LLC (BNSF), and is the principal operating subsidiary of BNSF. All intercompany accounts and transactions have been eliminated.

On February 12, 2010, Berkshire Hathaway Inc., a Delaware corporation (Berkshire), acquired 100 percent of the outstanding shares of Burlington Northern Santa Fe Corporation common stock that it did not already own. The acquisition was completed through the merger of a Berkshire wholly-owned merger subsidiary and Burlington Northern Santa Fe Corporation with the surviving entity renamed Burlington Northern Santa Fe, LLC. Earnings per share data is not presented because BNSF Railway has only one holder of its common stock.

The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the entire year. In the opinion of management, the unaudited financial statements reflect all adjustments (consisting of only normal recurring adjustments, except as disclosed) necessary for the fair statement of BNSF Railway's consolidated financial position as of March 31, 2025, and the results of operations for the three months ended March 31, 2025 and 2024 in accordance with generally accepted accounting principles in the United States.

2. Segment Information

BNSF Railway is a wholly-owned subsidiary of BNSF and represents its only operating segment. The financial results are evaluated as one reportable segment due to the integrated nature of BNSF's rail network. See Note 1 to the Consolidated Financial Statements of the BNSF's Annual Report on Form 10-K for information related to the subsidiary's services offered and business operations. As BNSF Railway's operations are not materially different from BNSF's, the Chief Executive Officer, who acts as the chief operating decision maker (CODM), assesses the segment at the consolidated level. The CODM uses the Company's consolidated net income to evaluate the overall profitability of the segment and allocate resources across the Company's rail network. Consolidated net income is benchmarked against forecasted targets, historical results, and industry standards and analyzed for trends for organizational strategic planning purposes. BNSF Railway's assets and significant expenses are also reviewed at the consolidated level. Additionally, while BNSF Railway operates outside of the U.S., its foreign operations are immaterial to the reportable segment.

3. Revenue from Contracts with Customers

The Company disaggregates revenue from contracts with customers based on the characteristics of the services provided and the types of products transported (in millions):

	Three Months Ended March 31,	
	2025	2024
Consumer Products	\$ 2,033	\$ 1,970
Agricultural and Energy Products ^a	1,565	1,552
Industrial Products ^a	1,199	1,240
Coal	734	765
Total freight revenues	5,531	5,527
Accessorial and other	144	117
Total operating revenues	\$ 5,675	\$ 5,644

^a Prior year numbers have been recast to conform to the current year presentation based on internal reorganization of business groups.

BNSF RAILWAY COMPANY and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)

Contract assets and liabilities are immaterial. Receivables from contracts with customers is a component of accounts receivable, net on the Consolidated Balance Sheets. As of both March 31, 2025 and December 31, 2024, \$1.1 billion represented net receivables from contracts with customers.

Remaining performance obligations primarily consist of in-transit freight revenues, which will be recognized in the next reporting period. As of March 31, 2025 and December 31, 2024, remaining performance obligations were \$293 million and \$307 million, respectively.

4. Accounts Receivable, Net

Accounts receivable, net consists of freight and other receivables, reduced by an allowance for credit losses which is based upon expected collectability. As of March 31, 2025 and December 31, 2024, \$41 million and \$40 million, respectively, of such allowances had been recorded.

5. Debt

Fair Value of Debt Instruments

As of March 31, 2025 and December 31, 2024, the fair value of BNSF Railway’s debt, excluding finance leases, was \$604 million and \$598 million, respectively, while the book value, which also excludes finance leases, was \$618 million and \$619 million, respectively. The fair value of BNSF Railway’s debt is primarily based on market value price models using observable market-based data for the same or similar issues, or on the estimated rates that would be offered to BNSF Railway for debt of the same remaining maturities (Level 2 inputs).

6. Commitments and Contingencies

Personal Injury

BNSF Railway’s personal injury liability includes the cost of claims for employee work-related injuries, third-party claims, and asbestos claims. BNSF Railway records a liability for asserted and unasserted claims when the expected loss is both probable and reasonably estimable. Because of the uncertainty of the timing of future payments, the liability is undiscounted. Defense and processing costs, which are recorded on an as-reported basis, are not included in the recorded liability. Expense accruals and adjustments are classified as materials and other in the Consolidated Statements of Income.

Personal injury claims by BNSF Railway employees are subject to the provisions of the Federal Employers’ Liability Act (FELA) rather than state workers’ compensation laws. Resolution of these cases under FELA’s fault-based system requires either a finding of fault by a jury or an out of court settlement. Third-party claims include claims by non-employees for compensatory damages and may, from time to time, include requests for punitive damages or treatment of the claim as a class action.

BNSF Railway estimates its personal injury liability claims and expense using standard actuarial methodologies based on the covered population, activity levels and trends in frequency, and the costs of covered injuries. The Company monitors actual experience against the forecasted number of claims to be received, the forecasted number of claims closing with payment, and expected claim payments and records adjustments as new events or changes in estimates develop.

The following table summarizes the activity in the Company’s accrued obligations for personal injury claims (in millions):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 304	\$ 314
Accruals / changes in estimates	8	22
Payments	(34)	(30)
Ending balance	\$ 278	\$ 306
Current portion of ending balance	\$ 85	\$ 85

BNSF RAILWAY COMPANY and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)

The amount recorded by the Company for the personal injury liability is based upon the best information currently available. Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to resolve these claims may be different from the recorded amounts. The Company estimates that costs to resolve the liability may range from approximately \$235 million to \$350 million.

Although the final outcome of these personal injury matters cannot be predicted with certainty, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company’s financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

Environmental

BNSF Railway Company is subject to extensive federal, state, and local environmental regulation. The Company’s operating procedures include practices to protect the environment from the risks inherent in railroad operations, which often involve transporting chemicals and other hazardous materials. Additionally, many of BNSF Railway’s land holdings are or have been used for industrial or transportation-related purposes or leased to commercial or industrial companies whose activities may have resulted in discharges onto the property. Under federal (in particular, the Comprehensive Environmental Response, Compensation, and Liability Act) and state statutes, the Company may be held jointly and severally liable for cleanup and enforcement costs associated with a particular site without regard to fault or the legality of the original conduct. The Company participates in the study, cleanup, or both of environmental contamination at approximately 185 sites.

Environmental costs may include, but are not limited to, site investigations, remediation, and restoration. The liability is recorded when the expected loss is both probable and reasonably estimable and is undiscounted due to uncertainty of the timing of future payments. Expense accruals and adjustments are classified as materials and other in the Consolidated Statements of Income.

BNSF Railway estimates the cost of cleanup efforts at its known environmental sites based on experience gained from cleanup efforts at similar sites, estimated percentage to closure ratios, possible remediation work plans, estimates of the costs and likelihood of each possible outcome, historical payment patterns, and benchmark patterns developed from data accumulated from industry and public sources. The Company monitors actual experience against expectations and records adjustments as new events or changes in estimates develop.

The following table summarizes the activity in the Company’s accrued obligations for environmental matters (in millions):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 224	\$ 236
Accruals / changes in estimates	1	—
Payments	(3)	(4)
Ending balance	\$ 222	\$ 232
Current portion of ending balance	\$ 35	\$ 35

The amount recorded by the Company for the environmental liability is based upon the best information currently available. It has not been reduced by anticipated recoveries from third parties and includes both asserted and unasserted claims. BNSF Railway’s total cleanup costs at these sites cannot be predicted with certainty due to various factors, such as the extent of corrective actions that may be required, evolving environmental laws and regulations, advances in environmental technology, the extent of other parties’ participation in cleanup efforts, developments in ongoing environmental analyses related to sites determined to be contaminated, and developments in environmental surveys and studies of contaminated sites. Because of the uncertainty surrounding various factors, it is reasonably possible that future costs to settle these claims may be different from the recorded amounts. The Company estimates that costs to settle the liability may range from approximately \$200 million to \$260 million.

BNSF RAILWAY COMPANY and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)

Although the final outcome of these environmental matters cannot be predicted with certainty, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company’s financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

Other Claims and Litigation

In addition to personal injury and environmental matters, BNSF Railway is a party to a number of other legal actions and claims, governmental proceedings, and private civil suits arising in the ordinary course of business, including those related to disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for compensatory damages and may, from time to time, include requests for punitive damages or treatment of the claim as a class action. Although the final outcome of these matters cannot be predicted with certainty, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company’s financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

On April 7, 2015, the Swinomish Indian Tribal Community (the Tribe) filed a legal case against BNSF Railway alleging that it breached an easement over the Tribe's reservation. On June 17, 2024, a judgment was entered against BNSF Railway in the amount of \$395 million, which it has appealed. While the ultimate resolution of this matter is subject to further developments, the Company does not believe that the outcome will have a material adverse effect on its financial position, results of operations or liquidity.

7. Employment Benefit Plans

BNSF provides a funded, noncontributory qualified pension plan (BNSF Retirement Plan), which covered most non-union employees through March 31, 2019, and an unfunded non-tax-qualified pension plan (BNSF Supplemental Retirement Plan), which covered certain officers and other employees through March 31, 2019. The benefits under these pension plans are based on years of credited service and the highest consecutive sixty months of compensation for the last ten years of salaried employment with the Company. In 2019, BNSF amended the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan. Non-union employees hired on or after April 1, 2019 are not eligible to participate in these retirement plans and instead receive an additional employer contribution as part of the qualified 401(k) plan based on the employees’ age and years of service. Current plan participants are being transitioned away from the retirement plans and upon transition are eligible for the additional employer contribution.

BNSF Railway Company also provides a funded, noncontributory qualified pension plan which covers certain union employees of the former The Atchison, Topeka and Santa Fe Railway Company (Union Plan). The benefits under this pension plan are based on elections made at the time the plan was implemented.

With respect to the funded plans, BNSF's funding policy is to contribute annually not less than the regulatory minimum and not more than the maximum amount deductible for income tax purposes. The BNSF Retirement Plan, the BNSF Supplemental Retirement Plan, and the Union Plan are collectively referred to herein as the Pension Plans.

Components of the net (benefit) cost for the Pension Plans were as follows (in millions):

	Pension Benefits	
	Three Months Ended	
	March 31,	
	2025	2024
Service cost	\$ 2	\$ 3
Interest cost	21	21
Expected return on plan assets	(48)	(47)
Amortization of net (gain) loss	(7)	(5)
Net (benefit) cost recognized	\$ (32)	\$ (28)

Service cost is included in compensation and benefits expense and the other components of net periodic benefit costs are included in other (income) expense, net in the Consolidated Statements of Income.

BNSF RAILWAY COMPANY and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)

8. Related Party Transactions

BNSF Railway is involved with BNSF and certain of its subsidiaries in related party transactions in the ordinary course of business, which include payments made on each other's behalf and performance of services. Under the terms of a tax allocation agreement with BNSF, BNSF Railway made federal and state income tax payments, net of refunds, of \$485 million and \$655 million during the three-month periods ended March 31, 2025 and 2024, respectively, which are reflected in changes in current assets and liabilities in the Consolidated Statements of Cash Flows. As of March 31, 2025 and December 31, 2024, BNSF Railway had a tax payable to BNSF of \$528 million and \$502 million, respectively.

North American railroads pay TTX Company (TTX) car hire to use TTX's freight equipment to serve their customers. BNSF Railway owns 17.4 percent of TTX while other North American railroads own the remaining interest. As the Company possesses the ability to exercise significant influence, but not control, over the operating and financial policies of TTX, BNSF Railway applies the equity method of accounting to its investment. The investment in TTX is recorded in other assets in the Consolidated Balance Sheets, and equity income or losses are recorded in materials and other in the Consolidated Statements of Income. The Company's investment in TTX was \$902 million and \$891 million as of March 31, 2025 and December 31, 2024, respectively. The Company incurred car hire expenditures with TTX of \$106 million and \$97 million for the three-months ended March 31, 2025 and 2024, respectively.

9. Accumulated Other Comprehensive Income

Other comprehensive income refers to revenues, expenses, gains, and losses that under generally accepted accounting principles are included in accumulated other comprehensive income, a component of equity within the Consolidated Balance Sheets, rather than net income on the Consolidated Statements of Income. Under existing accounting standards, other comprehensive income may include, among other things, unrecognized gains and losses and prior service credit related to pension and other postretirement benefit plans.

The following table provides the components of accumulated other comprehensive income (loss) (AOCI) by component (in millions):

	Pension and Retiree Health and Welfare Benefit Items	Equity Method Investments	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2023	\$ 226	\$ 8	\$ 234
Other comprehensive income (loss), net before reclassifications	—	1	1
Amounts reclassified from AOCI:			
Amortization of actuarial (gains) losses ^a	(5)	—	(5)
Tax expense (benefit)	1	—	1
Balance as of March 31, 2024	\$ 222	\$ 9	\$ 231
Balance as of December 31, 2024	\$ 572	\$ 9	\$ 581
Other comprehensive income (loss), net before reclassifications	—	1	1
Amounts reclassified from AOCI:			
Amortization of actuarial (gains) losses ^a	(8)	—	(8)
Tax expense (benefit)	2	—	2
Balance as of March 31, 2025	\$ 566	\$ 10	\$ 576

^a This accumulated other comprehensive income component is included in the computation of net periodic pension and retiree health and welfare costs (see Note 7 for additional details on pension costs).

BNSF RAILWAY COMPANY and SUBSIDIARIES

Certification by Vice President

With respect to the quarterly financial statements and related footnotes of BNSF Railway Company and subsidiaries for the period ended March 31, 2025, the undersigned, Candace I. Palmarozzi, Vice President and Controller, hereby certifies that, to her knowledge as of the date hereof, the information contained in such attached financial statements and related footnotes fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2025

/s/ Candace I. Palmarozzi

Candace I. Palmarozzi
Vice President and Controller