Company's Management Report, Financial Statements, Independent Auditor's Report for the Year 2025

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Overview

CEO's foreword

Dear clients, partners and colleagues,

In 2025, the LTG Infra team achieved significant results and implemented important projects. They also stood out with strategic decisions that shape the future of Lithuanian railways. Throughout the year, we moved purposefully towards a more sustainable, safer, and European railway infrastructure.

We continued to successfully implement the electrification project for the Vilnius–Klaipėda railway line, which is the most intensively used line. We have completed all physical construction works of Stage I, during which we electrified the Vilnius railway hub and carried out the reconstruction of the Lentvaris traction substation. At the same time, we performed the construction of contact network of Stage II Kaišiadorys–Radviliškis and Stage III Radviliškis–Klaipėda (Draugystė Station). With the construction of the contact network, we reached Klaipėda station. To ensure the supply of electricity to the contact network, we completed all four newly built traction substations, which are planned to be connected to the network of the Lithuanian electricity transmission system operator AB Litgrid. On the Šiauliai–Klaipėda section, we began adapting the existing microprocessor-based point and signal control (MPC) systems to electrified railway solutions. By the end of the year, we had already completed about 96% of the construction activities for the electrification project.

Close cooperation with the shareholder, the Ministry of Transport and Communications, has yielded excellent results: funding has been obtained under a multi-annual contract (MAC) agreement, which allows for the balancing of public railway infrastructure revenues and costs. In 2025, the MAC amounted to EUR 82 million.

We continued our intensive implementation of Rail Baltica, the strategic European rail project, to connect the country's rail network with Western Europe. We have successfully implemented the plans for this year. We announced all planned tenders to the market: from the construction of embankments and engineering structures on a 114 km section between Kaunas and Panevėžys to the laying of almost 9 km of tracks on the most mature section of Rail Baltica between Šveicarija and Žeimiai. The value of these contracts exceeds EUR 800 million (including VAT). LTG Infra and other countries implementing the project signed a record-breaking electrification contract in the Baltic States, worth EUR 2.14 billion (including VAT). The value of the electrification contract in Lithuania is EUR 989.9 million (including VAT).

We have started a study of the architecture of the Lithuanian railway network. This study will form the basis for a long-term infrastructure development strategy and will help to assess the possibilities of transitioning to the European 1,435 mm standard, optimising the need for broad gauge and planning investments. For Lithuania, this is a historically important step that will help it to integrate effectively into the trans-European transport network.

VYTIS ŽALIMAS
Chief Executive Officer of LTG Infra

We continued our work in the field of military mobility, completing procurement procedures for tenders for the installation of dual-purpose (military / civilian) infrastructure in Palemonas and the design and construction of a railway branch line to the Rūdninkai military training area.

An important step towards sustainability – an agreement signed for the design and installation of the battery train charging station in Varėna, the first in the Baltic States. This station, planned to be completed by 3rd quarter of 2026, will enable passengers to travel sustainably to Varėna using new battery-powered trains and will significantly contribute to achieving environmental goals.

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

We have completed the implementation of the Universal Design in Public Infrastructure program and increased infrastructure accessibility for passengers at 41 of the busiest stations, one of which is the largest – Vilnius Railway Station.

We are also pleased to be working with our colleagues from the Polish company PKP Polskie Linie Kolejowe S.A., with whom we have signed an agreement on more efficient exchange of railway traffic data. The agreement sets out detailed procedures governing the transfer of data between the infrastructure managers of both countries. This step marks even closer cooperation to ensure safe, punctual, and efficient cross-border rail transport.

Continuing our level crossing modernisation program this year, we signed a contract to modernise 14 priority railway level crossings. The level crossings scheduled for modernisation will have their signalling equipment upgraded and video surveillance cameras installed. Some level crossings have pedestrian crossing signalling, obstacle detection and road condition detection systems, and information display boards.

We continued to implement a culture of continuous improvement by applying LEAN practices. In 2024, starting with the Šiauliai region's team, we expanded the implementation of LEAN to teams in other regions of Lithuania in 2025. This has yielded excellent results. During this year, our employees submitted over 1,100 initiatives, of which more than 880 were implemented, generating nearly EUR 5.3 million in benefits for the state.

All of this work is part of our commitment to creating a modern, safe, and sustainable railway infrastructure.

I would like to thank the entire LTG Infra team for their daily contributions, which are making our railways safer and more convenient for our customers.

VYTIS ŽALIMAS
CEO of LTG Infra

Company's activities

General information about the Company

Name
AB LTG Infra

Company code
305202934

Legal form
Joint-stock company

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Geležinkelio St. 2, LT-02100 Vilnius

Correspondence address
Geležinkelio St. 2, LT-02100 Vilnius

Telephone
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E-mail
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Website
https://ltginfra.lt/

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

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

Head of the Company
Vytis Žalimas

Shareholder
100% shares held by AB Lietuvos Geležinkeliai

Data on the Company is collected and stored in the Register of Legal Entities of SE Centre of Registers.

Company's branches, representative offices abroad

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

Operating model of the Company

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

The Company's activities within the LTG Group are guided by the **LTG Group's strategy** and guiding principles, as well as by the approved operational policies, which the LTG Group companies are required to take into account in their operations. The Company follows the **LTG Group's strategy** and its key directions as well as the operational policies adopted by LTG to the extent that these documents are compatible with the above-mentioned legal requirements for the activities of the public railway infrastructure manager that are applicable to the Company.

Primary activity and functions

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

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

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

- renewal of the public railway infrastructure and carrying out of its maintenance;
- organisation of the railway traffic;
- submission of proposals on draft programmes for the development of the public railway infrastructure;
- implementation of programmes and projects for the development of the public railway infrastructure;
- operation of the public railway infrastructure, except for the decision-making falling within the competence of the Minister for Transport and Communication in accordance with the RTC;
- provision of services for the use of public railway infrastructure;
- management, use and disposal of the State-owned public railway infrastructure and railway service facilities.

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

In 2025, the Company applied tariffs for the use of public railway infrastructure, which were calculated by Order No. JS-PAJ(INFRA)-201/2023 (for the period of validity of the 2024–2025 service train timetable) and the tariffs calculated by Order No. JS-PAJ(INFRA)-143/2024 (as amended by Decision No. SPR-PAJ(INFRA)-113/2025 of October 30, 2025) (for the period of validity of the 2025–2026 service train timetable). The rates for the minimum package of access to public railway infrastructure and for the use of public railway infrastructure for the provision of transit rail transport services are published on the Company's website (reference). The above tariffs are calculated in accordance with the "Rules for calculation and payment of the fee for the minimum package of access to the public railway infrastructure, the fee for using the public railway infrastructure to provide transit rail transport services and the fee for the allocated but unused capacity of the public railway infrastructure", approved by the Resolution of the Government of the Republic of Lithuania of 19 May 2004 No. 610 "On approval of the rules for calculation and payment of the fee for the minimum package of access to public railway infrastructure, the fee for the use of public railway infrastructure for rail transit services and the fee for the allocated but unused public railway infrastructure capacity", which lays down the components of the fee for the minimum access package to the public railway infrastructure, the fee for using the public railway infrastructure to provide transit rail transport services, the tariffs of the contributions constituting these fees, the procedures for calculating and paying the fee for the minimum access package to the public railway infrastructure, the fee for the use of public railway infrastructure for rail transit services and the fee for the allocated but unused capacity of the public railway infrastructure.

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

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

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

Services provided

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

- **Use of public railway infrastructure.** The public railway infrastructure manager, in ensuring access to the public railway infrastructure for users of the public railway infrastructure, carries out activities that include not only the provision of the Minimum Access Package to the public railway infrastructure (hereinafter referred to as the MAP), but also the performance of other functions of the public railway infrastructure manager (technical maintenance of public railway infrastructure, operation of public railway infrastructure, renewal and development of public railway infrastructure, etc. performance of the functions of the public railway infrastructure manager). The pricing of services for the use of public railway infrastructure is regulated by Articles 25-25² of the RTC and the Regulation on the fee for the minimum access package to public railway infrastructure, the calculation and payment of charges for the use of public railway infrastructure for the provision of rail transit services and charges for allocated but unused public railway infrastructure capacity, approved by Resolution No. 610 of the Government of the Republic of Lithuania of 19 May 2004 Resolution No. 610 of 19 May 2004 "On the Calculation and Payment of Charges for the Minimum Access Package to Public Railway Infrastructure, the calculation and payment of fees for the use of public railway infrastructure for the provision of transit rail transport services and the calculation and payment of fees for allocated but unused public railway infrastructure capacity". The fee rates for the MAP and for the use of public railway infrastructure for the provision of transit rail transport services are published on the Company's website (reference).
- **Access to railway service facilities (RSF) and the services they provide.** In 2025, the Company-owned RSFs provided the following services: use of passenger railway stations, stops, their buildings and other facilities, suitable places for providing travel information announcements and ticket purchasing services; access to railway tracks connected to rail service facilities; use of railway tracks for the provision of services at rail service facilities; use of rolling stock formation and shunting facilities; use of rail service facilities for the storage of rolling stock; use of the wagon marshalling yard; use of the track gauge change mechanism; provision of traction current; accident recovery at RSFs; intermodal loading of intermodal units at VIT/KIT/ŠIT, storage of intermodal units (VIT/KIT/ŠIT), access to loading terminals, loading or unloading of freight from / into wagons, containers, cars, work with loading equipment, loading services by mobile team; access to railway rolling stock maintenance facilities (inspection pits). From 1 October 2025, the Company began providing RSF services that were previously provided by LTG: access to fuel filling facilities, access to cleaning and washing facilities, access to electric columns operated by the RSF operator for the electricity needs of railway rolling stock, use of sanding equipment (including sand), use of an outdoor rolling stock inspection pit. Tariffs for access to railway service facilities and a list of services provided therein are published on the Company's website, in section List of services and Rates of charges for services at railway service facilities.
- **Commercial services.** The Company provides maintenance and repair of facilities, short-term lease of special rolling stock, wagons and vehicles, lease of long-distance rolling stock, inspection of joints and tracks, maintenance of automation and communication equipment, maintenance of power supply equipment, marking of underground tracks, inspection, calibration and rental of instrumentation and measurement and control equipment, rental of communication services, rental of public railway infrastructure facilities (structures). Also, provides services of intermodal terminals: in addition to the main intermodal handling service for intermodal transport units, the LGT Infra-controlled intermodal terminals provide a number of additional services, such as handling of containers carried by road only, weighing services, transportation inside the territory of the terminal, services of the representatives of the Customs Broker and handling of cargo on pallets, which is very frequently requested by our customers, and cargo storage in covered warehouses. The Company also provides fuel and electricity supply services, using the traction power supply assurance service. The commercial services provided by the Company and the applicable fees are published on the Company's website, in section Commercial Services.

Main customers

In 2025, the public railway infrastructure and RSF managed by the Company were used by the following customers: AB LTG Cargo, UAB LTG Link, UAB Gargždų geležinkelis, UAB Transachema, Orlen Kolej Sp. z o.o. AB Akmenės cementas, UAB Vytkana, AB Dolomitas, UAB Geležinkelio tiesimo centras, AB ORLEN Lietuva and others.

Public railway infrastructure capacity

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

In October 2024 and 2025, LTG Infra made decisions to allocate or refuse to allocate public infrastructure capacity for the periods 2024–2025 and 2025–2026 respectively, for the duration of the timetables for service trains. Also, LTG Infra allocated public infrastructure capacity for the periods of validity of these working timetables of trains on the basis of the last-minute requests received.

Market and competitive environment

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

In December 2025, the Company approved its long-term strategy for 2026–2030, one of the main directions of which is business development. This direction is focused on diversifying activities in order to create more favourable conditions for expanding passenger and freight routes and contributing to the efforts of railway companies (carriers) to expand their activities abroad, including Poland, Western Europe, and the Baltic countries. In the context of business development, Rail Baltica – the expansion of the European 1,435 mm gauge and connection with Poland and the Baltic countries – is of particular importance. The implementation of this project will create conditions for the development of new international passenger and freight routes and strengthen the competitiveness of the Lithuanian railway corridor in the region.

Strategy

In response to geographical and economic changes in the market for transport services, resulting in changing trade routes and passenger flows, the LTG Group adopted at the end of 2025 a long-term strategy that sets a clear direction until 2030 and defines a roadmap for action until 2040. This strategy sets the direction for the whole LTG Group and gives all employees the opportunity to contribute to the future of rail operations.

The strategy of LTG Infra, developed under LTG Group guidelines, reflects a number of shareholder expectations. First and foremost, it is a commitment to sustainability and social responsibility. It seeks ways to contribute positively to Lithuania's well-being by increasing access to rail services, rail safety and environmental sustainability. In the area of business development, it advocates a diversification strategy, aims to facilitate the development of passenger and freight routes, and contributes to the ambition of railway companies (carriers) to expand their markets abroad, including Poland, Western Europe and the Baltic States. Particular attention is paid to the importance of the Rail Baltica project. Adapting to the complexity of the environment, an operational efficiency program is planned to address today's key challenges and manage the Company's costs. Due to the strategic importance of LTG Infra for Lithuania's national security, the business resilience strategic direction focuses on national and the Company's security. In addition, the objectives of the Free Rail programme aim to make an effective contribution to the resilience of railway operations and to protect activities from the influence of unfriendly countries. Finally, the strategy emphasises a strong organisational culture, the strategic direction of which is reinforced by a plan developed by LTG's People and Culture functions, which provides for the need for, and the development and motivation of, future professions.

Mission, Vision, Values

MISSION

CONECTING PEOPLE AND BUSINESSES FOR A MORE SUSTAINABLE FUTURE

VISION

BEING THE BACKBONE OF THE TRANSPORT SYSTEM

VALUES – the foundation of our success and culture

RESPONSIBILITY

I do what I say.
I promise what I can.
I protect myself and others.
I boldly commit.
I care about the future.

CUSTOMER

I listen to the customer.
I understand the needs.
I deliver quality.

COOPERATION

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

DEVELOPMENT

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

Strategic directions

CUSTOMER EXPERIENCE

To ensure the smooth management of railway infrastructure by providing a quality standard of service and customer-oriented services. In order to successfully implement this strategic direction, LTG Infra has set a moderate improvement goal in its strategy: 1.1. To increase business customer satisfaction.

OPERATIONAL EFFICIENCY

To ensure financial stability by increasing operational efficiency and optimising the use of assets, operating in line with international corporate standards and enabling a culture of continuous improvement within the organisation. In order for this strategic direction to be successfully implemented, a breakthrough goal has been set: 2.1. To ensure effective operations.

BUSINESS DEVELOPMENT

The aim is to ensure implementation of the European-gauge infrastructure project Rail Baltica in the territory of Lithuania. In order for this strategic direction to be successfully implemented, a breakthrough goal has been set: 3.1. Smooth implementation of the Rail Baltica project.

DECARBONISATION

Striving to operate with minimal negative impact on nature and maximum positive impact on people's quality of life. In order for this strategic direction to be successfully implemented, a breakthrough goal has been set: 4.1. To reduce impact on environment and climate change.

BUSINESS RESILIENCE

The aim is to increase railway safety by ensuring a high level of traffic safety, occupational safety, and business safety. A moderate improvement target has been set for this direction: 5.1. Achieve a high level of safety management maturity.

INCLUSIVE ORGANISATIONAL CULTURE

The aim is to develop a respectful and transparent business culture, as well as to increase the maturity of the organisation. In order to successfully implement this strategic direction, a moderate improvement target has been set: 6.1. Maintaining a high level of employee engagement.

Implementation and progress of strategic direction projects in 2025

Customer experience

In 2025, LTG Infra continued to consistently strengthen its customer experience management direction, aiming to integrate customer needs into the organisation's decision-making processes and daily operations. This year, the main focus was placed on customer experience measurement systems, feedback management, the development of a customer service standard, and customer journey map analysis:

- A Customer Experience Management Methodology was approved, the purpose of which is to establish clear principles for evaluating customer experience and to ensure their consistent application throughout the LTG Infra organisation.
- A business customer feedback survey was conducted with the aim of assessing LTG Infra customers' experience, the level of satisfaction with the services provided and customer service, as well as their attitudes and expectations. The main strategic indicator NPS, reached +38, indicating that most business customers view LTG Infra positively; however, some still lack sufficient clarity and confidence to fully recommend the organisation. The survey results were used to prepare customer-experience improvement guidelines and recommendations for actions that will form the basis for further enhancement of service quality and process optimisation. The goal is to increase the business customer NPS and exceed the global B2B services sector average (+45) by strengthening customer experience management and fostering a customer-centric culture.
- A Customer Service Standard was approved to ensure high-quality service of LTG Infra customers based on consistent principles and rules across all channels – by phone, email, in writing, in person / directly, and while providing services.
- The CRM system was launched, helping to centrally manage customer inquiries, track their progress, and store the full history of customer interactions in one system, enabling consistent feedback management and data-driven decision-making.
- In the 1st half of 2025, an annual passenger survey was conducted to better understand the needs of railway station customers.
- Quality monitoring of all levels of stations and stops was initiated to ensure consistent service quality across the railway infrastructure. Key aspects of customer experience are evaluated, including infrastructure condition, accessibility for all passengers, information availability, and cleanliness. Systematic recording and elimination of deficiencies reduces the likelihood of negative customer experiences and improves the overall impression of the stations. It also provides information about the most common issues, their scale and recurrence, and enables targeted planning of maintenance, investment, and process-improvement actions.
- A railway station signage standard was approved with the aim of improving passenger orientation within stations and increasing the clarity and accessibility of information for all customers, including people with special needs and individuals who do not understand the local language. The standard defines the types of informational and directional signs used inside and outside railway stations, their design solutions, placement principles, languages used, pictograms, and technical parameters, ensuring consistent, clear, and universally understandable information delivery. In 2025, the work at Vilnius Railway Station was completed according to its existing layout, and part of the signage updates at Kaunas Railway Station was also carried out.
- A Construction Site Visual Design and Contractor Conduct Standard was approved for railway stations and / or their surrounding areas. Its purpose is to ensure customer safety, convenience of movement, and aesthetics during construction and / or renovation works in railway stations and / or their adjacent areas managed by LTG Infra.

Operational efficiency

In the second half of 2025, LTG Infra continued its strategic digitalisation initiatives focused on increasing operational efficiency and enabling data-driven decision-making. We are continuing the technical maintenance digitalization program **"Data Driven Infra"**, which aims to integrate separately implemented digital maintenance technologies into a unified, data-driven infrastructure maintenance ecosystem. The core of this program is the Unified Data Model, which consolidates information from various diagnostic sources (e.g., track, catenary, and sleeper monitoring systems). It is becoming the foundation for systemising data and using it effectively for the digitalisation of maintenance processes. In collaboration with our technology partners, we continued expanding the volume of data, developing additional layers, and preparing to launch in the production environment in the first half of 2026, formally enabling the tool. Within the scope of this project, we placed particular focus on providing infrastructure data to the **RINF** register. Currently, data required under the RNE regulation is collected manually, so we are developing a data conversion tool that ensures the correct format. With the help of the UDM, we plan to fully automate both the submission of new data and the real-time updating of existing data. In the second half of 2025, we prepared the technical specifications for the **RINF MVP**, and in the first half of 2026, we expect to have a pilot solution. Later, we will use the RINF data to connect to the European capacity planning ecosystem, which we are required to integrate into by

2029, with solution planning beginning already in 2026. We are continuing to expand the use of artificial intelligence (AI) in infrastructure diagnostics. Based on a successful pilot project, a full **image-recognition model** for sleeper diagnostics has been developed and trained within the AI infrastructure created by LTG. In 2026, we plan to fully integrate this solution into the operational environment of the Railway Infrastructure Maintenance System (RIMS). In parallel, we are improving the **RIMS** system itself – enhancing its performance and data accuracy to make it more user-friendly for track workers and to streamline their daily tasks. Alongside diagnostic solutions, we are preparing pilot projects for AI virtual assistants for various infrastructure functions. These virtual assistants will help automate information search, provide quick responses to employee inquiries, simplify documentation processes, ensure rapid incident reporting, and deliver real-time recommendations to support decision-making.

The service delivery and analytics digitalisation initiatives were consolidated into the **"Rail OPS Digital"** program. In the second half of 2025, using Power BI, we digitalized financial and cargo terminal financial reports, and our internally developed cargo handling management application was launched. This solution provides significant benefits: data accuracy increases, planning time is reduced, and the ability to monitor work progress against the plan in real time becomes available. In addition, we expanded the functionality of the **"InfraIn"** incident management system, enabling even faster and more targeted communication with customers regarding train movement data. At the beginning of 2025, the **Continuous Improvement practice implementation program** was launched: periodic meetings were introduced across all departments to enable more frequent and constructive discussions of performance results and ensure the achievement of desired outcomes. Employees are encouraged to identify areas for improvement, propose ideas to enhance process and operational organisation, and apply continuous improvement tools in their daily work. To find the best solutions, we also sought practical insights from external companies. Throughout 2025, a total of 1,115 operational improvement initiatives were submitted, 890 of which were implemented. Their combined financial impact (cost savings and additional revenue) amounted to EUR 5,263 thousand. More than 17% (430) of the Company's employees voluntarily engaged in fostering a culture of continuous improvement. Additionally, 14 "Continuous Improvement Ambassadors" were trained. They support the Continuous Improvement team in implementing best practices, advising colleagues and managers.

Business development

The most important project in this area is **Rail Baltica**. It is an integral part of the European Union's international transport corridor "North Sea-Baltic Sea". The aim of this project is to integrate the Baltic countries into the European rail network. The total length of the route in the Baltic countries is 870 km, of which 392 km are in Lithuania. The project is expected to bring the speed of passenger trains up to 249 km/h and of freight trains up to 120 km/h. The Rail Baltica project is becoming increasingly important, not only in terms of providing an alternative to shifting freight transport from road to rail, thus contributing to a reduction in environmental impacts and accidents, but also in the context of the war in Ukraine, making it particularly important for the security of the region in a geopolitical context. In 2025, LTG Infra signed Rail Baltica contracts worth more than EUR 800 million (including VAT). After updating its strategic procurement planning framework, the Company has been working closely with market participants and associations, monitoring trends, and applying effective solutions to ensure that the implementation of the Rail Baltica project remains transparent, competitive, and economically beneficial. Active construction works continued in the following sections: in Jonava district, in the Šveicarija–Žeimiai section construction of the 1,435 mm gauge track began – 8.8 km of track has been laid in total. In 2025, significant progress was achieved in the construction of the Rail Baltica bridge over the Neris River. Almost half of all bridge construction works have already been completed, and the remaining works are planned to be finished by 2026. In the Žeimiai–Šėta section (17.7 km), embankment construction works were carried out, which are planned to be completed in the spring of 2026. In the Šėta–Ramygala section (17.1 km), earthworks, access road construction, and public road construction works are ongoing. In 2025, the project also achieved a significant quantitative milestone – the length of the Rail Baltica section under construction in Lithuania was extended to 114 km by the end of the year.

Military mobility projects are an important part of business development. A large number of projects are planned for the strategic period, all of which will contribute to national security and enable more efficient movement of the Lithuanian Armed Forces and NATO allies across the territory of Lithuania. In 2025, LTG Infra completed the procurement procedures for the installation of dual-use infrastructure in Palemonas ("Construction of a military / civilian loading area in Palemonas" and the part "Construction of 1,435 mm gauge tracks" of the project "Construction of a military / civilian loading area in Palemonas"), where a dedicated 45,000 m² loading yard will be built, and the railway network will be adapted for tracks of different gauges. This project will not only increase civil logistics capacity but will also significantly strengthen military mobility and improve the efficiency of servicing NATO forces, including the German brigade. As part of the investment, approximately 5.5 km of railway tracks will be reconstructed, ensuring smooth transshipment of cargo between the European-standard and broad-gauge tracks, thereby contributing to national security priorities. The project is planned to be implemented over three years.

Decarbonisation

One of the key projects within the decarbonisation direction is the electrification of the railway network (Kaišiadorys–Klaipėda and the Vilnius railway hub). In Lithuania, the transport sector accounts for the largest share of air emissions. When implemented, the project is expected to reduce air pollution by 150,000 tonnes per year. The socio-economic benefits of the project are estimated to exceed EUR 700 million over the lifetime of the project. It is estimated that the potential savings for railway undertakings (carriers) operating on the Lithuanian rail network, due to lower energy and rolling stock maintenance costs, will be around EUR 505 million and the project will pay for itself in 19 years. The reduction in fuel consumption alone will reach approximately 30%. Electrification of railways will have a significant impact on the competitiveness of the Lithuanian transport sector. To achieve these goals, intensive railway electrification works continued in 2025, with completion planned for the second half of 2026, and the infrastructure is expected to be ready for electric train operations by the end of that year. In 2025, electrification contracting works in the Vilnius hub were completed, and the required catenary system tests with electrical equipment were carried out. This hub is now fully prepared for electric train operations. In addition to this project, LTG Infra aims to complete another important initiative by the end of 2026 – installing battery-train charging infrastructure at Varėna railway station and enabling battery-powered passenger train operations by the end of the year.

Business resilience

To improve the safety of rail transport, a programme of rehabilitation of main railway tracks, a programme of switch replacements and safety improvements at level crossings are being implemented. In 2025, several significant projects aimed at improving traffic and public safety were completed. Throughout the year, over 37 km of major road repairs were carried out, 27 switches were replaced, 3.8 km of arrival-departure and other station roads were repaired, 3 level crossing repairs were conducted, and 9 bridges and 3 culverts were refurbished. The reconstruction of the Vilnius pedestrian bridge was completed, during which the structure was repaired to ensure safe pedestrian movement across the railway protection zone, and the bridge was adapted for people with limited mobility. Important projects contributing to national security include the installation of X-ray control systems for trains at the Stasylai and Kybartai railway stations. By the end of 2025, the construction of building complexes was completed, final inspections as well as equipment installation are underway with security systems being implemented and testing conducted. In 2025, the replacement of Russian KLUB-U locomotive safety systems in LTG Infra rolling stock was successfully completed. All 15 of the Company's rolling stock are now equipped with modern safety systems manufactured by the Ukrainian company SRPA Impulse, ensuring greater reliability and compliance with European railway standards.

Due to the aim of achieving a high level of business resilience maturity, a new Business Resilience Unit was established in 2025, comprising three teams: Transparency, Sanctions Control, and National Security.

Inclusive organisational culture

The goal of this direction is to increase employee engagement, which directly impacts performance results, productivity, job satisfaction, loyalty, and the emotional and physical well-being of employees. The directions for 2025 established actions for maintaining high employee engagement and its consistent growth, focusing on the dissemination of the employer reputation through a dedicated employer image project and "Top Employer" certification. Leadership development was fostered through managerial training programs, efficiency initiatives through operational excellence projects and digitalisation, ensuring employee well-being through work condition improvement projects, strengthening employee safety and emotional well-being, implementing employee recognition programs, improving the Newcomer program, promoting internal career advancement, and mentorship programs. As the year drew to a close, employee survey data indicated that the chosen measures generated positive changes across all areas, thus, their continuation remains a priority for the following year.

Operating plans and forecasts

In the strategy approved by LTG Infra for 2026–2030, it is outlined that railways should serve as the backbone of the transportation system: The Company commits to ensuring smooth, safe, and sustainable railway infrastructure operations throughout Lithuania. Simultaneously, LTG Infra pledges to strengthen connections with Europe and implement strategic projects such as Rail Baltica, which enhance Lithuania's integration into the European transport network and military mobility. Once the project is fully implemented, it will increase the length of the European railway gauge in Lithuania nearly fourfold. In the long-term perspective, the Company plans its activities in alignment with the Green Deal. The Company aims to modernise infrastructure by implementing environmentally friendly solutions, such as the electrification of the Kaišiadorys–Klaipėda route and the Vilnius railway hub, as well as installing charging stations for passenger battery trains at passenger stations. The current length of electrified railway tracks will increase from 7.8% to 28%. In recent years, as Military Mobility projects have gained increasing momentum, LTG Infra has also significantly contributed to the development of the national defence system's mobility by advancing dual-purpose cargo terminal projects and establishing a railway connection to the Rūdninkai military training ground.

Annual goals for 2025

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

Strategic direction	Indicators for measuring achievement of targets	Measuring unit	Weight, %	Benchmarks for achieving the objectives	Indicators of achievement of objectives	Achieving goals
Value creation through integration into Western markets	Implemented strategic projects	%	30.0%	>90	85.0	Minimum threshold achieved
Customer experience	Implemented MAC contract requirements	%	10.0%	>90	94.8	Achieved
	Implemented station activation goals	%	5.0%	>80	28.0	Not achieved
Operational efficiency	Achieved Continuous Improvement Level I	Maturity assessment (points)	15.0%	>1.5	1.7	Exceeded
Business development	Increased revenue from Railway Service Facilities (RSF) and non-regulated services	EUR million	10.0%	>29.3	28.6	Minimum threshold achieved
ESG (Sustainability)	Electricity savings in production and administrative premises, compared to 2024	%	10.0%	(>) 3.4% less value than in 2024	4% less value than in 2024	Exceeded
Business resilience	Ensured level of business resilience	%	5.0%	>90	91.2	Achieved
	Improved employee safety (accidents attributable to employer fault)	Accidents at work *1 million / total working hours	5.0%	<0.22	0.23	Achieved
Inclusive organisational culture	Increased employee engagement level	%	10.0%	>87	88	Exceeded

Highlights of the year

February

1st. Change in the composition of the Board of LTG Infra - Gediminas Šečkus, Director of Business Resilience of the LTG Group, has taken over the position from Ieva Lauraitytė.

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

A rail network architecture study was launched to define a clear and focused vision for the development of the rail network infrastructure. The project is being carried out in response to the requirements of the European Parliament and the Council to assess the conditions for a smooth transition of the existing Lithuanian rail network to a European standard rail network. The study will include an assessment of the integration into the European standard 1,435 mm gauge, options for the efficiency of the rail transport system, and the identification of the optimal need for a wide 1,520 mm gauge track. The work will be carried out by Ernst & Young Baltic UAB under a signed contract.

With the change in the Rail Baltica project management model, LTG Infra took over the management of the design contract for the Rail Baltica railway line section from Kaunas to Ramygala, which had been concluded with the Spanish designer IDOM Consulting, Engineering, Architecture, S.A.U.

March

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

18th. Data from a study commissioned by LTG Infra were released, indicating that every euro invested in the maintenance, repair, and development of Lithuania's railway network generates double the benefit for the country's economy.

26th. A contract was signed for the installation of the first battery-train charging station in the Baltics. This station will be constructed in Varėna, designed and installed by UAB Fima under a contract with LTG Infra. This will enable the LTG Group, which plans to acquire electric-battery trains, to transport passengers even more sustainably. The charging station is expected to be completed by the end of the 3rd quarter of 2026, with a cost of EUR 3.2 million.

April

2nd. LTG Infra announced tenders for the installation of dual-purpose – military / civil – infrastructure in Palemonas (“Construction of a military / civilian loading area in Palemonas” and the part “Construction of 1,435 mm gauge tracks” of the project “Construction of a military / civilian loading area in Palemonas”). Upon completion of the works, capabilities for loading military equipment and improving military mobility within the railway network will be ensured, along with increased loading and storage capacities and intermodal loading capabilities on the 1,435 mm gauge railway. Moreover, the project will improve the efficiency of deployment and servicing of the German brigade.

17th. Before Easter, traffic was opened on the new viaduct over the Rail Baltica embankment. With the opening of traffic on the viaduct over the regional road 1505 Jonava–Čičinai–Smičkai, which connects the settlements with the Jonava–Kėdainiai road, connectivity for those travelling on regional roads has improved.

May

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

22nd. After completing the trial operation of the newly reconstructed Lentvaris traction substation, its permanent use began. This is the commissioning of the first of six newly built substations within the scope of the Electrification project and an important project milestone, which enabled the start of the reconstruction of the Žasliai traction substation.

23rd. The contractor who won the tender, announced by LTG Infra, completed the reconstruction works of the pedestrian overpass near Vilnius Railway Station, and the construction completion certificate was issued. The overpass has been adapted not only for convenient use by people with mobility impairments, but it also ensures safer and more comfortable movement for residents and visitors between Naujininkai and Naujamiestis.

26th. A public tender was announced for the construction of the Rail Baltica section Ramygala–Berčiūnai embankment and engineering structures. The new section will be of 24.5 km.

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

June

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

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

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

July

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

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

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

August

5th. Three construction contracts were signed under the Rail Baltica project for track laying along a 10 km section between Šveicarija–Žeimiai, and the construction of a new 18.9 km embankment section from Kaunas towards Šveicarija. The contracts are valued at the total of EUR 284.4 million (including VAT). The track laying work will be carried out by joint venture partners Leonhard Weiss International from Germany and Leonhard Weiss OÜ from Estonia. The new 8.5 km embankment and structures section will be constructed by the contractor AB HISK, while the 10.4 km section will be built by joint venture partners UAB Fegda and UAB Tilsta.

18th. LTG Infra and the joint company of the three Baltic States, RB Rail AS, signed a contract with the German Deutsche Bahn group company Deutsche Bahn Engineering & Consulting for the design of nearly 100 km of the Rail Baltica section from the Lithuanian-Polish border to Kaunas (Jiesia). The contract value is EUR 46.3 million (including VAT). Immediately afterwards, in accordance with changes to the Rail Baltica project management model, LTG Infra took over the implementation of this agreement.

19th. A design unit of Rail Baltica was established. This unit will ensure the smooth and timely implementation of one of the most important infrastructure projects in the Baltic States and the further expansion of the European gauge network.

25th. The announcement for the development competition of the LTG Infra Mobile application was made. The planned application is expected to become the primary tool for modernising current infrastructure maintenance tasks.

September

15th. The institutions from the three Baltic States implementing the Rail Baltica project signed a historic electrification agreement. The contract, valued at EUR 2.14 billion (including VAT), was signed with the COBELEC Rail Baltica consortium, which comprises the Spanish companies Cobra Instalaciones y Servicios S.A. and Elecnor Servicios y Proyectos S.A.U.

19th. The Articles of Associaton of the Company were changed due to an increase of the Company's authorised capital. The currently valid Articles of Association of the Company are available on the Company's website (reference).

24th. LTG Infra and PKP Polskie Linie Kolejowe S.A. signed an agreement for more efficient railway traffic data exchange. The agreement sets out detailed procedures governing the transfer of data between the infrastructure managers of both countries. This step marks even closer cooperation to ensure safe, punctual, and efficient cross-border rail transport.

October

2nd. LTG Infra increased the speed of passenger trains to 120 km/h at the Lukšiai, Dūseikiai, Telšiai, Šateikiai, and Kūlupėnai stations. Previously, the maximum speed at most stations was 100 km/h.

6th. European standard (1,435 mm) track laying commenced on an 8.8 km section between Šveicarija–Žeimiai in the Jonava district.

7th. A twelve-month pilot project was successfully completed, during which German-made composite sleepers were tested in the railway infrastructure. The test results confirmed that the used sleepers met the manufacturer's declared technical parameters, and no negative impact was found on the bridge where these innovative solutions were implemented.

17th. A service agreement has been signed, under which LTG Infra plans to modernize 14 priority railway crossings.. The modernisation will be carried out by the company UAB Fima, which won the tender. The value of the works is expected to amount to EUR 6.8 million (including VAT). The level crossings scheduled for modernisation will have their signalling equipment upgraded and video surveillance cameras installed. Some level crossings have pedestrian crossing signalling, obstacle detection and road condition detection systems, and information display boards.

22nd. The European Climate, Infrastructure and Environment Executive Agency (CINEA) and the joint company of the three Baltic States, RB Rail AS, signed an additional financing agreement for the Rail Baltica project. An additional amount of EUR 295.5 million from European Union investments was allocated to the project under the Connecting Europe Facility (CEF) program. Of this amount, Lithuania will receive approximately EUR 95 million.

23rd. Two new Rail Baltica construction contracts were signed for a 24.4 km railway embankment with engineering structures in the Ramygala–Berčiūnai section, to be constructed by AB Kauno tiltai, and a 12.3 km railway embankment with engineering structures in the Berčiūnai–Joniškėlis section, to be constructed by AB HISK. The contracts are valued at the total of EUR 375.8 million (including VAT).

November

1st. Changed composition of the LTG Infra Board. Gediminas Šečkus, the Business Resilience Director, was replaced by Arūnas Rumskas, the LTG Group Finance Director.

19th. LTG Infra renewed the service contract with the Polish infrastructure manager PKP Polskie Linie Kolejowe S.A. for provision of aid in railway traffic incidents on the European 1,435 mm gauge. The contract stipulates that, if needed, the Polish side will provide technical assistance to Lithuania.

December

Four warehouses in the Vilnius, Kaunas, Šiauliai, and Klaipėda regions were consolidated into one central warehouse in Šiauliai – the location that best met the set criteria. This made the supply chain more flexible, eliminated redundant work, reduced excess inventory, and provided the organization with a more sustainable operating model.

23rd. An open international tender was announced for design services from Panevėžys to the Lithuanian-Latvian border. The total length of the section is 54 km.

Events after the reporting period

January

13th. A contract was signed for land acquisition services for public needs in the Panevėžys railway junction and in the territories of regional stations and engineering systems along the section from Kaunas to the Lithuanian–Latvian state border.

21st. To further increase safety at railway crossings and to inform drivers in a timely manner about the situation at them, seven railway crossings – monitored around the clock at the advanced Level Crossing Monitoring Centre – are also displayed in the Waze navigation application.

February

4th. Contracts have been signed for the Palemonas military mobility infrastructure development project, which will strengthen Lithuania's ability to receive and efficiently handle NATO military cargo. The contracts were signed with the partners Gevalda, Kauno keliai, and Statybų techninė priežiūra, who won the public tenders. The work is planned to be completed within 16 months. The total value of the project–including design, expert services, construction, and technical supervision–amounts to EUR 45.22 million (including VAT).

10th. A contract has been signed with the joint activity partners AB Kauno tiltai (the leading partner) and UAB Geležinkelio tiesimo centras, who will carry out the design and construction works for the new railway connection to the Rūdninkai military training area. Under the signed contract, the contractor will complete the works within a 970 day period. The value of the project exceeds EUR 30 million (including VAT).

Results

Key performance indicators

Indicators	Unit of measurement	2025	2024	2025/2024 Δ, %	2023
Total train operational volume	**billion tkm gross gross**	**13.0**	**13.7**	**(5.1%)**	**13.9**
Passenger train operational volume	billion tkm gross gross	1.4	1.4	-	1.2
Freight train operational volume	billion tkm gross gross	11.6	12.3	(5.7%)	12.7

Due to the ongoing military actions conducted by Russia in Ukraine and the wide-ranging sanctions imposed on Russia and Belarus by the US and the EU, the operational volume of trains continues to decline.

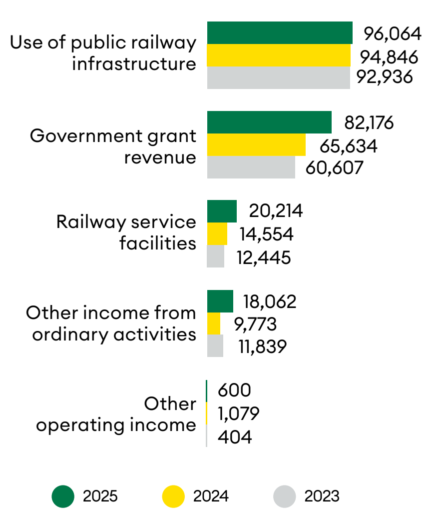
Financial results

Revenue

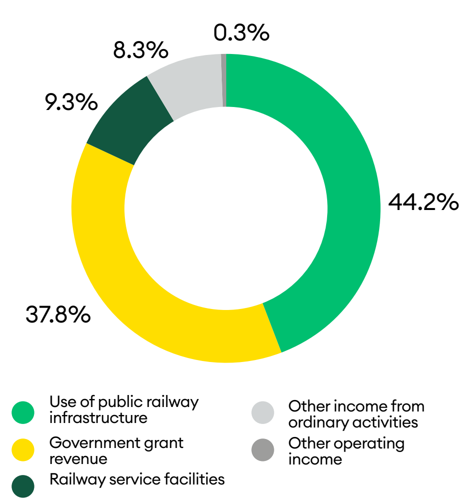
In 2025, revenue of the Company amounted to EUR 217.1 million, an increase of EUR 31.2 million (16.8%), compared to 2024. The majority of the revenue, i.e. 44.2%, were received from the provision of **public railway infrastructure usage service.**

- **Revenues from public railway infrastructure usage service**, compared to 2024, have increased by EUR 1.2 million (1.3%) and amounted to EUR 96.1 million.
- **Revenue from government grants** amounted to EUR 82.2 million (2024: EUR 65.6 million). The Goverment grants are intended to balance the revenues and costs of the public railway infrastructure manager due to the fall in freight transport volumes. Although revenues increased during the reporting period, the need for goverment grants grew by EUR 16.5 million due to growth of costs, primarily for wages, repairs and maintenance, and the acquisition of materials used in operations.
- **Revenue from services provided in the Company's RSF** in 2025 increased by EUR 5.7 million or 38.9% up to EUR 20.2 million. The comparative weight of these revenues in the Company's total revenue structure is 9.3%. The growth was mainly driven by the increase in rates for services and revenues from access to refuelling, cleaning and washing facilities, and technical equipment transferred to the Company by LTG in October 2025.
- **The Company's other operating income** is derived from the maintenance and repair of public railway infrastructure, junctions and rail track inspections, property rentals, provision of electricity, communication services, sale of scrap metal, and a variety of other services of a commercial nature provided by the Company. These revenues amounted to EUR 18.1 million in 2025 and accounted for 8.3% of the Company's total revenues. Compared to 2024, the revenue increased by EUR 8.3 million due to higher scrap metal sales and fuel resales resulting from the transfer of fuel filling facilities.
- **Other revenue of the Company** in 2025 amounted to EUR 0.6 million. Compared to 2024, this revenue has decreased by EUR 0.5 million.

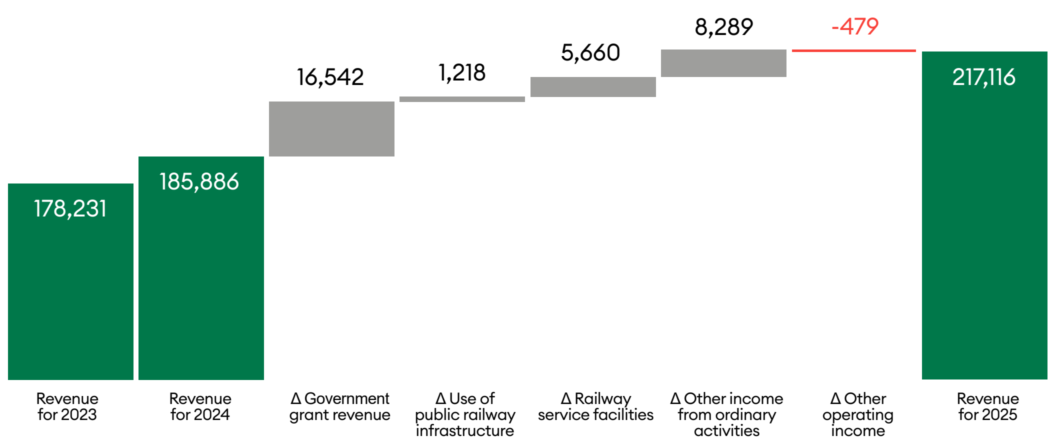
The Company's revenue, EUR thousand



Revenue structure of the Company in 2025, %



Change in Company's revenue, EUR thousand

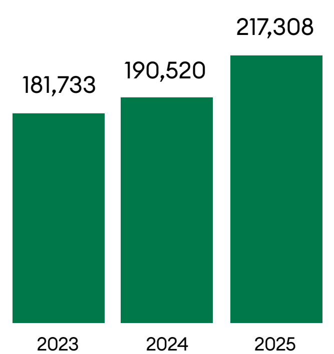


Costs

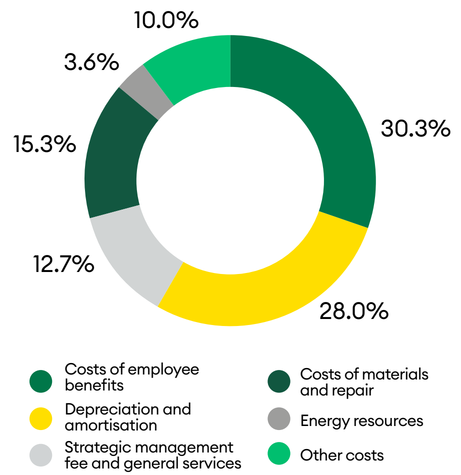
The Company's costs for primary and non-primary activities in 2025 amounted to EUR 217.3 million. Compared to 2024, the costs have increased by EUR 26.8 million or 14.1%. The major part of these costs includes employee benefits (30.3%), depreciation and amortisation costs (28.0%), costs of repair, maintenance and materials (15.3%), strategic management and general service costs (12.7%), and energy resources (3.6%). The remaining costs account for 10.0%.

- In 2025, **costs of employee benefits** amounted to EUR 65.9 million, reflecting an increase of EUR 5.6 million or 9.4%, compared to 2024. The number of employees during the reporting period has increased due to the transfer of RSF business from LTG in October 2025 and the expansion of the Rail Baltica management team, which is growing in line with the increasing scope of the project. Salary growth was also influenced by the annual salary review, which led to an increase in average salary. Changes in the average salary costs are disclosed under the section *Employees and Remuneration*.
- In 2025, **depreciation and amortisation costs** amounted to EUR 60.8 million, which, compared to 2024, is an increase by EUR 1.0 million or 1.7%, due to the commissioning of the Company's investment projects. The majority of the Company's investment projects are long-term projects, which take several years to complete before the assets are put into operation.
- In 2025, **costs of strategic management and general services** amounted to EUR 27.7 million, which is an increase of EUR 3.6 million, compared to 2024. This increase was due to higher wages, changes in the volume of services provided and increased IT costs related to implementation of new programmes.
- **Costs of repair, maintenance, and materials** in 2025 amounted to EUR 33.3 million and have increased by EUR 11.4 million, compared to 2024. The largest change in costs was due to the cost of fuel resale related to the fuel filling equipment transferred from LTG in October 2025.
- In 2025, **the costs of energy resources** (fuel, electricity) amounted to EUR 7.8 million and have decreased by EUR 1.1 million, compared to 2024. This change was driven by reduced electricity expenses due to implemented efficiency measures and lower electricity prices.
- **Other costs** amounted to EUR 21.8 million in 2025 and have increased by EUR 6.2 million, compared to 2024. The main reason for the changes is the asset impairment and the costs recognised for the Rail Baltica project.

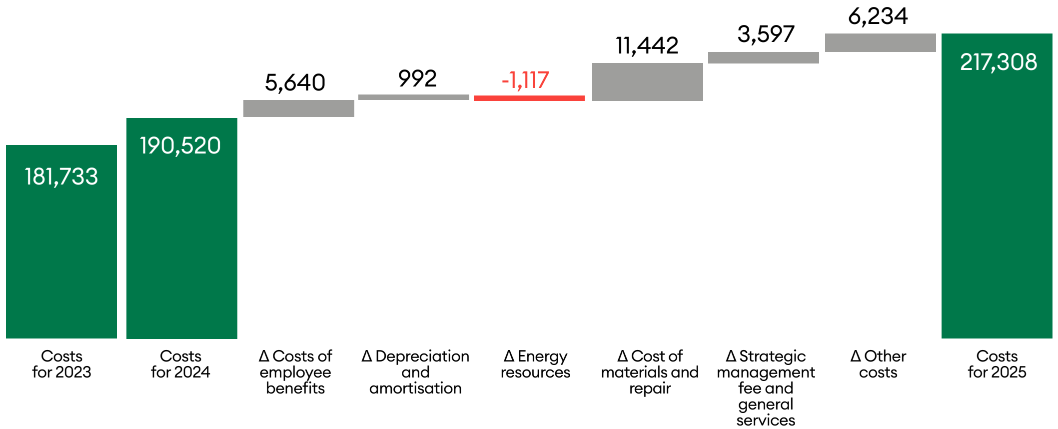
Company's costs, EUR thousand



Structure of the Company's costs in 2025, %



Change in the Company's costs, EUR thousand



Performance

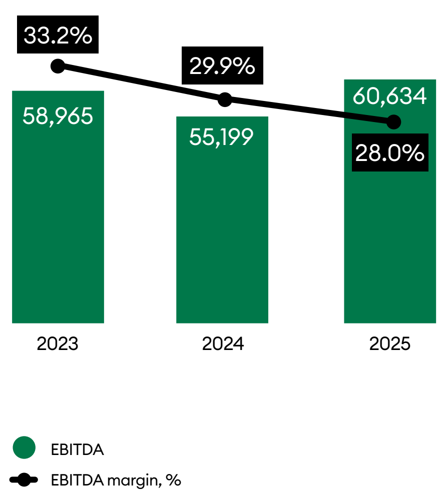
Analysis of the Company's financial results reveals that due to the sanctions applied on Russia and Belarus and the effort to reduce ties with these countries, the volume of freight transported continues to decline. In 2025, one of the main operational indicators – train operational volume – amounted to 13.0 billion gross tonne-kilometres, i.e. 5.1% less than in 2024 and 6.5% less than in 2023.

The Company's revenue, excluding government grants, increased from EUR 120.3 million in 2024 to EUR 134.9 million in 2025, i.e. by EUR 14.7 million. The growth in revenue in 2025 was mainly due to an increase in the prices of railway service facilities (RSF) and revenue from access to fuel filling, cleaning and washing facilities, technical facilities acquired from LTG in October 2025. Sales of scrap metal and fuel resales also contributed to the increase in revenue.

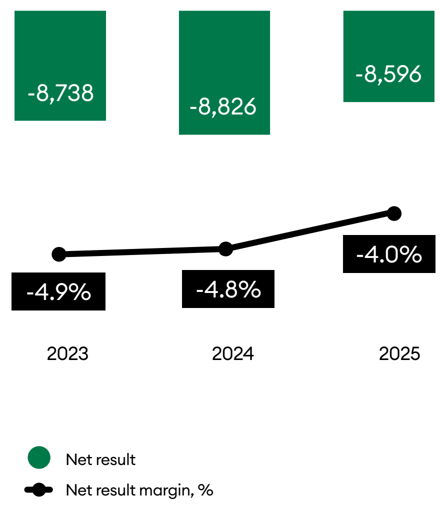
In order to ensure stable operations, the agreement on the quality and financing of railway service facilities owned by the Lithuanian state, signed with the Ministry of Transport and Communications of the Republic of Lithuania on April 6, 2022, is particularly important (reference in original language). The five-year agreement provides for conditions to ensure stable public railway infrastructure maintenance, a high level of railway transport traffic safety, and the quality of services provided. Under this agreement, in 2025 LTG Infra accounted for EUR 82.2 million to balance the revenue.

During 2025, the Company continued its **operational efficiency program** focused on cost management, process optimisation, and digitalisation. The measures implemented and revenue growth led to improved financial results: EBITDA increased by 9.8% and was at EUR 60.6 million, compared to 2024. Although the Company's net result remained negative, it improved from EUR -8.8 million in 2024 to EUR -8.6 million in 2025.

Company's EBITDA, EUR thousand



Company's net result, EUR thousand



Changes in the Statement of Financial Position

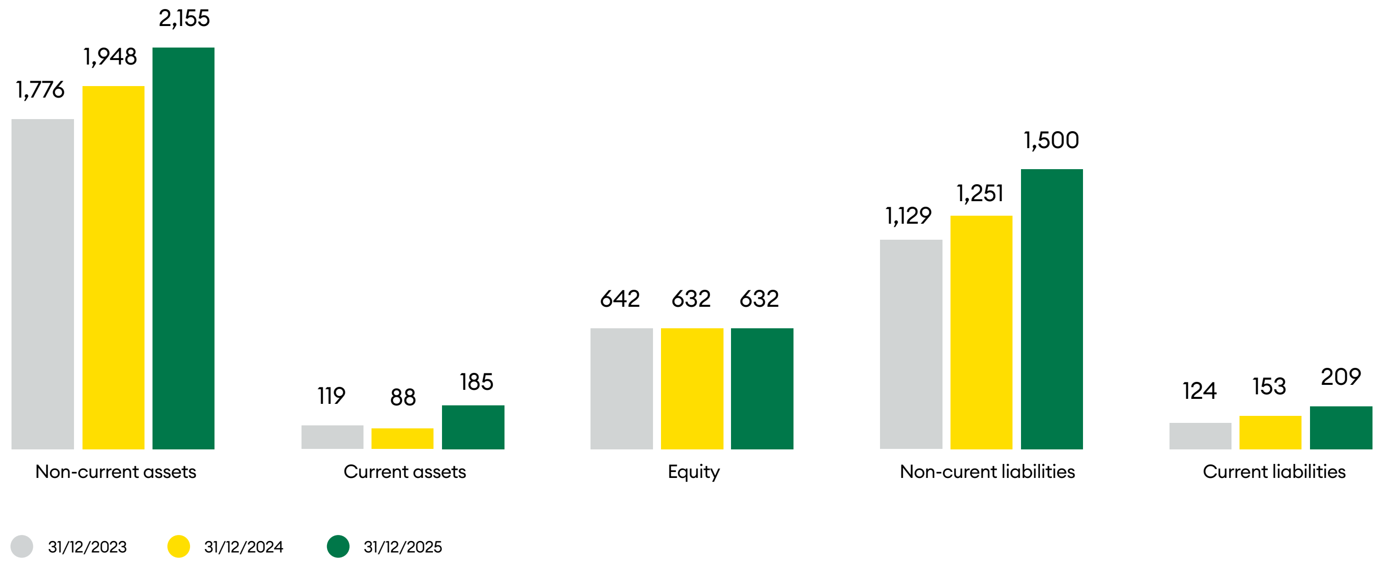
As at 31 December 2025, the Company's assets amounted to EUR 2,340.0 million and increased by 15.0%, compare to the year ended 31 December 2024. Non-current assets, which accounted for 92.1% in the overall structure, increased by 10.6% up to EUR 2,155.0 million. Due to the Company's long-term investment projects, which take several years to complete, the most significant increase was observed in construction in progress.

As at 31 December 2025, current assets totalled EUR 185.0 million, representing an increase of EUR 97.4 million, compared to the period ended 31 December 2024. The most significant factors influencing the change in current assets were the increased cash balance, which amounted to EUR 103.0 million at the end of the period, and the receivables from project partners, which grew by EUR 15.5 million during the reporting period.

Due to the transfer of RSF from LTG, the authorised capital increased during the reporting period and amounted to EUR 660.1 million as at 31 December 2025. Nevertheless, equity decreased by EUR 0.6 million during the reporting period and amounted to EUR 631.5 million as at 31 December 2025. Although the authorised capital increased, the decrease in equity was due to the negative change in the Company's result for the reporting period.

Total liabilities as at 31 December 2025 amounted to EUR 1,708.5 million and were 21.7% higher than as at 31 December 2024. The increase in long-term liabilities was due to the growth in grants for investment projects, as well as a loan taken for the modernisation and development of railway infrastructure. Changes in short-term liabilities were due to increased short-term loan balance from the LTG Group's cash pool and prepayments received, which include grants received in advance for the implementation of investment projects.

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



Key financial indicators *

	Unit of measurement	2025	2024	2023
Sales revenue	EUR thousand	134,340	119,173	117,220
Revenue from Government grants	EUR thousand	82,176	65,634	60,607
Other operating income	EUR thousand	600	1,079	404
Total revenue	**EUR thousand**	**217,116**	**185,886**	**178,231**
Expenses	**EUR thousand**	**(217,308)**	**(190,520)**	**(181,733)**
EBITDA	EUR thousand	60,634	55,199	58,965
Adjusted EBITDA	EUR thousand	59,196	55,364	58,302
EBITDA margin	%	28.0%	29.7%	33.2%
Adjusted EBITDA margin	%	27.3%	29.8%	32.8%
EBIT	thousand EUR	(192)	(4,634)	(3,502)
EBIT margin	%	(0.1%)	(2.5%)	(2,0%)
Net profit (loss)	**EUR thousand**	**(8,596)**	**(8,826)**	**(8,738)**
Net profit / (loss) margin	%	(4.0%)	(4.8%)	(4.9%)

	Unit of measurement	31/12/2025	31/12/2024	31/12/2023
Non-current assets	EUR thousand	2,154,962	1,948,022	1,776,396
Current assets	EUR thousand	185,031	87,623	118,518
Total assets	**EUR thousand**	**2,339,993**	**2,035,645**	**1,894,914**
Equity	EUR thousand	631,536	632,129	641,907
Financial debt	EUR thousand	193,774	124,483	128,881
Net Debt	EUR thousand	90,728	90,783	51,859

	Unit of measurement	31/12/2025	31/12/2024	31/12/2023
Return On Equity (ROE)	%	(1.4%)	(1.4%)	(1.3%)
Return On Assets (ROA)	%	(0.4%)	(0.4%)	(0.5%)
Return on Investment (ROI)	%	(0.4%)	(0.5%)	(0.5%)
Financial debt / EBITDA	Times	3.2	2.3	2.2
Financial debt / Equity	%	30.7%	19.7%	20.1%
Net debt / EBITDA	Times	1.5	1.6	0.9
Net debt / Adjusted EBITDA	Times	1.5	1.6	0.9
Equity ratio	%	27.0%	31.1%	33.9%
Asset turnover ratio	Times	0.1	0.1	0.1
Quick ratio	Times	0.7	0.4	0.9
Current ratio	Times	0.9	0.6	1.0

** Definitions of the indicators are presented on page 71 of the Report.*

Company's funding

The size of the Company's loan portfolio as at 31 December 2025 (taking into account accrued interest and the use of LTG Group cash pool funds) amounted to EUR 189,313 thousand (as at 31 December 2024: EUR 122,750 thousand).

As at 31 December 2025, the weighted interest rate of the Company's loan portfolio was 3,313% (31 December 2024: 4.3%). The longest repayment term for financial debt is 7 years, with the final repayment due in 2032.

In December 2025, the Company entered into a long-term loan agreement worth EUR 110.0 million (loan repayment due in 2032) to finance the modernisation and expansion of the railway infrastructure.

To balance the working capital, the Company used the LTG Group's cash pool to optimise the use of working capital and short-term borrowing costs. The parent company of the LTG Group has signed an agreement with a credit institution for the provision of LTG Group account services, and accordingly, LTG and the Company enter into an inter-company lending agreement each year. The terms of the agreement comply with the requirements of Article 24[1] (3) of RTC. The agreement between LTG and the Company is effective until 31 December 2026.

During the reporting period, the Company's indicators monitored by institutional creditors were met (*see Note 6 to the Financial Statements*).

Special obligations

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

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

The Company performs a special obligation - maintenance, modernisation and development of public railway infrastructure, provides services of minimum access package to the public railway infrastructure, and operates the public railway infrastructure under the right of trust.

The purpose of the special obligation:

- provide minimum access package services to railway undertakings (carriers) on non-discriminatory terms;
- maintain, modernise and develop the public railway infrastructure by implementing projects listed in the state investment programme and by ensuring the use of the EU funds.

Legislation entrusting the SOE with the following special obligation:

- provision of minimum access package services: Article 3(51), Article 23(1), Article 24(1)(6) of RTC;
- maintenance, modernisation and development of the public railway infrastructure: Article 3(51), Article 23(1) and Article 24(1)(1), Article 24(1)(3) and Article 24(1)(4) of RTC.

Legislation that sets forth the conditions for the performance of a special obligation and regulates pricing:

- Provision of the minimum access package to the public railway infrastructure, and disposal of the public railway infrastructure under trust:
  - the function is subject to budgetary allocations in accordance with the agreement on quality assurance and financing of public railway infrastructure and railway service facilities owned by the Lithuanian State, signed on 6 April 2022 between the Ministry of Transport and Communications of the Republic of Lithuania and the Public Railway Infrastructure Manager LTG Infra, as well as in accordance with the use of the state budget funds for the implementation of the programme "Implementation of Transport and Communications Policy" concluded between the Ministry of Transport and Communications of the Republic of Lithuania and the Public Railway Infrastructure Manager LTG Infra on an annual basis;
  - pricing regulated by Articles 25–25² of the RTC and by the Rules for Calculating and Paying the Charge for the Minimum Access Package to the Public Railway Infrastructure, the Charge for the Use of Public Railway Infrastructure for the Provision of Transit Railway Transport Services, and the Charge for Allocated but Unused Public Railway Infrastructure Capacity, approved by Resolution No. 610 of the Government of the Republic of Lithuania of 19 May 2004 (as further amended);
  - the Company, as the manager of public railway infrastructure, has been granted the right to lease public railway infrastructure facilities, which is relevant for the operation of public railway infrastructure. This right and the terms and conditions of this lease are regulated by Articles 23(6)-(10) of the RTC, and, pursuant to Article 23(12) of the RTC, the costs incurred in performing the functions of the public railway infrastructure manager referred to in Article 24 of the RTC shall be covered, inter alia, by the income received from the lease of public railway infrastructure facilities. The rental price of public railway infrastructure facilities shall be calculated on the basis of Article 23(9) of the RTC, as determined by the Resolution of the Government of the Republic of Lithuania No 525 of 11 June 2014 "On the Approval of the Description of the Procedure for the Rental of Public Railway Infrastructure Facilities and the Lease of the Railway Service Facilities Owned by the State of Lithuania" (as further amended).
- Maintenance, modernisation and development of public railway infrastructure: the function is carried out in accordance with the annual agreement between the Ministry of Transport and Communications of the Republic of Lithuania and AB LTG Infra for the use of state budget funds for the implementation of the program "Implementation of Transport and Communications Policy", the funds of the European Structural and Investment (ESI) Funds and the European infrastructure networking measures are allocated and the own funds of LTG Infra are used. Pricing is not subject to regulation.

Indicators for the fulfilment of specific obligations agreed with Appropriations Operator (Ministry of Transport and Communications of the Republic of Lithuania)	Measuring units	2025	Targets in 2026
Part of the population living and working in noise prevention zones that receives a reduction in noise from railways	%	69	69
Share of electrified railways compared to the total operated railway length	%	8	28
Number of fatalities and injuries at railway crossings per year	units	3	0
Length of the constructed European railway track (Rail Baltica project)	km	131.2	-
Rail Baltica railway connection constructed (technical progress)	%	-	26
Number of immovable properties of public railway infrastructure and state-owned railway service facilities registered during the reporting year	units	978	715
Minutes of delay for passenger trains caused by actions of the infrastructure manager	min. / thousand train run km	4.52	4
Customer satisfaction with the infrastructure manager's minimum access package services (quality of service)	%	65	58
Customer satisfaction with the infrastructure manager's provision of rail service facility services (quality of service provision)	%	79	58

Special obligations performance results (unaudited)

The Statement of Profit or Loss, EUR thousand EUR	2025	2024	2023
Sales revenue	97,384	96,212	94,301
Revenue from Government grants	82,176	65,634	60,607
Expenses	174,612	156,333	148,863
Financial activity result	(5,838)	(7,050)	(6,045)
Profit (loss) before taxation	(890)	(1,537)	-
Corporate income tax	890	1,537	-
Net profit (loss)	-	-	-
Statement of Financial Position, EUR thousand	**31/12/2025**	**31/12/2024**	**31/12/2023**
Total assets	2,186,030	1,912, 925	1,748,625
Equity	594,219	592,541	586,565
Grants	1,248,544	1,073,735	929,737
Liabilities	343,267	246,649	232,323
Total equity and liabilities	2,186,030	1,912,925	1,748,625

Detailed reports for 2025 are presented in the section *Accounting reports on the activities of the manager of Public Railway Infrastructure.*

Investments

Investment policy

The unified Project and Investment Management Policy (reference) applied within the LTG Group defines the general procedure for managing projects and investments to ensure timely implementation of the projects and investments. The policy is developed in consideration of the LTG strategy and is applicable to all companies within the LTG Group.

The Company's current project and investment management processes, methodologies, and other regulatory documents are prepared in accordance with the provisions of this Policy.

Investments are planned and implemented in line with the Company's strategic directions and long-term goals – to improve customer experience, promote business development, increase operational efficiency, reduce carbon footprint, strengthen business resilience, and create an inclusive organisational culture. Investment priorities are set so that each investment contributes to the implementation of the strategy and ensures sustainable, competitive, and innovative growth.

Investments of the Company

LTG Infra's investments in 2025 amounted to EUR 292.7 million, the major part of which includes the Rail Baltica and Electrification projects. The increase in the scope of the contract work for these two projects led to a significant increase in the investment level of LTG Infra, compared to previous periods.

Investments, EUR million	2025	2024	2023
Rail Baltica	177.0	111.6	67.6
Electrification of the Vilnius-Klaipėda corridor	34.2	95.9	178.1
Track upgrade programme	23.2	20.5	27.7
Other railway infrastructure asset renewal programs / projects	15.8	19.6	12.7
Other	42.5	15.3	27.4
Total	**292.7**	**262.9**	**313.5**

Key investment projects

Development and renewal of railway infrastructure

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

Rail Baltica aims at connecting the Baltic States with the European-gauge track network dominating in the EU countries. The overall technical progress of Rail Baltica phase I activities in Lithuania has increased by 17%.

Project progress in 2025 on the Kaunas–Lithuanian–Latvian state border section:

- railway embankment construction works extended from 46 km to 114 km on the entire section from Kaunas to Panevėžys (a change of 68 km per year);
- embankment and engineering structure contract works are being carried out on the sections Šveicarija–Žeimiai (approximately 95% of works completed), Žeimiai–Šėta (92%) and Šėta–Ramygala (33%) – a total of 44.8 km;
- a bridge is being built near Jonava across the Neris River (the longest bridge in the Baltic States, with a length of 1.5 km). Technical progress in the construction of the bridge at the end of the year was 45%;
- preparatory construction work has begun on the Kaunas (Palemonas)–Šveicarija, Ramygala–Berčiūnai, and Berčiūnai–Joniškėlis sections (67.7 km);
- the first high-speed railway tracks were laid on an 8.8 km section between Šveicarija–Žeimiai;
- the preparation of technical designs for the main high-speed railway line on the Kaunas–Ramygala section has been completed;
- the preparation of technical designs for the main high-speed railway line on the Ramygala–Panevėžys section is continuing;
- a service contract for the acquisition of land for public needs was signed for the land required for regional stations;
- the acquisition of land for public needs for the Kaunas and Panevėžys infrastructure maintenance depots was completed;
- a tender for design services for the Panevėžys–Lithuanian and Latvian border section has been announced;
- a public procurement tender for design services for the infrastructure of the Jonava and Panevėžys regional stations has been announced;
- public procurement tenders for design services for the Kaunas and Panevėžys infrastructure maintenance depots have been announced.

Project progress in 2025 on the Poland–Jiesia and Kaunas junction section:

- a design contract has been signed and the design of the main railway line for the entire section (96 km) has begun;
- an internal LTG Infra design services division has been established, which will begin preparing the Kaunas junction section project in 2026;
- land acquisition activities for public needs are being carried out (approximately 80% of the work has been completed);
- the procurement of signalling equipment for the existing 1,435 mm RB1 line between Poland and Palemonas is underway.

Project progress in 2025 on the Kaunas–Vilnius section (implementation of the section is planned for the phase II of the Rail Baltica project):

- ongoing final territorial planning activities.

General activities of the Rail Baltica project on the sections:

- a contract for the design and construction of electrification works has been signed, with a total contract value for all three Baltic countries of EUR 2.14 billion (including VAT). The value of the electrification transaction in Lithuania is EUR 989.8 million (including VAT);
- a joint procurement of a traffic management and control system for all three Baltic countries is underway;
- an additional CEF11 financing agreement has been signed, allocating EUR ~95 million to the Lithuanian Rail Baltica project activities.

Railway electrification project

- As part of the Vilnius–Klaipėda corridor electrification project, a certificate of transfer for the Vilnius railway junction contact network has been signed, the network is technically ready for operation, and preparations are underway for certification as a new energy subsystem, which will be carried out either for the entire scope of the contract or in stages. Intensive work is being carried out on the Kaišiadorys–Klaipėda (Draugystės station) section, with approximately 96% of the construction work completed and the construction of the contact network on the main roads completed. It is planned that in February 2026 tests will be carried out on the LTG Infra part of the Žeimiai traction substation (AB Litgrid part tests have already been carried out). Upon completion of the electrification project at the end of 2026 (electrification of 363 km of roads), it will be possible to transport freight and passengers throughout the entire Kena–Vilnius / Vaidotai–Šiauliai–Klaipėda corridor using environmentally friendly and efficient electric traction.

- The project to install passenger train battery charging infrastructure (at Varėna station) is underway, with work progressing rapidly according to the plan. Production of the main charging station has begun, with 63% of the work completed.

Other directions in the development and modernisation of railway infrastructure

Adapting railway infrastructure for national security needs

- In 2025, procurement procedures were completed for the Military / Civilian Cargo Loading Yard in Palemonas project. The loading yard will be connected to the European-gauge railway and adapted for military needs; the project will also involve the expansion of the 1,435 mm-gauge track system.
- in 2025, following the restoration of the access road to the Ministry of National Defence fuel depot (Pajuostis, Panevėžys district) in 2024, a repair project was prepared for the bridge over the Juosta River on the aforementioned road was prepared in 2025, and public procurement procedures for the bridge repair works were initiated.
- Projects to install X-ray control systems at the Kybartai and Stasylos border stations are underway. At the end of 2025, physical work was completed and equipment performance tests were carried out, and preparations are underway for the X-ray complexes to operate in continuous mode.
- The Pirčiupiai–Jašiūnai level crossing is being reconstructed in preparation for the installation of the Rūdninkai polygon. Work on changing the level crossing structure has been completed, and the reconstruction of the signalling equipment is planned to be completed in the near future.
- A railway infrastructure project for the Rūdninkai polygon is being planned. In 2025, a procurement for design services and contract works was completed.

Ongoing digitisation of railway infrastructure

- The Station Management and Tools Modernisation (SMTM) project is being implemented to improve the operational efficiency of railway stations. The project will develop a new operating model and implement the most appropriate management tool of railway stations.
- Ongoing projects to improve the efficiency of traffic management, develop a business model for infrastructure maintenance, and other digitisation projects.
- Three new projects are planned: Capacity Management System, further development of YMS, and expansion of the unified LTG Infra data model.

Modernization of railway crossings, stations, and their approaches to increase their safety and attractiveness to the public

- In order to make train travel easily accessible for passengers with disabilities, in 2025 the outdoor infrastructure component of the “Barrier-Free Route” project–designed to adapt the railway station area for people with disabilities–was completed. During the project, station accesses were renovated, ramps were installed, warning strips were laid, and other measures were implemented.
- The reconstruction of the Vilnius railway station building has been completed, enhancing the station’s attractiveness for passengers and adapting it for commercial purposes.
- The modernisation project for the Vilnius–Klaipėda 351+780 km (Kretinga) level crossing has been initiated. Design work has begun.

- Modernization work is underway on priority level crossings on the Vilnius–Klaipėda railway line. Traffic safety systems have been installed, the level crossings have been handed over for trial operation, and all physical work has been completed.
- A platform renovation program was launched in 2025, under which a total of 52 platforms at 30 stations and stops are planned to be reconstructed, adapting the infrastructure for disabled and mobility-impaired persons and providing barrier-free access. Currently, design services are being procured for the reconstruction of 51 platforms and contract works for 1 platform.
- In 2025, reconstruction projects for pedestrian viaducts were initiated. A procurement for design services is underway for the viaducts at the Panevėžys, Radviliškis, and Kybartai railway stations. After reconstruction, the viaducts will provide safe conditions for using the structures and will be adapted for barrier-free movement for people with disabilities. Additionally, design work for two-level railway crossings is underway in 2025; by installing two-level crossings in Kretinga and Klaipėda, safer and more convenient pedestrian traffic will be ensured.

Renovation of railway infrastructure objects

- Railway infrastructure repair programs are being implemented, including the renovation of main and station tracks, the replacement of switches, the repair of bridges and culverts, the maintenance of railway crossings, the renovation of the contact network and electrical equipment, and the capital and routine repair of individual infrastructure objects. Work is also being carried out to adapt the infrastructure for people with reduced mobility, install autonomous power sources, and upgrade technical equipment. In 2025, the works by the value of EUR 39.0 million have been carried out to renew railway infrastructure assets, including EUR 23.2 million for the renewal of the main rail tracks.

Planned investments and development directions of the Company in the near future

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

- the not finished projects are continued in 2025, of which the most significant are **Rail Baltica** and railway **electrification** as well as modernisation of level crossings, platform heightening, digitalisation and other projects;
- renovation and repair of depreciated assets (main rail roads, switches, bridges, catenary supports, level crossings, culverts and other facilities) necessary to ensure traffic safety and maintain the parameters of the existing infrastructure;
- intensification of investments which will increase military mobility in the country (construction of a military / civilian loading area in Palemonas, railway infrastructure project at the Rūdninkai training ground).

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

Dividend policy

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

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

The Company, acting as the public railway infrastructure manager, pays dividends calculated in accordance with the dividend distribution policy, in accordance with the provisions of Article 24^1(10)-(12) of the RTC and the Procedure for Calculating and Using the Operating Results of the Public Railway Infrastructure Manager.

The allocation of dividends for the financial year or a period shorter than the financial year is planned taking into account the Company's return on equity (ROE) for the reporting period.

The Board of the Company may propose to the shareholder to determine a lower or a higher proportion of the profit to be paid as dividends, or to refrain from paying dividends, considering the conditions and circumstances set out in the Dividend Policy.

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

Governance

LTG INFRA

Overview

Governance model

LTG Group's corporate governance is organised in such a way as to maintain an effective and result-oriented balance between the management and control measures of LTG Group. The governance model of the LTG Group is centralised, i.e. the governing bodies of LTG (further - LTG) consider and approve the LTG Group's consolidated strategy, consolidated business objectives, the indicators against which they are measured and the targets to be achieved, consolidated budget and operating plan. LTG establishes rules and procedures to coordinate the operational plans, supervision and control of all LTG Group companies.

The LTG Group applies a functional leadership model, which means that added value is created by centralising the management of operational support and corporate functions and the functions themselves, by consolidating competences and introducing functional excellence. The sponsoring company coordinates the LTG Group's common policies, methodologies, and processes in areas such as strategy and business development, communications, stakeholder management, project and investment management, corporate governance, technical development, people and culture, finance, business resilience, and other general aspects, as applied to all LTG Group companies. The implementation of common services in these areas has been delegated to UAB LTG Kompetencijų centras.

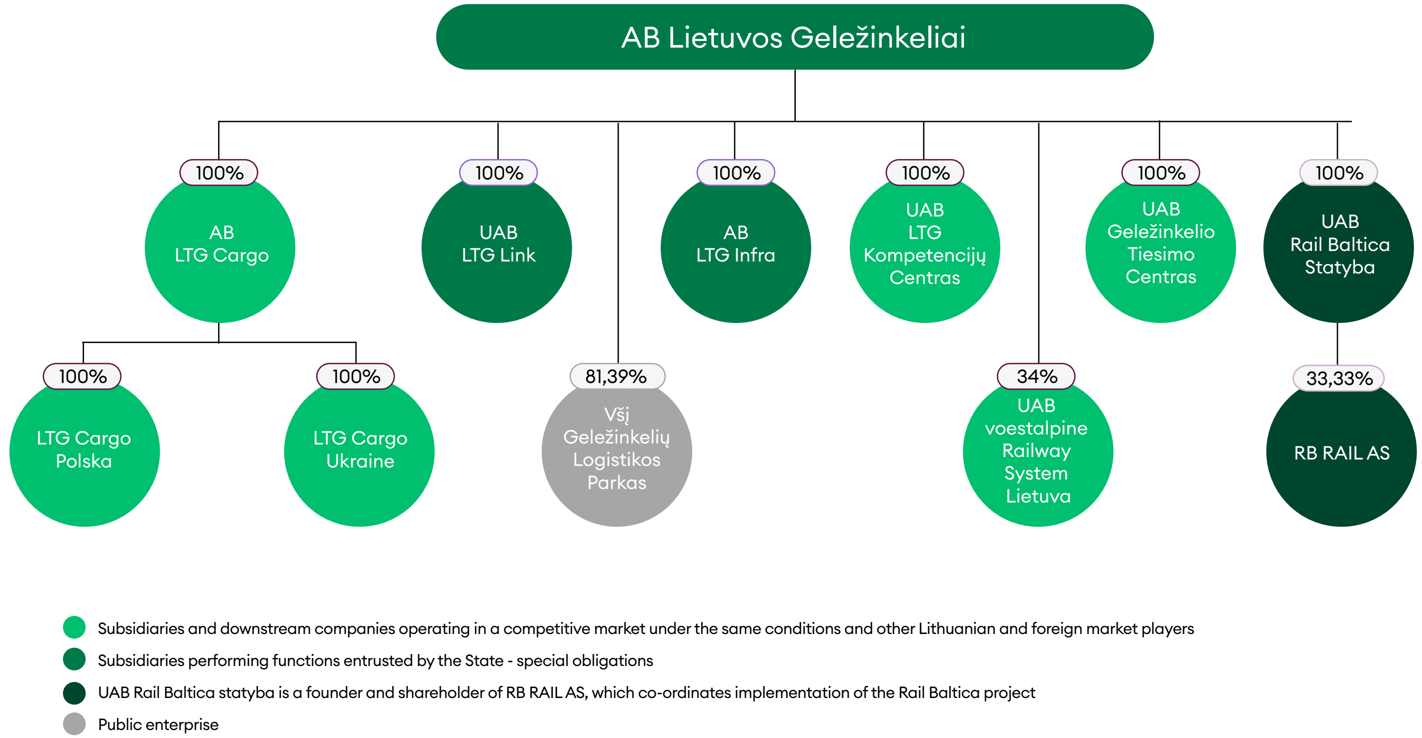
This governance model is applied by the Company to the extent it does not conflict with the legal requirements of impartiality in the management of the public railway infrastructure manager, financial transparency, the allocation of public railway infrastructure capacity and the calculation and payment of the minimum access package fee.

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

- openness and transparency of activities;
- compliance of corporate governance with legal regulation and its effectiveness;
- meeting the expectations of the shareholders;
- cooperation with stakeholders and their role;
- effective and efficient risk management and internal control systems;
- clarity and sustainability of goals;
- responsibility and accountability of governance bodies.

Group structure

The Company belongs to the LTG Group that is the largest in the Baltic States in terms of freight, passenger transport and infrastructure management. 100% of the Company's shares are owned by the parent company AB Lietuvos Geležinkeliai. The shareholder of AB Lietuvos Geležinkeliai is the State of Lithuania which owns 100% of its shares, and the shareholder's rights and duties are carried out by the Ministry of Transport and Communications of the Republic of Lithuania. During the reporting period, the Company did not have any subsidiaries.



Information on shares as at 31 December 2025

Amount of authorised capital, EUR thousand	Number of shares, units	Nominal value per share, EUR
660,081	660,081	1,000

All the shares of the Company are of the same class, i.e. ordinary registered shares. The shares are book entry shares and are recorded in personal securities accounts in accordance with the law.

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

Recognitions of governance

In the evaluation of the good governance index of SOEs for 2024–2025, in the category of large enterprises attributable to SOEs, the LTG Group was ranked among the leading state-owned enterprises and received a high "A" rating.

The Company received the highest "A+" rating in the categories of transparency and shareholder actions, and a high "A" rating in the category of strategic management.

A+	A	A+	A+
Transparency	Strategic governance	Shareholder's actions	Good Governance Index

The assessment of the quality of governance in SOEs is based on the evaluation tool SOE Good Governance Index developed by the Public Enterprise Governance Coordination Centre, which aims to assess and measure the implementation of the key good governance practices by state-owned enterprises and by the public authorities that control them. At present, this is the only instrument on the basis of which the governance of all SOEs is monitored, the quality of the governance of all SOEs and their subsidiaries as well as the compliance thereof with the legal provisions are assessed.

Internal regulation

Articles of association of the Company

The Articles of Association are the main document that guides the Company's activities. On 19 September 2025, the Company's Articles of Association were changed due to an increase in authorised capital. The currently valid Articles of Association of the Company are available on the Company's website (reference).

The Company's Articles of Association are amended under the decision of the general meeting of shareholders by a qualified majority of votes, which shall be at least 2/3 of votes conferred by all shares held by all the shareholders participating in the meeting.

Company policies

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

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

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

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

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

An updated Risk Management Policy, which provides a coherent and common principles-based risk management framework for the LTG Group to achieve the objectives set out in the LTG Strategy and to maintain and enhance the value of the LTG Group.

An updated Corporate Governance Policy, which aims to establish common principles for the LTG Group in terms of governance structure, formation of governing bodies and separation of functions, corporate governance, control and transparency, optimal governance structure, decision-making and accountability framework, and the relationship between the governing bodies of the LTG Group companies.

Governing bodies of the Company

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

- General Meeting of Shareholders;
- The Board;
- Chief Executive Officer (General Director).

General Meeting of Shareholders

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

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

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

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

Competencies of the General Meeting of Shareholders

According to the Articles of Association of the Company, during the reporting period, an additional competence of the General Meeting of Shareholders was to approve the decisions of the Company's Board:

- on the prioritisation of the Company's material risks and the approval of strategies to manage them;
- on investing in, buying, selling or otherwise transferring, pledging or mortgaging the Company's facilities and assets of importance for national security;
- regarding approval for the Company to enter into a contract for ensuring the quality and financing of railway service facilities owned by the State of Lithuania and its amendments;
- regarding the Company's becoming a founder or participant of other legal entities;
- for the Company to start carrying out a new type of activity or to terminate the Company's activities, if the corresponding decision was not taken when approving the Company's activity strategy;
- to establish the Company's branches and representative offices, to terminate their activities, to appoint and recall the heads of the Company's branches and representative offices, to approve the regulations of the branches and representative offices;
- regarding the investment of the Company's long-term assets, the balance sheet value of which is equal to or greater than EUR 3,000,000 (three million) (excluding VAT), in companies of the Company's group or third parties, the transfer or lease of these assets;
- regarding the pledge and mortgage of the Company's non-current assets, the balance sheet value of which is equal to or greater than EUR 3,000,000 (three million) (excluding VAT);
- to make decisions regarding the surety or guarantee of the fulfilment of the obligations of other persons, the amount of which is equal to or greater than EUR 3,000,000 (three million) (excluding VAT);
- to purchase non-current assets at a price equal to or greater than EUR 3,000,000 (three million) (excluding VAT);
- on loan or other financing transactions with a value equal to or greater than EUR 3,000,000 (three million euro);
- to make decisions to enter into transactions for the procurement of goods, services, works, the value of which is equal to or greater than EUR 3,000,000 (three million) (excluding VAT) and to approve the essential conditions of these transactions (before the Company starts the procurement procedures);
- to make decisions regarding the approval of the essential conditions of the service contracts provided by the Company, if the planned annual income of the contract or the planned income during the entire period of validity of the contract may be equal to or greater than EUR 3,000,000 (three million) (excluding VAT). This clause does not apply to contracts for the allocation of public railway infrastructure capacity, contracts for the use of public railway infrastructure, the use of railway service facilities managed by the Company and contracts for the provision of services provided in these facilities;
- on the approval of the Company decisions, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as referred to in the Articles of Association of the subsidiaries, concerning the investment, disposal, lease, acquisition, mortgage, pledge, and the granting of sureties and guarantees for the obligations of other persons, the purchase of goods, services, and works, and the granting of loans or any other financing transactions where the value of the transactions is equal to or exceeds EUR 3,000,000 (three million) (excluding VAT).

Key decisions of the General Meeting of Shareholders in 2025

- approval of the Company's risk management strategy;
- approval of the financial statements and distributable profit / loss for 2024;
- approval of the Board's decision to conclude a contract for the design and construction supervision services for the Kaunas–Lithuanian–Latvian state border Panevėžys (Gustonys) passenger station section of the Rail Baltica railway line project;
- approval of the Board's decision to conclude contracts for the implementation of the project "Design and construction works (Rail Baltica) for individual structures on the Kaunas railway junction section";
- approval of the Board's decision to conclude a contract for the reconstruction of the bridge on the Klaipėda–Pagėgiai road at 40+343 km;
- approval of the Board's decision to conclude a contract for the purchase of turnouts for the "IF-X223 Turnout Replacement Programme (2026–2027)" for performance of the 2026 stage;
- approval of the Board's decision to conclude contracts for the design of railway infrastructure and construction works at the Rūdninkai polygon;
- approval of the Board's decision to conclude a mutual lending agreement between the Company and AB Lietuvos Geležinkeliai;
- approval of the Board's decision to conclude a purchase agreement for the Company's diesel fuel intended for the provision of services by Railway Service Facilities;
- approval of the Board's decision to conclude contracts for the construction of the Gaižiūnai pedestrian viaduct, the Radviliškis pedestrian viaduct, and the Panevėžys pedestrian viaduct.

The Board

The Board is a collegial management body of the Company, which consists of 5 members. The members of the Board are elected by the General Meeting of Shareholders for a term of 4 years. The Board elects the chairperson of the Board from among its members. The same person may be elected as a member of the Board no more than for two consecutive offices.

Independent members of the Board are elected in accordance with the Description of the procedure for the selection of candidates to a collegial supervisory or management body of a state-owned or a municipal enterprise elected by the general meeting of shareholders (hereinafter – Selection Procedure), approved by Resolution No. 631 of the Government of the Republic of Lithuania of 17 June 2015 (with successive amendments). When forming the board, the provisions of the Selection Description regarding the versatility of the competences of the board members, the requirements for compliance with general and special requirements are followed.

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

The competence of the Board corresponds to the competence of the Board established by the Law on Companies of the Republic of Lithuania and other laws, and additional competences of the Board are established by the Articles of Association of the Company.

During the reporting period, the Board had the following additional competences:

- approve the business strategy of the Company;
- to set objectives of the Company;
- to approve the Company's annual operating plan (budget);
- to approve the list of information considered to be the Company's trade (industrial) secret and confidential information, the conditions for the use and storage of such information;
- to analyse and assess the Company's material risks (prioritised by the Board when assessing these risks) and approve strategies to manage them;
- to adopt decisions on the investment, purchase and sale of the Company's facilities and assets important for ensuring national security or any other transfer of ownership, pledging or mortgage transactions;
- to adopt decisions regarding the investment of the Company's long-term assets, the balance sheet value of which is equal to or greater than EUR 1,000,000 (one million) (excluding VAT), in the companies of the Company's Group or third parties, the transfer or lease of these assets;
- to adopt decisions regarding the pledge and mortgage of the Company's long-term assets, the balance sheet value of which is equal to or greater than EUR 1,000,000 (one million) (excluding VAT);
- to adopt decisions on surety or guarantee of the fulfilment of the obligations of other persons, the amount of which is equal to or greater than EUR 1,000,000 (one million) (excluding VAT);
- to adopt decisions on the purchase of non-current assets at a price equal to or greater than EUR 1,000,000 (one million) (excluding VAT);

- to adopt decisions on loan or other financing transactions, the value of which is equal to or greater than EUR 1,000,000 (one million);
- to adopt decisions to enter transactions for the procurement of goods, services and works with a value equal to or greater than EUR 1,000,000 (one million) (excluding VAT), and approve the key terms and conditions of such transactions (before the Company commences procurement procedures);
- to adopt decisions on approval of the essential conditions of the service contracts provided by the Company, if the planned annual income of the contract or the planned income during the entire period of validity of the contract may be equal to or greater than EUR 3,000,000 (three million) (excluding VAT) (does not apply to contracts for the allocation of public railway infrastructure capacity, contracts for the use of public railway infrastructure, contracts for the use of railway service facilities managed by the Company and contracts for the provision of services provided in these facilities);
- to adopt decisions regarding the approval of the Company to enter into the contract for ensuring the quality and financing of railway service facilities owned by the State of Lithuania and its amendments;
- to adopt decisions regarding the Company becoming a founder or participant of other legal entities;
- to adopt decisions for the Company to commence new activities or to discontinue the Company's existing activities, if the relevant decision was not taken at the time of approval of the Company's business strategy;
- to adopt 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, and to approve the regulations of branches and representative offices;
- to adopt decisions on the approval by the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as referred to in the Articles of Association of the subsidiaries, concerning the investment, transfer, lease, acquisition, pledge, mortgage, and provision of guarantees and sureties for the obligations of other persons, the procurement of goods, services, and works, and the conclusion of loans or other financing transactions, where the value of the transaction is equal to or exceeds EUR 1,000,000 (one million) (excluding VAT);
- to adopt decisions on the approval by the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries on the merger, amalgamation, division, subdivision, assignment or transfer of activities by any other legal means, becoming a founder or participant of other legal entities (except for decisions on becoming a founder or participant of associations);
- to approve, promote and sanction the terms and conditions of employment of the Company's Chief Executive Officer;
- to approve the total amount of the incentive to be granted to the Company's employees for their performance, considering the performance of the Company;
- to analyse and evaluate other information provided by the Company's Chief Executive Officer on key issues relating to the Company's business;
- to analyse other matters relating to the Company's business, which fall within the Board's remit and, if necessary, take decisions on such matters.

The Board performs the following supervisory functions:

- supervises the activities of the head of the Company, submits feedback and proposals regarding the activities of the head of the Company to the General Meeting of Shareholders;
- considers whether the Company's Chief Executive Officer is fit for office if the Company is making a loss;
- proposes to the Company's Chief Executive Officer to revoke his / her decisions that are contrary to laws and other legal acts, the Company's Articles of Association, the decisions of the General Meeting of Shareholders or the Board;
- decides on other matters of supervision of the Company and the activities of the Company's Chief Executive Officer that are within the competence of the Board under the Articles of Association, as well as under the decisions of the General Meeting of Shareholders.

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

During the reporting period, there were changes in the composition of the Board. Until 1 February 2025, Ieva Lauraitytė, CEO of UAB LTG Kompetencijų Centras, served as a member of the Board, and from 1 February 2025 to 1 November 2025, the position was taken over by Gediminas Šečkus, Director of Business Resilience of LTG. From 1 November 2025 and until the end of the current Board's term of service, Arūnas Rumskas, CFO of LTG Group, was elected as a member of the Board.

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

Composition of the Board of the Company

GEDIMINAS ALMANTAS

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

EDUCATION

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

OTHER POSITIONS HELD

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

HAROLDAS NAUSĖDA

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

EDUCATION

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

MAIN EMPLOYER, POSITION

- Head of Business Customers and Development Service of UAB Ignitis.

OTHER POSITIONS HELD

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

RAMŪNAS RIMKUS

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

EDUCATION

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

MAIN EMPLOYER, POSITION

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

SIGITAS KUBILIS

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

EDUCATION

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

MAIN EMPLOYER, POSITION

- Senior Expert of Project and Investment Management in Strategy and Development Function of AB Lietuvos Geležinkeliai.

ARŪNAS RUMSKAS

Member of the Board delegated by the shareholder
Serving in position since 1 November 2025

EDUCATION

- Diploma of Production Economics and Management, Faculty of Economics of Vilnius University;
- Actuarial Studies at University of Warsaw;
- Baltic Management Institute, diploma of Executive MBA.

MAIN EMPLOYER, POSITION

- Finance Director of AB Lietuvos Geležinkeliai.

Competence matrix

Members of the Company's Board are subject to the specific requirements for the selection of members of the Board - civil servants and delegates of the parent company (according to their areas of competence) set out in the selection description of the LTG Group companies LTG Cargo, LTG Infra, LTG Link.

Mandatory *Advantage*

Composition of the Board	**Competences of a civil servant**	**Competences of members delegated by the parent company**		**Competences of independent members of the Board**	
Areas of competence	**Regional and national transport policy**	**Financing strategy**	**Organisational efficiency, transformation and management of changes**	**Strategy and development**	**Strategic infrastructure project management**
Specific requirements (applicable by area of competence)					
At least 5 years' executive experience (in a position of the head of a company, a senior manager reporting directly to the CEO, a member of a governing or supervisory collegiate body)	Advantage	Mandatory	Mandatory	Mandatory	Mandatory
Management of corporate strategic planning, transformation and changes of the organisation	Advantage	Mandatory	Mandatory	Mandatory	Advantage
Experience in business development in international markets	Advantage	Advantage	Advantage	Advantage	Advantage
Experience in development of an organisation and its culture	Advantage	Advantage	Mandatory	Advantage	Advantage
Experience in the application / implementation of digitisation, innovation, and efficiency solutions	Advantage	Mandatory	Mandatory	Mandatory	Advantage
Practical knowledge of marketing, customer experience, brand development	Advantage	Advantage	Advantage	Advantage	Advantage
Experience in project management, assessment and financing	Advantage	Mandatory	Advantage	Mandatory	Mandatory
Knowledge and experience in financing of state-regulated activities	Advantage	Mandatory	Advantage	Advantage	Mandatory
Knowledge of objectives and regulatory principles of strategic national and regional transport sector	Mandatory	Advantage	Advantage	Advantage	Advantage
Good knowledge of the strategy and objectives of AB Lietuvos Geležinkeliai group of entities	Advantage	Mandatory	Mandatory	Advantage	Advantage
Experience in infrastructure development planning and development	Advantage	Advantage	Advantage	Advantage	Mandatory
At least 5 years' experience in a senior management role in finance management, financial advisory, financial services or audit	Advantage	Mandatory	Advantage	Advantage	Advantage
At least 5 years' executive experience in road, air, water or rail transport and rail transport and (or) rail infrastructure management in the European Union or North Atlantic Treaty Organisation countries	Advantage	Advantage	Advantage	Advantage	Mandatory
At least 3 years' executive experience in logistics	Advantage	Advantage	Advantage	Advantage	Advantage
Experience of working in an international group of companies	Advantage	Advantage	Advantage	Advantage	Mandatory
Experience of working in collegiate supervisory and governing bodies	Mandatory	Advantage	Advantage	Advantage	Advantage

The Board's activity plan and the most important achievements

During the reporting period, the Board organised its work in accordance with the Board's annual activity plan approved on 16 December 2024, which provided for the consideration of organisational, strategic, planning, risk management, goal-setting and evaluation, self-assessment of its performance, and the reporting of the Company's performance, amongst other matters. The Company's Board achieved all the goals set for 2025 and fully implemented the annual operation plan of the Board for 2025. This was accomplished by holding scheduled meetings, discussing planned issues, and making significant decisions, which are detailed in the subsequent section of the report.

Information on attendance of the Board meetings in 2025

During the reporting period, a total of 28 meetings of the Board were held, of which 9 meetings were held in the form of a survey.

Name, surname of a member	The Board meetings
Number of meetings in 2025 (including away meetings, voting in advance in writing)	28
Gediminas Almantas	28
Haroldas Nausėda	28
Ramūnas Rimkus	28
Sigitas Kubilis	28
Arūnas Rumskas	6*
Gediminas Šečkus	20*
Ieva Lauraitytė	2*

** Ieva Lauraitytė held the position of a Board member until 1 February 2025, while Gediminas Šečkus began his duties as a Board member from 1 February 2025 to 1 November 2025. Arūnas Rumskas holds the position of a Board member as of 1 November 2025; therefore, there is a noticeable difference in their participation.*

Key decisions of the Board in 2025

- Approval of achievement of the Company's annual goals for 2024.
- Approval of achievement of the Company's annual goals for 2024 to form the annual performance incentive fund.
- Approval of the Company's management report for the year 2024.
- Approval of the Company's financial statements for the year 2024 and the draft appropriation of profit (loss).
- Approval of the Company's Interim Management Report for 2025.
- Approval of the Company's goals for 2026.
- Approval of the Company's operational plan (budget) for 2026.
- Approval of the Company's updated operational strategy for 2026–2030.
- Change in the organisational governance structure of the Company.
- Approval of the Company's updated risk management strategy.
- A decision adopted to conclude a contract for the design and construction supervision services of the Panevėžys (Gustoniai) passenger station on the Kaunas–Lithuanian–Latvian state border section of the Rail Baltica railway line.
- A decision adopted to conclude a contract for the modification of designs and consulting services for the sections of the new Rail Baltica railway line from Ramygala to Joniškėlis.
- A decision adopted to conclude a contract for the procurement of construction supervision and Engineer's services for the works of the project "Installation of the upper

track structure on the Kaunas–Panevėžys section of the Rail Baltica railway line", specifically the part "Installation of the upper track structure on the Šveicarija–Žeimiai section of Rail Baltica.

- A decision adopted to conclude contracts for the implementation of the project "Design and construction works (Rail Baltica) for individual structures on the Kaunas railway junction section".
- A decision adopted to conclude a contract for reconstruction works of the bridge at km 40+343 on the Klaipėda–Pagėgiai railway line, as well as contracts for repair works of the bridge at km 73+302 on the Lentvaris–Marcinkonys–state border railway line and the bridge at km 82+132 on the Naujoji Vilnia–Turmantas–state border railway line.
- A decision adopted to conclude a contract for the procurement of Traffic Management and Control System maintenance services.
- A decision adopted to conclude a contract for the procurement of railway turnouts needed for the 2026 stage of the project "IF-X223 Turnout Replacement Programme 2026–2027".
- A decision adopted to conclude contract for the design of railway infrastructure and construction works at the Rūdninkai polygon.
- A decision adopted to conclude a mutual lending agreement between the Company and AB Lietuvos Geležinkeliai.
- A decision adopted to conclude a contract for the adaptation of existing microprocessor interlocking systems at the Kaišiadorys–Radviliškis section level crossings, intended for the electrification of the Vilnius–Klaipėda (Draugystė Station) section.
- A decision adopted to conclude a contract for the procurement of diesel fuel required for providing services of Railway Service Facilities.
- A decision adopted to conclude a contract for the procurement of railway turnout replacement construction works needed for the implementation of the 2026 stage of the "IF-X223 Turnout Replacement Programme 2026–2027".
- A decision was adopted to approve the implementation of design and contract work procurement procedures and to conclude contracts for pedestrian viaducts in Gaižiūnai, Radviliškis and Panevėžys.
- A decision adopted to conclude a contract for the acquisition of mobile infrastructure diagnostics equipment.

Self-assesment and results of the Board

On 5 February 2026, the Board carried out an evaluation of the Board's performance for 2025 and prepared a plan of measures for improvement of the performance. The Board's self-assessment index rose from 4.40 to 4.54, compared to 2024.

Committees and their activities

The Nomination and Remuneration Committees and Audit Committee of LTG operated at the LTG Group level.

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

The purpose of the **Nomination and Remuneration Committee** is to provide conclusions, opinions, recommendations and proposals to the LTG Board on the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

Management

Chief executive officer

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

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

VYTIS ŽALIMAS

CEO of the Company
In-office from 1 December 2023

EDUCATION

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

MAIN EMPLOYER, POSITION HELD

- CEO of AB LTG Infra.

Governance and organisation structure of the Company

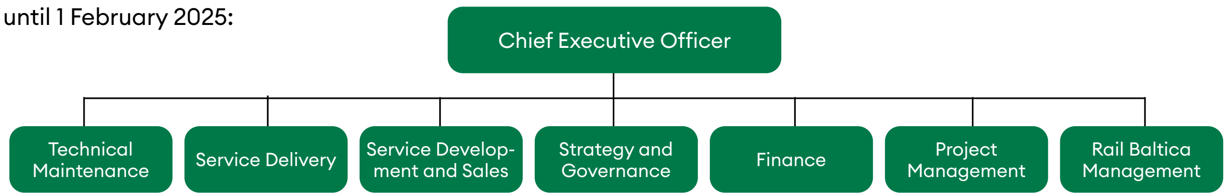
In order to grow the long-term value of LTG Group companies, to ensure rational and efficient use of funds, assets and other resources, and to meet shareholders' expectations and interests, the LTG Group's operating model is focused on the purification and concentration of core activities in subsidiaries.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

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

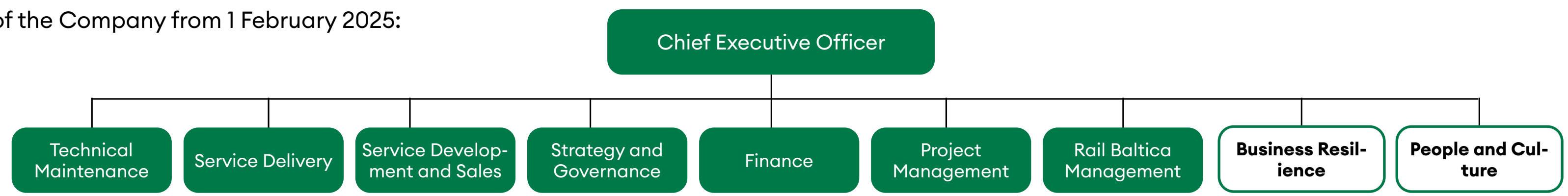
In line with LTG Infra's 2024–2028 strategy priorities and development plans, and in order to manage its operations more efficiently, a new governance structure of LTG Infra was approved on 5 December 2024 with effect from 1 February 2025. The positions of Business Resilience Partner and People and Culture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

Taking into account the long-term and critically important need to strengthen the Company's first line of defence in the area of business resilience (security), as well as to create the capability to perform the first-line business resilience (security) functions within the Company, on 4 September 2025 a new LTG Infra management structure was approved, which entered into force on 1 November 2025.

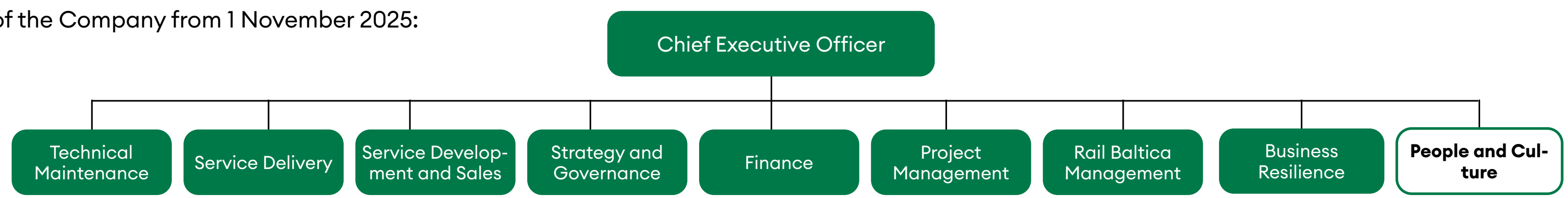
Governance structure of the Company until 1 February 2025:



Governance structure of the Company from 1 February 2025:



Governance structure of the Company from 1 November 2025:



Management of the Company

VYTIS ŽALIMAS	Company's Chief Executive Officer	In-office from 1 December 2023
JUSTAS VYŽINTAS	Head of Rail Baltica Management	Holds position as of 2 May 2024
ARVYDAS DVEILYS	Head of Technical Maintenance	Holds position as of 8 December 2019
TOMAS JONIKAITIS	Head of Service Delivery	Holds position as of 1 June 2021
RAMŪNAS DOKŠAS	Head of Strategy and Governance	Holds position as of 3 April 2024
RAIMONDAS ZEMIKAS	Head of Project Management	Holds position as of 10 July 2023
JADVYGA DIRMANTIENĖ	Head of Service Development and Sales	Holds position as of 2 May 2024
JŪRATĖ ČEPAITIENĖ **KĘSTUTIS MOTIEJŪNAS**	Chief Financial Officer Chief Financial Officer	Held position from 4 November 2024 to 30 November 2025 Holds position from 1 December 2025
VIDMANTAS ČERKAUSKAS	Business Resilience Partner Head of Business Resilience	Held position as of 11 November 2024 to 31 October 2025 Serving in position since 1 November 2025
GRETA KERNAGIENĖ	People and Culture Partner	Holds position as of 1 February 2025

Internal audit

The LTG Group has established a centralised Internal Audit function, which acts as a third line and covers all LTG Group companies, including LTG Infra. The purpose of internal audit is to strengthen the organisation's ability to create, protect and preserve value by providing independent, risk-based and objective assurance, advice, insight and foresight, thereby contributing to LTG Infra's strategic objectives.

In 2025, the activities of the department were organised based on the Global Internal Audit Standards. Audit provides risk-based assurance services, advice (consultation) and insight, and carries out necessary investigations as required. It also regularly monitors the implementation of recommendations made and the correction of other internal control weaknesses identified by external auditors and supervisory authorities.

The division reports directly to the LTG Board, thus ensuring the independence and objectivity of internal audit and enabling it to identify weaknesses and areas for improvement in operational efficiency. Internal audit periodically informed the Board of LTG Infra on the operational weaknesses identified during the audits and on the progress of the implementation of recommendations.

Management of interests

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

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

Employees and remuneration

Overview

Initiatives and significant events in 2025

- In April, the results of the Branch's collective agreement for 2024 were discussed with trade union representatives, and the topics of wages, staff development, organisational culture and training, and occupational safety were presented and discussed in detail.
- As of 1 April, the annual base salary review was implemented – the monthly base salary fund increased by EUR 384 thousand, or 8.2%, and the salary increase as to unified review criteria was applied to 97% of employees.
- In April, based on the decision of the Company's Board, an incentive for 2024 results amounting to EUR 2.9 million was distributed to employees.
- In April, an employee recognition program was launched involving all staff. It has combined new and existing measures to recognise, nominate, and thank colleagues who, beyond their direct functions, actively share and implement ideas; are seen as examples of value-driven behaviour; engage in activities that unite the colleagues, strengthen the dissemination of information about the Company, and other organisation-promoted activities; are loyal and have steadfastly walked alongside the organisation for many years. Employees who win nominations are awarded ePoints, which they can use in the partner MELP online store to purchase LTG brand products or choose from a wide range of other goods and services. The MELP platform not only provides access to the online store but also offers a wide selection of various discounts and also has become a tool to follow internal news and see all employee benefits in one place.
- In the direction of an inclusive organizational culture, the establishment of equality, diversity, and inclusion principles was accompanied in May by the expanded definition of a close family member, which now includes partners and non-biological children. In June, the Company participated for the first time in the LGBTQ+ march *For Equality*. The Diversity Awareness Project included lectures for staff and training for targeted groups of staff. In parallel, a broad internal communication campaign about the Transparency Line was conducted. The volunteer program Kindness on the Rails Together with Infra, aimed at strengthening employee engagement and collaboration, was launched. It contributes to the development of organisational culture, community spirit, and social responsibility, and within its scope, targeted volunteering initiatives were implemented.
- Independently and together with the SOPA agency, DUOday was organised – a job shadowing initiative where companies and organisations open their doors to people with disabilities, inviting them to try out new professions and work roles.
- Updated training on the prevention of discrimination, violence, and harassment has been made mandatory for all employees. These trainings help not only in identifying forms of discrimination, violence, and harassment more easily but also teach how to properly respond to and prevent inappropriate behaviour.
- In the second half of 2025, the feedback culture was further strengthened, encouraging open communication and continuous improvement. The results show clear progress – employees are increasingly providing and requesting feedback, and this practice is becoming an integral part of the daily culture.
- Throughout 2025, a total of 39 remote lectures were organised for employees on various relevant topics – ranging from mental health and sustainability to personal effectiveness and inclusion. These initiatives help create an organisation that continuously learns, grows, and develops its employees.
- In October 2025, the Employee Voice survey confirmed the strengthening connection with employees – engagement increased to 88 points, satisfaction reached 87 points, and 92% of colleagues participated in the survey. After analysing the results, areas for improvement were identified, and action plans aimed at enhancing employee experience and strengthening organizational culture are already being implemented.
- Leadership training remains a consistent investment, therefore, in the second half of 2025, a training program for managers at all levels was launched, strengthening leadership competencies and ensuring that managers have the tools needed for team building and enhancing employee engagement. Separate initiatives to strengthen the leadership of senior and middle-level managers were implemented, including targeted continuous sessions with external partners and the long-term leadership development initiative "Leadership Journey – Leaders' Station".
- As part of the expansion of measures to strengthen responsible leadership and sustainable human resource development, all managers were invited to take a 360-degree assessment of their leadership competences, and the majority of managers participated. The assessment was carried out using the internal SAP SF 360 feedback platform and aims to provide qualitative and constructive feedback on leadership competences, to help identify strengths and behaviours to be improved.
- To ensure new team members successfully integrate into the organisation and feel included, the onboarding processes for new employees were reviewed in 2025. Survey results indicate that employees view the updated onboarding program positively, highlighting its clarity, the information provided, and the assistance for a smooth transition.

- Various educational projects aimed at students of different age groups were actively organised and participated in to promote the railway transport sector and professions within this sector. Lessons were conducted, excursions and shadowing events were organised, and staff participated in career fairs, educational partner projects, the "Transport and Communications Career Laboratory" initiated by the Ministry of Transport and Communications of the Republic of Lithuania, international conferences, and other events, expanding the network of educational partners. In developing a sustainable model for training and attracting specialists dedicated to ensuring critical technical competencies, structured cooperation with vocational training institutions in targeted regions was initiated.
- In September, the employer branding campaign "Čia Traukia" was launched, aimed at consistent and long-term employer image formation – taking firm steps toward becoming a more visible, reliable, and desirable employer. Not only external but also internal initiatives are dedicated to their continuity – the latter aim to strengthen the connection with employees, encourage their engagement, pride in the organisation, and the desire to be its ambassadors.
- A team of 10 specialised railway rolling stock drivers has been formed and trained, strengthening the Company's technical capacity, operational reliability, and safety assurance.
- To ensure the necessary capabilities, international expertise, and transfer of best practices for the implementation of the strategic Rail Baltica project, a project for attracting and integrating high-speed railway specialists from abroad has been launched.

People and culture policy

The People and Culture Policy, approved by the LTG Board and published publicly (reference) along with other internal legal acts, is dedicated to defining the strategic directions and key principles of personnel management. The goal of this policy is to link business strategy with human resource management and establish general principles for managing human potential and forming organisational culture, including:

- strategic management planning, based on the strategy of LTG Group companies, internal and external environmental analysis, competitive analysis, and the values of the LTG Group;
- organisational modelling addressing the strategic goals of the companies and contributing to efficient resource utilisation, flexibility, clear communication, and decision-making speed;
- development of organisational culture through the fostering of values, increasing employee engagement, open and continuous feedback, equal opportunities, measuring employee experience, and the unity of these principles for the entire LTG Group;
- promotion of employee well-being, equality, and diversity by creating safe and healthy working conditions, opportunities for professional development and growth, a respectful, open, and trust-based environment;
- ensuring human resources through long-term competency planning, effective organisation of employee selection and onboarding, internal career planning, and succession planning for critical positions;
- education and development, promoting a culture of continuous improvement and innovation;
- management of employee performance and compensation;
- promotion of social partnership.

Remuneration management

The Company's remuneration policy aims to make long-term decisions that are linked to the well-being of employees, ensuring:

- competitive remuneration packages to attract and retain employees with relevant competence;
- equal opportunities and non-discrimination in summarising and rewarding employees' performance;
- the principle of internal equity in rewarding for similar work;
- increasing of engagement;
- encouragement of employees to develop and improve their competences;
- fostering of the principles of transparency and good governance;
- effective management of personnel costs and creation of shareholder value.

The core elements of remuneration setting and review:

- methodological appraisal of positions;
- periodic comparison of internal remuneration data with the market;
- the direct link between the possibilities of the change in remuneration and the employee's performance efficiency – the results of achieving the annual goals, extra effort and value-based behaviour.

Every employee has access to information on the corporate levels of his / her position and other positions in the organisation, as well as on the basic salary ranges for each corporate level, providing a systematic means of embedding the principles of transparency and assessing internal career opportunities.

The periodic review of base salaries is carried out annually and the principles of the review are linked to objective and uniform criteria – a comparison of the current remuneration of employees with the market, the Company's financial performance and the budget allocated for the review, and a summary of each employee's annual performance. The periodic review of remuneration generally takes effect on 1 April of each year. The implementation of the review for 2025 resulted in an increase in the Company's monthly payroll fund by EUR 384 thousand or 8.2%, and 97% of the staff received a pay rise on the basis of the unified review criteria.

After the end of the financial year and after an assessment of the Company's performance, an annual performance incentive fund is established by a decision of the Company's Board. Such fund is an incentive for employees at the initiative of the employer for good performance and positive operating results of the Company, as specified in Article 139(2)(6) of the Labour Code of the Republic of Lithuania, and which is allocated pursuant to Article 142(1)(2) of the Labour Code of the Republic of Lithuania. The incentive is also forward-looking as a motivational tool for employees, with individual incentive opportunities linked to positional corporate levels and each employee's annual performance summation. In April 2025, the incentive fund distributed to the Company's employees for 2024 performance amounted to EUR 2.9 million.

The process of managing and summarising employee performance remains focused on setting annual goals for the LTG Group and the Company, refining the ever-growing expectations bar for specific years after they end, and ranking the overall employee sample according to their performance results and alignment of their value-based behaviour with this bar – consistently reinforcing the principle of "the best is rewarded the most".

The package of additional benefits in the Company includes lump-sum benefits for the birth of an employee's child or death of a close family member, support in the event of a natural disaster, loyalty benefits for employees leaving the organisation at the retirement age, additional leave and other benefits provided for by the Sectoral Collective Agreement and the Remuneration Methodology of the LTG Group. Employees are also awarded bonuses for candidates recommended for open positions, they are involved in various employee recognition programme initiatives, can benefit from a wide discount program for various services and goods, are provided with accident insurance and additional voluntary health insurance.

The remuneration policy approved by the LTG Board is applied to all subsidiaries and is publicly published on the Company's website (reference). The implementation provisions of this policy are described in the Remuneration Methodology, and internal process standards are designated to define more detailed practical implementation principles. All relevant documents are published on the LTG Group's intranet in the knowledge base and the news for employees.

Data on the average remuneration of the Company's employees by general function group are publicly available on the Company's website (reference), and it is updated at the end of each calendar quarter. At the same time, a comparison of the average remuneration of women and men is published. The Company's remuneration management principles are objective, unified and ensure equal opportunities; however, the actual differences between the average salaries of women and men by general groups remain. These differences are caused by the overall distribution of women and men, with more men than women working not only in the railway industry as a whole, but also in a number of positions, in particular in operational positions. Women predominate in support / administrative functions with relatively lower market remuneration. Men are concentrated in positions where the scope of the activity leads to more competitive market remuneration or where the nature of the work is of a particular nature – physical exertion, outdoor or other special conditions – where the market remuneration is higher. At the same time, the opposite situation is also observed in certain function groups, where women, although not predominant, occupy positions for which the market shortage leads to relatively higher remuneration, in which case remuneration of women outperforms men's remuneration.

Remuneration of Collegial Bodies

Remuneration of the members of the Board is set out in the agreements on activities of a member of the Board concluded with the members. The remuneration of independent members of the Board and civil servants holding the position of a member of a collegial body is determined in accordance with the provisions of the Resolution of the Government of the Republic of Lithuania of 3 August 2022, No. 1092 “On Approval of the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipally-Owned Enterprises and Civil Liability Insurance for Members of Collegial Bodies of State-Owned Enterprises and Municipally-Owned Enterprises”, the provisions of which stipulate, that the monthly remuneration of an independent member of a company’s collegial body and of a member of the collegial body who is another person selected by the entity initiating the selection should be at least 1/4 of the average monthly salary of the company’s CEO and not more than the average monthly salary of the company’s CEO. For a civil servant holding a position as a member of a collegiate body of a state-owned company or a municipally-owned company, the remuneration should be at least 1/8 and not more than 1/4 of the average monthly salary of the company’s CEO. It is recommended that the remuneration of the chairman of a collegiate body of a state-owned company should be at least 1/3 of the average monthly salary of the company’s manager.

In implementing the provisions of the aforementioned resolution, the remuneration regulation for the board members and committee members of AB Lietuvos Geležinkeliai was established by the order of the Minister of Transport and Communications of the Republic of Lithuania of 2 December 2022, and upon the election of the new board of AB Lietuvos Geležinkeliai, by the order of 28 July 2025, which is applied *mutatis mutandis* to the members of the collegial bodies of subsidiary companies.

The remuneration of the members of the Board of the Company has been determined by a decision of the Company’s sole shareholder, providing that the monthly remuneration of the Chairman of the Board of the Company shall be EUR 3,489, the monthly remuneration of an independent member of the Board of the Company shall be EUR 2,617, the monthly remuneration of a member of the Board of the Company, who is a civil servant and a member of the Board of the parent company, who is delegated by the parent company, shall be EUR 1,308. At the same time, the rule is laid down that if individual members of the Board are elected, their remuneration shall be at the same level as that of the members of the existing Board.

Remuneration paid to Members of the Board in 2025

Name, surname of a member	Remuneration for activity of a member of the Board in 2025, EUR *
Gediminas Almantas	41,868
Haroldas Nausėda	31,404
Ramūnas Rimkus	15,696
Sigitas Kubilis	15,696
Arūnas Rumskas	2,616
Gediminas Šečkus	11,772
Ieva Lauraitytė	1,308

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

Employees and remuneration

As of 31 December 2025, **the number of employees in the Company** was 2,520 (excluding those on parental leave, performing military service, or on long-term absence). The number of employees has increased by 167 or 7,1%, compared to the data as at 31 December 2024. The change in the number of employees was driven by the transfer of the employees of Railway Services Facilities division from LTG as of October 2025.

The average monthly salary, compared to the average in 2024, has increased from EUR 2,119 to EUR 2,347. The change was influenced by the annual salary review, employee turnover, and changes in the position structure.

The total remuneration fund amounted to EUR 66.6 million (excluding compensation for unused leave, severance payments, accruals, and not considering capitalised wages).

In addition, in April 2025, as in other LTG Group companies, the annual bonus for performance in the amount of EUR 2.9 million were paid to the Company's employees.

Number of the Company's employees and average salary

Position group	31 /12/2025 **						31/12/2024		31/12/2023	
	Number of employees			Average salary, EUR			Number of employees	Average salary, EUR	Number of employees	Average salary, EUR
	Total	Women	Men	Total	Women	Men				
Head of the Company *	1		1	12,400		12,400	1	10,800	1	10,000
Top-level managers *	8	1	7	8,063			7	7,853	8	7,230
Senior executives and specialists in exceptional fields	50	12	38	5,516	5,619	5,487	43	5,101	30	4,777
Middle-level managers and individual field experts	253	86	167	3,715	3,707	3,718	196	3,437	164	3,182
Team leaders and experienced specialists	948	265	683	2,482	2,456	2,492	922	2,295	929	2,117
Professionals and experienced operational / service staff	501	220	281	2,057	2,053	2,060	436	1,888	433	1,731
Operational / service staff, skilled workers	759	188	571	1,665	1,695	1,655	748	1,547	853	1,440
Total	**2,520**	**772**	**1,748**	**2,347**	**2,324**	**2,357**	**2,353**	**2,119**	**2,418**	**1,920**

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

Information on remuneration of the Company's CEO

Components of the Company's Chief Executive Officer's (CEO) remuneration:

- **Basic monthly salary.** The Company's Chief Executive Officer's basic monthly salary set out in the employment contract amounted to EUR 12,400 as at the end of the reporting period. During the reporting period, the monthly base salary of the Company's CEO has increased by 15% from EUR 10,800 to EUR 12,400.
- **Annual performance incentives.** In addition to the base salary, the CEO may be paid a variable annual salary (annual performance incentive). The incentive scheme shall be approved by the LTG Board. Under this scheme, the level of achievement of the Company's annual targets has 100% influence on the incentive payment. Each year, the Board of the Company approves the structure of the annual goals of the Company, also threshold values and benchmarks for their achievement and, at the end of the year, verifies performance against the goals and the possibility of paying the annual incentive award. The maximum possibility of an annual incentive payment cannot exceed 30% of the established annual base salary. The maximum monthly proportion (i.e. 1/12) of the annual incentive could not exceed EUR 3,240. During the reporting period, the Company's CEO was paid a monthly (1/12) portion of the annual incentive for the achievement of the 2024 goals, amounting to EUR 2,419.

The Company's performance indicators of achieved goals in 2024, on the basis of which the CEO was granted the incentive for the 2024 performance results, are disclosed in the *Strategy* section of the Company's annual management report for 2024 (reference).

The Company's goals for 2025, on the basis of achievement of which the Company's CEO may be granted an incentive in 2026 for the 2025 performance results, are disclosed in the *Strategy* section of this report.

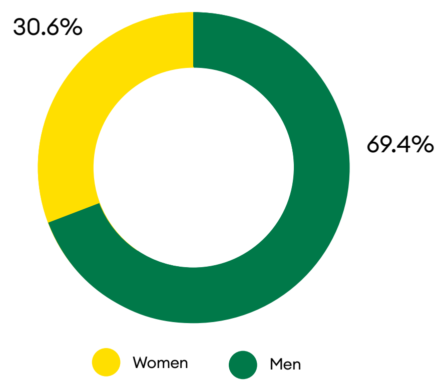
The Company's average salary ratio between women and men by general function groups

Position group	2025	2024	2023
Total employees	**1:1.01**	**1: 0.97**	**1: 0.96**
Top-level managers	-	-	-
Senior executives and specialists in exceptional fields	1:1.02	1: 0.98	1: 1.03
Middle-level managers and individual field experts	1:1.00	1: 0.98	1: 1.00
Team leaders and experienced specialists	1:0.99	1: 0.98	1: 0.98
Professionals and experienced operational / service staff	1:1.00	1: 0.98	1: 0.99
Operational / service staff, skilled workers	1:1.02	1: 0.101	1: 1.00

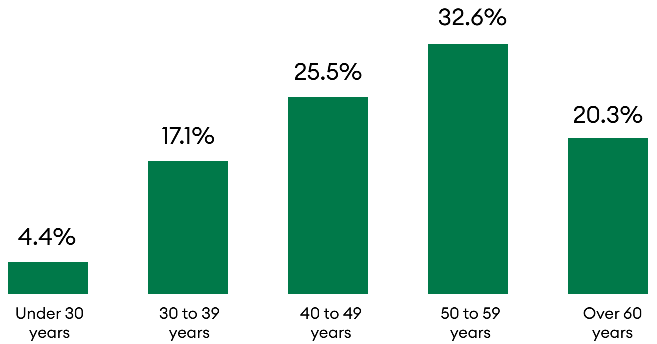
The table compares the ratio of the average salaries of women and men, where women's salaries equal 1 and women's salaries are calculated by dividing their salaries by men's salaries.

Distribution of employees by age, gender, length of service and education as at 31 December 2025

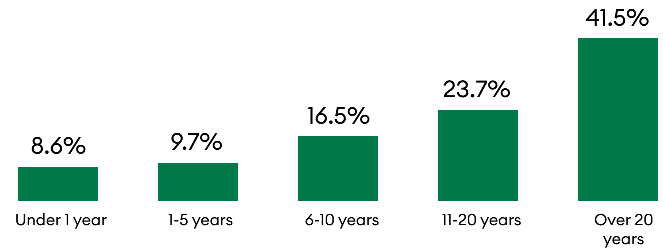
Employee distribution by gender, %



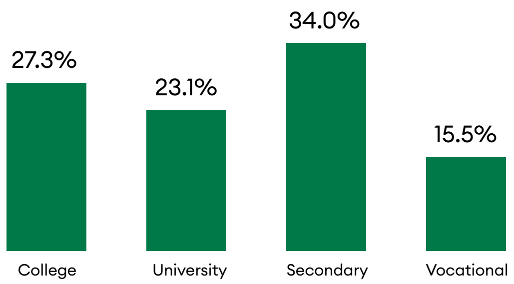
Employee distribution by age groups, %



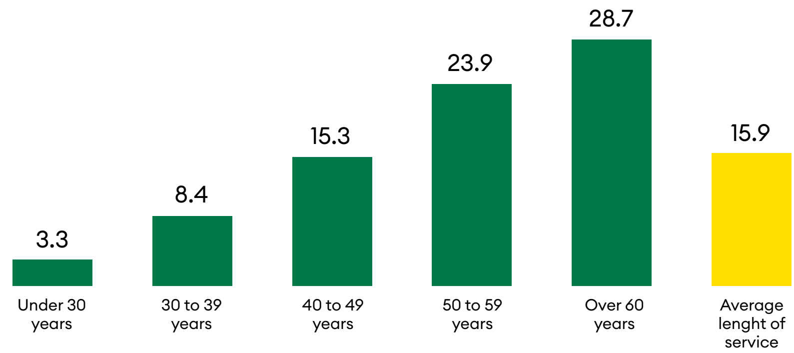
Employee distributions by length of service, %



Employee distribution by education, %



Employee distribution by age and average years of service



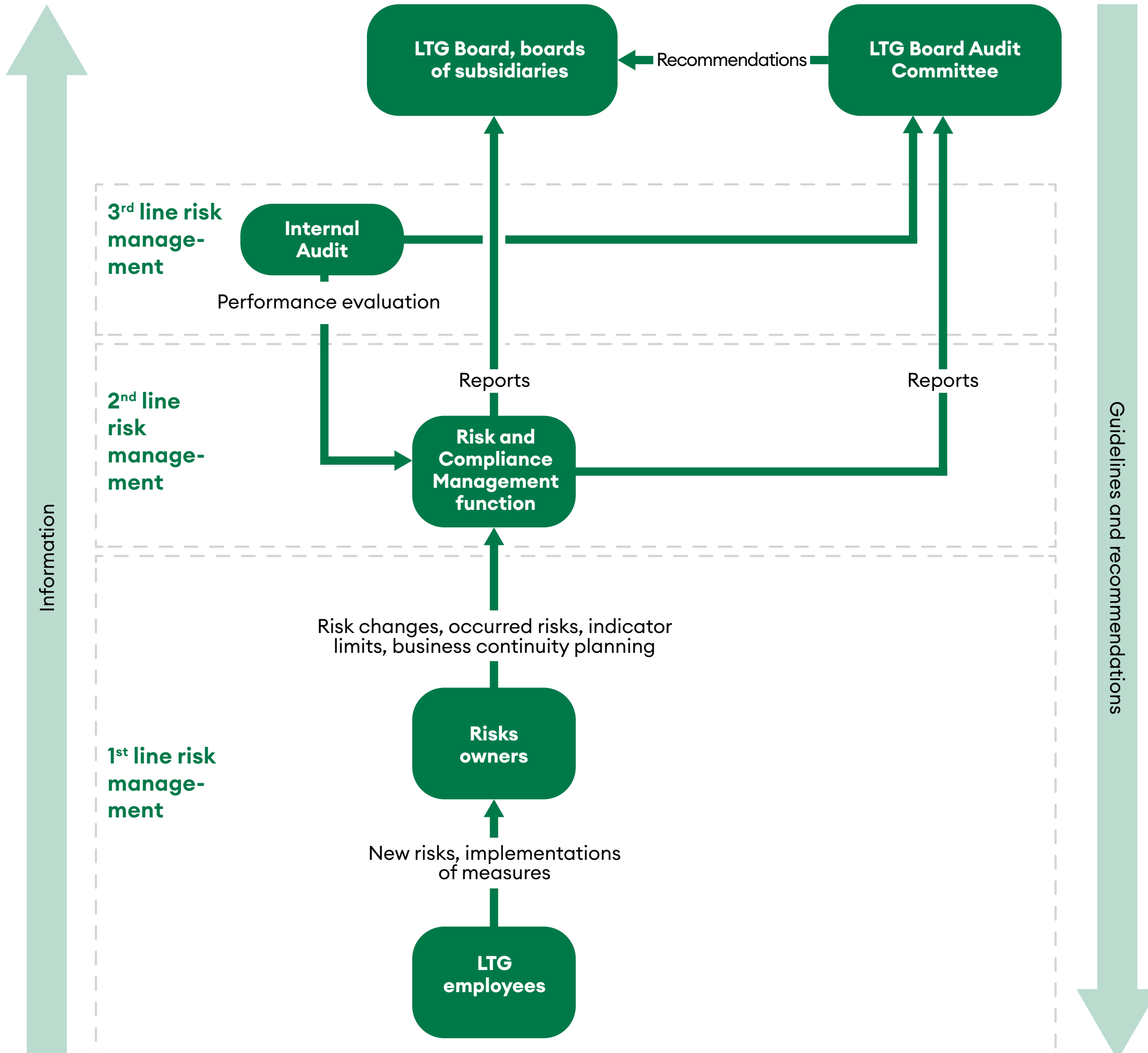
Risks and risk management

The **LTG Group's unified risk management system** is implemented and continuously improved in the Company. It is defined in the LTG Group's risk management policy, methodologies and process standards developed in accordance with the International Organisation of Standardisation (ISO 31000) and the Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management (COSO ERM).

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

- 1st line risk management activities are carried out by LTG Group companies and LTG corporate functions that identify, assess and manage risks, and ensure the development of business continuity plans.
- 2nd line risk management activities are carried out by LTG's Risk and Compliance Management function, which develops and refines the overall framework, carries out coordination and control activities, provides consultancy and education on methodological and expert risk management issues to the companies and business units operating at the 1st level of risk management, and prepares reports to the senior management on risk management.
- 3rd line risk management is performed by the Internal Audit Division of LTG, which carries out an independent assessment of the effectiveness of risk management levels 1 and 2, and provides comments and recommendations.

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



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

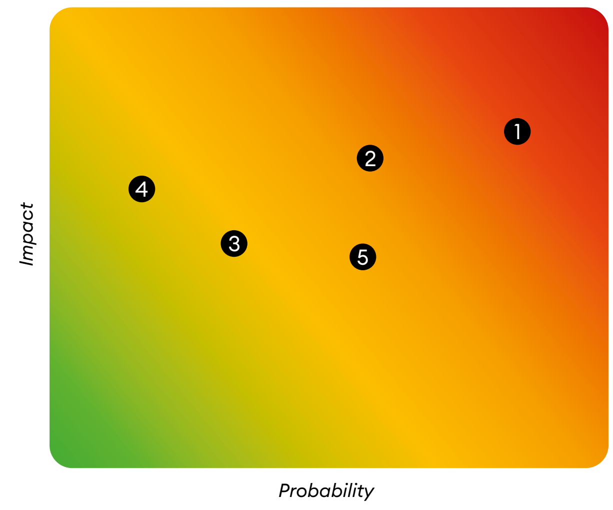
1. Risk identification, analysis and assessment.
2. Preparation of risk management plans.
3. Implementation of risk management plans.
4. Monitoring risk management.
5. Reporting and communication.

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

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

In the LTG Group, strategic decisions are made taking into account the experience gained, the identified and managed risks and resilience of the activities carried out, as well as the context of the external environment and related global factors. Based on the nature of the Company's business, the main risks that were relevant in 2025 are presented further in this report.

Risk map



1. Not secured external funding for strategic infrastructure projects.
2. Operational and process disruptions arising from the use of outdated and less efficient technologies.
3. Resilience of infrastructure and operations to climate change.
4. Lack of contractor capacity to meet LTG Infra's needs.
5. Risk of safety incidents.

Main risks and their management measures

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

** At the end of the year, due to the applied funding mechanisms, the risk level increases*

Enhancing preparedness and resilience

The Company consistently strengthens its preparedness through organizational and technical measures. It operates according to a unified LTG Group program, which consists of 5 parts:

1. preparation of business continuity plans;
2. training of employees;
3. ensuring critical resources;
4. protection of critical infrastructure;
5. continuous monitoring of events and learning during exercises.

Moreover, in order to ensure business continuity and preparedness for possible crises, LTG Group constantly cooperates with responsible state institutions and participates in inter-institutional coordination formats. During the reporting year, business continuity plans were reviewed, employee training activities and practical exercises were organized to strengthen emergency preparedness and crisis management capabilities, Company also participated in inter-institutional exercises of national significance. These measures not only increase resilience and ensure reliable service provision in various operating conditions but it also ensure the Company's appropriate contribution to strengthening national security.

Additional information

Information about the Auditor

Audit of the financial statements of the Company is performed in accordance with International Standards on Auditing.

The public procurement contract for the audit of the consolidated LTG and separate financial statements of LTG Group subsidiaries, 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 the audit services was signed on 27 July 2023.

The contractual fee set for the audit firm for the audit of the Company's financial statements for 2025 is EUR 76.6 thousand (excluding VAT), and for other non-audit services (accounting separation reports, limited assurance engagements in accordance with the International Standard on Assurance Engagements 3000, limited assurance engagements on the calculation of the result and justification of its use in the report on the public railway infrastructure manager's performance by breaking down the performance of the railway infrastructure manager's operations into certain key activities, limited assurance engagements on the report on the calculation and justification of the use of the result in accordance with the International Standard on Assurance Engagements 3000) is EUR 38.0 thousand (excluding VAT).

During the reporting period, in addition to auditing the Financial Statements, the auditor also provided the Company with translation (EUR 2.4 thousand (excluding VAT)) and consulting services.

Information on compliance with the transparency guidelines for state-owned enterprises

The Company complies with the requirements of the Guidelines for Transparency of the Activities of State-Owned Enterprises (reference in original language), approved by the Government of the Republic of Lithuania by Resolution No 1052 of July 14, 2010, by disclosing the required information in its annual and interim reports and by ensuring disclosure of the information on its website.

Structured information of the compliance with the guidelines on transparency

Clause of the guidelines for ensuring the transparency of activities of state-owned enterprises		Disclosure
	Section II Disclosure of information of a state-owned enterprise	
5.	The following data and information must be announced in the internet website of a state-owned enterprise:	
5.1.	Name:	Yes
5.2.	Code and register, where data about the company is filed and stored;	Yes
5.3	Registered office (address);	Yes
5.4.	Legal status, if a state-owned enterprise is under reformation, reorganisation (indicate the way of reorganisation), liquidation, is becoming or has become bankrupt;	Legal status is not registered
5.5.	The name of the institution representing the State and a link to its website;	-
5.6	operating goals, vision and mission;	Yes
5.7.	structure;	Yes
5.8.	data about the head of the enterprise;	Yes
5.9.	data about the chairman and members of the Board, if formed according to the Articles of Association;	Yes
5.10.	data about the chairman and members of the Supervisory Council, if formed according to the Articles of Association;	Not formed
5.11.	names of committees, if formed; data about their chairmen and members;	Disclosed in the website of the parent LTG
5.12.	the sum of the nominal values of the state-owned shares (in euro to the nearest euro cent) and the share (in percentage) in the authorised capital of the state-owned enterprise;	Yes
5.13.	special obligations shall be carried out in accordance with the guidelines approved by the Minister of Economy and Innovation of the Republic of Lithuania: the purpose of the special obligations is specified, the state budget appropriations allocated for their execution in the current calendar year and the legal acts, by which the state-owned enterprise is entrusted with the execution of the special obligation, are indicated, the terms and conditions for the execution of the special obligation and / or the regulated pricing shall be specified;	Yes
5.14.	information on social responsibility initiatives and measures, important ongoing or planned investment projects.	Yes
6.	In order to ensure publicity regarding the professionalism of the members of the management and supervisory bodies, as well as of the committees, of State-owned enterprises, the following data is published for the persons referred to in sub-paragraphs 5.8 to 5.11 of the Description: name, surname, date of commencement of the current position, any other managerial positions held in other legal entities, education, qualifications, professional experience. If the person referred to in points 5.9 to 5.11 of the Description is elected or appointed as an independent member, this shall be indicated in addition to his details.	Yes
7.	The following documents shall be announced in the website of a State-owned enterprise:	
7.1.	Articles of Association;	Yes
7.2.	statement from an institution representing the State regarding the establishment of the goals and expectations of the State in a state-owned enterprise;	Yes
7.3.	the business strategy or a summary thereof in cases where the business strategy contains confidential information or information which is considered a commercial (industrial) secret;	Yes
7.4.	document establishing the remuneration policy, setting out the remuneration of the head of a state-owned enterprise and the remuneration of members of collegial bodies and committees formed in a state-owned enterprise, as detailed in the Code of Corporate Governance;	Yes
7.5.	annual and interim reports of a state-owned enterprise, annual and interim activity reports of a state-owned enterprise for a period of at least five years;	Yes
7.6.	annual and interim financial statements and auditor's reports on annual financial statements for a period of at least five years;	Yes

	Clause of the guidelines for ensuring the transparency of activities of state-owned enterprises	Disclosure
8.	If the State-owned company is the parent company, its website shall publish the structure of the group of companies, as well as the particulars referred to in points 5.1 to 5.3 of the Description, the website addresses, the percentage of the parent company's shareholding in the share capital of the subsidiaries, the annual consolidated financial statements and the consolidated annual reports.	Structure of LTG Group is published on the LTG's website LTG Infra has no subsidiaries
9.	If the State-owned company is a participant in legal entities other than those referred to in point 8 of the Description, the data and website addresses of those legal entities referred to in points 5.1 to 5.3 of the Description shall be published on its website.	LTG Infra is not a participant of other legal entities
91.	If the company is a subsidiary or a secondary row subsidiary of a State-owned company, the website shall contain the information specified in points 5.1 to 5.3 of the Description and a link to the website of the parent company.	Yes
10.	If details specified in clauses 5, 6, sub-clauses 7.1–7.4, clauses 8, 9 and 91 of the Description change or are found to be false, information and documents must also be immediately corrected on the website.	Yes
11.	A set of annual financial statements of a state-owned enterprise, an annual report of a state-owned enterprise, an auditor's report on the annual financial statements of a state-owned enterprise must be posted on the website of the state-owned enterprise within 10 business days after their approval.	Yes
12.	Sets of interim financial statements of a state-owned enterprise, interim reports of a state-owned enterprise must be posted on the website of the state-owned enterprise within 2 months after the end of the reporting period.	Yes
13.	Documents specified in Clause 7 of the Description must be posted in the PDF format with the option of printing.	Yes
	Section III. Preparation of sets of financial statements, reports and activity reports	
14.	State-owned enterprises maintain their accounts in a manner that ensures the preparation of financial statements in accordance with international accounting standards.	Yes
15.	In addition to a set of annual financial statements, a state-owned enterprise must prepare a set of interim financial statements for the periods of 6 months, and a state-owned enterprise must prepare sets of interim financial statements for the periods of 3, 6 and 9 months.	Yes
16.	A State-owned company classified as a public-interest entity under the Law on Audit of Financial Statements of the Republic of Lithuania prepares, in addition to the annual report, a 6-month interim report. A state-owned enterprise, considered to be a public interest company in accordance with the Law on the Audit of Financial Statements of the Republic of Lithuania, apart from the annual report must additionally prepare a 6-month interim report.	Yes

	Clause of the guidelines for ensuring the transparency of activities of state-owned enterprises	Disclosure
17.	The following additional details must be provided in an annual report of a state-owned enterprise or an annual activity report of a state enterprise:	
17.1.	a short description of the operating model of the state-owned enterprise;	Yes
17.2.	information about major events, which had occurred during a fiscal year and later (prior to the preparation of the annual report or the annual activity report) and which were of primary importance to the activities of the state-owned enterprise;	Yes
17.3.	the results of implementation of the targets specified in the established business strategy of the state-owned enterprise;	Yes
17.4.	The profitability, liquidity, assets turnover, and debt indicators;	Yes
17.5.	the fulfilment of the specific obligations;	Yes
17.6.	the implementation of the investment policy, planned investment projects and investments as well as those under implementation during the reporting year;	Yes
17.7.	the implementation of the risk management policy applicable at the state-owned enterprise;	Yes
17.8.	the implementation of the dividend policy at state-owned enterprises;	Yes
17.9.	the implementation of the remuneration policy;	Yes
17.10.	The total annual remuneration fund, the average monthly salaries according to the positions held and (or) divisions;	Yes
17.11.	Information on the compliance with the provisions of Chapters II and III of the Description, including the information on how they are being implemented, what provisions have not been complied with and why.	Yes
18.	State-owned enterprises, which are not imposed a duty to prepare a social responsibility report, are recommended to respectively provide information in their annual reports on the issues of environment protection, social and personnel-related issues, the protection of human rights, anti-corruption and anti-bribery measures.	Yes
19.	If the information specified in Clause 17 of the Description is considered a commercial (industrial) secret or confidential information of a state-owned enterprise, the state-owned enterprise is entitled not to disclose such information; however, it must specify in its annual report or the annual activity report that this information is not being disclosed and specify reasons for non-disclosure.	Not relevant
20.	Other information not specified in the Description may be provided in an annual report of a state-owned enterprise.	Yes
21.	A State-owned company which is the parent company shall disclose in its consolidated annual report or, if it is not required by law to prepare a consolidated annual report, in its annual report, the structure of the group of companies, as well as, for each of its subsidiaries and for each of its subsidiaries in subsequent rows, the particulars referred to in points 5.1 to 5.3 of the Description, the percentage of the shareholding held in the subsidiary's authorised capital, and the financial and non-financial performance of its operations in the financial year. If a state-owned enterprise, which is a parent company, prepares a consolidated annual report, the requirements of Clause 17 of the Description apply to it mutatis mutandis.	LTG Infra is not a participant of other legal entities
22.	An interim report of a state-owned enterprise or an interim activity report of a state enterprise must contain a short description of the operating model of the state-owned enterprise, the analysis of financial performance for a reporting period, information on major event, which had occurred during the reporting period, and also profitability, liquidity, assets negotiability, debt indicators and their changes in comparison with the respective period of the previous year.	Yes

Information on Sustainability Report

During the reporting period, the Company has not had any financial liabilities related to ESG (Environmental, Social and Governance) performance indicators, and they have neither faced any litigation or complaints regarding climate change related or similar events, nor incurred additional costs that would significantly affect the financial statements.

Details, goals and indicators related to environmental protection, personnel, human rights, anti-corruption and anti-bribery is disclosed in the LTG Group's Consolidated Annual Management Report for 2025, where the Sustainability Report forms part thereof, covering information on sustainability related matters both of the parent company and the subsidiaries. The LTG Group's Sustainability Report for 2025 follows the European Sustainability Reporting Standards (ESRS), the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, while incorporating the recommendations and best practices of the Governance Coordination Centre. LTG Infra does not prepare a separate sustainability report as all its activities directly contribute to LTG Group's overall sustainability goals and commitments.

Sustainability management in the LTG Group

LTG aims to ensure that its future is based on a culture of sustainability and that its business decisions are guided by strong sustainability principles and values. Therefore, a separate sustainability strategy is not approved within the LTG Group; instead, the consolidated "LTG Strategy 2030: Sustainable Integration into Europe" is based on sustainability principles and commitments. The updated strategy of both, the LTG Group and LTG Infra for 2025, introduce a new strategic direction – decarbonisation. The decarbonisation plan aims to consistently reduce greenhouse gas (GHG) emissions and thus mitigate the impact on the climate.

The LTG Sustainability Policy is an important document that sets out the goals and objectives of LTG's sustainability activities, as well as sustainability principles and priorities. The policy sets out long-term priorities in the environmental, social and governance areas where LTG's activities have the greatest impact on the environment, aim to create the greatest value and make a significant difference. Sustainability management in LTG is centralised and is equally important for all LTG companies and activities.

Activities of the LTG Group are based on the operating principles set out in the United Nations Global Compact, the resolutions of the Paris Agreement, objectives of the European Green Deal. The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the recommendations of the Governance Coordination Centre established by the Government of the Republic of Lithuania, which ensure the implementation of good governance principles in state-owned enterprises, are also essential for sustainability activities.

Sustainability priorities, objectives

In 2025, LTG conducted a comprehensive double materiality assessment (DMA) aimed at understanding and managing impacts, risks, and opportunities in the field of sustainability. Among the key topics highlighted are the reduction GHG (greenhouse gas) emissions, improvement of energy efficiency, assurance of human rights, health and safety at work, diversity and non-discrimination, contribution to community well-being, ensuring data security and privacy, business ethics, and prevention of corruption and bribery.

The priorities and goals of LTG Infra, as well as the entire LTG Group, in the areas of environmental, social, and governance are set for the strategic period, taking into account where and how the LTG, through its activities, has the greatest impact on the environment and society, can create the greatest value, and make significant and measurable changes. The priorities also contribute to the implementation of LTG mission and vision, correspond to the values of organisation and expectations of stakeholders. When determining the LTG's sustainability priorities and goals, and indicators, reliance is placed on the double materiality assessment, the Corporate Sustainability Reporting Directive (CSRD), relevant national and EU policies, and best governance practices.

Detailed information about the LTG Group's sustainability priorities, goals, and indicators is provided in the Sustainability Report section of the LTG Group's Consolidated Annual Management Report. The Report is available on the Group's website (reference).

Sustainability activities in the Company

The Company aims to organise its activities with minimum negative impact on nature and maximum positive impact on people's quality of life. Creating a sustainable future is defined by LTG Infra in its 2026–2030 strategy within the decarbonisation strategic direction. The Company aims to reduce its impact on the environment and climate change by increasing energy efficiency and the share of renewable energy sources (RES) used in its operations.

Environmental protection

The Environmental section of the LTG Group's Sustainability Report discloses the LTG Group's environmental objectives and priorities in order to contribute to the reduction of climate impacts and mitigation of climate change and to become a climate neutral organisation by 2050, as well as the initiatives and projects carried out by the LTG Group's companies, including the Company, to reduce their impact on the climate and the environment, and the environmental performance indicators monitored.

- **Reducing impacts on climate change:**
  - Electrification projects. Perhaps the most significant project of the Company, which will determine further steps towards sustainable operations, is the electrification project of the Vilnius railway hub and the railway section Kaišiadorys–Klaipėda. By the end of 2025, 96% of all construction works were completed, and in 2026, the network certification is planned to be finished and the network prepared for electric train traffic. It is anticipated that by the end of 2026, passenger electric trains will be ready to participate in traffic. The completion of this electrification project, which is important for efficient and green mobility, will not only significantly increase the competitiveness of the Lithuanian transport sector, but will also reduce emissions by as much as 150,000 tonnes per year, enabling the Company to make a significant contribution to a more sustainable future for Lithuania. In addition, the electrification of the Kaišiadorys–Klaipėda section and the Vilnius junction will raise the electrification rate of Lithuanian railways to 28%, and to around 35% when Rail Baltica is completed.
  - Rail Baltica project. Achievements of the Rail Baltica project in 2025 are described in the Business Development strategic direction, which is outlined in the Strategy section of the report. It is noteworthy that a significant achievement, related not only to the business development strategic direction but also to the reduction of climate change impact, was the electrification agreement signed in September by the three Baltic companies implementing the Rail Baltica project. The essence of the agreement is the electrification of the Rail Baltica line running through all three Baltic countries. The contract was signed with the COBELEC Rail Baltica consortium, consisting of the Spanish companies Cobra Instalaciones y Servicios S.A. and Elecnor Servicios y Proyectos S.A.U. From the Lithuanian side, it was signed by LTG Infra, from the Latvian side by Eiropas dzelzceļa līnijas, and from Estonian side by Rail Baltic Estonia. The electrification of the Rail Baltica European railway is considered the largest cross-border railway electrification project in Europe, implemented as a single joint project. The first phase of electrification is expected to be completed by 2030, with LTG Infra ensuring the implementation of construction works in Lithuania.
  - In implementing the strategic LTG and EU project Rail Baltica, environmental impact assessments (EIAs) have been conducted for all high-speed railway sections in Lithuania, including the final Kaunas–Vilnius stage. The assessment of such a large-scale project, spanning various natural and urbanised areas, from social, economic, and environmental perspectives was a challenge both for LTG Infra, the Company executing the project, and for the evaluators engaged for the assessments.
- **Green electricity and energy efficiency:**
  - At the Vilnius intermodal terminal, an "Ignitis ON" fast charging station has been installed, allowing electric trucks bringing containers or trailers for further rail transport to charge on-site and continue their journey. Infrastructure for electric trucks at intermodal terminals paves the way for the expansion of the electric truck fleet in Lithuania, which is particularly important for reducing the pollution footprint of freight transport.
  - LTG Infra has successfully completed a pilot project on the Kyviškės–Vaičiūnai section, where a solar power plant integrated into a noise barrier wall generated 16 MWh of electricity annually, exceeding initial expectations. This dual-purpose solution not only effectively protects residents from noise but also ensures sustainability by reducing CO_2 emissions and utilising existing infrastructure for electricity production. The results confirmed that such innovations are technically reliable and could be widely applied in future railway network repairs and modernisation works.
- An important part of LTG Infra's sustainable policy is **handling of used wooden sleepers**. In pursuit of the LTG environmental strategy goals for 2030 and to reduce the number of storage locations for used wooden sleepers, 2,886 tons of sleepers were managed in 2025, with 2,124 tons disposed of and 762 tons sold for secondary use.
- LTG Infra has successfully tested innovative composite sleepers on the bridge located in the Joniškis–state border with Latvia section, confirming their technical reliability for continuous operation. This solution, made from recyclable materials, ensures long-term sustainability and a lower carbon footprint, directly contributing to the implementation of circular economy goals. The unique experience gained will be applied in planning future railway infrastructure repairs and modernizing the country's bridges.
- In addition to the Company's major projects to reduce pollution, suppress noise, and contribute to green zones

in cities and their surroundings, LTG Infra continues initiatives for planting greenery alongside railways. In 2025, 155 common oaks were planted at the Kalvarija railway station, beautifying the station's surroundings and contributing to the maintenance of a sustainable, clean environment.

Communities

The Company makes sure that all market players are involved in the development of the network, in the planning of repairs, and in innovation. Each year, it organises regular annual meetings with contractors and suppliers to present the Company's procurement and investment plans. This allows market players to prepare for upcoming projects.

LTG Infra also introduced social initiatives aimed at maintaining a good communication and relationships with customers and the public, as well as encouraging travel by trains, which are among the greenest means of transport:

- On 5 September, at the Vilnius railway station, LTG Infra together with "Mamų unija" and LTG, inaugurated the Golden Ribbon Platform - a sensitive art installation dedicated to Children's Cancer Awareness Month. Nearby, a Golden Ribbon Bench was installed – a place for reflection, support, and fellowship.
- On the occasion of Railway Workers' Day, the LTG Group annually opens railway infrastructure sites usually inaccessible to the public. In 2025, among them was the construction site of the future longest Rail Baltica railway bridge over the Neris, visited by 3 tour groups, totalling more than 100 visitors. This was the first event where the public was closely introduced to complex engineering solutions, the latest construction technologies, and the progress of one of the most important infrastructure projects in Lithuania. LTG Infra and the contractor Rizzani de Eccher provided conditions for the general public to safely visit one of the most interesting Rail Baltica structures.
- In response to the decreasing number of students enrolling in exact sciences and the overall lack of experience in high-speed railway infrastructure design, LTG Infra established a Rail Baltica design division. One of its key objectives is to attract specialists from abroad, accumulate knowledge, develop competencies, and apply them in future projects. The division has taken steps to motivate the younger generation to choose engineering studies and careers by initiating an educational "Engineering Class" for school students. The division employees meet with students in schools, present the Rail Baltica project, and aim to collectively enhance the prestige of engineering careers in Lithuania.
- Due to the deteriorating condition of regional roads, public dissatisfaction, and the potential contribution of the Rail Baltica project to overall road wear, discussions were held with representatives of concerned municipalities. Primarily in those municipalities where Rail Baltica construction is already underway, including Jonava, Kėdainiai, and Panevėžys.
- As the implementation of the European railway Rail Baltica line expands, the Ministry of Transport and Communications of the Republic of Lithuania, together with LTG Infra, updated responses to frequently asked questions by residents about land acquisition for public needs. Planning new infrastructure is a complex process, and these questions are sensitive to many Lithuanian residents. The updated FAQ aims to inform them about the processes, their rights, opportunities, and additionally remind them where they can ask questions about each resident / property owner's situation.

Well-being of employees and organisational culture

The **Social Area section** of the LTG Group's Sustainability Report discloses the LTG Group's social priorities, initiatives carried out throughout LTG Group companies to ensure well-being, development, safe work environment, equal opportunities, etc. for employees, also unified policies, standards and other internal documentation regulating personnel related issues applied within the LTG Group as a whole, and the monitored priority indicators related to personnel.

Employee engagement and well-being remain among the Company's key social priorities. More information about LTG Infra's employee-related initiatives and indicators, objectives and achievements in this area can be found in the *Employees and Remuneration* section of this report, with comprehensive measures for achieving best results outlined in the LTG Group's Sustainability report.

LTG Group has a **zero-tolerance approach to corruption**, which means that any form of corruption is not tolerated in LTG Group companies. In the Governance Area section of the LTG Group's Sustainability Report, internal documents which, in addition to the laws and regulations of the Republic of Lithuania, regulate corruption prevention within the LTG Group, including conclusion of business transactions and public procurements, and which are followed by each LTG Group company in the course of their activities. It discloses corruption risks and their management measures, measures of employee training on corruption prevention, corruption resistance indicators monitored. It should be noted that the LTG Group has for several years been operating in line with the requirements of the international standard ISO 37001:2016 *Anti-bribery management systems. Requirements and Guidelines* for Use and focuses on the review and improvement of internal business processes.

Information on sustainability activities and projects of LTG Group is also available on the website of the parent company (reference).

Other information

Information about the main intangible resources and their potential impact on the Group's business model and value creation is disclosed in the integrated parts of the LTG Group's Consolidated Annual Management Report: Strategy, Governance Report, Remuneration Report, and Sustainability Report. Information is disclosed regarding human resources, working conditions, training, and applied motivational systems, the value creating mechanism and value chain participants, the use of advanced technologies in operations and innovative projects being implemented, relationships with clients, suppliers, and investors, and their management, as well as unified policies and standards applied across the Group, and etc.

During the reporting period, the Company has not had any financial liabilities related to ESG (Environmental, Social and Governance) performance indicators, and they have neither faced any litigation or complaints regarding climate change related or similar events, nor incurred additional costs that would significantly affect the financial statements.

Details, goals and indicators related to **environmental protection, personnel, anti-corruption and anti-bribery** are disclosed in the LTG Group's Consolidated Management Report for 2025, where the Sustainability Report forms part thereof, covering information on sustainability matters both of the parent company and the subsidiaries.

Definitions

Indicator	Definition of calculation
Revenue	Sales revenue + Government grant revenue + Other activity income (excluding Finance income)
Sales revenue	Revenue, excluding Government grant revenue, Other activity income and Finance income
Revenue from government grants	State budget funds to finance operations of LTG Infra
Expenses	Costs, excluding Corporate income tax and Finance costs
Financial debt	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
Net Debt	Financial debt - Cash and cash equivalent investments
Return On Equity (ROE)	Net profit (loss) for the last 12 months period / Average of equity at the beginning and end of the reporting period
Return On Assets (ROA)	Net profit (loss) for the last 12 months period / Average of assets at the beginning and end of the reporting period
Return On Investment (ROI)	Net profit (loss) for the last 12 months period / Average assets as at the beginning and the end of the reporting period - Average current liabilities as at the beginning and the end of the reporting period
EBIT	Profit (loss) before the corporate income tax – Financial activity results
EBITDA	Profit (loss) before the corporate income tax – Financial activity results + Depreciation and amortisation
Adjusted EBITDA	Profit (loss) before the corporate income tax + Interest expenses – Interest income + Depreciation and amortisation + (decrease) increase in the value of non-current assets, inventories and investments + (decrease) increase in the value of amounts receivable and contract assets + Costs of provisions not related to operating activities
EBIT margin*	EBIT / Sales revenue
EBITDA margin*	EBITDA / Sales revenue
Adjusted EBITDA margin*	Adjusted EBITDA / Sales revenue

Indicator	Definition of calculation
Net profit margin*	Net profit (loss) / Sales revenue
Equity ratio	Equity at the end of the reporting period / Assets at the end of the reporting period
Asset turnover ratio*	Sales revenue for the period of the last 12 months / Assets at the end of the reporting period
Financial debt / EBITDA	Financial debt / EBITDA for the last 12 months
Financial debt / Equity (D/E)	Financial debt / Equity at the end of the reporting period
Net debt / EBITDA	Net Debt / EBITDA for the last 12 months
Quick ratio	Current assets at the end of the reporting period – Current liabilities at the end of the reporting period / Current liabilities at the end of the reporting period
Current ratio	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Train operational volume (gross-gross ton/km)	A volume indicator calculated by multiplying the train's gross weight, including the weight of the operating locomotive, by the distance travelled (including the weight of the traction rolling stock / locomotive, the towed railway rolling stock / train, and its cargo. Passengers and their luggage, shunting and similar volumes are not included).
Number of employees	The number of listed active employees as at the end of the period (excluding the employees on parental leave, military service, long-term incapacity)
Average salary	Calculated gross salary per full-time equivalent employee

**When calculating the LTG Infra's financial indicators, Sales revenue is increased by Government grant revenue.*

Abbreviations

AS	Average salary
ESG	Environmental, Social and Corporate Governance
EU	European Union
IFRS	IFRS Accounting Standards
IT	Information technologies
KIT	Kaunas Intermodal Terminal
LTG	Parent company AB Lietuvos Geležinkeliai
LTG Cargo	AB LTG Cargo
LTG Group, Group	AB Lietuvos Geležinkeliai and its subsidiaries
LTG Infra, the Company	AB LTG Infra
LTG Link	UAB LTG Link
MAP	Minimum access package to public railway infrastructure.
NPS	Net Promoter Score
Repair undertaking	Undertakings which go to / from the construction, repair and / or maintenance sites of the railway infrastructure objects

RINF	ERA registers of infrastructure (ERA – European Railway Agency)
RNE	RailNetEurope
RSF	Railway Service Facilities
RTC	Railway Transport Code of the Republic of Lithuania
SAP	Enterprise management system
SOE	State-owned enterprise
ŠIT	Šeštokai Intermodal Terminal
UDM	Unified Data Model
USA	United States of America
VAT	Value Added Tax
VIT	Vilnius Intermodal Terminal
VKC	VšĮ Valdymo koordinavimo centras - Analytical and Good Governance Centre established by the Government of the Republic of Lithuania to ensure coherent and professional management of state-owned enterprises

Financial statements

Prepared in accordance with IFRS accounting standards as adopted by the
European Union, independent auditor’s report for the financial year ended 31 December 2025

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Independent Auditor's Report

To the Shareholders of AB "LTG Infra"

Opinion

We have audited the financial statements of AB "LTG Infra" ("the Company"). The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to the audit of financial statements in the Republic of Lithuania, and with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants. We have also fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's management report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Company code: 111494971
VAT code: LT114949716

In addition, our responsibility is to consider whether information included in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report, excluding the requirements for the information on sustainability matters, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report, excluding the requirements for the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of KPMG Baltics, UAB

Vilmantas Karalius
Certified Auditor
Auditor’s Certificate No. 000371

Vilnius, the Republic of Lithuania
25 March 2026

The electronic auditor‘s signature applies only to the Independent Auditor‘s Report on pages 74 to 76 of this document.

Statement of financial position

	Notes	2025	2024
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,128,562	1,931,613
Land		151,078	152,732
Buildings and structures		1,026,394	1,031,484
Machinery and equipment		55,119	56,094
Vehicles		13,208	12,828
Other assets, fixtures, fittings and tools		3,423	4,638
Construction in progress and prepayments		879,340	673,837
Right-of-use assets	8	4,396	1,702
Intangible assets	9	19,304	13,076
Software		14,030	9,421
Other intangible assets		5,274	3,655
Investment property	10	2,568	1,407
Financial assets	12	43	127
Other non-current assets		89	97
Total non-current assets		**2,154,962**	**1,948,022**
CURRENT ASSETS			
Inventories	11	28,786	20,668
Non-current assets held for sale	11	1,167	261
Trade and other receivables	12	47,611	29,806
Prepayments	13	4,421	3,187
Cash and cash equivalents	14	103,046	33,701
Total current assets		**185,031**	**87,623**
TOTAL ASSETS		**2,339,993**	**2,035,645**

	Notes	2025	2024
EQUITY			
Authorised capital	15	660,081	654,928
Legal reserve	15	-	-
Other reserves	15	-	-
Retained profit (loss)	16	(28,545)	(22,799)
Total equity		**631,536**	**632,129**
LIABILITIES			
NON-CURRENT LIABILITIES:			
Grants	17	1,300,462	1,104,340
Loans and other borrowings	18	137,702	93,968
Lease liabilities	19	3,362	1,003
Employee benefits	20,24	4,130	3,588
Trade and other payables	21	4,155	20,369
Provisions	22	39,623	16,519
Deferred tax liabilities	26	10,076	11,228
Total non-current liabilities		**1,499,510**	**1,251,015**
CURRENT LIABILITIES			
Grants	17	16,267	14,937
Loans and short-term portion of long-term loans	18	51,611	28,782
Lease liabilities	19	1,100	731
Employee benefits	20,24	11,642	10,305
Trade and other payables	21	128,327	97,746
Total current liabilities		**208,947**	**152,501**
TOTAL EQUITY AND LIABILITIES		**2,339,993**	**2,035,645**

The Financial Statements and the Explanatory Notes to the Financial Statements, set out on page 77-116, were approved and signed on 25 March 2026 by:

VYTIS ŽALIMAS
Chief Executive Officer

KĘSTUTIS MOTIEJŪNAS
Chief Financial Officer

RŪTA JENCIENĖ
UAB LTG Kompetencijų centras
Financial Controller acting under Decision No. SPR- L1(KC)-1/2026 of 05 February 2026

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

Statement of profit or loss and other comprehensive income

	Notes	2025	2024
Sales revenue	23	134,340	119,173
Revenue from government grants	17, 23	82,176	65,634
Other operating income	23	600	1,079
Total revenue		217,116	185,886
Remuneration and social insurance expenses	24	(65,880)	(60,240)
Depreciation and amortization	7,8,9,10,17	(60,825)	(59,833)
Materials		(17,734)	(7,619)
Fuel		(1,132)	(1,054)
Electricity		(6,654)	(7,849)
Repairs and maintenance		(15,597)	(14,270)
Management and general administration services		(27,658)	(24,061)
Increase (decrease) in the value of non-current assets		(505)	761
Write-down of inventories to net realisable value (reversal)		(720)	(64)
Increase (decrease) in receivables		(40)	24
Decrease (increase) in provisions	22	10	-
Other costs		(20,573)	(16,315)
Total costs		(217,308)	(190,520)
Operating profit (loss)		(192)	(4,634)

	Notes	2025	2024
Income from financing activities		131	1,423
Finance expenses		(9,354)	(7,549)
Financial activity result, net	25	(9,223)	(6,126)
Profit (loss) before taxation		(9,415)	(10,760)
Corporate income tax	26	819	1,934
Net profit (loss)		**(8,596)**	**(8,826)**
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		**(8,596)**	**(8,826)**

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

Statement of changes in equity

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Balance as at 31 December 2023		**654,928**	**1,258**	**3,117**	**(17,396)**	**641,907**
Net profit (loss)		-	-	-	(8,826)	(8,826)
Total comprehensive income (expenses)		-	-	-	(8,826)	(8,826)
Unrecognised profit (loss) for the reporting year	16	-	-	-	(952)	(952)
Reserves used	15	-	(1,258)	(3,117)	4,375	-
Total transactions with owners of the Company		-	(1,258)	(3,117)	3,423	(952)
Balance as at 31 December 2024		**654,928**	**-**	**-**	**(22,799)**	**632,129**
Net profit (loss)		-	-	-	(8,596)	(8,596)
Total comprehensive income (expenses)		-	-	-	(8,596)	(8,596)
Unrecognised profit (loss) for the reporting year	16	-	-	-	2,850	2,850
Increase in authorised capital	15	5,153	-	-	-	5,153
Total transactions with owners of the Company		5,153	-	-	2,850	8,003
Balance as at 31 December 2025		**660,081**	**-**	**-**	**(28,545)**	**631,536**

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

Statement of cash flows

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		**(8,596)**	**(8,826)**
ADJUSTMENTS			
Depreciation and amortisation	7,8,9,10	86,942	84,386
Grants (amortisation)	17	(26,117)	(24,553)
(Gain) loss from disposal / write-off of non-current assets		934	1,344
Impairment (reversal)		1,265	(721)
Change in accumulated income/expenses		(644)	6,968
Interest (income) and other charges related to loans		6,447	6,982
Interest of lease liabilities		75	30
Increase (decrease) in provisions		(10)	-
Income tax expenses (income)		(819)	(1,934)
Cash flows from operating activities after adjustment		**59,477**	**63,676**
CHANGES IN WORKING CAPITAL			
Decrease (increase) in inventories		(1,136)	656
Decrease (increase) in trade and other receivables and prepayments*		(100,085)	(73,383)
Increase (decrease) in current and non-current trade payables and received prepayments		19,144	12,260
Increase (decrease) in employment-related liabilities		1,587	1,011
Increase (decrease) in other non-current and current payables		609	(10,805)
Net cash from operating activities		**(20,404)**	**(6,585)**

	Notes	2025	2024
CASH FLOW FROM INVESTING ACTIVITIES			
(Acquisition) of non-current assets		(277,844)	(265,280)
Disposal of non-current assets		155	3,460
Interest received		2	295
Net cash from investing activities		**(277,687)**	**(261,525)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received	18	82,423	11,982
Loans (repayment)	18	(15,555)	(15,555)
Interest and other loan-related charges	18	(6,832)	(7,541)
Received/repaid grants for acquisition of assets and balancing revenue (expenses)	17	308,520	236,955
Interest on lease liabilities	19	(75)	(30)
Lease liability payments	19	(1,045)	(1,022)
Net cash flows from financing activities		**367,436**	**224,789**
Net increase (decrease) in cash and cash equivalents		**69,345**	**(43,321)**
Cash and cash equivalents at the beginning of the period		**33,701**	**77,022**
Cash and cash equivalents at the end of the period		**103,046**	**33,701**

** incl. grants of EUR 82,176 thousand to balance revenue and expenditure (2024: EUR 65,634 thousand)*

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

Explanatory notes

1. General information

AB LTG Infra was registered with the Register of Legal Entities of the Republic of Lithuania on 1 July 2019. In performing its activities, the Company is governed by the Constitution of the Republic of Lithuania, the Law of the Republic of Lithuania on Companies, the Code of Railway Transport of the Republic of Lithuania and other legislation effective in the Republic of Lithuania.

The Company is a private legal entity of limited civil liability independently organising economic, financial, organisational, and legal activities. AB LTG Infra is part of AB Lietuvos Geležinkeliai Group and its sole shareholder is AB Lietuvos Geležinkeliai (LTG). Company registration code: 305202934, VAT code: LT100012666211, legal (registration) address: Geležinkelio St. 2, LT-02100 Vilnius

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

As at 31 December 2025 and 2024, the Company's sole shareholder was the parent company LTG. 100 percent of the shares of LTG are held by the state of Lithuania, represented by the Ministry of Transport and Communications of the Republic of Lithuania.

The Company has no branches and representative offices.

The listed number of active employees at the end of the period (excluding the employees on parental leave, employees doing military service, long-term incapacity) was 2,520 as at 31 December 2025 (as at 31 December 2024: 2,353).

2. Basis of preparation

Basis of preparation. The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (thereinafter - IFRS). The financial statements for the year ended 31 December 2025 have been prepared on a going concern basis and are valued using the historical cost method unless otherwise stated. These financial statements present comparative information for the previous reporting period.

The cash flow statement is prepared using the indirect method.

Functional and presentation currency. The functional currency of the Company is euro. In these financial statements, all amounts are presented in thousands of euros, unless otherwise indicated. Discrepancies between figures in the tables may occur due to rounding. Such mismatches in the financial statements are considered immaterial.

Non-current tangible and intangible assets. The initial value of property, plant and equipment comprises the acquisition cost, including non-refundable acquisition taxes, capitalised borrowing costs and any directly attributable costs incurred in preparing the asset for use or bringing it into use. Costs incurred after the property, plant and equipment is placed in service are generally recognised in profit or loss of the period in which they are incurred.

The acquisition cost of an item of property, plant and equipment includes the costs of replacing parts of property, plant and equipment as incurred, provided that these costs meet the criteria for recognition. The carrying amount of the replaced part of the asset is written off. Repair costs are added to the residual value of an asset if it is probable that future economic benefits will flow to the Company from those costs and they can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss.

Property, plant and equipment include spare parts, spare plant and maintenance equipment when they meet the definition of property, plant and equipment. The residual values and useful lives of the assets are reviewed at least annually and are adjusted, if necessary.

Intangible assets from which the Company expects to derive future economic benefits have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. The Company determines the exact useful life for its intangible assets. Intangible assets include capitalised computer software, licenses. The acquired computer software, licences, patents are capitalised on the basis of the costs incurred in acquiring and bringing them into use.

Amortisation of intangible assets is calculated on a straight-line basis over their estimated useful lives or specific maturity time, if determined. The useful life is reviewed on an annual basis.

Groups of intangible non-current assets	Useful life in years
Development work	-
Software	3-15
Concessions, patents, licenses, brands	3-3
Other intangible assets	4-47

Depreciation. Depreciation of land plots is not calculated. Depreciation of other groups of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives.

Groups of property, plant and equipment	Useful life in years
Buildings and structures	8-122
Machinery and equipment	5-53
Road vehicles	5-15
Rolling stock (including wagons)	8-24
Computers and hardware	3-10
Other fixtures, fittings and tools	4-65
Land	Indefinite

On each date of the statement of financial position, the Company annually evaluates the useful life of the assets.

Impairment of property, plant and equipment and intangible assets. If the estimated recoverable amount of an asset (or group of income-generating assets) is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount of the asset (or group of income-generating assets). Impairment losses are recognised immediately in the statement of profit or loss and other comprehensive income. Intangible assets are written off when the economic benefits from the use or disposal are no longer expected. Gains and losses arising on derecognition of intangible assets are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of Profit or Loss.

Inventories. Inventories are measured at the lower of cost and production cost and are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and potential selling costs. The cost is calculated under the FIFO method. The cost of inventories is net of volume discounts and rebates, received from suppliers during the reporting period, but it applies to the inventories still held in stock. The inventories that may not be realised are fully written off. The structure of the Company's inventories is presented in Note 11. Assets manufactured for the benefit of partners and intended for transfer are also recorded under inventories.

The change in the write-down of the Company's inventories to net realisable value is reflected under the item of expenses of write-down to the net realisable value in the Statement of Profit or Loss and Other Comprehensive Income.

Construction in progress. Construction in progress refers to tangible assets the construction of which has not yet been finished. The cost of such assets comprises the cost of design, construction work, plant and equipment to be installed and other directly attributable costs. Construction in progress is accounted for at acquisition (production) cost less impairment losses. Construction in progress is reclassified to the appropriate property, plant and equipment group right after it is completed and the constructed asset is ready for its intended use.

Prepayments for non-current assets are classified as non-current assets due to their usage in long-term operations, and are shown under construction in progress in the Statement of Financial Position.

Inventories intended for repair of non-current tangible assets and complying with provisions of IAS 16 shall be reclassified from inventories to construction in progress.

Assets held for sale. Assets (or groups of assets) held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. An available-for-sale asset is reclassified if it meets the criteria for such assets provided in IFRS 5.

If the estimated recoverable amount of an asset (or group of income-generating assets) is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount of the asset (or group of income-generating assets). Impairment losses are recognised immediately in the statement of profit or loss and other comprehensive income.

Financial instruments – mean any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another.

Financial assets. The Company's financial assets include trade and other receivables, and loans.

The Company recognises financial assets on a trade-date basis. On initial recognition, the Company measures financial assets at fair value, except for trade receivables that do not include a significant financing component. Financial assets, if not measured at fair value through profit or loss, are initially measured at fair value, including the fair value of an instrument and transaction costs directly attributable to the acquisition of the financial asset.

The Company's principal financial assets that are not measured at fair value consist of cash and cash equivalents, trade and other receivables. Financial liabilities not measured at fair value comprise trade and other payables and liabilities, and borrowings.

Financial assets that are measured at amortised cost in subsequent periods are measured using the imputed interest rate method. Amortised cost is reduced due to impairment losses. Interest income, foreign exchange profit and loss are accounted for through profit (loss). Any derecognition profit or loss are accounted for in the statement of profit or loss and other comprehensive income.

Credit-impaired financial assets. Impairment losses due to credit risk on financial assets measured at amortised cost are measured based on the expected credit loss (ECL) model.

Expected credit losses of the validity period are ECLs resulting from all possible default events during the period from the initial recognition of the financial asset to the later date of coverage or the final write-off of the financial asset.

The Company assesses receivables using either an expected credit loss provision matrix or an individual assessment, whereby each debtor's financial condition and credit risk are assessed individually by analysing the debtor's financial statements, payment discipline and other publicly available information about the debtor that may affect the assessment of the debtor's credit risk. Typically, credit risk increases significantly before a financial instrument becomes more than 120 days past due or other debtor-related delay factors are observed. Impairment allowances for financial assets are made taking into account possible internal and external factors. The priority objective of the Group's treasury management is to ensure the security of funds and, consistent with this objective, to maximise the return on investment.

The maximum credit risk is equal to the carrying amount of the financial assets.

Credit losses are measured as the present value of all cash losses (the difference between the cash flows that the Company holds under the contract and the cash flows the Company expects to receive). ECL is discounted using an effective interest rate. The ECL for cash and cash equivalents is calculated by considering the credit ratings of the financial institutions where the cash is held and other relevant criteria (such as liquidity, capital adequacy maintenance). Management has assessed that the ECL of cash and cash equivalents is usually not material.

The expected credit losses on loans receivable and trade receivables throughout the period are recognised in the Statement of Profit or Loss.

Losses on financial assets measured at amortised cost are recognised as provisions affecting the net carrying amount of such assets.

Write-off and derecognition of financial assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering all or part of the asset. Assets that are not recoverable are written off against the recognised impairment if all necessary steps have been taken to recover the asset and the amount of the loss has been determined.

For financial assets which are written off and are also subject to the activity of securing fulfilment, the Company takes actions related to legal regulation so that the amounts were recovered to the maximum extent.

Amounts previously written off and recovered in subsequent periods are included in impairment losses in the statement of profit or loss and other comprehensive income.

Financial liabilities. The Company's financial liabilities comprise loans and other financial debts, contract liabilities, trade and other payables. The major part of the payables relates to investments in non-current assets.

Financial liabilities are initially carried at fair value less transaction costs. In subsequent periods, financial liabilities are carried at amortised cost using the effective interest method. Interest expense is recognised using the effective interest rate method.

Financial liabilities are classified as non-current if a financing agreement entered before the statement of financial position date provides evidence that the liability was non-current in nature at the statement of financial position date.

Trade payables are obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they are due for payment within one year. Otherwise, they are shown as non-current liabilities.

Derecognition of financial liabilities. The Company derecognises a financial liability when the contractual obligations are discharged, cancelled, expire, the terms are modified and the cash flows of the modified liability are materially different. On derecognition of a financial liability, the difference between the derecognised carrying amount and the consideration paid (including non-monetary assets transferred or liabilities assumed) is recognised in the statement of profit or loss and other comprehensive income.

Trade and other receivables. Trade and other receivables are initially recognised at transaction price and subsequently at amortised cost. Trade and other receivables are mainly due from related parties and state-owned enterprises.

Other receivables from the budget represent the funds to finance the implementation of infrastructure projects.

Trade and other payables. At initial recognition trade and other payables are recognised when the Company becomes a party to the contractual terms. Trade and other payables are initially measured at fair value plus directly related transaction costs. The major part of the payables relates to investments in non-current assets.

Cash and cash equivalents. These are monetary assets the value of which approximates to their fair value. Cash comprises cash at bank and on hand. Cash equivalents represent short-term highly liquid investments easily convertible to a known amount of cash. The term of such investments does not exceed three months and the risk of changes in value is insignificant.

Cash and cash equivalents reported in the cash flow statement comprise cash at bank and on hand, deposits with current accounts and other short-term highly liquid investments.

Loans and other borrowings. The fair value of long-term loans shall be determined on the basis of the market price or interest rate applicable to debt of the same or similar maturity at the time. The fair value of loans is assigned to the 2nd level in the fair value calculation model. The fair value of the loans received corresponds to the carrying amount. The structure of the Company's loans is presented in Note 18 Loans and other borrowings.

Right-of-use assets. A right-of-use asset is an asset that represents the Company's right to use the leased asset during the lease term.

Lease. Lease means a contract or part of a contract that gives the right to use the asset (leased property) for a certain period of time for consideration.

Leases, where the Company is a lessee

Initial assessment of right-of-use assets. The cost of a right-of-use assets comprises: the amount of the initial measurement of the lease liability, any lease payments at or before the inception date, less any lease incentives received; any initial direct costs incurred by the Company; and an estimate of the costs that the Company will incur in dismantling and disposing of the leased asset, maintaining its location or restoring the leased asset to the condition required by the lease conditions, unless those costs are incurred in producing the stocks. The Company shall assume a liability relating to these costs on the start commencement date or after using the leased assets for a specific period. The Company shall recognise these costs as part of the cost of the right-of-use assets when a liability is incurred for these costs.

Subsequent assessment of right-of-use assets. Subsequent to the commencement date, the Company measures right-of-use assets at cost: net of any accumulated depreciation and any accumulated impairment losses; and adjusted for reassessment of the lease liability. In calculating the depreciation of right-of-use assets, the Company shall apply the depreciation requirements of IAS 16 "Property, Plant and Equipment". In the Statement of Financial Position, the right-of-use assets are presented separately from property, plant and equipment.

Leases where the Company is a lessor

The Company shall recognise the lease fees related to operating lease, income on a linear basis over the lease term. Costs (including depreciation) incurred in earning lease related income are recognised by the Company as costs. The initial direct costs incurred in obtaining the operating lease shall be included by the Company in the carrying amount of the leased assets and shall be recognised as expenditure during the lease period on the same basis as the lease income. The Company shall account for the change in the operating lease as a new lease from the date of the change's entry into force and shall treat the lease fees paid or accrued in advance in relation to the original lease as part of the new lease.

Business combinations. Business transfers between group companies are accounted for in accordance with IFRS Accounting Standard (IFRS) No. 3 "Business Combinations."

The acquired entity is identified, and the acquisition date is determined. Transactions are accounted for using the acquisition method, recognising acquired assets and liabilities at their fair value on the acquisition date. Acquired assets and liabilities are recorded based on the separation balance sheet, recognising the acquisition cost. An increase in share capital is recorded in the accounting as a change in equity.

Corporate income taxes. Income tax assets and liabilities for current and prior periods are recorded at the amount expected to be recovered from, or paid to the tax authority. The applicable income tax and tax laws are those that are enacted or substantively enacted at the date of the statement of financial position.

The corporate income tax rate applicable to companies in the Republic of Lithuania in 2025 was 16% and in 2024 - 15%.

Effective 1 January 2026, following the amendment to the Law on Corporate Income Tax, the standard corporate income tax rate has been increased by 1 percentage point, resulting in the rate of 17%.

In the statement of financial position, the income tax prepayment and income tax liabilities of the Company are offset when they relate to the same tax authority.

Deferred tax. Deferred tax is accounted for using the liability method. Deferred tax assets and liabilities are recognized for future tax purposes by marking the differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are recognised for all temporary differences that will subsequently increase taxable profit, and deferred tax assets are recognised only to the extent that it is probable that they will reduce taxable profit in the future.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is reduced if it is not probable that sufficient future taxable profit will be available to realise this asset or part of it. The amount of the deferred tax asset is reduced to the amount that is probable of reducing future taxable profit.

Deferred tax is calculated using the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

Revenue recognition. Revenue is recognised applying a uniform principle, based on a five-step model that applies to all customer contracts (IFRS 15).

Revenue is recognised (at a point in time or over a period of time) when the performance obligations have been fully discharged and control has passed to the customer. Revenue is measured at the consideration specified in the contract with the customer and does not include amounts collected on behalf of third parties. The contractual consideration with the customer may include fixed amounts, variable amounts or both.

Operating revenue generated by the Company includes the following:

- use of public railway infrastructure;
- use of railway service equipment;
- other income.

Revenues from the use of public railway infrastructure reflect the revenues generated from the use of public railway infrastructure. Revenue relating to the use of public railway infrastructure and related ancillary services is recognised over the period of time (calendar month) when the services are rendered, as the customer receives the benefit of the use of the public railway infrastructure.

- Use of railway service facilities - revenue is recognised over the period of time (calendar month), in which the services are provided, as the customer receives the benefit of the use of the public railway infrastructure.
- Other revenue is recognised over the period of time, in which the services are provided.

Type of services	Nature, timing and payment conditions of operating liabilities	Revenue recognition under IFRS 15 and IFRS 16
Use of public railway infrastructure	Invoices for the use of public railway infrastructure and related ancillary services shall be invoiced at the frequency agreed in the contract with the customer (daily, weekly, monthly) and shall be generated from the primary and ancillary service documents at the time the service is rendered, or during the period of time in which the service is rendered, subject to a tariff adjustment: • an advance payment; • after the services have been provided, applyin payment security (cash collateral, bank guarantee, trade credit); • after the services have been provided, without payment security (up to 30 days, usually 7-10 days); • a common term for payment of invoices is 7-10 days.	Revenue from the use of public railway infrastructure and related ancillary services shall be recognised in proportion to the time the customer uses the service and benefits from the use of public railway infrastructure. The amount of recognised income is in accordance with the procedure laid down in the Rules on the provision of services and the price is specified in documents for additional services. Prepayments received are included into contractual obligations. Revenue from the use of public railway infrastructure shall be recognised either after the service has been provided or during the period in which the service is provided by applying the tariff. Use of railway service facilities - revenue is recognised over the period of time (calendar month), in which the services are provided, as the customer receives the benefit of the use of the public railway infrastructure.
Other income	Other income: Invoices are issued after the service has been rendered and the deed of acceptance and delivery of works has been signed. A common term for payment of invoices is 30 days. Payments for one-off works are subject to a 7-to-30-day term, a cash deposit may also be applied. Lease revenue: Invoices are issued after the service has been rendered and the deed of acceptance and delivery of works has been signed. A common term for payment of invoices is 30 days.	Revenue is recognised on a monthly basis or over time when the services are rendered. The amount of recognised income is estimated based on singed deeds of services rendered. Revenue is recognised directly using the cost method, which can be applied to the Company's progress seeking to fully satisfy performance obligation and measure it over time, on the basis of measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The amount of recognised income is estimated based on singed deeds of services rendered. If services under one agreement are provided in different reporting periods, the consideration is allocated according to their relative independent selling prices. The individual selling price is determined on the basis of the service prices specified in the contract. Default penalties and fines received from contractors and included in the supplier's debt for delays in the completion of work, including tangible assets under construction, are recognised as other income at a certain point in time.

Recognition of costs. Expenses are recognised in the statement of profit or loss on an accruals basis when incurred.

Grants and subsidies

Asset-related grants. Grants and subsidies (hereinafter "grants") intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants (mainly received from the EU and other structural funds). This group of grants also includes assets received free of charge. The amount of asset-related grants is recognised in profit and loss in instalments based on the extent to which the asset to which the grant relates is depreciated, with a reduction in profit (loss) for depreciation expense.

Grants related to income and expenses. Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant. Grants to compensate for non-received income are recognised in the statement of profit or loss and other comprehensive income, under income. Grants intended for compensation of specific expenses are carried in the statement of profit or loss and other comprehensive income, by reducing the amount of related expenses by the amount of grant.

Related parties. Related parties are defined as shareholders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control the Company, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

3. Summary of material accounting principles

The preparation of the financial statements requires the Company's management to make estimates and judgements that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses The estimates and related assumptions are continually revised and rely upon historical experience and other factors, including expectations on future events based on existing circumstances.

Significant judgements

On 20 December 2018, amendments to the Railway Transport Code of the Republic of Lithuania (hereinafter the Code) were adopted amending the provisions of the Code specifying the public railway infrastructure manager. From 8 December 2019, following the entry into force of those amendments, public railway infrastructure shall be managed, operated, disposed of and provided to undertakings with services relating to the management and maintenance of public railway infrastructure by LTG Infra, established by the public railway infrastructure manager LTG to perform the functions of public railway infrastructure manager.

On 22 November 2019, AB LTG Infra concluded a trust agreement with the Ministry of Transport and Communications of the Republic of Lithuania concerning public railway infrastructure assets owned by the State of Lithuania by property right, except for the state land occupied thereby, and railway service equipment owned by the State of Lithuania by property right, except for the state land occupied thereby. The trust agreement transfers assets to be managed, used and disposed of under the right of trust in accordance with the laws of the Republic of Lithuania and the requirements set out in the Agreement for the performance of the functions of the public railway infrastructure manager and the railway service equipment operator until 7 December 2039. The Code also gives clear precedence to other laws, stating that a law governing matters relating to a trust deed and matters relating to the holding of State-owned property in trust may have different rules from those set out in the CC. The Code states that the rights to hold the assets are delegated to LTG Infra, so it was concluded that the assets are held in trust for the duration of the exercise of that function; the duration of the exercise of the function is not defined; therefore, the duration of the holding of the assets in trust is not defined either. According to the Resolution of the Government of the Republic of Lithuania No 1677 of 30 December 2004 on the approval of the procedure for transfer of state land to the Company under the right of trust to be used public railway infrastructure facilities, the municipalities transferred to the Company a part of land plots located near railways.

The Company controls those land plots by the right of trust. In the light of the above, management considers that assets held in trust, i.e. land and railways for public use, or assets which by law can only be owned by the State, should be accounted for in the statements of financial position. Accordingly, the Company recognises assets held in trust as property, plant and equipment.

The management has adopted a significant judgement on whether, in accordance with both the Trust Agreement and the RTC, the Company controls public railway infrastructure assets and whether it therefore may recognise such assets in the relevant statement of financial position of the Company as the property, plant and equipment. The Company's management has adopted a significant judgement on the period of the Trust Agreement and has come to the conclusion that the Trust Agreement is concluded essentially for an indefinite period and that period is not limited by the provisions of the Civil Code.

Assets managed under the right of trust. The Company manages the public railway infrastructure facilities and service facilities and state land plots under such facilities owned by the state (thereafter "the infrastructure facilities"). Based on the Trust Agreement with the Ministry of

Transport and Communications of the Republic of Lithuania and based on the Railway Transport Code, the Company uses, manages and disposes the infrastructure facilities and the Government of the Republic of Lithuania retains their legal ownership. AB LTG Infra accounts for such assets under property, plant and equipment based on IAS 16, as presented below:

- The Company has a right to use the infrastructure facilities free-of-charge for an indefinite period of time; this right may only be withdrawn by the State by amending legal acts;
- By transferring this right, the State has also transferred significant risks and benefits associated with ownership - LTG Infra uses the infrastructure facilities to generate revenue and incurs costs for their maintenance; although the State must ensure accessibility of the railway transport to the public in the country, it does not retain direct financial risks related to the infrastructure facilities;
- Although certain rights typically associated with ownership of infrastructure assets are restricted (e.g., the Company cannot sell or pledge such assets), similar restrictions are common in private, privatized, and utility service companies, including economic operators subject to strict tariff-regulated pricing of services.

Business combinations. On 1 October 2025, AB LTG Infra took over a portion of the RSF business from AB Lietuvos Geležinkeliai under a share subscription agreement. The objective is to optimise the group's structure and ensure more efficient infrastructure management. The transaction is carried out in accordance with IFRS requirements: IFRS 3 "Business Combinations," IAS 16 "Property, Plant and Equipment," IAS 36 "Impairment of Assets," IAS 20 "Grants," and IAS 24 "Related Party Disclosures." The Company's statements include the transfers of assets, inventories, grants, and liabilities.

4. Significant accounting estimates

Useful lives of property, plant and equipment and intangible assets. The useful lives of assets are reviewed annually and adjusted if necessary to reflect the current assessment of the remaining useful lives, taking into account technological changes, future economic uses of the assets and their physical condition. If the expectations differed from previous estimates, the change would be accounted for as a change in an accounting estimate in accordance with IAS 8. During 2025, we conducted asset valuations, including the useful lives and residual values of assets. Changes were accounted for as adjustments in accounting estimates.

Depreciation (amortisation) of property, plant and equipment and intangible assets, other than land and construction in progress, is provided over their estimated useful lives using the straight-line method. At the end of each year, the Company reviews the useful lives, residual values and depreciation/amortisation method of its non-current assets to ensure that they are consistent with the intended use of the non-current assets. The effect, if any, of a change in valuation is recognised prospectively.

Impairment losses of property, plant and equipment and intangible assets. The Company reviews the carrying amounts of its property, plant and equipment and intangible assets at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that generate cash in the course of their continuous use and are largely independent of the cash inflows generated by other assets or groups of assets (cash-generating units) are grouped into the smallest group. The recoverable amount of an asset that does not generate cash inflows is determined by reference to the recoverable amount of the cash-generating unit to which the asset belongs. Key assumptions used for calculation of the recoverable amount of the assets are described in Note 7.

Recoverable amount is calculated as the higher of two values: the fair value less costs to sell of the asset and the value in use of the asset. The value in use of an asset is calculated by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of an asset that does not generate cash inflows is determined by reference to the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets with an indefinite useful life, the Company assesses the recoverable amount annually to measure impairment, if any.

Impairment losses of amounts receivable. The Company assesses receivables for impairment on a month basis. In order to determine whether it is necessary to recognise an impairment loss in profit or loss, the Company assesses whether there is any indication that future cash flows from receivables may be impaired until the impairment of a specific receivable is determined. Such indications include information that shows a negative change in the financial condition of customers, economic conditions in the country or region that affect the Company's receivables. Management estimates the expected future cash flows from receivables based on historical loss experience with receivables with similar credit risk. The methods and assumptions used for estimating the expected future cash flows and their timing are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Write down of inventories to net realisable value. The Company reviews its inventory list at least annually to determine the net realisable value of the inventories. Inventories that have been acquired are reviewed to determine whether they can be realised in the future. In the case of slow-moving spare parts and other materials, impairment is recognised taking into account detailed operational plans for each inventory item, a potential realisation period and an indicative realisation price.

As part of the assessment, the Company's management analyses whether there have been any significant changes, also the reassessment of the assumptions used to estimate the recoverable amount had an immaterial effect on the change in the carrying amount.

The inventories that may not be realised are fully written off. The change in the write-down of the Company's inventories to net realisable value is reflected in the item of expenses of write-down to net realisable value in the statement of profit or loss and other comprehensive income. The Company's inventory containing slow-moving items that were acquired two years ago for repair of spare parts used in track constructions are subject to 75% impairment.

Materials of the road superstructures, which meet the criteria for asset recognition under IAS 16, have been reclassified to non-current assets, construction in progress.

Provisions and contingent liabilities. Provisions are accounted for only when the Company has a legal or irrevocable obligation resulting from the past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the time value of money is significant, provisions are discounted using the effective interest rate for the period (before tax), if appropriate, taking into account the risks specific to the liability. Where discounting is used, an increase in the provision due to the passage of time is recognised as financial expenses.

Provisions are recognised at an amount that reflects management's best estimate of the expenditure that would be required to restore the asset. Further details on provisions are disclosed in Note 29.

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except in cases where the use of resources for their fulfilment is not probable.

Contingent assets are not recognised in the financial statements but are disclosed when it is probable that income or economic benefits will be received.

The Company as a going concern

The Company's management continues to assess the main risks and threats related to going concern and the impact on the Company's business and continues to implement the necessary actions to manage the situation.

On 4 December 2025, the Board of LTG Infra approved the updated strategy of the Company. The Company continues to implement the major and most important strategic initiatives that have been developed: Rail Baltica - the project to integrate the Baltic States into the European rail network, the Electrification project, various digitisation solutions.

To ensure stable finances of LTG Infra, in April 2022, the Ministry of Transport and Communications of the Republic of Lithuania and LTG Infra signed an agreement for the quality and financing of the state-owned Railway Service Facilities (MAC). The agreement will be valid for 5 years. The state financing will allow LTG Infra to ensure stable technical maintenance of the public railway infrastructure, to improve the quality of the services provided and to guarantee a high safety level of railway traffic. Under this agreement, in 2025 LTG Infra accounted for EUR 82.2 million and received payment of EUR 80.8 million from the state budget to balance the revenue.

On 16 January 2026, based on the order of the Minister of Transport and Communications, the Strategic Activity Plan for 2026–2028 of the Ministry of Transport and Communications was approved. It confirms that the appropriations to LTG Infra for 2026 amount to EUR 421.6 million. In addition, Article 13(3)(3) of the Law on Approval of the Budget of the Republic of Lithuania for 2026–2028, grants the right to the Ministry of Finance to borrow on behalf of the state in order to ensure the safety of the railway traffic when the public railway infrastructure manager lacks financial resources due to sanctions imposed on Belarus and due to disrupted freight flows or business relations caused by the Russian Federation's military aggression against Ukraine.

To balance the working capital, the Company uses the LTG Group's cash-pool to optimise the use of working capital and short-term borrowing costs. In addition, to ensure the continuity of operations, it has the opportunity to borrow from external financial institutions.

The Company's management has assessed that the measures and actions described in the 'Performance Efficiency Programme' the State aid and borrowing facilities, and the cash flow from operating activities, have enabled and will enable the Company to balance the cash flows necessary to ensure the continuity of its operations and to service its existing loan agreements and commitments to partners.

Climate change management measures and impact on the Company's activities

In fulfilment of the strategic goals and priorities of management of sustainability, LTG Infra is especially committed to environmental protection. In the updated Company strategy for 2026-2030, a new strategic direction–decarbonisation–is introduced. The Company aims to reduce its environmental impact and combat climate change by increasing energy efficiency and the share of renewable energy resources (RES) used in its operations. In the company having conducted assessment of the impact of climate change on useful life of property, plant and equipment and the value of non-financial assets, no significant impact was identified. In the opinion of the Company's management, the climate change impact on the financial statements is not material. The Company's management does not consider that there are any risks or additional liabilities to the provisions that should be taken into account in the financial statements in respect of specific legislative requirements to reduce environmental damage, and penalties due to non-compliance with environmental requirements. In the assessment of the Company's management, there are no significant climate-related circumstances that would affect the Company's ability to continue as a going concern. More detailed information on climate change management measures and the impact on the Company's operations is provided in the management report under 'Sustainability Report'.

5. New standards, amendments and interpretations not yet adopted

When preparing these financial statements, the Company did not apply new IFRS Accounting Standards (IFRS), their amendments, and interpretations that have been announced but have not yet have come into effect.

The main amendments are as follows:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", amendments to the "Classification and Measurement of Financial Instruments" replace the requirements in IFRS 9 and IFRS 7 regarding the derecognition of financial liabilities, the classification and disclosure of financial assets (effective for annual reporting periods beginning on or after 1 January 2026);
- Annual IFRS improvements – 11th edition amendments Introduced minor improvements to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", and IAS 7 "Statement of Cash Flows" (effective for annual reporting periods beginning on or after 1 January 2026);
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding "Nature-dependent Electricity Agreements" were developed to improve the disclosure of such agreements in financial statements. These standards include new disclosure requirements aimed at helping investors understand the impact of such agreements on operational results and cash flows, increasing transparency and consistency in the renewable energy market (effective for annual reporting periods beginning on or after 1 January 2026);
- IFRS 18 "Presentation and Disclosure of Financial Statements" replaces IAS 1 "Presentation of Financial Statements". IFRS 18 sets out significant new requirements for the presentation of financial statements (effective for annual reporting periods beginning on or after 1 January 2027):

  1. Companies must classify all income and expenses into five categories in the statement of profit or loss: operating, investing, financing, discontinued operations, and income tax. Additionally, there is a mandatory newly defined operating profit intermediate measure, which will become the basis for the indirect method in the cash flow statement. The net profit of companies will not change, but the presentation of information will become more structured and comparable.
  2. Management Performance Measures (MPM) must be disclosed in one note to the financial statements, explaining why they are useful, how they are calculated, and providing a reconciliation with IFRS indicators. These requirements will increase transparency and provide users with better information about companies' financial results.
  3. Detailed guidelines are provided on grouping information in financial statements to avoid classifications such as "other". This means that companies will have to provide meaningful breakdowns and clearly disclose significant elements.

The Company is still assessing the impact of the new accounting standard, particularly in relation to the structure of the statement of profit or loss, the statement of cash flows, and additional disclosures required for MPM. The impact on information grouping in financial statements, including elements currently marked as "other", is also being evaluated.

- IFRS 19 "Subsidiaries without Public Accountability: Disclosure" allows for reduced disclosure requirements while adhering to other IFRS recognition, measurement, and presentation requirements for subsidiaries not required to have public accountability, but whose parent company applies IFRS accounting standards in its consolidated financial statements (effective for annual reporting periods beginning on or after 1 January 2027).
- The effective date of amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" related to the sale or contribution of assets between an investor and its associate or joint venture has been indefinitely postponed (early application is permitted).

The Company is currently evaluating the impact of these amendments on its financial statements. The Company does not expect these amendments to have a material impact on its results and financial position.

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

6. Financial instruments and risk management

Financial instruments. Fair value.

The Company's main financial instruments not carried at fair value are trade and other receivables, trade and other payables, cash and long-term and short-term borrowings. According to the management of the Company, the carrying amounts of these financial instruments are close to their fair values because the borrowing costs are linked to the interbank borrowing rate EURIBOR, while other financial assets and liabilities are short-term and therefore their fair value fluctuation is not significant.

The fair value of financial instruments approximates their fair value and is the amount at which, at the measurement date, an asset would be sold or a liability would be transferred in an orderly transaction in the principal (or most advantageous) market, regardless of whether this price is directly monitored or determined by the valuation methodology.

The Company's financial instruments by their types comprised the following:

	2025	2024
FINANCIAL ASSETS		
Trade and other receivables	42,780	23,454
Cash and cash equivalents	103,046	33,701
Total	**145,826**	**57,155**
FINANCIAL LIABILITIES		
Loans and other borrowings	189,313	122,750
Lease liabilities	4,462	1,734
Trade and other payables	88,483	92,273
Total	**282,258**	**216,757**

The fair value is allocated according to the hierarchy which reflects the materiality of inputs used. The fair value hierarchy includes the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – original inputs for the asset or liability that are not based on observable market data (unobservable original inputs).

The following is a comparison of the values of financial instruments:

	Net carrying amount 2025	Fair value 2025			Net carrying amount 2024	Fair value 2024		
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets at amortised cost								
Trade and other receivables	42,780	-	-	-	23,454	-	-	-
Cash and cash equivalents	103,046	-	-	-	33,701	-	-	-
Total	**145,826**	**-**	**-**	**-**	**57,155**	**-**	**-**	**-**
Financial liabilities at amortised cost								
Loans and other borrowings	189,313	-	-	-	122,750	-	-	-
Lease liabilities	4,462	-	-	-	1,734	-	-	-
Trade and other payables	88,483	-	-		92,273	-	-	-
Total	**282,258**	**-**	**-**	**-**	**216,757**	**-**	**-**	**-**

The classification and measurement of the Company's financial instruments as at 31 December 2025 is disclosed in the table of financial statements below:

	Valuation method
FINANCIAL ASSETS	
Trade and other receivables	At amortised value
Cash and cash equivalents	At amortised value
FINANCIAL LIABILITIES	
Loans and other borrowings	At amortised value
Lease liabilities	At amortised value
Trade and other payables	At amortised value

The carrying amounts of the Company's financial assets and financial liabilities are accounted for at amortised cost which approximates their fair value.

The Company had no financial assets measured at fair value.

Cash and cash equivalents. These are monetary assets the value of which approximates to their fair value.

Loans and other financial debts. The fair value of long-term loans shall be determined on the basis of the market price or interest rate applicable to debt of the same or similar maturity at the time. The fair value of loans is assigned to the 2nd level in the fair value calculation model. The fair value of the loans received corresponds to the carrying amount.

Amounts receivable and payable. The net carrying amount of short-term trade receivables and current trade creditors approximates their fair value.

Risk management. The Company is exposed to uncertainty about external and internal factors, identifies operational risks (strategic, financial, operating and compliance), anticipates their impact and likelihood, and seeks to mitigate them at least in part. The management of operational risks of the Company is regulated by the Description of Management Process of Activity Risks approved by the legal acts of the Company. Pursuant to provisions of the Description, risk managers are appointed and regularly trained, regular risk evaluation is carried out using the implemented Risk Management Information System. The results of the evaluation are presented to the Management of the Company. Management plans are approved for unacceptable risks, implementation of the plans is monitored. The risk management policies and frameworks are reviewed on a regular basis to make sure they comply with the market terms and changes in the Company's activities. The Company seeks to establish a disciplined and constructive risk management environment where all employees know their roles and obligations.

In line with the Company's strategic objectives, summarised key operational risk groups that are considered to be the most significant and have the potential to have a significant impact on the achievement of the Company's operational objectives are identified. The Company assesses the potential financial, legal and reputational impact of operational risks.

The Company is exposed to the following financial risks: credit, liquidity, currency exchange, interest rate and capital risks. This note provides information on the impact of these risks on the Company, objectives, policies and processes related to the assessment and management of these risks.

Credit risk. Credit risk arises from the credit risk incurred by money banks and trade receivables.

Credit risk is the risk that the Company will incur a financial loss if a buyer or other party fails to meet its contractual obligations. This risk is mostly related to receivables from the Company's customers.

The Company manages the credit risk through procedures. The basis of credit risk management of trade receivables is the assessment of customer reliability. The Company constantly assesses the creditworthiness of both potential and existing buyers/suppliers of services. If the buyer of the services is assessed as risky or the customer is new and does not have a history of cooperation with the Company, the terms of advance payment apply. When payments with customers are deferred, legal credit risk mitigation measures are used, such as credit insurance or pledging. Various credit risk management and mitigation measures are provided for in bilateral agreements between the Company and service buyers/suppliers: restrictions, guarantees for the fulfilment of contractual obligations and other measures protecting the Company's interests. Credit risk is monitored on an ongoing basis.

The credit risk is measured as a maximum credit risk for each group of financial instruments and is equal to their net carrying amount. The net carrying amount of each group of assets forms the highest credit risk.

As at 31 December 2025, the Company's receivables from related parties amounted to EUR 10,202 thousand (as 31 December 2024: EUR 8,017 thousand). The debts were not overdue, and no impairment has been recognised.

The Company's trade amounts receivable from main customers comprised:

	2025	2024
Customer A	599	599
Customer B	484	117
Customer C	140	88
Customer D	94	52
Other	1,716	524
Impairment	(871)	(865)
Total	**2,162**	**515**

The Company distinguishes each level of the credit risk considering information based on which it is possible to reliably establish the impairment risk (including but not limited to external ratings, audited financial statements, managerial accounting, cash flow forecasts, and available press information about customers) and applying an opinion on creditworthiness. Credit risk levels are defined by means of qualitative and quantitative factors, which show the risk of default and conforms to external definitions of credit ratings. In assessing risks related to receivables from external customers, a recalculation of the attraction to the oldest customer debt is applied, thus providing a more conservative assessment of the risk of potential losses. The expected credit loss rate that is calculated based on experience of actual impairment has been established of each credit risk level.

The Company's exposure to credit risk and ECLs for trade and other receivables as at 31 December 2025 is as follows:

	Gross carrying amount	Expected credit losses, %	Impairment	Net carrying amount
Low risk	41,537	0.02%	(10)	41.527
Fair risk	377	0.80%	(3)	374
Increased risk	272	6.62%	(18)	254
High risk	1,465	57.34%	(840)	625
Total	**43,651**		**(871)**	**42,780**

The Company's exposure to credit risk and ECLs for trade and other receivables as at 31 December 2024 is as follows:

	Gross carrying amount	Expected credit losses, %	Impairment	Net carrying amount
Low risk	22,772	0.01%	(1)	22,771
Fair risk	520	0.72%	(4)	516
Increased risk	157	20.50%	(32)	125
High risk	870	95.10%	(828)	42
Total	**24,319**		**(865)**	**23,454**

Low risk – the buyer does not have any past due invoices;
Fair risk – at least one of the customer's invoices is past due up to 30 days;
Increased risk – at least one of the customer's invoices is past due up to 120 days;
High risk – at least one of the customer's invoices is past due over 120 days.

The Company uses a simplified method to calculate expected life credit losses over its life and uses a provision matrix for all trade and other receivables. In order to calculate expected credit losses, trade and other receivables are divided into separate groups according to the general characteristics of credit risk using a provision matrix. The amounts for each group shall be analysed according to the number of days past due. As trade receivables and other receivables do not normally include collateral or other credit protection, the expected loss ratio is consistent with the probability of default.

The Company determines the credit risk based on historical data, taking into account overdue payments.

The Company's information on the credit risk and expected credit loss for trade and other receivables as at 31 December 2025 is as follows:

	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount
Not past due	0.02%	41,537	(10)	41,527
overdue 1-30 days	0.80%	377	(3)	374
overdue 31-60 days	15.38%	104	(16)	88
overdue 61-120 days	1.19%	168	(2)	166
More than 120 days past due	57.34%	1,465	(840)	625
Total		**43,651**	**(871)**	**42,780**

The following table provides information about the exposure to credit risk and ECL for trade and other receivables as at 31 December 2024:

	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount
Not past due	0.01%	22,917	(3)	22,914
overdue 1-30 days	0.51%	438	(2)	436
overdue 31-60 days	4.55%	52	(2)	50
overdue 61-120 days	29.05%	72	(21)	51
More than 120 days past due	99.73%	840	(837)	3
Total		**24,319**	**(865)**	**23,454**

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

Movement of provisions for doubtful trade and other receivables of the Company was as follows:

	2025	2024
Opening balance of the period	**865**	**902**
Impairment of amounts written off	(34)	(13)
Change in impairment of trade receivables	40	(24)
Closing balance of the period	**871**	**865**

In the Company, the impairment of receivables as at 31 December 2025 is reflected in the statement of profit (loss) and other comprehensive income, under the line of (decrease) increase in receivables. The Company's amounts written off are considered as amounts with no possibility or right of recovery.

Although economic circumstances may affect the recovery of debts, in the opinion of the Company's management, the Company is not exposed to a significant risk of incurring losses that would exceed the already recognised impairment.

Cash and cash equivalents consist of cash and cash at banks, so the credit risk associated with them is minimal. The Company's cash resources are subject to the principle of diversification, the funds are held in banks with an international credit rating of not less than A3.

	2025	2024
Aa3; AA-	103,046	33,701
Total	**103,046**	**33,701**

The carrying amount of cash and cash equivalents is approximately equal to their fair value. The expected credit losses are not recorded due to the insignificant risk of expected changes in their value.

If the rating requirement is not met, net amount of cash trusted to the entity cannot exceed the maximum state deposit insurance limit, i.e., EUR 100 thousand.

Liquidity risk. Liquidity and solvency risk is assessed by monitoring and analysing the relative liquidity and solvency ratios, which assess the condition of both current and non-current liabilities and the effectiveness of cash flow management. The Company's shortage of working capital is balanced using credit facilities, if necessary. In addition, according to the Company's standard policy, payment to suppliers is due within 45 days.

In 2025, grants received from the State budget and the EU Structural Funds amounted to EUR 315,085 thousand, whereof EUR 6,554 thousand relate to cost-related grants (2024: EUR 241,926 thousand, including EUR 5,005 thousand of cost-related grants), of which EUR 80,777 thousand (2024: EUR 65,634 thousand) were allocated to balance revenue. Accordingly, for further implementation of projects in 2026, the Company expects to receive grants with the limits approved in the State budget and the State Investment Programme for 2026-2028 amounting to EUR 421,574 thousand.

Additional liquidity is ensured by cash pool, which allows borrowing funds from other Group companies to manage working capital and liquidity. The parent company of the LTG Group has entered into an agreement with AB Swedbank for the provision of LTG Group cash-pool services and, accordingly, the Company has entered into a mutual lending agreement for the current year. The terms and conditions of the agreement are in line with normal market conditions. During 2025, the Company accounted for interest in an amount of EUR 2,470 thousand for the use of the Group's cash-pool account (2024: EUR 1,334 thousand).

In addition, to ensure liquidity, in October 2025 LTG Infra signed a credit agreement with OP Corporate Bank. The amount of the OP Corporate Bank credit facility is EUR 110 million. The loan issued by OP Corporate bank is intended to finance the implementation costs of the Rail Baltica project. In 2025, the Company received EUR 59,290 thousand. During 2025, the Company paid EUR 68 thousand of interest and EUR 134 thousand of the liability and other loan-related fees.

Pursuant to the decision of the management of AB Lietuvos Geležinkeliai dated 1 October 2019, the business of the public railway infrastructure manager was transferred from AB Lietuvos Geležinkeliai to AB LTG Infra on 8 December 2019, including all the assets needed for performing this activity, personnel and liabilities relating to management of public railway infrastructure including liabilities under financing agreements and performance thereof. Restructuring of long-term loans of AB Lietuvos Geležinkeliai was completed on 30 June 2020. At the same time, a guarantee agreement with the Nordic Investment Bank (NIB) came into force, under which LTG undertook to guarantee the fulfilment of all LTG Infra's obligations under the financing agreements.

As at the date of issue of the financial statements, the Company had no liquidity problems.

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

	2025	Value set by the bank	2024	Value set by the bank
Net debt/normalised EBITDA*	comply	Not more than 4.0	comply	Not more than 4.0
Equity ratio	comply	Not less than 30%	comply	Not less than 30%
Debt Service Coverage Ratio	comply	Not less than 2	comply	Not less than 2

**Adjusted EBITDA: profit (loss) before taxation + Interest expenses - Interest income + Depreciation and amortisation + Increase (decrease) in the value of non-current assets, inventories and investments + Increase (decrease) in the value of amounts receivable and contract assets + Expenses of provisions not related to typical activities.*

As at 31 December 2025, no breaches of the financial and non-financial terms and conditions of the loan agreements were identified.

The table below provides for the information on contractual maturity dates of non-derivative financial liabilities of the Company. This information is prepared on the basis of undiscounted flows of financial liabilities taking into account the earliest dates when the Company is obliged to repay those liabilities. Balances of liabilities with the repayment period shorter than 12 months approximate their carrying amounts.

The maturities of the Company's financial liabilities using the not discounted cash flow method as at 31 December 2025:

	Total	Within one year	From one to five years	After 5 years
Loans and other borrowings	236,269	55,603	133,044	47,622
Lease liabilities	4,848	1,217	3,071	560
Trade and other payables	88,483	84,328	4,155	-
Total	**329,600**	**141,148**	**140,270**	**48,182**

The maturities of the Company's financial liabilities using the not discounted cash flow method as at 31 December 2024:

	Total	Within one year	From one to five years	After 5 years
Loans and other borrowings	139,955	32,271	73,985	33,699
Lease liabilities	1,796	756	997	43
Trade and other payables	92,273	71,904	20,369	-
Total	**234,024**	**104,931**	**95,351**	**33,742**

Payment specification of the Company's loans and other financial debts as at 31 December 2025, including interest:

Financial liabilities	Up to 2 months	From 2 months to 1 year	From 1 to 5 years	After 5 years
Loans and other borrowings	2,406	53,197	133,044	47,622
Total	**2,406**	**53,197**	**133,044**	**47,622**

Payment specification of the Company's loans and other financial debts as at 31 December 2024, including interest:

Financial liabilities	Up to 2 months	From 2 months to 1 year	From 1 to 5 years	After 5 years
Loans and other borrowings	2,365	29,906	73,985	33,699
Total	**2,365**	**29,906**	**73,985**	**33,699**

Currency risk. Exchange rate risk is the risk that changes in market prices due to changes in foreign exchange rates will affect the Company's results or the value of available financial instruments.

The main sources of foreign currency exchange risk for the Company are various transactions denominated in foreign currencies (USD, PLN), the carrying out of which poses a risk of incurring losses due to fluctuations of foreign currency exchange rates against the euro: sale/purchase of goods and services, repayment of loans obtained in foreign currency, payment of interest etc. This risk is minimal as the major part of the Company's settlements are denominated in euro. Foreign currency exchange risk was managed by using internal means, i.e., by balancing funds received and spent in foreign currencies.

During 2025 and 2024, the Company did not enter into derivative financial transactions to manage the risk of exchange rate fluctuations with servicing banks. Most transactions are in euro and the impact of exchange rate fluctuations is low.

Interest rate risk. Variable interest, related to EURIBOR, is charged on all loans granted to the Company and other financial debts.

Risk management tools are only used if there are clear indications in the market that the interest rate may change significantly. The Company has not entered into derivative financial instruments to manage the risk of interest rate fluctuations.

Long-term loans mostly affect increase in the interest rate risk. The value of the Company's long-term loan portfolio as at 31 December 2025 was EUR 153,257 thousand (as at 31 December 2024: EUR 109,523 thousand).

An increase in the interest rate by 0.5 percentage point during 2025 would result in an increase of annual interest expense of EUR 753 thousand (2024: EUR 441 thousand).

In 2025 and 2024, the Company did not use any derivative financial instruments to manage the interest rate risk.

The Company is not exposed to significant risk of changes in interest rate, exchange rate or price index risk related to banking products.

Capital management. Capital includes equity attributable to shareholders. The main objective of capital management is to ensure that the Company meets its external capital requirements. The objectives of the Company's capital management are to ensure the Company's ability to continue as a going concern in order to generate a return to shareholders and to maintain an optimal capital structure by reducing the cost of capital. In order to maintain or change the capital structure, the Company may make capital payments to shareholders or issue new shares.

In managing capital risk over the long term, the Company also seeks to maintain an optimal capital structure that ensures the balanced achievement of both cost of capital and risk minimisation objectives. The Company's capital structure is formed by assessing the internal factors of its regular operations, planned investments and growth, as well as by taking into account the Company's business strategy and the external regulatory and market environment factors relevant to the Company's operations, both current and anticipated.

7. Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other assets, equipment, fittings and tools	Construction in progress and prepayments	Total
ACQUISITION COST							
31 December 2023	**152,688**	**1,280,387**	**76,484**	**18,401**	**9,023**	**557,710**	**2,094,693**
- additions	2	149	-	-	-	266,055	266,206
- assets sold, written off, disposed	(25)	(2,898)	(314)	(188)	(1,294)	(5,037)	(9,756)
- transferred to (from) current assets	-	2	-	(222)	-	(10,225)	(10,445)
- transferred to intangible assets	-	-	-	-	(229)	-	(229)
- transferred from investment property	67	2,036	-	-	-	-	2,103
- reclassifications	-	121,266	5,578	623	559	(128,026)	-
31 December 2024	**152,732**	**1,400,942**	**81,748**	**18,614**	**8,059**	**680,477**	**2,342,572**
- additions	(184)	2,694	-	-	-	279,344	281,854
- asset acquisitions due to the takeover of part of business operation *	-	5,944	645	43	188	11	6,831
- assets sold, written off, disposed	(1,470)	(902)	(891)	(401)	(88)	(4,724)	(8,476)
- transferred to (from) current assets	-	(28)	101	(3,122)	-	2,410	(639)
- transferred to intangible assets	-	-	-	-	-	(3,853)	(3,853)
- transferred to investment property	-	(2,039)	-	-	-	-	(2,039)
- reclassifications	-	65,838	3,718	3,611	(636)	(72,531)	-
31 December 2025	**151,078**	**1,472,449**	**85,321**	**18,745**	**7,523**	**881,134**	**2,616,250**

7. Property, plant and equipment (continued)

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

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other assets, equipment, fittings and tools	Construction in progress and prepayments	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
31 December 2023	**-**	**(297,136)**	**(20,806)**	**(4,710)**	**(3,280)**	**(11,561)**	**(337,493)**
- depreciation	-	(72,984)	(4,997)	(1,241)	(1,424)	-	(80,646)
- impairment	-	(4)	-	-	-	(91)	(95)
- assets sold, written off, disposed	-	1,097	149	56	1,283	5,012	7,597
- transferred to current assets	-	(1)	-	109	-	-	108
- transferred from investment property	-	(430)	-	-	-	-	(430)
- reclassifications	-	-	-	-	-	-	-
31 December 2024	**-**	**(369,458)**	**(25,654)**	**(5,786)**	**(3,421)**	**(6,640)**	**(410,959)**
- depreciation	-	(74,803)	(5,006)	(1,267)	(982)	-	(82,058)
- impairment of asset acquisitions due to the takeover of part of business operation*	-	(318)	(23)	-	(4)	-	(345)
- impairment	-	(2,883)	(4)	-	-	241	(2,646)
- assets sold, written off, disposed	-	823	430	127	43	4,605	6,028
- transferred to (from) current assets	-	6	(20)	1,464	-	-	1,450
- transferred to intangible assets	-	-	-	-	264	-	264
- transferred to investment property	-	578	-	-	-	-	578
- reclassifications	-	-	75	(75)	-	-	-
31 December 2025	**-**	**(446,055)**	**(30,202)**	**(5,537)**	**(4,100)**	**(1,794)**	**(487,688)**
CARRYING AMOUNT							
31 December 2023	**152,688**	**983,251**	**55,678**	**13,691**	**5,743**	**546,149**	**1,757,200**
31 December 2024	**152,732**	**1,031,484**	**56,094**	**12,828**	**4,638**	**673,837**	**1,931,613**
31 December 2025	**151,078**	**1,026,394**	**55,119**	**13,208**	**3,423**	**879,340**	**2,128,562**

**On 1 October 2025, the transfer of the part of business operation of LTG Railway Services equipment to the Company was carried out.*

On 17 June 2025, the Board of AB Lietuvos Geležinkeliai approved the decision to transfer the LTG business activities of Railway Service Facilities to the Company as of 1 October 2025. The carrying amount of the assets transferred from LTG totalled EUR 6,486 thousand as of 1 October 2025, (acquisition cost – EUR 6,831 thousand; impairment – EUR 345 thousand). For more information, please refer to Note 16.

The Company's depreciation expense included in the statement of profit or loss and other comprehensive income amounted to EUR 57,767 thousand (2024: EUR 57,627 thousand). This amount includes EUR 82,058 thousand (2024: EUR 80,646 thousand) of depreciation expenses, which were reduced by EUR 24,287 thousand (in 2024: EUR 23,014 thousand) due to grant depreciation expenses, as described in Note 17. Capitalised depreciation amounted to EUR 4 thousand (2024: EUR 5 thousand).

The Company's impairment expenses of non current assets recognised in the Statement of Profit or Loss and Other Comprehensive Income amounted to EUR 259 thousand. This amount includes impairment expenses of EUR 2,646 thousand, which were reduced by EUR 2,387 thousand of grant impairment expenses, as described in Note 17.

As at 31 December 2025, the value of the Company's assets managed by the right of trust was EUR 1,210,018 thousand (as at 31 December 2024: EUR 1,007,497 thousand). As at 31 December 2025, the cost of the Company's fully depreciated property, plant and equipment still in use amounted to EUR 37,297 thousand (EUR 25,927 thousand as at 31 December 2024).

The majority of fully depreciated property, plant and equipment in use included buildings and structures, machinery and equipment.

As at 31 December 2025, inventories by the value of EUR 22,569 thousand, which complied with the requirements of IAS 16, have been reclassified to property, plant and equipment - construction in progress (EUR 19,891 thousand as at 31 December 2024), and an impairment of EUR 494 thousand was established on these inventories (EUR 734 thousand in 2024).

The Company has no pledged assets.

While preparing the financial statements, the Company's management made an estimate of the recoverable amount of property, plant and equipment and intangible assets. A single cash-generating unit has been identified, without separating the assets of MAP and RSF into separate cash-generating units, as the revenue of all activities is dependent in accordance with the requirements of IAS 16. The assessment was made by discounting the expected cash inflows from the Company's activity. The carrying amount of the assets as at the date of the financial statements was determined by taking the carrying amounts of the assets and reducing them by asset-related grants.

The forecast of the Company's results was made using these key assumptions:

- the cash flows were projected for a period of 5 years (2026-2030) with a rolling period and discounted at a pre-tax weighted average cost of capital (WACC) rate of 6.9 per cent;
- the long-term growth rate used in the calculation of the recoverable amount is 2%;
- the MAP and RSF tariffs are based on tariff calculation methodologies, taking into account the market and shareholder expectations;
- the volumes of transporting freight and passengers were based on the forecasts provided by railway undertakings (carriers);
- given the volumes projected by railway undertakings/carriers, the estimated efficiency measures envisaged for the Company's operations and the assessed need to balance the MAP's operating income-costs, the projected need for state grants throughout the period under assessment. The need for Government grants remains high until 2027 (up to 7.6%, compared to 2025), after which it decreases, and in 2030 it is 1.2% lower, compared to 2025. In the terminal value, based on the 2030 forecast, the need for grants is planned to be about 0.7% higher than in 2025;
- during the continuing period, EBITDA grows by 16.2%, compared to 2025;
- the forecast includes an assumption that the Rail Baltica assets of the EUR 78 million, acquired using the Company's own funds, will be refinanced.
- The calculation of the recoverable amount of the assets did not indicate any need for impairment.

The sensitivity analysis showed that if:

- WACC increased by 1 percentage point, the recoverable amount would decrease by 18%, which would mean that the Company would have to record an impairment loss of EUR 6.3 million;
- WACC decreased by 1 percentage point, the recoverable amount would increase by 27%;
- Long-term growth increased by 1 percentage point, the recoverable amount would increase by 23%;
- Long-term growth decreased by 1 percentage point, the recoverable amount would decrease by 15%.

8. Right-of-use assets

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

	Land	Buildings and structures	Vehicles	Other equipment, fittings and tools	Total
ACQUISITION COST					
31 December 2023	**-**	**111**	**3,926**	**-**	**4,037**
- additions	4	-	633	-	637
- assets sold, written off, disposed	-	-	(661)	-	(661)
31 December 2024	**4**	**111**	**3,898**	**-**	**4,013**
- additions	-	1,090	2,995	30	4,115
- assets sold, written off, disposed	-	(194)	(1,767)	-	(1,961)
31 December 2025	**4**	**1,007**	**5,126**	**30**	**6,167**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
31 December 2023	**-**	**(12)**	**(1,923)**	**-**	**(1,935)**
- depreciation	-	(13)	(976)	-	(989)
- assets sold, written off, disposed	-	-	613	-	613
31 December 2024	**-**	**(25)**	**(2,286)**	**-**	**(2,311)**
- depreciation	-	(43)	(1,054)	(1)	(1,098)
- assets sold, written off, disposed	-	20	1,618	-	1,638
31 December 2025	**-**	**(48)**	**(1,722)**	**(1)**	**(1,771)**
CARRYING AMOUNT					
31 December 2023	**-**	**99**	**2,003**	**-**	**2,102**
31 December 2024	**4**	**86**	**1,612**	**-**	**1,702**
31 December 2025	**4**	**959**	**3,404**	**29**	**4,396**

9. Intangible assets

The Company's intangible assets consisted of:

	Software	Concessions, patents, licences, trademarks and similar rights	Other intangible assets	Total
ACQUISITION COST				
31 December 2023	**20,615**	**33**	**1,895**	**22,543**
- additions	-	-	1,826	1,826
- assets sold, written off, disposed	(10)	-	-	(10)
- transferred from property, plant and equipment	229	-	-	229
31 December 2024	**20,834**	**33**	**3,721**	**24,588**
- additions	-	-	6,682	6,682
- assets sold, written off, disposed	(1,796)	(5)	-	(1,801)
- transferred from property, plant and equipment	8,901	-	(5,048)	3,853
31 December 2025	**27,939**	**28**	**5,355**	**33,322**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES				
31 December 2023	**(8,848)**	**(33)**	**(52)**	**(8,933)**
- amortisation	(2,575)	-	(14)	(2,589)
- assets sold, written off, disposed	10	-	-	10
31 December 2024	**(11,413)**	**(33)**	**(66)**	**(11,512)**
- amortisation	(3,655)	-	(15)	(3,670)
- assets sold, written off, disposed	1,423	5	-	1,428
- transferred from property, plant and equipment	(264)	-	-	(264)
31 December 2025	**(13,909)**	**(28)**	**(81)**	**(14,018)**
CARRYING AMOUNT				
31 December 2023	**11,767**	**-**	**1,843**	**13,610**
31 December 2024	**9,421**	**-**	**3,655**	**13,076**
31 December 2025	**14,030**	**-**	**5,274**	**19,304**

The Company does not have any internally generated intangible assets. The Company's intangible asset amortisation expenses, which amounted to EUR 3,670 thousand in 2025 (2024: EUR 2,589 thousand), are included in the Statement of Profit or Loss and Other Comprehensive Income under the line of depreciation and amortisation expenses. These expenses were reduced by EUR 1,830 thousand (2024: EUR 1,539 thousand) due to grant amortisation, as described in Note 17.

The Company's fully amortised intangible assets still in use amounted to EUR 256 thousand as at 31 December 2025 (as at 31 December 2024: EUR 1,478 thousand). The major part of fully amortised assets consisted of software.

10. Investment property

The Company's investment property consisted of:

	Investment property
ACQUISITION VALUE	
31 December 2023	**4,025**
- assets sold, written off, disposed	-
- transferred to property, plant and equipment	(2,103)
31 December 2024	**1,922**
- asset acquisitions due to takeover of part of business operation*	105
- assets sold, written off, disposed	(91)
transferred from property, plant and equipment	2,039
31 December 2025	**3,975**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	
31 December 2023	**(778)**
- depreciation	(167)
- transferred to property, plant and equipment	430
31 December 2024	**(515)**
- depreciation	(120)
- impairment	(246)
- assets sold, written off, disposed	52
- transferred from property, plant and equipment	(578)
31 December 2025	**(1,407)**
CARRYING AMOUNT	
31 December 2023	**3,247**
31 December 2024	**1,407**
31 December 2025	**2,568**

**On 1 October 2025, the transfer of the part of business operation of LTG Railway Services equipment to the Company was carried out.*

On 17 June 2025, the Board of AB Lietuvos Geležinkeliai approved the decision to transfer the LTG business activities of Railway Service Facilities to the Company as of 1 October 2025. The carrying amount of the investment property transferred from LTG totalled EUR 105 thousand as of 1 October 2025 (see Note 16 for more details).

The investment property of the Company included land and buildings. The fair value of the investment property amounts EUR 9,703 thousand according to asset valuation performed in 2025.

The Company classifies as investment property only those assets for which the leased area accounts for more than 5% of the total building area and for which the carrying amount per unit exceeds EUR 40 thousand, in proportionally to the leased area. The Company earned EUR 1,708 thousand in rental income from investment property in 2025 (in 2024 – EUR 1,698 thousand).

11. Inventories

The Company's inventory consisted of:

	2025	2024
Superstructure materials (SM)*	-	1,409
Materials	743	243
Spare parts	1,728	2,050
Fuel	9,153	71
Other inventory	895	1,132
Total raw materials, supplies and components	12,519	4,905
Purchased services/assets for resale	16,267	15,763
Non-current assets held for sale	1,167	261
Total	**29,953**	**20,929**

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

The carrying amount of EUR 13,360 thousand of the Company's inventories (except for assets held for sale and services/assets for re-sale) was reduced by EUR 841 thousand to the net realisable value as at 31 December 2025 (as at 31 December 2024: EUR 5,674 thousand reduced by EUR 769 thousand). The change in the write-off of inventories to net realisable value is shown in the statement of profit or loss and other comprehensive income under the item of write-off to net realisable value expense.

As at 31 December 2025, services/assets purchased by the Company for re-sale comprise the value of the services/assets purchased in relation to the reconstruction/development of assets or costs incurred for the benefit of the State-controlled entity in order to achieve the objectives of the investment project, and which are transferred to the Company in accordance with the co-operation agreement. The net carrying amount of these services/assets as at 31 December 2025 amounted to EUR 16,267 thousand. As at 31 December 2024, EUR 15,763 thousand were recognised as services/assets intended for sale under a tripartite agreement, and the assets created were transferred for the benefit of a state-controlled entity, along with the associated portion of the grant.

The remaining part of the Company's non-current assets held for sale includes draisines, cranes, wagons and etc. The carrying amount of these assets amounting to EUR 3,505 thousand, was reduced by EUR 2,338 thousand to a net realisable value of EUR 1,167 thousand (as at 31 December 2024: EUR 1,951 thousand reduced by EUR 1,690 thousand to a net realisable value of EUR 261 thousand).

Change in impairment of inventories:

	2025	2024
Opening balance of the period	2,459	2,395
Change in impairment	720	64
Closing balance of the period	**3,179**	**2,459**

Inventories that meet the recognition criteria set forth in IAS 16 have been reclassified to unfinished construction of non-current assets, impairment of respective inventories has also been reclassified to unfinished construction of non-current assets.

12. Trade and other receivables

The Company's trade and other receivables included:

	2025	2024
External trade receivables, gross value	3,033	1,380
Impairment (-)	(871)	(865)
Total external trade receivables	**2,162**	**515**
Receivables from related parties	9,939	7,660
Total receivables from related parties	**9,939**	**7,660**
VAT receivable	604	1,039
Other receivables from the budget	4,270	5,440
Accrued income	92	116
Accrued income from related parties	263	357
Guarantees paid to suppliers*	10	-
Other receivables	30,314	14,806
Total other receivables	**35,553**	**21,758**
Total	**47,654**	**29,933**

**As at 31 December 2025, paid guarantees were reclassified from Prepayments (Note 13)*

Other receivables include amounts receivable from project partners for assets being reconstructed/manufactured for their benefit or costs incurred.

As at 31 December 2025, the major part of Other receivables from the budget consists of a surplus payment and prepayment of corporate income tax amounting to EUR 2,679 thousand (as at 31 December 2024: EUR 5,257 thousand).

Change in impairment of trade and other receivables is disclosed in Note 6.

13. Prepayments

The Company's prepayments consisted of:

	2025	2024
Prepayments to external suppliers	24	2
Prepayments to related parties	-	-
Guarantees paid to suppliers*	-	9
Deferred expenses	4,397	3,176
Total	**4,421**	**3,187**

**As at 31 December 2025, guarantees paid have been reclassified to Trade and other receivable amounts (Note 12).*

In 2025, the majority of the Company's prepayments included the reimbursed project costs (salaries, publicity, business trips, etc.), costs incurred for which the eligibility of the expenditure will be confirmed by the acceptance of the grant awarded.

14. Cash and cash equivalents

The Company's cash and cash equivalents consisted of:

	2025	2024
Cash in bank	103,046	33,701
Total	**103,046**	**33,701**

As at 31 December 2025 and 31 December 2024, the Company had no term deposits. Cash was not pledged.

To balance the working capital, the Company used the LTG Group's cash-pool to optimise the use of working capital and short-term borrowing costs. The parent company of the LTG Group has entered into an agreement with a credit institution for servicing the LTG Group's cash-pool and, accordingly, the Company enters into a mutual lending and borrowing agreement for each year. The terms and conditions of the agreement are in line with normal market conditions.

15. Authorised capital, reserves and dividends

Authorised capital. On 30 September 2025, a Share Subscription Agreement was signed between AB Lietuvos Geležinkeliai (LTG) and LTG Infra. Under the agreement, AB Lietuvos Geležinkeliai transferred the property complex – the business part of AB Lietuvos Geležinkeliai, i.e. the business of Railway Service Facilities. For the subscribed Company shares, AB Lietuvos Geležinkeliai settled with a non-monetary contribution valued at EUR 5,153 thousand, which increased the authorised capital of LTG Infra on 15 October 2025.

On 15 October 2025, the new Articles of Association of the Company were registered, based on which the authorised capital was increased up to EUR 660,081 thousand. The authorised capital is divided into 660,081 ordinary registered shares, each with a nominal value of EUR 1,000 euros.

Legal reserve. Legal reserve is compulsory pursuant to legislation of the Republic of Lithuania. Annual contributions of 5 per cent of the net profit to the legal reserve are compulsory until the total amount of the reserve reaches 10 per cent of the authorised capital. The legal reserve cannot be distributed for dividend purposes but can be used to cover future losses. As at 31 December 2025, there was no legal reserve formed in the Company, as by the decision of the shareholders in 2024, EUR 1,258 thousand were used to cover the loss for 2023.

Other reserves. As at 31 December 2025, there were no other reserves formed, as by the decision of the shareholders in 2024, EUR 3,117 thousand were used to cover the loss for 2023.

16. Unrecognised profit (loss) for the reporting year

On 17 June 2025, the Board of AB Lietuvos Geležinkeliai approved the decision to transfer part of the Railway Service Facilities business operations to AB LTG Infra effective from 1 October 2025. The transfer was performed to optimise the group's structure and ensure more efficient infrastructure management.

As at 31 December 2025, the Company's unrecognised profit (loss) for the reporting year amounted to EUR 2,850 thousand. This amount included EUR 4,904 thousand of unrecognised profit (loss) for the reporting year, resulting from the acquisition of part of the LTG Railway Service Facilities business operation.

On 1 October 2025, the transfer of the part of LTG RSF business operation into the Company was performed at the carrying values of assets and liabilities:

ASSETS		EQUITY AND LIABILITIES	
Property, plant and equipment	6,486	Employee benefits	100
Intangible assets	-	Grants	11
Investment property	105	**Total non-current liabilities**	**111**
Total non-current assets	**6,591**	Employee benefits	192
		Prepayments received	5,556
Inventories	9,325	**Total current liabilities**	**5,748**
Total current assets	**9,325**	**Total liabilities**	**5,859**
		Net assets	**10,057**
TOTAL ASSETS	**15,916**	**TOTAL EQUITY AND LIABILITIES**	**15,916**

As at 1 October 2025, the difference in the carrying amounts of the transferred assets and liabilities (net assets) amounted to EUR 10,057 thousand. After eliminating the EUR 5,153 thousand related to the Company's increased authorised capital, a profit of EUR 4,904 thousand from the acquisition of part of the RSF business operation was recorded in the Statement of Profit or Loss and Other Comprehensive Income as unrecognised profit (loss) for the reporting year.

During the actual transfer of the part of business operation, it was determined that a larger portion of assets was transferred than intended during the valuation. The difference arose due to changes in the composition of the transferred assets. Considering the identified circumstances, the Board decided to apply unilateral restitution and return EUR 2,277 thousand in monetary equivalent to AB Lietuvos Geležinkeliai. As at 31 December 2025, the unrecognised profit (loss) for the reporting year was decreased by EUR 2,277 thousand. As at 31 December 2025, an amount of EUR 289 thousand related to deferred income tax was also recorded in the Company's retained earnings (loss) for the reporting year.

ASSETS		EQUITY AND LIABILITIES	
Property, plant and equipment	6,486	Employee benefits	100
Intangible assets	-	Grants	11
Investment property	105	**Total non-current liabilities**	**111**
Deferred tax assets:	289	Employee benefits	192
Total non-current assets	**6,880**	Prepayments received	5,556
		Other amounts payable and liabilities	2,277
Inventories	9,325	**Total current liabilities**	**8,025**
Total current assets	**9,325**	**Total liabilities**	**8,136**
		Net assets	**8,069**
TOTAL ASSETS	**16,205**	**TOTAL EQUITY AND LIABILITIES**	**16,205**

The remaining portion of the unrecognised profit (loss) for the reporting year was decreased by EUR 66 thousand due to the transfer of non-current assets to VĮ Turto Bankas. For comparison, in 2024, EUR 952 thousand were accounted for due to the transfer of non-current assets to municipalities.

17. Grants

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

	2025	2024
Opening balance of the period	**1,119,277**	**982,862**
Received during the year	315,085	241,926
Reversal of grant	18	-
Received free of charge (land, assets)	(184)	2
Used to reduce depreciation costs of property, plant and equipment	(24,287)	(23,014)
Used to reduce amortisation costs of non-current intangible assets	(1,830)	(1,539)
Used to reduce other costs	(6,554)	(5,005)
Used to balance income and costs	(82,176)	(65,634)
Transferred to current payable amounts	1,398	34
Impairment	(2,387)	(862)
Repaid/transferred to State-controlled entities	(1,631)	(9,493)
Closing balance of the period	**1,316,729**	**1,119,277**
Including assets managed under the right of trust	**333,809**	**387,173**

Grants are related to the financing of investment programmes, assets received under the Trust Agreement and subsidies earmarked for compensating costs and balancing revenue and costs of public railway infrastructure manager.

Depreciation and amortisation of grants is recorded in the statement of comprehensive income under depreciation and amortisation and reduces the depreciation charge on the related intangible and tangible non-current assets. Impairment and write-down of grants are recorded under impairment of assets and reduce this expense.

As disclosed in Note 3 "Significant accounting estimates and judgements", on 6 April 2022, the Company and the Ministry of Transport and Communications of the Republic of Lithuania signed a quality and financing agreement for railway service facilities owned by the Lithuanian State. The grants received under this agreement ensure stable maintenance of the public railway infrastructure, improve the quality of the services provided and ensure a high level of safety of railway traffic. During 2025, the Company accrued EUR 82.8 million (2024: EUR 65.6 million) of grants, and received EUR 80.8 million (2024: EUR 65.6 million) with the difference of EUR 1,398 thousand or EUR 1.4 million (2024: EUR 34 thousand or EUR 0.03 million) being recorded under Trade and other payables.

Grants for assets created and/or costs incurred for the benefit of the State-controlled entities are accounted for as received grants, and assets are reclassified as inventory to be transferred until control over such assets is maintained (Note 11).

18. Loans and other borrowings

The Company's borrowings consisted of:

	2025	2024
Long-term loans	137,702	93,968
Current part of the long-term loans	15,555	15,555
Loans from related parties	35,115	11,982
Loan interest	941	1,245
Total	**189,313**	**122,750**

In 2020, having completed the restructuring of long-term loans of LTG, the guarantee agreement with the Nordic Investment Bank (NIB) came into effect, based on which LTG guarantees the fulfilment of all liabilities arising from financing agreements of AB LTG Infra.

The loans received by the Company's consisted of:

	Paskolos valiuta	Loan repayment year	2025 12 31	2024 12 31
Nordic Investment Bank 3[1]	EUR	2026-2032	47,805	55,161
Nordic Investment Bank 4[2]	EUR	2026-2030	22,352	25,791
Nordic Investment Bank 5[3]	EUR	2026-2030	23,810	28,571
OP Corporate Bank[4]	EUR	2027-2032	59,290	-
Loans from related parties	EUR		35,115	11,982
Loan interest	EUR		941	1,245
Total			**189,313**	**122,750**

[1] (NIB-3) and (NIB-2) loans are intended for the renovation and development of railway infrastructure. During 2025, the Company repaid EUR 7,355 thousand (2024: EUR 7,355 thousand) of (NIB-3) loan and paid EUR 2,064 thousand (2024: EUR 3,252 thousand) of interest.

[2] (NIB-4) loan was granted for securing the national share of co-financing of the public railway infrastructure project Rail Baltica financed with the EU support funds in 2007-2013. During 2025, the Company repaid EUR 3,438 thousand (2024: EUR 3,438 thousand) of the loan and paid EUR 1,114 thousand (2024: EUR 1,483 thousand) of interest.

[3] (NIB-5) loan is intended for the implementation of the public railway infrastructure project Rail Baltica and investment projects of the years 2014-2020. In 2025, the Company repaid EUR 4,762 thousand (2024: EUR 4,762 thousand) of the loan and paid EUR 1,037 thousand (2024: EUR 1,621 thousand) of interest.

[4] The loan issued by OP Corporate bank is intended to cover the implementation costs of the "Rail Baltica" project. In 2025, an amount of EUR 59,290 thousand was paid to the Company. During 2025, the Company paid EUR 68 thousand of interest and EUR 134 thousand of the liability and other fees. In 2025, an outstanding part of the loan amounted to EUR 50,710 thousand.

During 2025, the Company repaid EUR 15,555 thousand (2024: EUR 15,555 thousand) of loans and paid EUR 4,417 thousand (2024: EUR 6,356 thousand) of interest and EUR 3 thousand of other charges.

To achieve a more effective management of funds and ensure the liquidity of the Group companies under market conditions, the Company used the Group's cash-pool. The liability under the Group's cash-pool agreement as at 31 December 2025 amounted to EUR 35,115 thousand (as at 31 December 2024: EUR 11,982 thousand). During 2025, the Company paid EUR 2,415 thousand of cash-pool interest (2024: EUR 1,185 thousand).

Movement of loans:

	2025	2024
Financial liabilities in the beginning of the period	**122,750**	**126,736**
Repayment of loans	(15,555)	(15,555)
Loans received from related parties	23,133	11,982
Loans received (OP Corporate Bank)	59,290	-
Calculated interest and other loan-related charges	6,527	7,128
Paid interest and other loan-related charges	(6,832)	(7,541)
Financial liabilities at the end of the period	**189,313**	**122,750**

19. Lease liabilities

The Company leases buildings and other assets (vehicles and dredgers). Agreements on the lease of building are usually concluded for a fixed 36-month period with a possibility to extend them. Car lease agreements are concluded for 36 months without a possibility to extend them. When determining the lease period, the management evaluates all facts and circumstances, which give rise to economic incentives to avail themselves of the possibility to extend or terminate the contract. Management assesses the likelihood of extending a lease (or the periods after an early termination option) only when it can reasonably be expected that the lease will be extended (or will not be terminated). Potential future cash outflows have not been included in lease liabilities because there is no basis to be certain that the leases will be extended (or not terminated). The discount rate applied on lease agreements in 2025 is related to 6-month EURIBOR and the market margin, determined by market research under current market conditions.

The Company's lease liabilities and their movement:

	2025	2024
Carrying amount at the beginning of the period	**1,734**	**2,145**
Lease contracts concluded	4,115	637
Lease contracts terminated	(343)	(26)
Interest calculated	75	30
Lease payments (principal amount and interest)	(1,119)	(1,052)
Carrying amount at the end of the period	**4,462**	**1,734**
Long-term lease liabilities	3,362	1,003
Short-term lease liabilities	1,100	731
Total	**4,462**	**1,734**

Future lease payments under non-cancellable lease contracts:

Lease liabilities with maturities:	2025	2024
Within one year	1,100	731
From one to five years	3,329	970
After five years	33	33
Total	**4,462**	**1,734**

If the discount rate applied by the Company increased or decreased by 1%, the amount of lease liabilities as at 31 December 2025 would amount to EUR 4,294 thousand or EUR 4,630 thousand, respectively (as at 31 December 2024: EUR 1,682 thousand or EUR 1,786 thousand).

The Company has amounts payable for short-term lease, low-value assets and other amounts, which are recognised in the Statement of Profit and Loss and Other Comprehensive Income at the total amount of EUR 777 thousand in 2025 (2024: EUR 580 thousand).

20. Employee benefits

According to the laws of the Republic of Lithuania, an employee of the Company who retires at retirement age is entitled to a benefit in the amount of 2 months' salary. In addition, in accordance with the Branch Collective Agreement of the Group of companies, effective from 1 January 2023 and concluded for a period of four years, a one-off bonus of one average monthly salary shall be granted in appreciation of long and good service (with due regard to performance and discipline) to employees with at least twenty-five years of service with the Group of companies who have reached retirement age and who are therefore terminating their employment relationship with the Company.

The key assumptions used in estimating the Company's long-term employee benefit obligation are set out below:

	2025	2024
Discount rate	4.37%	3.67%
Employee turnover rate	7.24%	7.25%
Salary accrual rate	5.50%	5.00%

Change in employee benefits during 2025 by type:

	31/12/2024	Added to the statement of profit or loss and other comprehensive income	Acquisition of part of business operation	Capitalised costs	Paid	31/12/2025
NON-CURRENT LIABILITIES						
Provisions for pensions and similar liabilities	3,588	848	(100)	-	(206)	4,130
Total non-current liabilities:	**3,588**	**848**	**(100)**	**-**	**(206)**	**4,130**
CURRENT LIABILITIES						
Accumulated vacation pay	2,416	3,465	(112)	-	(3,056)	2,713
Wages and salaries payable	2,799	30,966	-	2,998	(33,440)	3,323
Social security contributions payable	1,218	16,139	-	53	(15,996)	1,414
Personal income tax payable	867	12,168	-	-	(11,976)	1,059
Other employment-related liabilities	3,005	2,294	(80)	-	(2,086)	3,133
Total current liabilities:	**10,305**	**65,032**	**(192)**	**3,051**	**(66,554)**	**11,642**
Total	**13,893**	**65,880**	**(292)**	**3,051**	**(66,760)**	**15,772**

21. Trade and other payables

The Company's trade and other payables consisted of:

	31/12/2025	31/12/2024
Trade accounts payable	75,381	81,758
Trade accounts payable to related parties	7,600	8,545
Prepayments received	30,228	13,471
Prepayments received from related parties	5,494	74
Cash guarantees received	2,551	1,220
Cash guarantees received from related parties	493	624
Prepayments received for use of railway infrastructure	-	721
Accumulated expenses	5,179	9,470
Accrued expenses from related parties	3,098	2,106
Other amounts payable and liabilities	181	126
Other amounts payable and liabilities to related parties*	2,277	-
Total	**132,482**	**118,115**

** more detail in Note 16*

The Company is carrying out intensive construction works in the Rail Baltica railway sections and continues works under other projects; therefore, liabilities for contracting works comprised the largest portion of trade accounts payable.

In 2025, the majority of prepayments to related parties consisted of payments for fuel.

The prepayments received included grants received in advance for the implementation of ongoing investment projects.

22. Provisions

The Company's other provisions consisted of:

	Non-current provisions	Current provisions	Total
Balance as at 31 December 2023	16,453	66	16,519
Transferred to long-term provisions	66	(66)	-
Balance as at 31 December 2024	16,519	-	16,519
Transferred to long-term provisions	-	-	-
Additionally formed	23,114	-	23,114
Additionally dissolved	(10)	-	(10)
Balance as at 31 December 2025	**39,623**	**-**	**39,623**

Considering the current situation and potential liabilities, in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions reflecting the potential liability were formed in 2025. The total amount of provisions formed is EUR 23,114 thousand, which are related to the outcomes of legal cases and potential liabilities. In addition, provisions of EUR 20,581 thousand related to a legal case concerning the indexation of construction contract prices have been recognized and accounted for as accruals under construction in progress.

Provisions may be adjusted, if new information arises regarding the progress or expected outcomes of the cases.

23. Sales revenue

The Company's revenue consisted of:

	2025	2024
Revenue from use of railway infrastructure	96,064	94,846
Revenue from use of railway service facilities	20,214	14,554
Revenue from other operating activities	18,062	9,773
Total revenue from operating activities	134,340	119,173
Revenue from government grants	82,176	65,634
Total revenue from government grants	82,176	65,634
Other operating income	600	1,079
Total income from other activities	600	1,079
Total	**217,116**	**185,886**

Change in revenue from services related to the use of railway service facilities due to storing of rolling stock, shunting humps and the provision of intermodal terminal services.

The Company's revenue at the moment of revenue recognition was as follows:

	2025	2024
Recognised immediately	11,034	2,545
Recognised over an ongoing period	206,082	183,341
Total	**217,116**	**185,886**

As described in Note 4 "Significant accounting estimates and judgements", the grants are intended to ensure stable maintenance of the public railway infrastructure, to improve the quality of the services provided and to ensure a high level of safety in rail traffic.

24. Employee benefits

Employee benefits by type:

	2025	2024
Wages and salaries	63,889	59,458
Social security costs	1,152	1,029
Vacation accrual expenses	297	(178)
Pensions and similar liabilities	542	(69)
Total	**65,880**	**60,240**

The major part of salary costs was affected by an increase in the average annual salaries.

25. Net finance income and costs

The results of the Company's financial activities consisted of:

	2025	2024
Total income from financing activities	131	1,423
Interest	2	295
Penalties and default interest for overdue trade receivables	129	1,128
Total finance costs	(9,354)	(7,549)
Interest	(6,449)	(7,276)
Penalties and default interest	(2,788)	(243)
Other costs	(117)	(30)
Total	**(9,223)**	**(6,126)**

Finance costs have increased due to payable penalties and default interest.

26. Corporate income tax and deferred tax

Corporate income tax was calculated at a rate of 16%.

	2025	2024
Corporate income tax adjustment of the previous year	44	-
Deferred income tax expenses (income)	(863)	(1,934)
Total income tax expenses (income) recognised in profit or loss	**(819)**	**(1,934)**

Corporate income tax expenses (income) consisted of:

	2025	2024
Profit (loss) before taxation	(9,415)	(10,760)
Corporate income tax	(1,506)	(1,614)
Non-allowable (+)/additional allowable (-) deductions	118	1,146
Non-taxable income	(68)	(373)
Income tax of the previous year	44	-
Difference due to a change in percentage	593	(1,093)
Total income tax expenses (income)	**(819)**	**(1,934)**
Effective rate	8.70%	17.97%

Below is the calculation of the Company's deferred income tax applying the 17% rate:

	2025	2024
DEFERRED TAX ASSETS:		
Impairment of receivables and write-off of hopeless debts	148	138
Write-off of inventories	786	764
Vacation and bonus accruals	991	865
Liabilities of long-term employee benefits	702	574
Tax losses carried forward	7,555	4,802
Total deferred tax assets:	10,182	7,143
DEFERRED INCOME TAX LIABILITY:		
Difference between financial and tax value of non-current assets	(18,562)	(16,102)
Differences in grants	(1,696)	(2,269)
Total deferred tax liability:	(20,258)	(18,371)
Deferred tax asset (liability), net	**(10,076)**	**(11,228)**

As the 17% rate became effective in the jurisdiction on 1 January 2026, the Company's deferred tax has been recalculated to reflect future accounting periods when the temporary differences giving rise to the deferred tax will reverse.

27. Related party transactions

Parties are considered to be related when one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

As defined in IAS 24 "Related Party Disclosures", an entity is related to a reporting entity if at least one of the following conditions is met:

- The Government of the Republic of Lithuania acts as the owner of all shares in AB LTG Infra;
- Companies or institutions are managed by the Government of the Republic of Lithuania;
- Parent company AB Lietuvos Geležinkeliai;
- Subsidiaries of the parent company LTG;
- LTG related, non-consolidated associated and joint ventures;
- Board members, their close relatives and companies under their control;
- All key management personnel and the companies they control;
- Persons who are family members of key management personnel of the reporting entity.

For entities operating in an environment where state control is extensive, most counterparties are also related to the state and are therefore considered to be related parties. IAS 24 permits a reporting entity to reduce disclosures about transactions and balances, including liabilities related to:

- The government that controls, has joint control over, or has significant influence over, the reporting entity; and
- Another entity that is a related party because the same government controls, has joint control over, or has significant influence over both the reporting entity and the other entity.

Due to the before mentioned reasons, the Company does not disclose transactions with the Government of the Republic of Lithuania and other economic entities controlled by the Government of the Republic of Lithuania.

Related party transactions of the Company:

	2025		31/12/2025	
	Sales	**Procurement**	**Receivables**	**Payables**
AB Lietuvos Geležinkeliai [1]	912	9,500	44	39,038
AB LTG Cargo	110,296	471	8,642	5,383
UAB LTG Link	12,291	511	1,438	366
UAB Geležinkelio tiesimo centras[3]	492	13,680	67	1,813
UAB Rail Baltica statyba	-	58	-	4
UAB LTG Kompetencijų centras[2]	11	20,873	11	5,587
UAB voestalpine VAE Legetecha [4]	-	9,864	-	1,886
Total	**124,002**	**54,957**	**10,202**	**54,077**

The major portion of acquisitions for 2025 consists of the following:

AB Lietuvos Geležinkeliai[1]: strategic management fee – EUR 8,854 thousand;

UAB LTG Kompetencijų centras[2]: general administrative charges – EUR 19,018 thousand;

UAB Geležinkelio tiesimo centras[3]: construction and repair of railways – EUR 10,022 thousand;

UAB voestalpine VAE Legetecha[4]: upper road materials (rails) – EUR 6,982 thousand.

	2024		31/12/2024	
Susijusios šalys	**Sales**	**Procurement**	**Receivables**	**Payables**
AB Lietuvos Geležinkeliai [1]	1,717	26,553	431	18,042
AB LTG Cargo	98,238	468	6,186	298
UAB LTG Link	9,294	532	1,220	86
UAB Geležinkelio tiesimo centras[2]	799	11,104	180	2,864
UAB Rail Baltica statyba	-	58	-	6
UAB voestalpine VAE Legetecha [3]	-	7,947	-	2,035
Total	**110,048**	**46,662**	**8,017**	**23,331**

The major part of the purchases in 2024 includes the following:
AB Lietuvos Geležinkeliai [1]: strategic management fee – EUR 3,739 thousand; general administrative charges – EUR 20,322 thousand.
UAB Geležinkelio tiesimo centras[2]: construction and repair of railways – EUR 10,758 thousand;
UAB voestalpine VAE Legetecha [3]: upper road materials (rails) – EUR 6,670 thousand.

Following the LTG Group methodology, all transactions with related parties are performed under market conditions and conform to the arm's-length principle.

28. Management remuneration and other benefits

As at 31 December 2025, the management consisted of the Chief Executive Officer and the heads of the following departments: Technical Maintenance, Service Delivery, Service Development and Sales, Strategy and Governance, Finance, Project Management, Rail Baltica Management, Business Resilience, People and Culture.

	2025	2024
Management remuneration	1,061	1,023
Incentive benefits*	124	97
Accrued non-current benefits**	7	4
Number of executives	10	9
Allowances for members of the Board	120	120
Number of Board members	5	5

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

As of 31 December 2025, the Company's management have not been granted any loans, guarantees, or other disbursements or accruals, or disposals of assets other than as set forth above.

29. Contingent assets and liabilities, and potential liabilities

The tax administrator has not performed a full tax audit of the Company. The tax authorities may at any time inspect the accounting, transactional and other documents, records and tax returns for the current and the 3 preceding calendar years, and in certain cases for the current and the 5 or 10 preceding calendar years, and may impose additional taxes and penalties. The management of the Company is not aware of any circumstances that could give rise to a potential material liability for unpaid taxes.

VAS Latvijas dzelzceļš and SIA LDZ CARGO addressed LTG in writing on 30 August 2018 to claim compensation for the damage suffered by these companies. According to these companies, they had suffered a damage of EUR 82,340 thousand as a result of the dismantling of the railway section Mažeikiai - Latvian border. The abovementioned entities also claim interest at the rate of 6% for the period from the date on which the damage occurred until the date of compensation. LTG Infra, as successor in title to the proceedings, does not accept these claims and considers them to be unjustified.

On 4 September 2025, LTG received an additional claim from VAS Latvijas dzelzceļš for compensation of damages amounting to EUR 32,770 thousand due to lost profits and interest. In response to the claim, LTG requested the calculation methodology and specification. On 23 December 2025, LDZ replied that for the time being the calculations would not be provided. Additionally, LDZ indicated that the damage also incurred by SIA LDZ CARGO is currently being calculated, but no claim has been submitted yet.

Elecnor Servicios y Proyectos, S.A.U. and Instalaciones Inabensa, S.A. have filed a lawsuit against AB LTG Infra seeking an order to recalculate the price of works (indexation), to adjust a debt of EUR 15,354 thousand, procedural interest, and litigation costs. LTG Infra" disagrees with the claims, asserting that the delays in work were due to the contractors' fault, and therefore, the contractors are not entitled to price indexation for the works. Legal disputes are ongoing.

On 22 December 2025, the Lithuanian Court of Appeal annulled the decision of the First-Instance Court, dated 12 August 2025, regarding the grounds of the claim and returned the case for re-examination to the First-Instance Court.

In the case concerning an increase in the contract price by EUR 7,096 thousand, the extension of the completion time, and the awarding of litigation costs, the Vilnius Regional Court decided on 9 October 2025 that the plaintiffs have grounds to file a claim against LTG Infra regarding the increase in the contract price and the extension of the completion time of the contract, dated 20 December 2019. The decision of the First-Instance Court has been appealed.

On 11 September 2025, the Vilnius Regional Court received a lawsuit from Elecnor Servicios y Proyectos, S.A.U. and Instalaciones Inabensa, S.A. requesting LTG Infra to pay EUR 896 thousand of expenses related to additional works performed, EUR 16 thousand in penalties for delays in settling payments for additional works, annual interest of 10.15% on the awarded amount from the date the case was filed in court until the full execution of the court's decision, and litigation costs. LTG Infra disagrees with the lawsuit. Legal proceedings are ongoing.

After assessing the circumstances of the case and the potential financial risk, provisions were made in 2025. The change in provisions is disclosed in Note 22.

AB LTG Infra has received guarantees from: AB LTG Cargo - EUR 21 thousand, matures on 26 October 2028.

LTG Infra has issued guarantees to: AB Lietuvos Geležinkeliai - EUR 89 thousand, matures on 30 May 2026; UAB LTG Link - EUR 26 thousand, matures on 21 September 2026; national Energy Regulatory Council - EUR 11 thousand, matures on 31 December 2026; AB Geležinkelio tiesimo centras - EUR 30 thousand, matures on 26 January 2028; State Tax Authority - EUR 1,000 thousand, matures on 5 June 2030 (issued from the limit granted by the bank).

30. Investment commitments

On 20 December 2019, LTG Infra signed a contract with joint venture partners Elecnor S.A. and Instalaciones Inabensa S.A. on the electrification of the Vilnius-Klaipėda railway section. The value of the contract after indexation in 2022 and 2024 is EUR 423 million. The main works are planned to be completed in 2026 and the infrastructure prepared for electric traction, with the remaining works to be implemented in 2027.

On 31 March 2022, LTG Infra signed a contract with the Italian company Rizzani de Eccher for the construction of the Rail Baltica railway bridge over Neris near Jonava. The actual value of the contract as at 13 January 2026 is EUR 82 million (the forecasted value is EUR 88 million). The new railway bridge will be the longest not only in Lithuania but also in the Baltic States. It will be 1,510 metres long, about 40 metres above the Neris and the river valley. The bridge, which is almost 14 metres wide, will carry a railway of European standard gauge. The scheduled completion term of the works prescribed in the contract is 26 November 2026.

On 9 December 2022, LTG Infra and joint venture partners UAB Fegda UAB and UAB Tilsta entered into two contracts on installation earthworks in sections Šveicarija-Žeimiai and Žeimiai-Šėta as part of the Kaunas-Lithuania/Latvia border phase of Rail Baltica project. The actual value of the contract for the section Šveicarija-Žeimiai as at 13 January 2026 is EUR 99 million. The actual value of the contract for the section Žeimiai-Šėta as at 13 January 2026 is EUR 82 million. In the 10 km section from Šveicarija to Žeimiai and the in the 17.7 km section from Žeimiai to Šėta, the contractor will carry out all the track earthworks (construction of the railway crossing and engineering structures) without the construction of the upper part of the track, the land and site will be landscaped, a railway drainage system, a protective fence, reconstruction of third parties network and other related works will be performed. The main works in the section Šveicarija-Žeimiai are expected to be completed in Q3 2026, and in the section Žeimiai-Šėta in Q1 2026.

On 8 October 2024, AB LTG Infra and joint venture partners EUROVIA CZ a.s and AB Eurovia Lietuva concluded an agreement for contract works for the Rail Baltica project on the Kaunas-Panevėžys-LT/LV section (Stage I): installation of a new double track railway crossing, construction of engineering structures and local roads on the Šėta-Ramygala section (48,8 – 65,9 km (17,1 km)). The value of the contract is EUR 98 million. The contractor will carry out the installation of the railway earthworks and civil engineering works (excluding the superstructure), railway drainage, safety fencing, access roads, reconstruction of motorways, reconstruction of third-party networks, and other related works. The contractor shall complete the works by Q2 2027.

On 4 July 2025, LTG Infra signed a contract with AB HISK, under which the contractor will build an embankment and structures on the Rail Baltica section between Šėta and Ramygala (12.1 km). The contract value amounts to EUR 83 million. Implementation deadline – 800 days from the start of works.

On 1 August 2025, LTG Infra signed a contract with AB HISK, under which the contractor will build an embankment and structures on the Kaunas–Šveicarija section of Rail Baltica between 0.5 and 9.0 km (8.5 km). The contract value amounts to EUR 98 million. Implementation deadline – 900 days from the start of works.

On 4 August 202,5 LTG Infra signed a contract with its joint venture partners UAB Fegda and UAB Tilsta, under which the contractors will build an embankment and structures on the 9.0-19.4 km (10.4 km) section of the Rail Baltica line Kaunas–Šveicarija. The contract value amounts to EUR 123 million. Implementation deadline – 900 days from the start of works.

On 15 October 2025, LTG Infra signed a contract with AB HISK, under which the contractor will build an embankment and structures on the Rail Baltica section Berčiūnai – Joniškėlis (12.3 km). The contract value amounts to EUR 105 million. Implementation deadline – 650 days from the start of works.

On 16 October 2025, LTG Infra signed a contract with AB Kauno tiltai, under which the contractor will build an embankment and structures on the Rail Baltica section Ramygala – Berčiūnai (24.4 km). The contract value amounts to EUR 206 million. Implementation deadline – 850 days from the start of works.

In addition to the significant contracts listed above, LTG Infra also concluded other construction and design/technical consultancy contracts related to the Rail Baltica project in 2025, each with an individual value of less than EUR 50 million. The total initial contractual value of these contracts amounts to EUR 61.9 million.

31. Events after the reporting period

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

Activity accounting reports of public railway infrastructure manager (unaudited)

LTG INFRA

Abbreviations

Business unit	A group of final services logically distinguished within the Company according to the specific internal activities performed
Company	AB LTG Infra, public railway infrastructure manager
CRA	Communications Regulatory Authority of the Republic of Lithuania
Driver	A factor determining the formation of specific amounts of income, expenses, assets and / or liabilities, based on which those amounts are allocated to final activities or cost accumulation centres.
IFRS	IFRS Accounting Standards
KIT	Kaunas Intermodal Terminal
OAR	Other activities of the public railway infrastructure manager (commercial services): lease of asset, utility and communication services, sale of scrap metal, and other commercial services.
PRI	Public railway infrastructure
RSF	Other activities of the public railway infrastructure manager, as understood within the meaning of Article 3(13) of RTC.
RTC	Railway Transport Code of the Republic of Lithuania
SPEC	Implementation of functions of public railway infrastructure manager, covering the functions set out in Article 24 of the RTC
ŠIT	Šeštokai Intermodal Terminal
VIT	Vilnius Intermodal Terminal
WTT	Working timetable of trains

Services provided

The manager of the public railway infrastructure carries out 3 main activities:

- **SPEC.** They cover the handling of requests for the public railway infrastructure capacity; the right to utilise the public railway infrastructure capacity which is granted, also track points, electrical supply equipment for traction current, where available; train control including signalling, regulation, dispatching; communication and provision of information on train movement and any other information required to implement or operate the service for which the public railway infrastructure capacity has been granted. The rates of charges for the minimum access package are publicly available on the Company's website. These activities also include the lease of public railway infrastructure facilities (structures and parts of land).
- **RSF.** In 2025, the Company-owned railway services facilities (RSF) provided the following services: use of passenger railway stations, stops, their buildings and other facilities, suitable places for providing travel information announcements and ticket purchasing services; access to railway tracks connected to rail service facilities; use of railway tracks for the provision of services at rail service facilities; use of rolling stock formation and shunting facilities; use of rail service facilities for the storage of rolling stock; use of the wagon marshalling yard; use of the track gauge change mechanism; provision of traction current; accident recovery at RSFs; intermodal loading of intermodal units at VIT/KIT/ŠIT, storage of intermodal units (VIT/KIT/ŠIT), access to loading terminals, loading or unloading of freight from / into wagons, containers, cars, work with loading equipment, loading services by mobile team; access to railway rolling stock maintenance facilities (inspection pits). From 1 October 2025, the Company began providing RSF services that were previously provided by LTG: access to fuel filling facilities, access to cleaning and washing facilities, access to electric columns operated by the RSF operator for the electricity needs of railway rolling stock, use of sanding equipment (including sand), use of an outdoor rolling stock inspection pit. The list of access to railway service facilities and the services provided in railway service facilities is published on the Company's website (reference).
- **OAR.** The Company provides services of maintenance and repair of facilities, short-term lease of special rolling stock, wagons and vehicles, lease of long tracks transportation train set, inspection of nodes and tracks, maintenance of automation, communication and power supply equipment, marking of underground routes, inspection and calibration of measuring instruments, lease of measurement and control equipment, and provision of communication services. Services of intermodal terminals: in addition to the main intermodal handling service for intermodal transport units, the Company-controlled intermodal terminals provide a number of additional services, such as handling of containers carried by road only, weighing services, transportation inside the territory of the terminal, services of the representatives of the Customs Broker and handling of cargo on pallets, which is very frequently requested by our customers, and cargo storage in covered warehouses. The Company also provides fuel and electricity supply services, using the traction power supply assurance service.

Principles for determining business units

In order to ensure compliance with the requirements of the Description of the Procedure for the Separation of Accounts of Railway Transport Activities, approved by Order No. 1V-139 of the Communications Regulatory Authority of the Republic of Lithuania of 29 January 2020 “On the Approval of the Description of the Procedure for the Separation of Accounts of Railway Transport Activities” (with subsequent amendments, consolidated version effective from 1 November 2025), as at 31 December 2025, the Company had established 28 business units, taking into account the final services provided.

Company

- **SPEC**
  - Public railway infrastructure
  - Leases of assets managed by the right of trust
  - Leases of land managed by the right of trust
- **RSF**
  - Accumulation tracks, train formation and shunting facilities
  - Freight terminals (loading sites) in Vilnius region
  - Freight terminals (loading sites) in Kaunas region
  - Freight terminals (loading sites) in Šiauliai region
  - Freight terminals (loading sites) in Klaipėda region
  - Freight terminals in Vilnius region (VIT)
  - Freight terminals in Kaunas region (KIT)
  - Freight terminals in Šeštokai (ŠIT)
  - Relief facilities
  - Category I passenger stations, their buildings, and other facilities, including travel information display and suitable location for ticketing services
  - Category II passenger stations, their buildings, and other facilities, including travel information display and suitable location for ticketing services
  - Category III passenger stations, their buildings, and other facilities, including travel information display and suitable location for ticketing services
  - Railways connected to RSF
  - Access roads
  - Rolling stock maintenance facilities
  - Freight terminals (access to loading sites)
  - Fuel dispensing equipment
  - Other technical facilities, cleaning and washing equipment
  - Additional RSF service – provision of traction current
- **OAR**
  - Administration / manufacturing
  - Other INFRA services
  - Commercial VIT services
  - Commercial KIT services
  - Commercial ŠIT services
  - Leases of assets from RSF managed by the right of trust (Ministry of Transport and Communications)

Analysis of financial and operating results

Revenue

The Company's sales revenue amounted to EUR 134.3 million in 2025. The majority – EUR 97.4 million or 72.5% – was generated from the SPEC activities, EUR 20.2 million or 15.0% from RSF, and EUR 16.7 million or 12.5% from OAR.

Revenue from government grants

According to the Quality and Financing Assurance Agreement for Public Railway Infrastructure and Railway Service Facilities Owned by the Republic of Lithuania, dated 6 April 2022, between the Ministry of Transport and Communications of the Republic of Lithuania and the Company, which aims to implement the state's duty established in Article 23(16) of the RTC to allocate sufficient state budget financing, so that when operating conditions are normal, the balance of the Infrastructure Manager's income from the fee for the minimum access package, the fee for using public railway infrastructure to provide transit railway transport services, the fee for allocated but unused public railway infrastructure capacity, additional income from other commercial activities, non-refundable income from private sources, and state budget funds and expenses incurred in carrying out the functions of the Public Railway Infrastructure Manager specified in Article 24 of the RTC is maintained for no longer than a 5-year period.

The income and expenditure balancing requirement for 2025 is EUR 82.2 million. The requirement for calculating the income and expenditure balancing is presented in the table.

Revenue and costs balancing item	**EUR thousand**
Fee for minimum access package	75,249
Fee for the use of PRI for rail transit services	20,809
Fee for allocated but not used PRI capacities	6
Additional revenue from other commercial activities (leases of assets managed by the right of trust)	1,320
Revenue from private sources and State budget funds	-
Total revenue received from SPEC activities	97,384
Total costs incurred from SPEC activities	179,560
Revenue and costs balancing requirement	**82,176**

Costs

The Company's costs for primary and non-primary activities in 2025 amounted to EUR 217.3 million. The majority of these costs comprise costs from SPEC activities of EUR 174.6 million or 80.4%, RSF of EUR 33.1 million or 15.2% and OAR of EUR 9.6 million, which accounted for 4.4% of the Company's costs.

Performance

In the reporting period, the Company's net loss amounted to EUR 8.6 million. The net loss for RSF activities amounted to EUR 13.4 million, while OAR activities generated net profit of EUR 4.8 million.

Statement of Financial Position of Activities

- The largest part of the Company's non-current assets of EUR 1,986.3 million (92.2%) is used for the provision of SPEC services, followed by RSF of EUR 159.2 million (7.4%), and OAR of EUR 9.5 million (0.4%).
- The largest part of the Company's current assets of EUR 199.8 million (82.8%) was generated from SPEC activities, followed by RSF of EUR 5.6 million (2.3%), and OAR of EUR 35.8 million (14.9%).
- The largest part of the Company's equity of EUR 594.2 million (94.1%) is used for SPEC activities, followed by RSF of EUR 9.8 million (1.5%), and OAR of EUR 27.5 million (4.4%).
- The largest part of the Company's non-current liabilities of EUR 1,430.3 million (95.4%) arose from SPEC activities, followed by RSF of EUR 70.6 million (4.7%), and OAR of EUR -1.4 million (-0.1%).
- The largest part of the Company's current liabilities of EUR 161.5 million (61.0%) arose from RSF activities, followed by RSF of EUR 84.4 million (31.8%), and OAR of EUR 19.2 million (7.2%).

Statements of Changes in Equity of Activities

- The new profit centre formed in 2025 has led to a reallocation of share capital between SPEC, RSF and OAR activities.
- The result for the reporting year were distributed in accordance with the draft appropriation of profit / loss in the SPEC, RSF and OAR activities.
- Taking into account the unrecognised profit of the SPEC activity of EUR 0.2 million for the period, the equity of the SPEC activity at the end of 2025 amounts to EUR 594.2 million.
- During the reporting period, the RSF activity incurred a loss of EUR 13.4 million. Taking into account the unrecognised profit of EUR 2.5 million for the period, the equity of the RSF activity at the end of 2025 amounted to EUR 9.8 million.
- The OAR activity result for the reporting period is EUR 4.8 million. Taking into account the unrecognised profit of the OAR activity of EUR 0.2 million for the period, the equity of the OAR activity at the end of 2025 amounts to EUR 27.5 million.

Statements of Cash Flows of Activities

- Net cash flow from SPEC activities during the reporting period was positive (EUR 67.2 million) and cash and cash equivalents at the end of the period were positive at EUR 103.0 million.
- Net cash flow from RSF activities during the reporting period was negative (EUR -7.2 million). These activities were financed by EUR 27.9 million from SPEC activities and EUR 28.2 million from OAR activities.
- Net cash flow from OAR activities during the reporting period was positive (EUR 9.3 million) and all the funds were used to finance the RSF activities.

Company's Financial Statements by Activities
Statement of Financial Position

	Notes	Company	SPEC	RSF	OAR
NON-CURRENT ASSETS					
Property, plant and equipment		2,128,562	1,965,381	154,896	8,285
Land		151,078	127,206	22,322	1,550
Buildings and structures		1,026,394	907,501	114,081	4,812
Machinery and equipment		55,119	47,758	5,873	1,488
Vehicles		13,208	10,497	2,352	359
Other assets, fixtures, fittings and tools		3,423	1,928	1,419	76
Construction in progress and prepayments		879,340	870,491	8,849	-
Right-of-use assets		4,396	3,586	719	91
Intangible assets		19,304	16,485	2,198	621
Software		14,030	11,998	1,467	565
Other intangible assets		5,274	4,487	731	56
Investment property		2,568	718	1,395	455
Financial assets		43	35	7	1
Other non-current assets		89	73	15	1
Total non-current assets	**1**	**2,154,962**	**1,986,278**	**159,230**	**9,454**
CURRENT ASSETS					
Inventories	2	28,786	25,336	1,654	1,796
Non-current assets held for sale		1,167	1,103	64	-
Trade and other receivables	3	47,611	38,718	3,090	5,803
Prepayments		4,421	3,615	749	57
Cash and cash equivalents		103,046	103,046	-	-
Receivables from Activities		-	27,934	-	28,179
Total current assets		**185,031**	**199,752**	**5,557**	**35,835**
TOTAL ASSETS		**2,339,993**	**2,186,030**	**164,787**	**45,289**

Statement of Financial Position (continued)

	Notes	Company	SPEC	RSF	OAR
EQUITY					
Authorised capital		660,081	580,943	75,262	3,876
Legal reserve	5	-	-	-	-
Other reserves		-	17,422	(25,741)	8,319
Retained profit (loss)		(28,545)	(4,146)	(39,749)	15,350
Total equity		**631,536**	**594,219**	**9,772**	**27,545**
LIABILITIES					
NON-CURRENT LIABILITIES					
Grants	6	1,300,462	1,232,277	63,654	4,531
Loans and other borrowings		137,702	133,578	4,124	-
Lease liabilities		3,362	2,742	549	71
Employee benefits		4,130	3,366	647	117
Trade and other payables		4,155	4,149	6	-
Provisions		39,623	39,280	313	30
Deferred tax liabilities		10,076	14,905	1,356	(6,185)
Total non-current liabilities	**7**	**1,499,510**	**1,430,297**	**70,649**	**(1,436)**
CURRENT LIABILITIES					
Grants		16,267	16,267	-	-
Loans and short-term portion of long-term loans		51,611	50,837	774	-
Lease liabilities		1,100	896	181	23
Employee benefits		11,642	9,488	1,824	330
Trade and other payables		128,327	111,954	3,281	13,092
Payables to Activities		-	-	56,113	-
Balancing of liabilities	**8**	**-**	**(27,928)**	**22,193**	**5,735**
Total current liabilities	**7**	**208,947**	**161,514**	**84,366**	**19,180**
TOTAL EQUITY AND LIABILITIES		**2,339,993**	**2,186,030**	**164,787**	**45,289**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Company	SPEC	RSF	OAR
Sales revenue		134,340	97,384	20,214	16,742
Revenue from Government grants		82,176	82,176	-	-
Other operating income		600	-	-	600
Total revenue		217,116	179,560	20,214	17,342
Remuneration and social insurance expenses		(65,880)	(53,657)	(10,318)	(1,868)
Depreciation and amortization		(60,825)	(50,369)	(9,273)	(648)
Materials		(17,734)	(7,966)	(1,481)	(8,314)
Fuel		(1,132)	(934)	(170)	(27)
Electricity		(6,654)	(5,383)	(1,047)	(171)
Other costs		(65,083)	(56,303)	(10,842)	1,463
Total costs		217,308	174,612	33,131	9,565
Operating profit (loss)		(192)	4,948	(12,917)	7,777
Finance income		131	-	-	131
Finance expenses	9	(9,354)	(5,838)	(617)	(2,899)
Profit (loss) before taxation		(9,415)	(890)	(13,534)	5,009
Corporate income tax	10	819	890	134	(205)
Net profit (loss)		**(8,596)**	**-**	**(13,400)**	**4,804**

Statements of Changes in Equity by Activities

Statement of Changes in Equity (Company)

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Net profit (loss)		-	-	-	(8,826)	(8,826)
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		-	-	-	(8,826)	(8,826)
Unrecognised profit (loss) for the reporting year		-	-	-	(952)	(952)
Restatement of authorised capital		-	-	-	-	-
Reserves formed		-	(1,258)	(3,117)	4,375	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		-	(1,258)	(3,117)	3,423	(952)
Balance as at 31 December 2024		**654,928**	**-**	**-**	**(22,799)**	**632,129**
Net profit (loss)		-	-	-	(8,596)	(8,596)
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		-	-	-	(8,596)	(8,596)
Unrecognised profit (loss) for the reporting year		-	-	-	2,850	2,850
Restatement of authorised capital		5,153	-	-	-	5,153
Reserves formed		-	-	-	-	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		5,153	-	-	2,850	8,003
Balance as at 31 December 2025		**660,081**	**-**	**-**	**(28,545)**	**631,536**

Statement of Changes in Equity (SPEC activity)

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Net profit (loss)		-	-	-	(11)	(11)
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*(11)*	*(11)*
Unrecognised profit (loss) for the reporting year		-	-	-	(350)	(350)
Reformation of authorised capital*		6,078	-	-	-	6,078
Reserves formed		-	(1,046)	(3,276)	4,322	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*6,078*	*(1,046)*	*(3,276)*	*3,972*	*5,728*
Balance as at 31 December 2024		**579,159**	**-**	**17,422**	**(4,300)**	**592,281**
Net profit (loss)		-	-	-	-	-
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*-*	*-*
Unrecognised profit (loss) for the reporting year		-	-	-	152	152
Reformation of authorised capital	4	98	-	-	-	98
Reserves formed		-	-	-	-	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*1,784*	*-*	*-*	*152*	*1,936*
Balance as at 31 December 2025		**580,943**	**-**	**17,422**	**(4,148)**	**594,217**

* The allocation of assets between segments was adjusted, therefore, the proportions of the share capital (non-current assets minus grants) have been updated. Since the adjustments were made after the deadline for submitting the Management Reports for 2024, they were not reflected in the Management Report.

Statement of Changes in Equity (RSF activity)

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Net profit (loss)		-	-	-	(15,071)	(15,071)
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*(15,071)*	*(15,071)*
Unrecognised profit (loss) for the reporting year		-	-	-	(536)	(536)
Reformation of authorised capital*		(5,883)	-	-	-	(5,883)
Reserves formed		-	(53)	-	53	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*(5,883)*	*(53)*	*-*	*(483)*	*(6,419)*
Balance as at 31 December 2024		**72,773**	**-**	**(25,741)**	**(28,863)**	**18,169**
Net profit (loss)		-	-	-	(13,400)	(13,400)
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*(13,400)*	*(13,400)*
Unrecognised profit (loss) for the reporting year		-	-	-	2,516	2,516
Reformation of authorised capital	4	4,961	-	-	-	4,961
Reserves formed		-	-	-	-	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*2,489*	*-*	*-*	*2,516*	*5,005*
Balance as at 31 December 2025		**75,262**	**-**	**(25,741)**	**(39,747)**	**9,774**

* The allocation of assets between segments was adjusted; therefore, the proportions of the share capital (non-current assets minus grants) have been updated. Since the adjustments were made after the deadline for submitting the Management Reports for 2024, they were not reflected in the Management Report.

Statement of Changes in Equity (OAR activity)

	Notes	Authorised capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Net profit (loss)		-	-	-	6,256	6,256
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*6,256*	*6,256*
Unrecognised profit (loss) for the reporting year		-	-	-	(66)	(66)
Reformation of authorised capital*		(194)	-	-	-	(194)
Reserves formed		-	(159)	159	-	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*(194)*	*(159)*	*159*	*(66)*	*(260)*
Balance as at 31 December 2024		**2,996**	**-**	**8,319**	**10,363**	**21,678**
Net profit (loss)		-	-	-	4,804	4,804
Other comprehensive income, after tax		-	-	-	-	-
Total comprehensive income (expenses)		*-*	*-*	*-*	*4,804*	*4,804*
Unrecognised profit (loss) for the reporting year		-	-	-	183	183
Reformation of authorised capital	4	94	-	-	-	94
Reserves formed		-	-	-	-	-
Dividends		-	-	-	-	-
Total transactions with owners of the Company		*880*	*-*	*-*	*183*	*1,062*
Balance as at 31 December 2025		**3,875**	**-**	**8,319**	**15,350**	**27,545**

* The allocation of assets between segments was adjusted; therefore, the proportions of the share capital (non-current assets minus grants) have been updated. Since the adjustments were made after the deadline for submitting the Management Reports for 2024, they were not reflected in the Management Report.

Statement of Cash Flows

	Notes	Company	SPEC	RSF	OAR
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit (loss)		**(8,596)**	**-**	**(13,400)**	**4,804**
ADJUSTMENTS					
Depreciation and amortisation		60,825	50,816	9,355	654
(Gain) loss from disposal / write-off of non-current assets		934	771	12	151
Impairment (reversal)		1,265	1,265	-	-
Change in accrued income / expenses		(644)	(1,037)	273	120
Interest (income) expenses		6,447	5,782	604	61
Interest of lease liabilities		75	56	14	5
Increase (decrease) in provisions		(10)	(8)	(2)	-
Effect of currency exchange fluctuations		-	-	-	-
Income tax expenses (income)		(819)	(890)	(134)	205
Cash flows from operating activities after adjustment		**59,476**	**56,755**	**(3,278)**	**5,999**
CHANGES IN WORKING CAPITAL					
Decrease (increase) in inventories		(1,136)	(510)	(94)	(532)
Decrease (increase) in trade and other receivables and prepayments		(100,085)	(101,553)	6,883	(5,415)
Increase (decrease) in current and non-current trade payables and received prepayments		19,145	15,862	(5,981)	9,264
Increase (decrease) in employment-related liabilities		1,587	1,467	132	(12)
Increase (decrease) in other non-current and current payables		609	482	92	35
Income tax (paid)		-	-	-	-
Net cash from operating activities		**(20,404)**	**(27,497)**	**(2,246)**	**9,339**

Statement of Cash Flows (continued)

	Notes	Company	SPEC	RSF	OAR
CASH FLOW FROM INVESTING ACTIVITIES					
(Acquisition) of non-current assets		(231,802)	(227,598)	(4,143)	(61)
Disposal of non-current assets		(46,042)	(46,042)	-	-
Change in prepayments for non-current assets		155	-	-	155
Interest received		2	-	-	2
Net cash from investing activities		**(277,687)**	**(273,640)**	**(4,143)**	**96**
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans received		82,423	82,423	-	-
Loans (repayment)		(15,555)	(14,805)	(750)	-
Interest paid		(6,832)	(6,465)	(328)	(39)
Grants received (repaid, used)		308,520	308,042	478	-
Interest on lease liabilities		(75)	(56)	(14)	(5)
Lease liability payments		(1,045)	(826)	(159)	(60)
Dividends paid		-	-	-	-
Cash flows related to owners		-	-	-	-
Repaid loans of the previous period to Activity		-	-	-	-
Received loans from Activities of the previous period		-	-	-	-
Net cash flows from financing activities		**367,436**	**368,313**	**(773)**	**(104)**
Net increase (decrease) in cash and cash equivalents		**69,345**	**67,176**	**(7,162)**	**9,331**
Cash and cash equivalents at the beginning of the period		**33,701**	**63,804**	**(48,951)**	**18,848**
Borrowing from Activities (deducted net balance)	11	-	-	56,113	-
Borrowings for Activities (deducted net balance)	11	-	(27,934)	-	(28,179)
Cash and cash equivalents at the end of the period		**103,046**	**103,046**	**-**	**-**

Explanatory Notes to the Financial Statements

1. Non-current assets

The Company's non-current assets, other than construction in progress and non-current prepayments, are allocated between activities on the basis of the criteria for allocation to activities – the proportion of depreciation costs attributable to the activity compared to the total depreciation costs of the activities. Construction in progress and non-current prepayments are classified according to the nature of the investment projects, i.e. the activities in which the assets will be used.

2. Inventories

Superstructure inventories are attributed to SPEC and RSF activities only. SPEC activity is allocated based on the share of the unfolded track length of station tracks that are not attributable to core and RSF activities; RSF activity is allocated based on the share of the unfolded length of station tracks (access, connecting, marshalling / holding and approach tracks) in the total unfolded track length. The remaining inventories are allocated according to the relevant (materials) cost driver.

3. Trade and other receivables

Trade and other receivables are allocated to activities by directly assessing the nature of the debt, i.e. identifying trade and other receivables by service.

4. Authorised capital

The authorised capital of the business units are formed in accordance with the proportion as at 31 December 2025 between the Company's equity investment in non-current assets (carrying amount of non-current assets - carrying amount of grants) and the activity-specific share of the same investment.

5. Legal reserve

The legal reserve is established in proportion to the amount of retained earnings of the business unit to the amount of retained earnings of the Company.

6. Grants

Asset-related grants are allocated between activities on the basis of the criteria for allocation of depreciation to activities.

7. Non-current and current liabilities

Non-current and current liabilities arising from specific activities are allocated directly to the activity, e.g. loans and financial debts in accordance with the purpose of the loans, liabilities (payables / guarantees received / cash on hand) arising in the course of an investment project. The remaining liabilities are allocated on the basis of the criteria for allocation of costs to activities.

8. Balancing of liabilities

Since balance sheet items are allocated using cost drivers and are not directly accounted for by each activity, a difference arises between Assets and Equity and Liabilities in the balance sheets of individual activities. The reconciliation of these parts of the balance sheet is carried out under current liabilities in the Balancing of liabilities line.

9. Finance expenses:

- Finance costs incurred in accordance with the Description of the Minister of Communications of the Republic of Lithuania “On the Approval of the Description of the Procedure for the Establishment of the Fines for the Disruption of Train Traffic and the Compensation of the Enterprises Affected by Such Disruptions” are directly attributable to the SPEC activities;
- Interest expenses on non-current loans are allocated directly according to the purpose of the loans;
- Interest expenses on current loans are assigned to the activity in proportion to the formed production cost of services;
- Interest expense on long-term lease are assigned on the basis of the criteria for allocation of depreciation to activities;
- The remaining unallocated finance costs are allocated to OAR activities.

10. Income tax

Income tax is allocated between activities either directly and / or based on the cost driver representing the share of profit (loss) before income tax attributable to each activity compared to the Company’s total profit (loss) before income tax.

11. Inter-activity loans

Inter-activity loans are deducted in accordance with the statement of cash flows, i.e. if the amount of the increase (decrease) in the net cash flow for the period added to the cash and cash equivalents at the beginning of the period gives a negative result, a loan is granted to the activity.

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