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

LTG KOMPETENCIJŲ CENTRAS

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Management report/overview

CEO's foreword

Dear customers, partners and colleagues,

Almost a year ago we began our journey as a new Company – UAB LTG Kompetencijų centras. Here, we have brought together the functions necessary to ensure the daily operations of the LTG Group, so that all of the Group's companies in Lithuania and abroad work more efficiently and smoothly.

We concluded the year 2025 as a successfully operating company that provides high-quality services and organises its activities efficiently. The year was strategic for the organisation, as this period saw fundamental changes shaping our long-term direction.

In June, a new company board began its work, becoming an important cornerstone for decision-making and strategic control. The company's strategy clearly defined our goals, priorities, and operating principles, ensuring consistent growth and value creation for the LTG Group. The creation of the company's identity strengthened our positioning within the Group and helped to shape the company's essence, values, and direction of activities. These decisions not only solidified the foundations of our operations but also created conditions for effectively implementing changes and creating and delivering services that meet the highest standards of quality. It was the year when we transformed from a new organisation into a reliable partner, contributing to the achievement of LTG Group's strategic goals.

Over the year, we fundamentally transformed our approach to providing general services. Today, our services are based on responsibility, customer orientation and continuous improvement – this has become an integral part of the successful operation of the entire LTG Group of companies.

Our clients have also recognised the qualitative change in the services provided. Based on the survey conducted in October, the services provided by UAB LTG Kompetencijų centras were rated very good – satisfaction increased by 9% compared to the previous survey data, rising from 3.84 points to 4.19 points. We will strive to maintain customer trust in the future.

We also devoted a lot of attention to the continuous improvement programme. In 2025, we achieved a high level of Continuous Improvement Maturity Assessment and accomplished the goals set for the company. We are proud that the company's employees were particularly active last year in registering and implementing initiatives. During the year 2025, the team of UAB LTG Kompetencijų centras submitted 967 initiatives, of which 650 were implemented. These initiatives resulted in more than EUR 2 million savings within the LTG Group.

In 2025, we conducted an employee opinion survey 'Employee Score', aimed at assessing engagement and job satisfaction. The survey results show that we maintained a stable employee engagement rate, while the satisfaction index (eNPS) increased by 3 percentage points. This change reflects increasing employee trust in the organisation and its direction. The results clearly show that our consistent efforts to create an inclusive, motivating, and sustainable work environment deliver significant outcomes. We will continue to purposefully strengthen the employee experience and engagement, as these are essential conditions for the organization's long-term progress and competitive advantage.

Although last year we took our first independent steps as UAB LTG Kompetencijų centras, we can already see a significant contribution to a more efficient and smoother operation within the companies of the LTG Group. I am grateful to each employee of UAB LTG Kompetencijų centras for their professionalism, dedication, and desire to improve – this team is the foundation of our success and the basis for ambitious future goals.

IEVA LAURAITYTĖ
Chief Executive Officer
of UAB LTG Kompetencijų centras

Activity of the company

General information about the Company

Name:
UAB LTG Kompetencijų centras

Company code:
307037118

Legal form:
Private limited liability company

Registered office address:
Pelesos g. 10-102, 02111 Vilnius

Correspondence address:
Pelesos g. 10-102, 02111 Vilnius

Phone:
+370 5 269 20 38

E-mail: info@ltgkc.lt

Website: ltg.lt/en/ltg-competence-centre/

Date and place of registration:
2024 11 29 the Register of Legal Entities of the Republic of Lithuania

Core business: **Consultancy services**

CEO of the Company: **Ieva Lauraitytė**

Shareholder: **100% of shares is owned by AB Lietuvos geležinkeliai**

Company's branches and representative offices abroad

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

Business model of the company

UAB LTG Kompetencijų centras is a company servicing the companies of the AB Lietuvos geležinkeliai Group (LTG Group), providing shared services to all companies of the LTG Group. The Company helps LTG Group companies to focus on their core business, ensuring the delivery of high-quality internal services and contributing to the creation of an advanced, sustainable and effective rail eco-system.

The operation of Kompetencijų centras is based on the model of Shared Service Centres (SSCs), which ensures centralised provision of internal administration services to LTG Group companies, thus achieving efficiency, quality and cost optimisation. The Company's strategy is guided by the LTG Group's long-term strategic orientations and values.

The objectives of UAB LTG Kompetencijų centras are set out in its Articles of Association:

- Ensure the uninterrupted provision of shared internal administration services to AB Lietuvos geležinkeliai Group companies.
- Achieve continuous growth in the Company's operational efficiency, competitiveness and quality of services.
- Achieve socially responsible and sustainable growth in the value of the Company's business and long-term shareholder benefits.

Company activities and services

UAB LTG Kompetencijų centras is an internal service centre for LTG Group's businesses, centralising and streamlining the activities of internal administrative functions to ensure synergies between different parts of the organisation.

Key areas of activity:

- Accounting
- Information technology
- Human resources
- Procurement
- Legal
- Asset management
- Business resilience

LTG Kompetencijų centras employs more than 500 professionals with expert knowledge and high competences in their respective fields to ensure that LTG Group's business operations are conducted efficiently and to high quality and management standards.

Market and competitive environment

UAB LTG Kompetencijų centras operates as an internal service provider, therefore, the market for the Company's activities is limited to LTG Group companies and not to external customers. This specificity means that the Company operates in a closed environment where competition in the traditional sense does not exist, as the customers are other entities of the LTG Group. Although the business is conducted in a closed environment, the Company uses market benchmarking to ensure that its activities are in line with best practices and standards. Services are subject to Service Level Agreements (SLAs), which define the level of quality, efficiency and accountability to ensure the best alignment with customer expectations.

LTG Kompetencijų centras has no direct competitors but operates in the domestic market with indirect competition from other shared service centres, operating both nationally and internationally, as well as companies providing similar services (accounting, HR, law and etc.). In such an environment, operational efficiency, the ability to innovate and to adapt to the changing needs of the organisation's internal environment become key factors of competitiveness. Maintaining a competitive advantage requires continuous process optimisation, investment in the development of staff competences and assurance of a high standard of service quality.

Internal market characteristics:

- Clearly defined customer base: key customers include LTG Infra, LTG Cargo, LTG Link and other LTG Group companies.
- Publicly managed sector: The Company is a subsidiary of AB Lietuvos geležinkeliai, which is 100% owned by the State of Lithuania.
- Operational efficiency orientation: the main objective is to optimise internal processes, reduce expenses and improve service quality.

The competitive environment is influenced most by:

- Technological advances driving automation and digitalisation in service delivery.
- Labour market dynamics, especially in information technologies (IT) and finance, where demand for skilled professionals outstrips supply.
- Regulatory changes to improve public sector efficiency and transparency requirements.
- Internal transformation initiatives that lead to a broader range of services, process optimisation and business model improvements.

Taking these factors into account, UAB LTG Kompetencijų centras has consistently improved its business model, strengthened the competences of its employees and implemented LEAN principles and modern automation and process management systems. Organisational culture is a major focus, with a high level of employee engagement being an important factor in ensuring the quality and efficiency of services. The combination of these tools allows for more efficient order management, analysis of service quality and optimisation of working time, thus consolidating internal efficiency and quality standards and the role of a strategic partner within the LTG Group.

Key customers

The key customers of UAB LTG Kompetencijų centras are the internal companies of the AB Lietuvos geležinkeliai Group, to which the Company provides centralised services. These customers are not only service recipients, but also strategic partners with whom the Company works closely to achieve efficiency, quality and innovation.

Key customers:

- LTG Infra is a company responsible for the management, modernisation and development of railway infrastructure. LTG Kompetencijų centras provides the company with HR administration, financial accounting, procurement, IT and other shared services, allowing LTG Infra to focus on its core business of implementing infrastructure projects.
- LTG Cargo is one of the largest rail freight companies in the Baltic States. LTG Kompetencijų centras supports the company's operations through accounting, information technology, procurement and HR administration services.
- LTG Link is a railway company engaged in carriage of passengers on domestic and international routes. Given the nature of this customer's business, the focus is on responsiveness, high level of customer service and support for digital solutions.
- Other LTG Group companies include subsidiaries of AB Lietuvos geležinkeliai, LTG Cargo and UAB Geležinkelio tiesimo centras. LTG Kompetencijų centras operates as an integrated service provider, ensuring a unified service standard across the LTG group.

Participation in associations and international organisations

UAB LTG Kompetencijų centras belongs to the Lithuanian Railway Companies Association.

Strategy

The activities of UAB LTG Kompetencijų centras within the LTG Group are based on rational strategic planning and management. The strategy of the LTG Group was first approved in 2018 and encompasses all activities: transportation of freight and passengers, and provision of related logistic services in domestic and international markets, railway infrastructure management, implementation of top-priority investment projects.

On 9 December 2025, the board of UAB LTG Kompetencijų centras approved the first operational strategy of the Company, ensuring long-term business planning for 2026–2030 and alignment with the strategy of the LTG Group. These strategies are united by a common mission, vision, strategic directions, and values.

The Company's strategy reflects the expectations of stakeholders – LTG as a shareholder, clients, employees, suppliers, and partners – including the provision of high-quality, market-standard, efficient, and flexible services. The strategy establishes the Company's commitment to ensuring competitive, market-appropriate compensation, opportunities for continuous learning and development, work-life balance for employees, and value-creating collaboration that meets the highest transparency standards for suppliers and partners.

Mission, vision, values

MISSION

CONNECTING PEOPLE AND BUSINESSES FOR A MORE SUSTAINABLE FUTURE

The mission of LTG Group is to connect people and businesses to ensure convenient travel, enable business growth, and contribute to environmental preservation through our operations. Guided by this mission, LTG Group is committed not only to delivering sustainable mobility today but also to clearly defining the role we must assume in the future.

VISION

BEING THE BACKBONE OF THE TRANSPORT SYSTEM

Transport axis. We lay foundations for more sustainable domestic transportation of passengers and freight.
Smooth connection. We smoothly integrate Lithuania with other European countries
Critical infrastructure. We ensure critical infrastructure for civil and military mobility

VALUES

The values of the LTG Group are born from within the organisation, identified as the most important by employees themselves. These values guide us in our day-to-day operations to achieve the vision of the LTG Group.

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 perform well.

COOPERATION

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

DEVELOPMENT

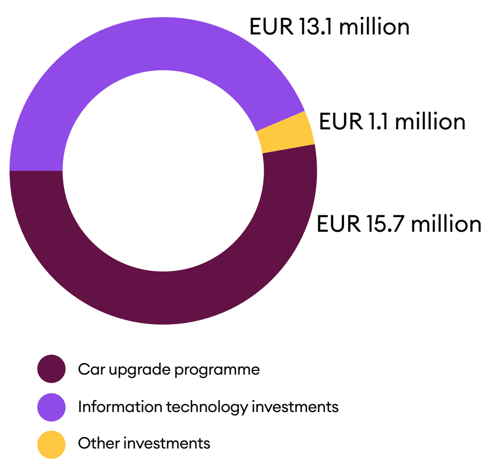
I am interested in innovation.
I share the know-how.
I have a growth mindset.

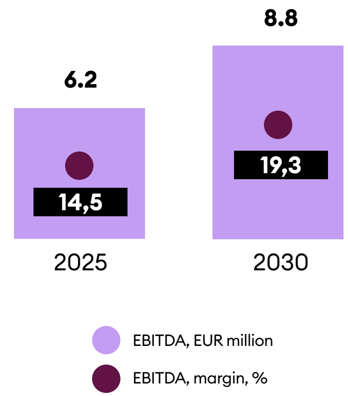
Strategic directions of activities

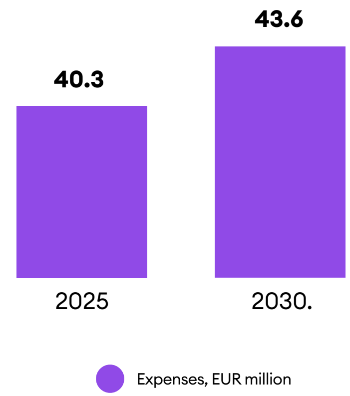
Strategic direction	Priorities of the strategic direction	Strategic goals
CUSTOMER EXPERIENCE	• Unified customer service culture and service management. • Open and transparent data. • Creation of added value and its communication.	• Increase of customer satisfaction with the services provided.
OPERATIONAL EFFICIENCY	• Promotion of a LEAN culture and increase of process efficiency. • Outsourcing/insourcing of services.	• Increase operational efficiency.
BUSINESS DEVELOPMENT	• Development of services, portfolio growth, and provision of high-quality services not only to LTG Group companies.	• Offering of new, value-creating services.
INCLUSIVE ORGANISATIONAL CULTURE	• Empowerment of organisational structure and ensuring employee well-being. • Promotion of organizational identity, ensuring continuous growth and leadership. • Promotion of image and visibility.	• Maintaining a high level of employee engagement.
DECARBONISATION	• Increasing the energy efficiency of buildings. • Electrification of the vehicle fleet and development of 'green' procurement.	• Gradual reduction of impact on the environment and climate change.
BUSINESS RESILIENCE	• Promotion of a safety culture. • Ensuring compliance and business continuity. • Establishment of safe and healthy working conditions.	• Increasing the maturity level of business resilience.

Operational plans and forecasts

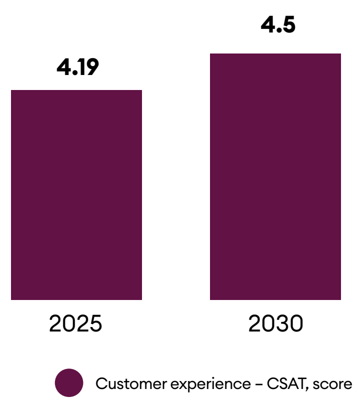
Investments in 2026–2030 (EUR 29.9 million total)



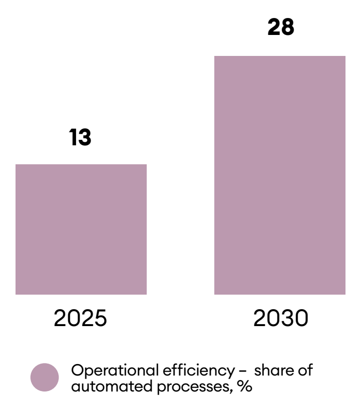




Increase of customer satisfaction with the services provided



Improving operational efficiency



Strategic projects

Information technology investments

In order to ensure the continuous IT operational continuity and infrastructure resilience of the LTG Group, the Company implemented a data center network platform renewal project in 2025. The new platform creates conditions to reliably support the current and future IT infrastructure needs of the group, expanding functionality in the areas of security, reliability, and operational management.

In the same year, the project for the modernisation of the hyper-converged infrastructure, virtualisation, and backup systems was initiated. The implementation work was initiated at the end of the year and will continue until the end of the first quarter of 2026. The project was initiated following the expiration of the virtualisation platform lease agreement used within the LTG Group (valid until 1 December 2025) and aims to ensure the continuity of existing virtual server operations. The new infrastructure is also necessary for implementing the LTG Infra traffic management and control system (TMCS) and ensuring the reliable operation of other critical IT systems. In 2025, EUR 3,194 million was invested into this project.

Car upgrade programme

LTG Kompetencijų centras centrally supplies the group companies with vehicles. This program consists of separate stages. New cars are acquired on an operational lease basis, replacing the old ones. The goal is to acquire vehicles that meet green procurement requirements, are suitable for performing work functions (some vehicles are adapted for production activities), and ensure safe and high-quality working conditions.

The most efficient acquisition method is operational lease, with the option to return some vehicles before the lease term ends. Electric vehicles are purchased for a period of four years, while internal combustion engine vehicles are purchased for five years. In 2025, electric vehicles accounted for 9% of the entire passenger car fleet.

During the year 2025, 173 vehicles were replaced, with EUR 3.94 million allocated for their acquisition. Compared to the planned budget, nearly EUR 300 thousand was saved.

Investments in 2026 will amount to EUR 2.5 million.

Annual targets for 2025

Taking into account shareholder expectations and aiming to ensure the implementation of strategic goals and the 2030 strategy, on 30 June 2025, the Company's board approved annual targets, the indicators measuring them, and the target values. Considering the ambition of the LTG Kompetencijų centras and the strategic goals set, annual targets have been formulated to ensure customer satisfaction, increase operational efficiency through the development of a Continuous Improvement culture and planned cost management, contribute to sustainability by reducing emissions, and strengthen employee safety and engagement. Based on the approved annual targets, personal targets have been set for the staff of LTG Kompetencijų centras. This way the employees of Kompetencijų centras are included in a structured and coherent process of implementing the LTG Group strategy, linking the achievement of objectives to career, development and incentive plans.

Strategic direction	Indicators for measuring achievement of objectives	Unit of measurement	Weight, %	Benchmarks for achieving the objectives	Indicators of achievement of objectives	Achievements of objectives
Customer experience	Customer Satisfaction Score (CSAT)	%	25	>3.84	4.19	Exceeded
Operational efficiency	Maturity Level I of Continuous Improvement achieved	score	20	>1.3	1.5	Achieved
	LTG KC planned cost management	%	25	<104	91	Exceeded
ESG (Sustainability)	Reduction of CO_2 emissions (g/km) for cars and trucks up to 3.5t	%	10	> 3% lower value than in 2024	5,6% lower value than in 2024	Achieved
Business resilience	Business resilience level ensured	%	5	>80	90	Achieved
	Increased safety of workers (accidents through the fault of the employer)	Accidents at work due to the employer's fault *1 M / total hours worked	5	<1.4 (1 accidents due to the employer's fault)	0 accidents due to the employer's fault and 0 accident in total	Exceeded
Inclusive organisational culture	Staff engagement level maintained	%	10	>80	85	Achieved

Highlights of the reporting period

January

Following the decision of the Board of AB Lietuvos geležinkeliai to increase the authorised capital of the newly established company UAB LTG Kompetencijų centras, preparations were made for the transfer of the internal administration services business, which consisted of the assets to be transferred as an integral part of the provision of the services, more than 500 employees working in the structural unit of Kompetencijų centras, as well as the existing contracts with suppliers and customers directly related to the aforementioned part of the business.

February

On 1 February, the new Company started operating its services. Ieva Lauraitytė, who had been LTG's Director of Administration for two years, has been entrusted with the management of the Company. The new Company has clear strategic objectives: to ensure high quality service delivery, to enhance customer experience, to increase operational efficiency and to promote employee engagement.

The results of a customer satisfaction survey carried out in January have formed the basis for performance improvement initiatives aimed at improving the customer experience, enhancing service quality and managing expectations more effectively.

As of 19 February, all LTG KC clients can conveniently order services through a single point of contact (SPOC), see the status of requests, approvals, comments, and SLA in real-time.

March

Strategy sessions for managers, focusing on understanding customer needs, ensuring service quality and improving operational efficiency, were organised. These sessions clarified the Company's identity, value principles and common lines of action, which became the basis for sustainable growth, consistent service development and high added value creation within the LTG Group.

April

In accordance with the guidelines for long-term planning developed by AB Lietuvos geležinkeliai, strategic sessions were organised in Kompetencijų centras, during which the internal and external environment analyses were updated, the relevance of key assumptions was reviewed, and the compatibility of plans between LTG Group companies was assessed. These activities will help to ensure strategic coherence, the focus of Kompetencijų centras and effective cooperation between the Group's companies.

The Group's vehicle fleet was supplemented with the first electric cars – 25 conventionally fuelled cars were replaced with electric ones. Charging infrastructure has been adapted for them.

A new lease agreement for backup data center services was signed, ensuring business continuity and reducing costs.

With the installation of two LTG Cargo Polska offices, the IT infrastructure was updated and installed to reflect the LTG Group's policy, which will ensure significantly improved cybersecurity and business continuity.

May

A service management tool was introduced to monitor the quality of services and manage customer needs more effectively. The tool enables systematic management of service delivery, a more transparent allocation of responsibilities and continuous performance improvement.

The use of various artificial intelligence tools (Proof of Concept) was initiated in limited groups.

June

The Board of UAB LTG Kompetencijų centras launched its activities. The Board consists of 3 members: 2 independent members, Giedrius Dzekunskas and Eglė Juzėnaitė, and the LTG Group's LTG Technology Director Vytautas Bitinas.

RPA (Robotic Process Automation) environments were implemented for businesses, enabling the practical implementation of a bimodal IT model.

A VaaP POC (Video as a Platform proof of concept) was created and presented to the Safety Team.

The SAP S4H version upgrade was implemented.

July

The identity building project for LTG Kompetencijų centras continued, defining the employee behaviours that reflect the organization's essence, values, and strategic direction.

A new Safety tool was created and implemented, which helped to systematise and digitise all data related to employee safety and health within the LTG Group. This allows for ensuring compliance with employee safety and health requirements and facilitates the execution of control.

The social-educational campaign "Safe Rails" was initiated, aiming to draw public attention to railway safety and increase awareness.

An artificial intelligence sandbox environment was implemented, designed for prototype creation (POC), experimentation, and testing innovative solutions when working with artificial intelligence, machine learning, or other data science technologies.

August

The second academy of UAB LTG Kompetencijų centras took place.

The Company's interim management report and financial statements were published.

In order to strengthen cybersecurity, it was ensured that all LINUX-type servers meet the high requirements of the international CIS standard.

September

A new problem-solving tool, based on the 8-step problem-solving method, was introduced. It is used for solving problems related to the company's strategic goals. The main goal of the projects is to reduce waste and increase the value created.

The Improvement Tournament took place, encouraging active employee engagement in Continuous Improvement activities. 14 teams participated in the Tournament, conducting 384 gembas and registering 151 initiatives, directly contributing to process optimisation.

An external supplier was connected to the JIRA system. This functionality allows for more efficient delivery and better management of services provided to clients.

The first state-owned enterprises event was organised, where best practices in employee safety and health were shared.

October

A survey for the clients of UAB LTG Kompetencijų centras was conducted regarding the quality of the services provided. According to the survey data, customer satisfaction with the services provided increased by 9% compared to the data of the previous survey, from 3.84 points to 4.19 points.

A CRM solution was implemented for the companies of the LTG Group, ensuring smoother customer service, optimisation, and management of sales and marketing processes.

The first virtual assistant in the LTG Group, “PagAlbinas”, was implemented, helping employees of the company to address HR-related issues quickly and efficiently.

The employee opinion survey "Voice of Employees" was carried out. According to the survey data, the employee engagement rate was maintained, and the employee satisfaction index (eNPS) increased by 3 percentage points.

The Safety Team of UAB LTG Kompetencijų centras made a significant contribution to the LTG Group's participation in one of the largest exercises in Lithuania, “Vyčio Skliautas 2025”, where they strengthened resilience and increased operational readiness in critical situations.

The first event in the transportation sector took place, aimed at informing contractors about the applicable legal requirements related to operational readiness for “Day X”, roles, responsibilities, and interaction.

The strategy project of LTG Kompetencijų centras was presented at the strategic session of the LTG Group.

Safety employees implemented an initiative that, based on actual circumstances, halved the instruction time in the LMS system. The planned savings should amount to more than 12,000 working hours per year for all employees of the LTG Group.

A remote temperature measurement solution was implemented in passenger trains, allowing for quicker responses to temperature variations and ensuring a higher quality travel experience for train passengers.

November

The long-term operational strategy project of UAB LTG Kompetencijų centras was submitted to the Governance Coordination Center and the Ministry of Transport prior to approval.

The version upgrade of the LTG Cargo Resource Planning System (RCP) was implemented. A new TAF/TSI message standard was implemented in response to EU directives.

A commercial agreement was signed with VšĮ Lietuvos nacionalinis radijas ir televizija for state data center leasing services, which will ensure even greater and long-term business continuity.

The third academy of UAB LTG Kompetencijų centras took place, with more than 2,500 employees of the LTG Group participating.

The project for the modernisation of physical security of facilities was successfully implemented, allowing for the replacement of physical security services with digitised solutions at two facilities.

December

The board of UAB LTG Kompetencijų centras approved the first strategy for 2026-2030, the Company's goals for 2026, and the budget.

Employees actively engaged in volunteer activities in Vilnius, Šiauliai, and Klaipėda across five different non-governmental organisations.

The data center network platform upgrade project was completed, which will ensure even greater security and business continuity.

Events after the end of the reporting period

January

Integration with the European Union Customs central ICS2 system was launched, enabling the submission of Entry Summary Declaration (ENS) data sets for cargo transported by rail into the European Union.

The access control system and integrations with other systems were updated in all buildings of the LTG Group companies.

Deployment of the hyper-converged infrastructure (Private Cloud) platform and migration of all business applications were completed in January. This platform will ensure not only higher system reliability but also greater technical resources for the entire LTG Group for additional future solutions.

February

Governance Coordination Centre evaluated LTG Group companies' 2026–2030 strategy and awarded the company LTG Kompetencijų centras a score of 9.94 points.

LTG Group has sold Ignalina recreation base in a public auction for the highest offered price - 704 thousand Euros. The recreation complex consists of 19 buildings and other engineering structures, with a total area of about 2,500 square meters. It is located in a scenic area – on a 6.8 hectare land plot on a peninsula of Lake Gavys. The land is leased from the state under a long-term lease agreement. Previously, a summer camp for company's employees' children operated at this recreation base.

Results

LTG KOMPETENCIJŲ CENTRAS

Overview of key performance indicators

Key performance indicators

The performance of LTG Kompetencijų centras in 2025 is measured against the annual indicators of targets approved on 30 June, which reflect the organisation's progress towards achieving its annual targets. The assessment covers five main areas: operational efficiency, customer experience, business resilience, reduction of environmental impacts (ESG) and strengthening organisational culture. Each area has specific measurement indicators, their weighting in the overall assessment, and target values that allow for an objective assessment of performance. Indicator values are recorded in percentages or scores, depending on the area being assessed. UAB LTG Kompetencijų centras started its Shared Services activities in February 2025, so it is not possible to carry out a comparative analysis of this period with previous periods. For this reason, this year's indicators are considered as baseline and will be used as a basis for further performance evaluation and monitoring in the future.

Indicators	Unit of measurement	2025	Calculation principle
Customer Satisfaction Score (CSAT)	score	4.19	The purpose of the measurement is to determine customers satisfaction with specific internal LTG Kompetencijų centras' services or interactions. Customer satisfaction with specific aspects or services is measured, e.g. IT support, HR services, behaviour of LTG KC staff, etc. The target is for the overall evaluation of LTG Kompetencijų centras' services, on a scale of 1-5. Tolerance is ±1%. The results are measured at the end of the year.
Maturity Level I of Continuous Improvement achieved	score	1.5	Continuous Improvement Level I maturity assessment is out of 5 points. The result is updated quarterly.
LTG KC planned cost management	%	91	It shows the extent to which the actual expenses incurred by the Company are in line with those planned in the approved budget. The result is updated monthly.
Reduction of CO_2 emissions (g/km) for cars and trucks up to 3.5t	%	5,6% lower value than in 2024	Shows the change in CO_2 in g/km, comparing the result for 2024 and 2025 (cars and trucks up to 3.5t). The result is updated monthly.
Business resilience level	%	90	Calculated from the percentage weighting of the three com-ponents: (1) 30% weighting "Enhance personal data security" – Personal data breaches that occurred as a result of LTG Kompetencijų centras' action/omission that resulted in a high level of risk to the rights and freedoms of data subjects (target value 0); (2) 10% weighting "Strengthen resilience to corruption" – Share of those who participated in the LTG Kompetencijų centras' tolerance of corruption survey and who believe that LTG Kompetencijų centras is affected by corruption (no more than 6.5%) (3) 60% weighting "Level of progress in implemented risk plans" – Percentage of implementation of the management actions set out in the risk management plans (at least 90%). The results are measured at the end of the year.
Safety level of workers	%	0 accidents due to the employer's fault and 0 accident in total	Number of occupational accidents recorded in LTG Kompetencijų centras due to employer's fault* 1 million / total number of hours worked in LTG KC. The result is updated monthly.
Staff engagement level maintained	%	85	Measured by the Organisational Culture Survey (a standardised online survey of all employees), which asks employees to rate a series of statements on a scale ranging from "strongly disagree" to "strongly agree". The results are measured at the end of the year.

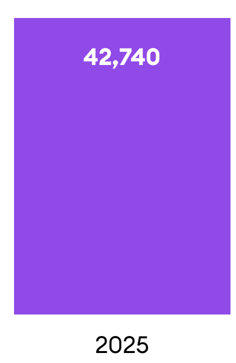
Financial results

Revenue

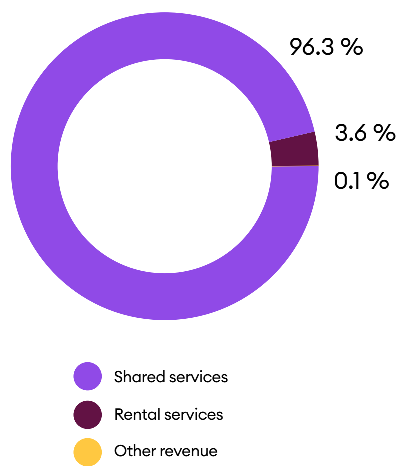
UAB LTG Kompetencijų centras, as a business service company of the AB Lietuvos geležinkeliai Group, generates revenue by providing internal services to other companies of the LTG Group. In the financial statements for 2024, sales revenue was EUR 0, which is because the Company was only established at the end of the year, in November 2024. With the start of active operations in 2025, the main source of revenue has been the Shared Internal Administration Services, which is EUR 41,169 thousand in the reporting period and accounts for 96.3% of the Company's revenue.

UAB LTG Kompetencijų centras provides centralised administration of car rental services for the entire LTG Group. The Company is responsible for managing the vehicle lease contracts, overseeing operations and allocating expenses between Group companies. UAB LTG Kompetencijų centras periodically invoices the relevant LTG Group companies for services rendered, thus ensuring a transparent and efficient internal billing process. This revenue represents 3.6% of the Company's revenue (EUR 1,550 thousand).

Company's revenue, EUR thousand



Revenue structure of the Company in 2025, %



Expenses

The expenses of Kompetencijų centras reflect the nature of the Company's activities as a Shared Service Centre and play an important role in ensuring continuity, quality and alignment with the Group's strategic objectives. In 2025, the expenses of Kompetencijų centras, which amounted to EUR 40,334 thousand, are broken down into several main categories:

Employee benefit expenses. The largest part of the expenses is the costs related to staff salaries, social security contributions, vacation pay and other employment-related benefits. This expense group reflects the importance of human resources in the service delivery process.

Software license costs. This category includes expenses necessary for the use of information technology solutions. This category records IT infrastructure leasing and support services, software license cost services, cloud services, and other licenses necessary for the Company's daily operations. These costs ensure the smooth functioning of technological systems, data security, and the efficient execution of work processes.

Depreciation and amortisation. These expenses include depreciation of tangible and intangible non-current assets (e.g. IT equipment, vehicles).

Management and general administration services – a fee for strategic coordination at LTG Group level.

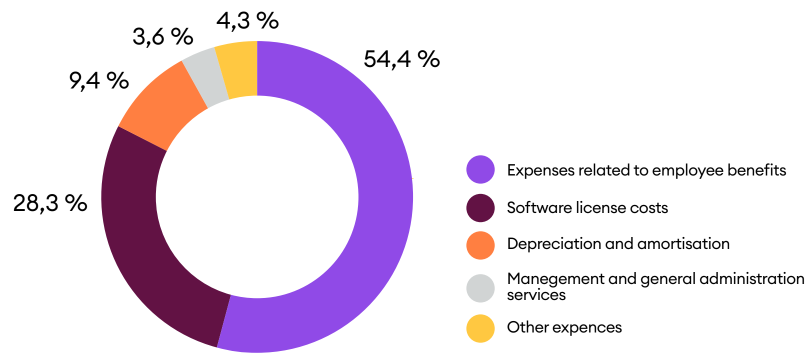
Other expenses include:

- **Materials, repairs and maintenance.** This category records costs relating to the maintenance, repair and consumables of office equipment, work equipment, vehicles or other assets.
- Insurance costs include expenses for mandatory and voluntary insurance policy premiums, aimed at protecting the Company's assets, civil liability, employees, or other risks. These costs help manage potential financial losses arising from unexpected events and form an important part of the Company's risk management system. Insurance expenses ensure operational continuity and stability, reducing the potential negative impact of incidents on financial results.
- **Energy resources**, which include the expenses of fuel, electricity and other energy sources required to support the Company's operations. Although these expenses are a small part of the overall structure, they are essential for the functioning of the infrastructure and jobs.
- Audit and related services expenses include expenses for independent auditing services related to the verification of the Company's financial statements and internal processes. These costs ensure the reliability of financial data, compliance with legal regulations and accounting standards, and enhance operational transparency for stakeholders. Although their proportion in the overall cost structure is not large, they are essential for maintaining responsible management practices and trust in the Company's operations.
- **Impairment charges** include accounting entries for decreases or increase in the value of assets relating to inventories, non-current assets or receivables. These charges reflect adjustments to the value of assets in accordance with accounting standards and can be either positive or negative.
- The remaining portion may include various operational costs, system maintenance, and other expenses related to digital activities that do not fall into other specific categories.

The largest part of the expenses are salaries and IT expenses, as LTG Kompetencijų centras is focused on providing human resources and technological solutions to the whole LTG Group. Human resources are the main driver of service delivery and IT is the necessary infrastructure for efficient process management and digitisation of services.

Company's expenses, EUR thousand

Structure of the Company's expenses in 2025, %



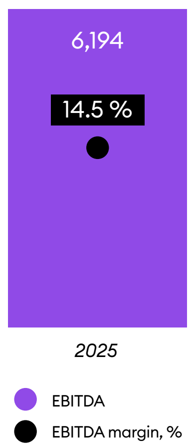
Operational results

The pricing of UAB LTG Kompetencijų centras is based on the arm's length principle, i.e. cost plus a reasonable margin. This ensures a fair level of intra-group settlements.

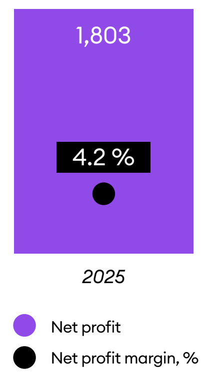
In the reporting period, the Company's EBITDA amounted to EUR 6,194 thousand, and EBITDA margin reached 14.5%.

UAB LTG Kompetencijų centras generated a net profit of EUR 1,803 thousand in 2025, with a net profit margin of 4.2%.

Company's EBITDA, EUR thousand



Net profit of the Company, EUR thousand



Changes in the balance sheet

In 2025, the equity of LTG Kompetencijų centras increased significantly due to the transfer of a part of LTG's business to the Company and a positive annual operating result.

Balance sheet items for non-current assets mainly consist of IT equipment, software, licenses, vehicles and other items of assets included under IFRS 16.

Current assets include cash balances, prepayments and receivables from group companies for services rendered.

Current liabilities arise from current operating expenses, such as payables to suppliers, employees and other current liabilities.

Non-current liabilities mainly relate to asset lease obligations under IFRS 16.

The structure of the Balance Sheet reflects the stable capital base and the consistent growth of the business in the early months of the Company's operations.

Changes in the key balance sheet items, EUR thousand

Key financial indicators

The Company commenced shared services operations in February 2025, but these annual financial statements cover the period from 1 January 2025 to 31 December 2025.

Indicators are not extrapolated to 12 months to avoid possible distortion of results due to insufficient operating time. This is intended to provide the most accurate and realistic assessment of the Company's performance during the reporting period.

	Unit of measurement	2025	2024
Sales revenue EUR thousand		42,719	
Revenue from other activities	EUR thousand	21	
Total revenue	**EUR thousand**	**42,740**	
Expenses	**EUR thousand**	**40,334**	
EBITDA	EUR thousand	6,194	
EBITDA margin	%	14.5	
EBIT	EUR thousand	2,406	
EBIT margin	%	5.6	
Net profit	**EUR thousand**	**1,803**	
Net profit margin	%	4.2	
		31/12/2025	**31/12/2024**
Non-current assets	EUR thousand	27,015	
Current assets	EUR thousand	25,239	1
Total assets	**EUR thousand**	**52,254**	**1**
Equity	EUR thousand	29,917	1
Financial debt	EUR thousand	9,144	
Net debt	EUR thousand	-1,120	

	Unit of measurement	2025	2024
Return on Equity (ROE)	%	12.1	
Return on Assets (ROA)	%	6.9	
Return on Investment (ROI)	%	9.7	
Financial debt / EBITDA	times	1.5	
Financial debt / Equity	%	30.6	
Net debt / EBITDA	times	-0.2	
Equity ratio	%	57.3	
Asset turnover ratio	times	0.8	
Quick Ratio	times	1.7	
Total Liquidity Ratio	times	1.7	

Company financing

As at 31 December 2025, the Company had no long-term debt obligations to external credit institutions.

The LTG Group, seeking to ensure financing efficiency and to manage liquidity risk, has ensured the possibility for the companies to borrow from each other through cash-pool. The Parent company AB Lietuvos Geležinkeliai has concluded one group's cash-pool agreement with a commercial bank and, accordingly, the Company has entered into a mutual lending and borrowing agreement. The borrowing and lending limit has been approved until 31 December 2027. The terms and conditions of the agreement are in line with normal market conditions. As at 31 December 2025, there were no debt obligations under the mutual lending and borrowing agreement.

Investments

Investment policy

The Project and Investment Management Policy (link) establishes the general procedures for project and investment management within the LTG Group to ensure the timely implementation of projects and investments within the expected scope, time, and budget. The Policy is prepared in accordance with the LTG strategy and is applied to all LTG Group companies.

The project and investment management processes, methodologies, and other regulatory documents in effect at LTG Kompetencijų centras are prepared in accordance with the provisions of this Policy.

The Company's investments are aimed at implementing strategic operational directions (Customer Experience, Operational Efficiency, Business Development, Inclusive Organisational Culture, Business Resilience, and Decarbonisation). The main investments consist of the following groups:

- IT investments in the Company's information systems, private cloud, and data center network platform upgrades.
- Asset management investments in the renewal of the vehicle fleet.
- Other low-value investments that do not fall into the previously mentioned categories.

Investments of the company

Investments*, EUR thousand	**2025**
New investments into information technologies for the needs of the LTG Group, including:	3,988
- *Acquisition of HCI private cloud;*	*3,194*
- *Acquisition of data centers;*	*583*
- *Other IT investments.*	*211*
Long-term car leases / car upgrade programme.	3,940
Other investments (long-term lease of premises, etc.)	3,263
Total	**11,191**

* *Acquisitions of property, plant and equipment, acquisitions of intangible non-current assets, and acquisitions of right-of-use assets.*

Key investment projects

In the near future, LTG Kompetencijų centras is planning investments in IT systems tailored to the needs of the LTG Group, the most significant of which are:

- To complete acquisition of the HCI private cloud.
- To implement a new document management system.
- To implement new ERP functions.

In 2026, investments mentioned in the strategic projects section will continue. Additional investments are planned to be small and focused on supporting infrastructure.

Key investment projects

Project / Group of projects	Period	Investment, EUR million	Financing	Expected benefits (profitability)	Strategic direction	Work performed in 2025
STRATEGIC PROJECTS						
HCI private cloud acquisition / Information technology investments	2024-2026	EUR 4.6 million Including in the year 2025 EUR 3.2 million	Company funds	A virtualisation platform is being implemented for the LTG Infra traffic management and control system, the platform is being updated for the needs of other information systems of the LTG Group, ensuring the security and reliability of LTG Group information system backups.	Business resilience	In 2025, the hyper-converged infrastructure, virtualisation, and backup systems were purchased and are nearing completion of installation.
Acquisition of data centers / Information technology investments.	2024-2025	EUR 0.7 million Including in the year 2025 EUR 0.6 million	Company funds	The project aims to ensure the continuity of LTG information systems. A data center network platform was acquired to ensure current and new IT infrastructure needs of the LTG Group of companies.	Business resilience	In 2025, the data center network platform was purchased and implemented.
Car upgrade programme	2024-2026	EUR 7.8 million Including in the year 2025 EUR 3.94 million	Company funds	Vehicles are acquired under long-term lease for the operational needs of LTG Group companies. New cars replace the old fleet (mostly vehicles whose lease terms are expiring).	Customer experience Operational efficiency Decarbonisation	During the year 2025, 173 vehicles were replaced across all operational units of the LTG Group. Among them, 25 are EVs – the first electric vehicles in the group.

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 (link).

The Company's dividend allocation and payment are governed by the LTG Group Dividend Allocation Policy, prepared in accordance with the provisions of the aforementioned resolution. The Dividend Policy is publicly available on the parent company's website (link).

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

Allocation of dividends for the financial year is planned taking into consideration the ration of return on equity (ROE) for the reporting period of the company. The relation between the share of profits to be distributed as dividends and ROE ratio is provided in the table.

The share of profits distributed as dividends for the period which is shorter than the financial year must be at least 60% of the distributable profit of the Company.

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 did not pay any dividends in 2025 and 2024.

Governance

LTG KOMPETENCIJŲ CENTRAS

Overview

Governance model

The LTG Group's corporate governance is organised in such a way as to strike an effective and results-oriented balance between the LTG Group's management and control measures. The governance model of the LTG Group is centralised, i.e. the governing bodies of the parent LTG consider and approve the consolidated LTG Group's business strategy, the consolidated performance targets, the indicators and targets against which they are measured, the consolidated budget and the business 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, consolidating competences and introducing functional excellence. The parent company coordinates the financial, legal, planning and monitoring, human resources, risk management, auditing, technology, communication and other general areas of the LTG Group companies through common policies, regulations and norms applicable to all LTG Group companies. The implementation of these shared services is delegated to LTG Kompetencijų centras, which belongs to the LTG Group.

The corporate governance of the ltg group is organised according to the following principles:

- Openness and transparency of activities.
- Compliance and effectiveness of corporate governance.
- Meeting shareholders' expectations.
- Cooperation with stakeholders and their role.
- Effective and efficient risk management and internal control systems.
- Certainty and sustainability of objectives.
- Responsibilities and accountability of the governing bodies.

Recognitions of governance

In the evaluation of the good governance index of state-owned enterprises (SOEs) for 2024/2025, in the category of large enterprises, the LTG Group was recognised as one of the leaders among SOEs and received a high A rating.

The assessment tool developed by the Governance Coordination Centre - the Good Governance Index for SOEs - is used to assess the quality of SOEs' governance, and aims to measure and assess the implementation of key good governance practises by state-owned enterprises and the representative institutions that control them. It is currently the only tool that monitors the governance of SOEs and assesses the quality of governance and compliance of all SOEs and their subsidiaries with the provisions of legislation.

Information on shares as at 31 december 2025

Amount of authorised capital, EUR thousand	Number of shares, units	Nominal value of shares, EUR
25,822	25,822,166	1

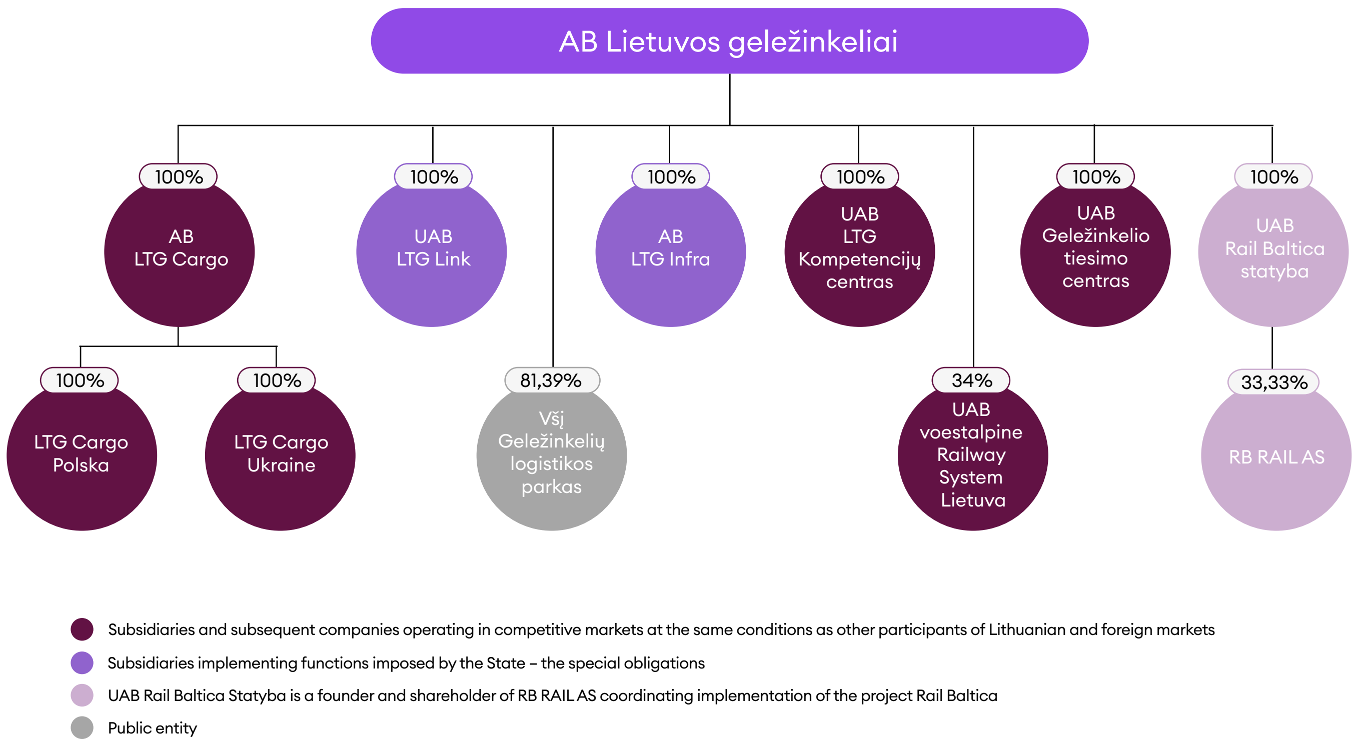
All shares are of one class: ordinary registered shares. The shares are book entry shares and are recorded in personal securities accounts in accordance with the law.

The Company did not acquire any of its own shares or shares in other LTG Group companies during the reporting period.

Group structure

The Company is part of the LTG Group, the largest freight, passenger transport and infrastructure management group in the Baltic States. 100% of the Company's shares are owned by the parent company AB Lietuvos geležinkeliai. The State of Lithuania is the shareholder of AB Lietuvos geležinkeliai, owning 100% of the shares, and the Ministry of Transport and Communications of the Republic of Lithuania exercises the rights and duties of the shareholder.

During the reporting period, the Company had no subsidiaries.



Internal regulation

Articles of Association of the Company

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

The Articles of Association of UAB LTG Kompetencijų centras are amended by a decision of the general meeting of shareholders adopted by a qualified majority, which may not be less than 2/3 of the total number of votes of all the shares of the shareholders present at the meeting.

During the reporting period, the Company's Articles of Association were amended twice.

On 29 January 2025 the Articles of Association of UAB LTG Kompetencijų centras were amended – the Company's share capital was increased. On 12 March 2025 the Company's Articles of Association were amended – a collegial management body, the board, was formed, and the competencies of the board were expanded.

The Company's Articles of Association are available on the Company's website https://ltg.lt/en/ltg-competence-centre/management/internal-regulation/.

LTG group's operational policies

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

- The updated Procurement Policy, which aims to define the key principles and objectives of the management of procurement activities and to ensure that procurement is carried out to high quality standards, promoting competition, innovation, sustainability and value for money.
- The National Security Compliance Policy, which aims to establish a strategic and unified approach to national security compliance within the LTG Group. The status of LTG Group as a group of companies whose respective entities are of importance for national security results in the duty to act in the interests of national security.
- The updated Strategic Planning and Management Policy sets out the general principles, responsibilities and key business processes of strategic planning and management of the LTG Group of companies. The Policy aims to ensure coordinated strategic planning and management across the group.
- The 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.
- The updated Corporate Governance Policy aims at setting out common principles for the LTG Group in terms of governance structure, the formation of governing bodies and separation of functions, corporate governance, control and transparency, the optimal governance structure, decision-making and reporting framework and the relationship between the governing bodies of the LTG Group companies.

Management bodies of the company

The Articles of Association provide for the following bodies of the Company:

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

General meeting of shareholders

It is the supreme body of the Company. The competence of the General Meeting of Shareholders, the procedure for convening it and making decisions is determined by the Law on Companies of the Republic of Lithuania, other legal acts, as well as the Company's Articles of Association.

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

The Company has not issued any preference shares. There were no restrictions on the voting rights during the reporting period.

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

- In accordance with the Company's Articles of Association, an additional competence of the General Meeting of Shareholders during the reporting period is to approve the decisions of the Board of UAB LTG Kompetencijų centras:
- 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;
- on the investment, disposal or lease of the Company's non-current assets with a carrying amount equal to or greater than EUR 3,000,000 (three million euro) exclusive of value added tax (VAT) in the Company's Group companies or third parties;
- on the pledge and mortgage of the Company's non-current assets with a carrying amount equal to or greater than EUR 3,000,000 (three million euro), exclusive of value added tax (VAT);
- on surety or guarantee of the performance of other persons' obligations for an amount equal to or greater than EUR 3,000,000 (three million euro), exclusive of value added tax (VAT);
- on the acquisition of non-current assets for a price equal to or more than EUR 3,000,000 (three million euro), exclusive of value added tax (VAT);
- on loan or other financing transactions with a value equal to or greater than EUR 3,000,000 (three million euro), exclusive of value added tax (VAT);
- on the conclusion of transactions for the procurement of goods, services and works with a value equal to or greater than EUR 3,000,000 (three million euro) exclusive of value added tax (VAT) and the approval of the essential terms of these transactions (before the Company starts the procurement procedure);
- on the approval of the material terms of contracts for the provision of services by the Company, if the estimated annual revenue of the contract, or the revenue expected to be generated during the entire term of the contract, is equal to or gteater than EUR 3,000,000 (three million euro), exclusive of value added tax (VAT);
- on the Company becoming a founder or participant of other legal entities;
- on the commencement of a new activity of the Company or the discontinuation of an existing activity of the Company, if the relevant decision has not been taken at the time of approval of the Company's strategy;
- on the establishment of branches and representative offices of the Company, termination of their activities, appointment and dismissal of managers of the Company's branches and representative offices, and approval of the regulations of branches and representative offices;
- on the approval of 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, mortgage, pledge, hypothecation, and the granting of sureties and guaranties 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), exclusive of value added tax (VAT);

Key decisions of the general meeting of shareholders adopted in 2025:

- Increase of the Company's authorised capital;
- Approval of the Company's financial statements for 2024;
- Allocation of the Company's retained earnings (losses) for 2024;
- Approval of the decision of the Company's CEO to conclude an agreement for purchase of the strategic management fee;
- Approval of the decision of the Company's CEO to enter into a transaction for the purchase of SAP licenses and their support services;

- Approval of the decision of the Company's CEO to enter into a transaction for providing general internal administration services to AB Lietuvos geležinkeliai;
- Approval of the decision of the Company's CEO to enter into a transaction for providing general internal administration services to UAB Geležinkelio tiesimo centras;
- Election of the Company's board;
- Approval of the decision of the Company's board to enter into a mutual lending and borrowing agreement with AB Lietuvos geležinkeliai;
- Election of the audit firm UAB KPMG Baltics to audit the set of the annual financial statements.

The board

A collegial governing body, set out in the Articles of Association of the Company, that consisted of 3 members during the reporting period, including 2 independent members, and 1 member delegated by the shareholder. The members of the Board are elected by the General Meeting of Shareholders for a term of four years. The Board elects the Chairperson of the Board from among its members. The same person may not be elected as a member of the Board for more than two consecutive terms. The Board is accountable to the Company's General Meeting of Shareholders.

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). The composition of the Board is subject to the provisions of the Selection Procedure concerning the diversity of competences of the Board members, the general and specific eligibility requirements.

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.

Additional competences of the Board during the reporting period:

- to approve the Company's business strategy;
- to set Company objectives;
- 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 make decisions on the investment, disposal or lease of the Company's non-current assets with a carrying amount equal to or greater than EUR 1,000,000 (one million euro) exclusive of value added tax in the Company's Group companies or third parties;
- to make decisions on pledges and mortgages of the Company's non-current assets with a carrying amount equal to or greater than EUR 1,000,000 (one million euro) exclusive of value added tax;
- to make decisions on surety or guarantees for the fulfilment of obligations of other persons for an amount equal to or greater than EUR 1,000,000 (one million euro) exclusive of value added tax;
- to make decisions to acquire non-current assets for a price equal to or greater than EUR 1,000,000 (one million euro) exclusive of value added tax;
- to make decisions on loan or other financing transactions with a value equal to or greater than EUR 1,000,000 (one million euro);
- to make 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 euro) exclusive of value added tax, and approve the material terms of such transactions (before the Company commences procurement procedures);
- to make decisions on the approval of the material terms of contracts for the provision of services by the Company, if the estimated annual revenue of the contract, or the revenue expected to be generated over the entire duration of the contract, is equal to or more than EUR 3,000,000 (three million euro), exclusive of value added tax;
- to make decisions on the Company becoming a founder or participant of other legal entities;
- to make 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 make decisions on the establishment of branches and representative offices of the Company, termination of their activities, appointment and dismissal of the heads of the Company's branches and representative offices and approve the regulations of branches and representative offices;
- to make 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 euro), exclusive of value added tax;

- to make 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 carries out the following supervisory functions:

- supervises the performance of the Company's Chief Executive Officer and provides feedback and proposals on the performance of the Company's Chief Executive Officer 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 regulations, these Articles of Association, decisions of the General Meeting of Shareholders or of 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: from 11 June 2025 to 11 June 2029.

The first Board of the Company was elected during the reporting period.

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

Composition of the company's board

GIEDRIUS DZEKUNSKAS

Independent Board member, Chairperson
Holds the office since 11 June 2025
Has been performing the duties of the Chairperson since 30 June 2025

EDUCATION

- Baltic Management Institute, International Business Management Master Programme
- Vytautas Magnus University, Master's degree in Business Administration
- Vilnius Technical University, Automation Engineering

MAIN EMPLOYER, POSITION

- CEO of Danske bank A/S Lithuanian Branch, Member of the Board, Saltoniškių g. 7B, Vilnius, company code 301694694

OTHER CURRENT POSITIONS

- Vilnius Gediminas Technical University, Council Member, Saulėtekio alley 11, Vilnius, Public Undertaking code 111950243

EGLĖ JUZĖNAITĖ

Independent Board member
Holds the office since 11 June 2025

EDUCATION

- London Business School, Sustainability Leadership and Corporate Social Responsibility Programme
- London Business School, Accelerated Development Programme
- School of Governance, Risk and Compliance / Berlin Steinbeis University / von Fürstenberg Board Services Course, Supervisory Board Member Certificate
- Frankfurt am Main Institute of Internal Audit, Internal Auditor Certificate
- University of Mannheim (Konrad Adenauer Stiftung scholarship), Diploma in Business Administration
- Kaunas University of Technology, Bachelor of Business Administration

MAIN EMPLOYER, POSITION

- Rewe-Zentrale Business Organisation GmbH Managing Director Shared Service Enablement, Domstr. 20, 50668 Koeln, Company code: 16755930

OTHER CURRENT POSITIONS

- UAB Greituolis, Board Member, Lvivo g. 37-101, Vilnius, Company code: 305054987

VYTAUTAS BITINAS

Member of the Board delegated by the shareholder
Holds the office since 11 June 2025

EDUCATION

- Kaunas University of Technology, Master of Computer Science
- Baltic Institute of Corporate Governance graduate

MAIN EMPLOYER, POSITION

- CTO, AB Lietuvos geležinkeliai, Geležinkelio g. 16, Vilnius, company code 110053842

OTHER CURRENT POSITIONS

- AB Regitra, Board Member, Liepkalnio g. 97A, LT-02121 Vilnius, Company code: 110078991

Competence matrix

The general and special requirements for independent members of the Board and members of the Board delegated by the parent company as set out by UAB LTG Kompetencijų centras apply to the members of the Board of AB Lietuvos geležinkeliai.

Compulsory *Advantage*

"LTG Kompetencijų centras Composition of the Board members	Competences of members delegated by the parent company	Competences of independent members of the Board	
	Member No. 1	Member No. 2	Member No. 3
Areas of competences	**Digitizing technology and activities**	**Organisation development and change management**	**Strategic planning and performance management**
General requirements (compulsory, applicable to all candidates)			
Higher university education of its equivalent			
Candidate may not be disqualified and restricted from holding the position he/she is applying for and from performance of functions of the respective position			
The candidate must not have been removed from a single-person or collegiate body of a legal person for misconduct within the last 5 years			
He/she must have an impeccable reputation			
He/she may not have any relations to any other natural or legal persons that could create a conflict of interests in case of holding the position			
Special requirements (applicable to all candidates)			
Very good English skills (written and verbal)			
Experience in implementation of strategic goals and sustainable increase in the company's value			
Knowledge of corporate governance principles and good corporate governance knowledge and experience			
Excellent skills in leadership, teamwork and cooperation with parties of interest			
Special requirements (compulsory, according to the area of competence)			
At least 5 years of experience in a senior management position (s a company manager, as a top level manager reporting directly to the company manager or as a member of a collegiate body for management or supervision)			
Management of the Company's strategic planning, organisational transformations and changes			
Experience in development of organisation and its culture			
Practical experience in digitalization, innovation and efficiency-related decisions			
Practical experience in improving customer experience and implementing a client-oriented work culture			
Experience in internal control or risk management			
Good knowledge of strategies and goals of Lietuvos geležinkeliai Group of companies			
At least 5 years of management experience in service delivery, operational efficiency, manufacturing, finance or consulting			
Practical experience in project management, assessment and financing			
Practical experience in financial management and analysis			
Work experience in B2B sector			
Work experience in an international group of companies			
Experience of working in collegiate supervisory and management bodies			

The board's activity plan and the most important work carried out

During the reporting period, the Board organised its work in accordance with the Board's activity plan approved on 30 June 2025, which provided for the consideration of organisational, strategic, planning, risk management, goal-setting and evaluation, self-assessment, and the reporting of the Company's performance, amongst other items.

The Company's board achieved all the goals set for 2025 and fully implemented the annual board activity plan for 2025 by holding scheduled meetings, discussing planned issues, and making significant decisions, which are presented in the following part of the report.

The activity plan of the Board for 2025 was approved on 6 November 2025.

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

Information on attendance at board meetings in 2025

Name, surname of a member	Board meetings
Number of meetings	9
Giedrius Dzekunskas	9
Eglė Juzėnaitė	9
Vytautas Bitinas	9

Key decisions of the board in 2025

- Approval of the goals for 2025 for UAB LTG Kompetencijų centras and its CEO;
- Approval of the transaction for the purchase of external IT services;
- Approval of the transaction for the lease purchase of licenses for the Information Technology service management (ITSM) tool;
- Approval of the agreement to enter into a mutual lending and borrowing agreement with AB Lietuvos geležinkeliai;
- Approval of the list of confidential information and trade (industrial) secrets for UAB LTG Kompetencijų centras;
- Approval of the operational strategy for UAB LTG Kompetencijų centras for 2026–2030;
- Approval of the annual business plan (budget) for LTG Kompetencijų centras for 2026;
- Approval of the goals for 2026 for UAB LTG Kompetencijų centras and its CEO.

Self-assessment and performance of the board

In accordance with the the Company's Articles of Association, the Board's Rules of Procedure and in line with good governance practices, on 26 February 2026 the Board carried out its evaluation of its performance for 2025. The Board identified key areas for improvement and actions required in communication between the Board and the Manager of the Company, in the areas of strategic planning and organising Board meetings. The Board's self-assessment index for 2025 was 4.37 points on a five-point scale.

Committees and their activities

The Board, Nomination and Remuneration, and Audit Committees of AB Lietuvos geležinkeliai operated at 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 findings, opinions, recommendations and proposals to the LTG Board on matters relating to the selection of the LTG Group's governing bodies and the LTG Group's remuneration policy.

Management

Chief Executive Officer

Chief Executive Officer is the Company's sole governing body, who, within the scope of his/her powers, organises and manages the day-to-day activities of the Company. The duties and powers of the Chief Executive Officer are defined in the Law on Companies and the Company's Articles of Association. The CEO is elected for a term of 5 years by the Board of the Company, to whom he/she is accountable. The same person may not be appointed as the Chief Executive Officer of the Company for more than 2 consecutive terms

The first five-year term of office of the Company's Chief Executive Officer, Ieva Lauraitytė, started on 29 November 2024.

IEVA LAURAITYTĖ
Chief Executive Officer
of UAB LTG Kompetencijų centras

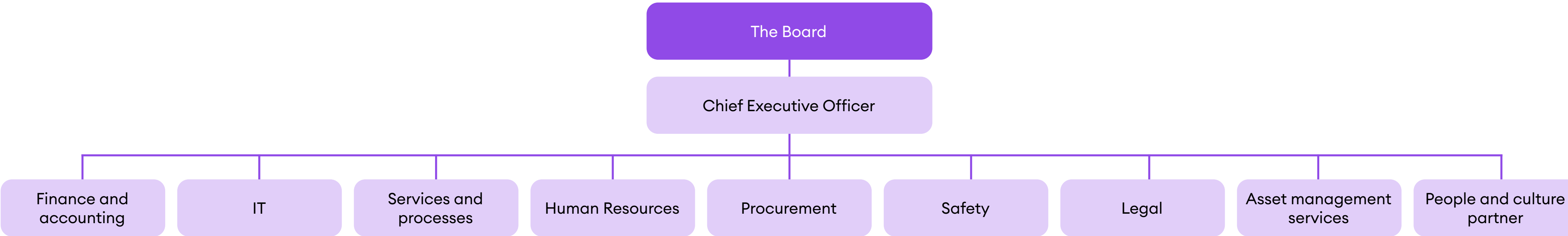
The Company's Chief Executive Officer Ieva Lauraitytė, prior to taking up this position, worked as Director of Administration at AB Lietuvos geležinkeliai. Ieva Lauraitytė also holds the following additional management positions:

- Member of the Board of the Lithuanian Association of Pedigree Bird Breeders, Bažnyčios g. 35, Labanoras, Švenčionys district, company code 302919044 (since 31/05/2023)
- Chairperson of the Board of the National Federation of Pedigree Bird Breeders, Vilniaus g. 79, Giedraičiai, LT-33276 Molėtai district, company code 307031649 (since 15/11/2024)

Information on the Chief Executive Officer's education:

- Vilnius University, Master of Law.
- Business Management Studies for Executives at ISM University of Management and Economics and BI Norwegian Business School)
- Studies of Managers and Board Members at the Baltic Institute of Corporate Governance.
- Executive MBA studies at ISM University of Management and Economics and Kaunas University of Technology.

Corporate governance and organisational structure



Bendrovės vadovybė

IEVA LAURAITYTĖ	Chief Executive Officer of the Company	Holds position from 29 November 2024
LINA UŽLIENĖ	Head of Finance and Accounting	Holds position from 1 February 2025
VAIDA GENYTĖ-KAZLAUSKIENĖ	Head of Procurement	Holds position from 1 February 2025
RAIMONDA GAIDELIONIENĖ	Head of Asset Management Services	Holds position from 1 February 2025
VIGANTAS NIKONTAS	Head of IT	Holds position from 1 February 2025
ARTŪRAS VASILIAUSKAS	Head of Legal	Holds position from 1 February 2025
MARTYNAS ČEKANAUSKAS	Head of Safety	Holds position from 1 February 2025
INGA ŽUKĖ	Head of Services and Processes	Holds position from 12 January 2026
JURGA SNARSKIENĖ	People and Culture Partner	Holds position from 1 February 2025
MILDA ŠAPOKIENĖ	Head of Human resources	Held office from 1 February 2025 until 28 November 2025
BRIGITA VALENČIENĖ	Head of Services and Processes	Held office from 1 February 2025 until 19 October 2025

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 no potential conflicts of interest were identified.

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

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 Kompetencijų centras. 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 the Company's strategic objectives.

In 2025, the unit's activities were organised based on the Global Internal Audit Standards. Audit provides risk-based assurance services, advice (consulting) and insights, and conducts 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.

Employees and remuneration

LTG KOMPETENCIJŲ CENTRAS

Overview

The directions for 2025 established actions to maintain high employee engagement and consistently increase it, focused on spreading employer reputation through a separate employer branding project and the "Top Employer" certification, growing leadership through management development programmes, efficiency initiatives through operational excellence projects and digitisation, ensuring employee well-being through projects to improve working conditions, strengthening employee safety and emotional well-being, as well as implementing employee recognition programmes, improving the "New Passenger" programme, promoting internal career growth, and mentorship programmes. According to employee survey data, the selected measures generated positive changes in all areas; therefore, their continuity remains a priority for the coming year.

Initiatives and significant events of 2025

- As of 1 February, the formal transfer and recruitment of staff to the newly established Company of the LTG Group was implemented.
- 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.
- From 1 April, an annual review of base salaries was implemented, which resulted in an increase of the monthly base salary fund in the Company by EUR 136 thousand or 8.2 percent, and the salary increase, based on unified review criteria, was implemented for 91 percent of employees.
- In April 2025, by decision of the Company's board, a bonus amounting to EUR 1.5 million was paid out to group employees for the results reached in 2024.
- April also saw the launch of an inclusive recognition programme for all employees. It combined new and existing measures to recognise, nominate and thank colleagues who, in addition to their direct roles, actively share and implement ideas; are seen as role models; engage in peer-to-peer, Company awareness-raising and other activities promoted by the organisation; and are loyal and have been faithful to the organisation for many years. Employees who are nominated are awarded ePoints, which can be used in the MELP partner e-shop to purchase LTG-branded products or to choose from a wide range of other goods and services. The MELP platform not only provided access to the e-shop, but also a wide range of discounts, a tool to keep up to date with internal news, and a one-stop shop for all employee benefits.
- As part of the principles of equality, diversity and inclusion, which are part of the strategic orientation of an inclusive organisational culture, the concept of close family member was extended in May to include partners and non-biological children, and in June, the LGBTQ+ march "For Equality" was joined for the first time. The Diversity Awareness Project included lectures for staff and training for targeted groups of staff. An extensive internal communication campaign on the Transparency Line was also conducted simultaneously. Ongoing activities that engage employees in volunteering initiatives, promoting community, motivation, and engagement, and strengthening organisational culture were also initiated.
- DUOday was organised independently and in collaboration with SOPA agency – a job shadowing initiative where companies and organisations open their doors to people with disabilities, inviting them to try new professions and job roles.
- Trainings for prevention of Discrimination, Violence, and Harassment were updated and are now mandatory for all employees, helping not only to recognise forms of discrimination, violence, and harassment more easily but also teaching how to respond appropriately and prevent inappropriate behaviour.
- In the second half of 2025, the feedback culture continued to be strengthened by encouraging open communication and continuous improvement, and 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 – from mental health and sustainability to personal effectiveness and inclusion. These initiatives help create an organisation that continuously learns, grows, and develops its employees.
- The "Voice of Employees" survey carried out in October 2025 confirmed a strong connection with employees – engagement reached 85 points, satisfaction 82 points, and as many as 94% of colleagues participated in the survey. After analysing the results, areas for improvement and action plans were identified, aimed at enhancing the employee experience and strengthening organisational culture.

- Leadership development is a consistent investment in the Company; 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. The Leaders' Days of the Company were launched, focusing on team collaboration and leadership competences.
- 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. Periodic meetings between the CEO and the people and culture partner with colleagues newly joining the teams were initiated and conducted to strengthen smooth and purposeful integration into the Company's activities. 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 were organised, shadowing events took place, and staff participated in career fairs, educational partner projects, the "Transport and Communications Career Laboratory" initiative by the Ministry of Transport of the Republic of Lithuania, international conferences, and other events occurred, expanding the network of educational partners.
- 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.
- In order to strengthen the Company's employee communities in the regions, employees were concentrated in shared offices in Kaunas, Klaipėda, Radviliškis and Šiauliai, premises were renovated, and open space workplaces and spaces were created.
- The Company's identity project was initiated and continued, actively involving both senior and middle management to refine and strengthen the principles and behaviours in daily activities of a company where employees from different divisions have gathered, and to foster a sense of unity, i.e., seeing in the same direction.

People and culture policy

The People and Culture Policy, approved by the LTG board and published publicly 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.

Management of remuneration

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 the right skills;
- equal opportunities and non-discrimination in summarising and rewarding employees' performance;
- the principle of internal equity in rewarding for similar work;
- increasing 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 methodological assessment of his/her position and other positions in the organisation expressed at corporate levels, as well as on the basic salary ranges for each corporate level. Systematic means of embedding the principles of transparency and assessing internal career opportunities are ensured.

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 to 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 136 thousand or 8.2%, and 91% of staff have received a pay rise on the basis of uniform 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 shall be an employer-initiated incentive to employees for good performance and a positive performance of the Company, as referred to in Article 139(2)(6) of the Labour Code of the Republic of Lithuania, and shall be granted on the basis of 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 the performance of 2024 amounted to EUR 1.5 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 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 under Remuneration section. 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 in the LTG Group intranet – in the knowledge base and news section dedicated to employees.

Data on the average remuneration of the Company's employees by general function group are publicly available on the Company's website in the remuneration section, and it is updated at the end of each calendar quarter.

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 was determined by a decision of the Company's sole shareholder, with the monthly remuneration of the Chairman of the Board of the Company being EUR 3,677, the monthly remuneration of the independent member of the Board of the Company being EUR 2,750 and the monthly remuneration of the Board who is a delegate of the parent Company being EUR 1,375. 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.at the same level as the members of the existing Board.

Remuneration paid to members of the board in 2025

Name, surname of a member	Remuneration for the activities of the Board Member, EUR
Giedrius Dzekunskas	24,386
Eglė Juzėnaitė	18,288
Vytautas Bitinas	9,144

** The remuneration is shown inclusive of all payable taxes and charges.*

Employees and remuneration

The number of employees of the Company as at 31 December 2025 was 510 (the number of active employees as at the end of the period, i.e. excluding employees on parental leave, military service, long-term sick leave). Compared to 1 February 2025, when employees were transferred to the newly established company, the number of employees in the Company decreased by 3 employees or 0.58%.

The average monthly salary is shown in the table below and there is no change in this rate for the period under review for comparison – the employees were transferred to the newly established company in the LTG Group as of 1 February 2025.

The total remuneration fund calculated as of 1 February 2025 amounted to EUR 19.53 million (excluding compensation for unused leave, severance payments, accruals, and capitalised wages).

Additionally, in April 2025, as in other LTG Group companies, an annual bonus for performance in the amount of EUR 1.5 million was paid to the Company's employees who were transferred to the newly established company from February.

Number of the company's employees and average salary

Position group	31/12/2025**					
	Number of employees			Average salary, EUR		
	Total	Women	Men	Total	Women	Men
Company CEO*	1	1		11,000	11,000	
High-level managers*	6	3	3	7,613		
Senior managers and professionals in exceptional fields	47	24	23	5471	5,233	5,692
Mid-level managers and individual area experts	222	124	98	3,938	3,790	4,133
Team leaders and experienced professionals	233	152	81	2,654	2,544	2,840
Professionals and experienced operational/service staff	1	1		1,841	1,841	
Operational/service staff, skilled workers				1,014	1,011	1,018
Total	**510**	**305**	**205**	**3,553**	**3,363**	**3,892**

** The level of fixed remuneration at the end of the period is shown.*

*** For reasons of confidentiality, information on the average salary the average salary differential will not be disclosed if there are fewer than 5 staff members of the same sex in the job group.*

Information on the remuneration of the head of the company

Components of the Company's Chief Executive Officer's remuneration:

- Basic monthly salary. On 29 November 2024, the CEO of the Company was recruited to the newly established Company on a part-time basis (4 hours per week) at a salary of EUR 100/month. The salary for the CEO of the Company was set at EUR 10,500 as of 1 February 2025, following the start of full-time employment. At the end of the reporting period, i.e. 31 December, the remuneration of the Company's Chief Executive Officer amounted to EUR 11,000, an increase of 5% or EUR 500, which was raised as part of the LTG Group-wide annual review of base remuneration with effect from 1 April 2025.
- Annual performance incentives. In addition to the base salary, the head of the Company may be paid a variable annual salary (annual performance incentive). The incentive scheme is approved by the LTG Board. According to this scheme, 60% of the annual incentive payment is influenced by the level of achievements of the LTG Group's annual goals, and 40% is influenced by the level of achievements of the Company's annual goals. 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.

No annual incentive was paid to the CEO for the achievement of the Company's 2024 targets, as no such targets were set for the newly established company in 2024. In April 2025, the appointed CEO of the Company was paid a monthly incentive (1/12) of the annual incentive by his previous employer in respect of the LTG Administration Director position and the achievement of the 2024 targets, which amounted to EUR 2,331.

The Company's goals for 2025, which will serve as the basis for the Company's CEO to be eligible for a reward in 2026 for the performance results of 2025, are disclosed in the strategy section of the overview part of the Company's Annual Management Report for 2025.

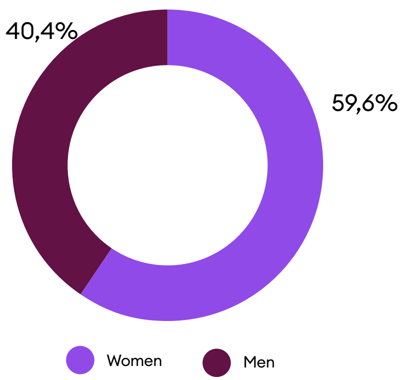
The company's average salary ratio between women and men by general function groups

Position group	**2025**
All employees	1:0.91
High-level managers	-
Senior managers and professionals in exceptional fields	1:0.92
Mid-level managers and individual area experts	1:0.92
Team leaders and experienced professionals	1:0.9
Professionals and experienced operational/service staff	-
Operational/service staff, skilled workers	-

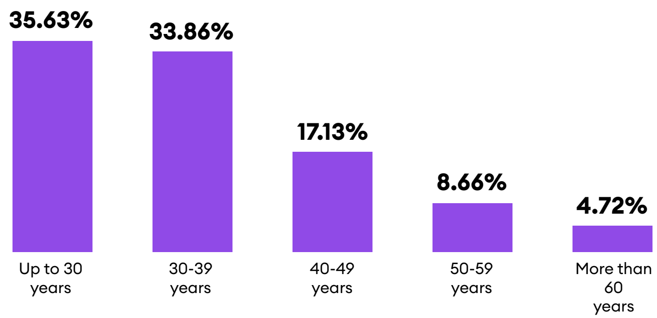
**The table compares the ratio of the average salaries of women and men, where women's salaries equal 1 and women's salaries are calculated by dividing their salaries by men's salaries.*

Distribution of the company's employees by age, gender, length of service and education as at 31 december 2025

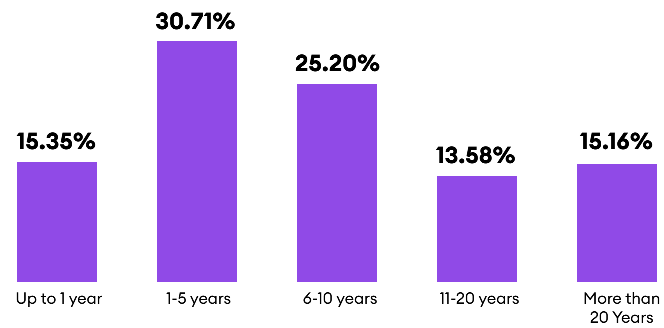
Employee distribution by gender, %



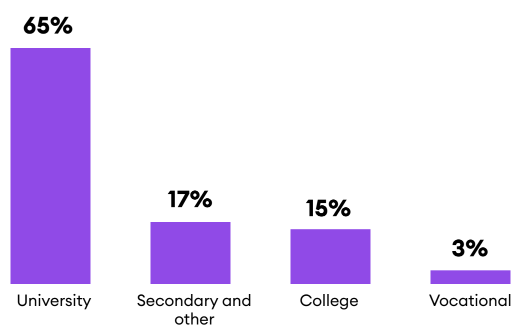
Employee distribution by age groups, %



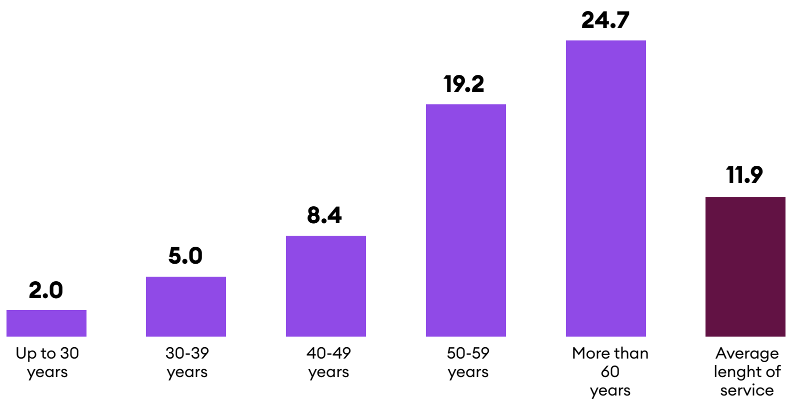
Employee distribution by length of service, %



Employee distribution by education, %



Employee distribution by average length of service, years



Risks and risk management report

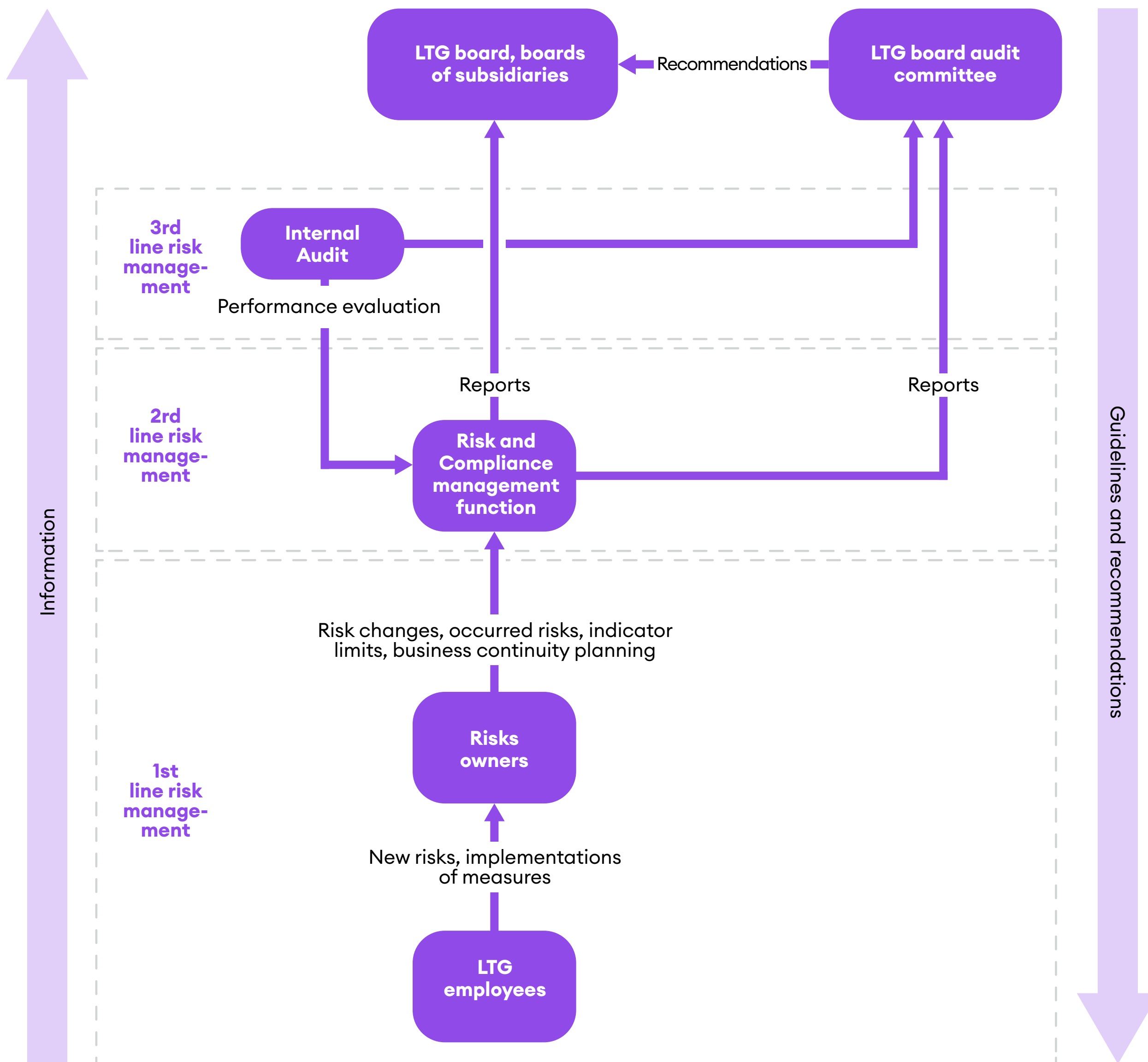
The LTG Group's unified risk management system is implemented and continuously improved in the Company. It is defined in the LTG Group's risk management policy, methodologies and process standards developed in accordance with the International Organisation of Standardisation (ISO 31000) and the Committee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

The LTG Group allocates risk management responsibilities according to 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 is carried out by LTG's Risk and Compliance Management function, which develops and refines the overall framework and carries out coordination and control activities, provides consultancy and education on methodological and expert risk management issues to the companies and business units operating in the 1st Line of risk management, and prepares reports on risk management to top-level managers.
- 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 below 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 main steps:

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

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

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 the LTG Group is informed on a monthly basis about the key risks. Such a cyclical system not only helps to monitor the status of identified risks but also provides an opportunity to discuss the emergence of new risks.

In the LTG Group, strategic decisions are 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. In accordance with the methodologies established within the LTG group, it is planned to create the company's risk register in the first quarter of 2026, which will ensure systematic risk management.

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

KOMPETENCIJŲ CENTRAS

Information about the auditor

Audit of the financial statements of UAB LTG Kompetencijų centras is conducted in accordance with International Standards on Auditing. The public procurement tender for 2025: the audit of the annual financial statements of UAB LTG Kompetencijų centras, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and the audit of the Company's annual management report for 2025 was won by UAB KPMG Baltics. The candidacy of auditors was confirmed by the LTG Audit Committee and the Board of LTG Kompetencijų centras and the confirmation of the shareholder was obtained. The contract for the audit services was signed on 28 November 2025. The contractual fee established for the audit company for the audit of the Company's financial statements and translation for 2025 is EUR 30 thousand (excluding VAT). During the reporting period, the auditor has not provided any additional services other than the audit of the financial statements to the Company.

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

The LTG Group and the company have complied with the requirements of the Description of guidelines for ensuring transparency in the activities of state-owned enterprises, approved by Resolution No. 1052 of the Government of the Republic of Lithuania of 14 July 14 2010 (link), by disclosing the required information in its annual and interim management reports and by ensuring disclosure of the information on websites.

Structured information of the compliance with the guidelines on transparency

	Point in the description of the Guidelines on Transparency 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/No
5.10.	data about the chairman and members of the Supervisory Council, if formed according to the Articles of Association;	No Supervisory Council is 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;	Information on discounts is disclose in respect to the parent LTG
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;	No
5.14.	information on social responsibility initiatives and measures, important ongoing or planned investment projects.	No
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

Point in the description of the Guidelines on Transparency 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.	Not relevant
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.	Not relevant
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 Clause 5, 6, 7.1–7.4, 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
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

Point in the description of the Guidelines on Transparency of State-Owned Enterprises		Disclosure
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.	Not relevant
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 about sustainability report

During the reporting period, the Company had no financial commitments related to the ESG (Environmental, Social responsibility, Governance) indicators, nor were there any legal cases or complaints related to climate change events, nor did it incur any additional costs that had a material impact on 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 is prepared in accordance with the European Sustainability Reporting Standards (ESRS), the Law on Reporting by Lithuanian Companies and Groups of Companies and taking into account the recommendations of the Governance Co-ordination Centre as well as best practices. LA full sustainability report for UAB LTG Kompetencijų centras is not prepared as the Company purposefully contributes to the sustainability goals and commitments of the entire LTG group through all of its activities.

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. In the updated strategy of the Group and LTG KC for 2025, a new strategic direction – decarbonisation – is introduced. 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.

LTG sustainability priorities, goals

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 of greenhouse gas (GHG) 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 Kompetencijų centras, as well as the entire LTG group, in environmental, social, and governance areas are set for the strategic period, taking into account where and how LTG, through its activities, has the greatest impact on the environment and society, can create the greatest value, and make a significant and measurable change. The priorities also contribute to the implementation of LTG's mission and vision, correspond to the values of organisation and expectations of stakeholders. When determining LTG's sustainability priorities and goals, 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 www.ltg.lt/en.

The company's initiatives and projects

The **Environmental Area section** of the LTG Group's Sustainability Report discloses targets and priorities of the LTG Group aimed at contributing to reduction of environmental impact and climate change mitigation as well as becoming a climate-neutral organisation by 2050; in addition, it also discloses the initiatives and projects carried out by the LTG Group, including the Company, aimed at reducing the impact on the climate and the environment, and the environmental indicators monitored.

In addition to environmental projects common to the entire group, the main initiatives of LTG Kompetencijų centras aimed at reducing environmental and climate impact included the following projects:

- Unused but fit for use furniture and small household appliances are transferred to "Ačiū" stations, which are managed by VAATC. This ensures the secondary use of assets, contributing to waste prevention and sustainable resource management.
- Outdoor lighting has been replaced with new-generation LED fixtures to reduce energy consumption.

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 on LTG Kompetencijų centras' employee-related initiatives and indicators, targets and achievements in this area is provided in the section Employees and remuneration of this annual management report, while the measures to maximise performance in this area are detailed in the LTG Group's Sustainability report.

Anti-corruption

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 for several years has been working in accordance with the international standard 37001:2016 *Anti-corruption management systems. Requirements and Guidelines for Use*, and focuses on the review and improvement of internal business processes.

Information on LTG Group's sustainability activities and projects is also available on the parent company's website www.ltg.lt/en.

Definitions

Indicator	Definition of calculation
Revenue	Sales revenue + Other operating income (excluding income from financial activities)
Sales revenue	Revenue, excluding Other operating income and Finance income
Expenses	Expenses, excluding the income tax and finance expenses
Financial debt	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
Net debt	Financial debt – Cash and cash equivalent investments
Return on Equity (ROE)	$\frac{\text{Net profit (loss) for the last 12 months}}{\text{Average of equity at the beginning and end of the reporting period}}$
Return on Assets (ROA)	$\frac{\text{Net profit (loss) for the last 12 months}}{\text{Average of assets at the beginning and end of the reporting period}}$
Return on Investment (ROI)	$\frac{\text{Net profit (loss) for the last 12 months}}{\text{Average assets as at the beginning and the end of the reporting period - Average current liabilities as at the beginning and the end of the reporting period}}$
EBIT	Profit (loss) before income tax – Result of financial activities
EBITDA	Profit (loss) before income tax – Result of financial activities + Depreciation and amortisation
EBIT margin	$\frac{\text{EBIT}}{\text{Sales revenue}}$
EBITDA margin	$\frac{\text{EBITDA}}{\text{Sales revenue}}$

Indicator	Definition of calculation
Net profit margin	$\frac{\text{Net profit (loss)}}{\text{Sales revenue}}$
Equity ratio	$\frac{\text{Equity at the end of the reporting period}}{\text{Assets at the end of the reporting period}}$
Debt Servicing Ratio	$\frac{\text{Net profit/(loss) for the last 12 months + amortisation, depreciation and grant costs of the last 12 months + interest expenses of the last 12 months (adjusted considering the non-monetary items)}}{\text{Amortisation of debt for interest + Interest payable for the last 12 months}}$
Asset turnover ratio	$\frac{\text{Sales revenue for the period of the last 12 months}}{\text{Assets at the end of the reporting period}}$
Financial debt / EBITDA	$\frac{\text{Financial debt}}{\text{EBITDA for the last 12 months}}$
Financial debt / Equity	$\frac{\text{Financial debt}}{\text{Equity at the end of the reporting period}}$
Net debt / EBITDA	$\frac{\text{Net debt}}{\text{EBITDA of the last 12-month period}}$
Quick Ratio	$\frac{\text{Current assets at the end of the reporting period / current liabilities at the end of the reporting period}}{\text{Current liabilities at the end of the reporting period}}$
Total Liquidity Ratio	$\frac{\text{Current assets at the end of the reporting period}}{\text{Current liabilities at the end of the reporting period}}$
Number of employees	The number of listed active employees as of the end of the period (excluding the employees on parental leave, military service, long-term incapacity)
Average salary	Average gross salary per employee

Abbreviations

ESG	Environmental, Social and Corporate Governance
GDPR	General Data Protection Regulation
Company, LTG Kompetencijų centras, LTG KC	UAB LTG Kompetencijų centras
CSAT	Customer Satisfaction Score
EU	European Union
ERP	Enterprise Resource planning
E	Electric
RSF	Railway service facilities
GTC	UAB Geležinkelio tiesimo centras
RTC	Railway Transport Code of the Republic of Lithuania
HCI	Hyper-converged infrastructure
IT	Information technologies
KPI	Key performance indicators
LTG	AB Lietuvos geležinkeliai
LTG Cargo	AB LTG Cargo
LTG Cargo Polska	LTG Cargo Polska Sp.zo.o.
LTG Cargo Ukraine	LLC LTG Cargo Ukraine
LTG Group, Group	AB Lietuvos geležinkeliai and its subsidiaries
LTG Infra	AB LTG Infra
LTG Link	UAB LTG Link
LRV	Government of the Republic of Lithuania
CSI	Customer Satisfaction Index
RBS	UAB Rail Baltica statyba
SAP	Business Management System
SLA	Service Level Agreement
IFRS	International Financial Reporting Standards
SBF	State budget funds
AS	Average salary
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
VšĮ	Public Undertaking
SOE	State-owned enterprise

Financial statements

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Independent Auditor's Report

To the Shareholders of UAB "LTG Kompetencijų centras"

Opinion

We have audited the financial statements of UAB "LTG Kompetencijų centras" ("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 matters

We draw attention to the fact that we have not audited the accompanying statement of financial position of the Company as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, or any of the related notes and accordingly, we do not express an opinion on them.

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
10 March 2026

The electronic auditor‘s signature applies only to the Independent Auditor‘s Report on pages 60 to 62 of this document.

Statement of financial position

	Notes	31/12/2025	31/12/2024 *(unaudited)
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,920	-
Right-of-use assets	7	9,033	-
Intangible non-current assets	8	13,502	-
Deferred tax assets	9	560	-
Total non-current assets		**27,015**	**-**
CURRENT ASSETS			
Inventories	10	54	-
Trade and other receivables	11	11,642	-
Prepayments	12	3,279	-
Cash and cash equivalents	13	10,264	1
Total current assets		**25,239**	**1**
TOTAL ASSETS		**52,254**	**1**
EQUITY			
Authorised capital	14	25,821	1
Retained earnings (loss)		4,096	-
Total equity		**29,917**	**1**

	Notes	31/12/2025	31/12/2024 *(unaudited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	6,904	-
Employee benefits	16	284	-
Total non-current liabilities		**7,188**	**-**
Current liabilities			
Lease liabilities	15	2,241	-
Income tax liabilities	9	518	-
Employee benefits	16	4,189	-
Trade and other payables	17	8,153	-
Prepayments received		48	-
Total current liabilities		**15,149**	**-**
Total liabilities		**22,337**	**-**
TOTAL EQUITY AND LIABILITIES		**52,254**	**1**

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

The financial statements and the explanatory notes on pages 63 to 87 have been approved and signed by:

IEVA LAURAITYTĖ
Chief Executive Officer

LINA UŽLIENĖ
Head of Finance and Accounting

ANNA KISLOVSKAJA
Financial statements and control Financial Controller
acting under Decision No. SPR-L1(KC)-1/2026 of 5 February 2026

Statement of profit or loss and other comprehensive income

	Notes	31/12/2025	31/12/2024 *(unaudited)
Sales revenue	19	42,719	-
Revenue from other activities		21	-
Total revenue		**42,740**	**-**
Expenses related to employee benefits	20	(21,929)	-
Software license costs		(11,425)	-
Depreciation and amortisation	6,7,8	(3,788)	-
Management and general administration services		(1,463)	-
Repairs and maintenance		(223)	-
Insurance		(176)	-
Fuel		(137)	-
Materials		(66)	-
Electricity		(59)	-
Audit and related services expenses		(30)	-
Write-down of inventories to net realisable value (reversal)	10	(3)	-
Increase (decrease) in the value of receivables		(2)	-
Other expenses		(1,033)	-
Total expenses		**(40,334)**	**-**
Operating profit (loss)		**2,406**	**-**
Income from financing activities		13	-
Finance expenses		(232)	-
Net result of financing activities	**21**	**(219)**	**-**
Profit (loss) before tax		**2,187**	**-**
Income tax	9	(384)	-
Net profit (loss)		**1,803**	**-**
Other comprehensive income (expenses)		-	-
Total comprehensive income (expense)		**1,803**	**-**

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

Statement of changes in equity

	Notes	Authorised capital	Retained earnings (loss)	Total
Balance as at 31 December 2024 *(unaudited)		**1**	**-**	**1**
Net profit (loss)		-	1,803	1,803
Total comprehensive income (expense)		-	1,803	1,803
Profit (loss) unrecognised in the statement of profit or loss and other comprehensive income as a result of partial transfer of business	18	-	2,293	2,293
Increase in authorised capital	14	25,820	-	25,820
Total transactions related to owners of the Company		25,820	2,293	28,113
Balance as at 31 December 2025		**25,821**	**4,096**	**29,917**

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

Statement of cash flows

	Notes	31/12/2025	31/12/2024 *(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		1,803	-
ADJUSTMENTS:			
Depreciation and amortisation	6,7,8	3,788	-
Write-down of inventories to net realisable value (reversal)		3	-
Increase (decrease) in the value of receivables		2	-
Change in accumulated income/expenses		(3,024)	-
Interest (income) and other charges related to loans		(7)	-
Interest on lease liabilities		231	-
Income tax expenses (income)		384	-
Cash flows from operating activities after adjustment		**3,180**	**-**
Changes in working capital			1
Decrease (increase) in inventories		(52)	-
Decrease (increase) in trade and other receivables and prepayments		4,194	-
Increase (decrease) in current and non-current trade payables and received prepayments		3,060	-
Increase (decrease) in employment-related liabilities		928	-
Increase (decrease) in other non-current and current payables		(712)	-
Net cash flows from operating activities		**10,598**	**1**

	Notes	31/12/2025	31/12/2024 *(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		7	-
Net cash flows from investing activities		**7**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in authorized capital		2,000	-
Payments of lease liabilities		(2,111)	-
Interest on lease liabilities		(231)	-
Net cash flows from financing activities		**(342)**	**-**
Net increase (decrease) in cash flows		**10,263**	**1**
Cash and cash equivalents at the beginning of the period	**12**	**1**	**-**
Cash and cash equivalents at the end of the period	**12**	**10,264**	**1**

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

Explanatory notes

1. General information

UAB LTG Kompetencijų centras, (hereinafter referred to as the Company) was registered in the Register of Legal Entities of the Republic of Lithuania on 29 November 2024.

The Company is a private legal entity of limited civil liability independently organising economic, financial, organisational, and legal activities. UAB LTG Kompetencijų centras is a part of AB Lietuvos geležinkeliai Group ("the LTG Group"). Company registration code: 307037118, VAT code: LT100017453315, legal (registration) address: Pelesos g. 10-102, 02111 Vilnius.

The main activities of the Company to provide administration services to the companies of the AB Lietuvos geležinkeliai Group.

On 31 December 2025 and 31 December 2024, the sole shareholder of the Company was the parent company AB Lietuvos geležinkeliai. The Ministry of Transport and Communications of the Republic of Lithuania holds 100% of AB Lietuvos geležinkeliai.

On 31 December 2025, the Company's authorised capital was EUR 25,822 thousand. It consists of 25,822,166 ordinary registered shares with a nominal value of EUR 1 each. All shares are fully paid up. On 31 December 2024, the Company's authorised capital was EUR 1 thousand.

The Company has no branches or representative offices.

The Company's actual number of employees on 31 December 2025 was 510 (1 on 31 December 2024).

2. Basis of preparation

The Company's financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards (hereinafter – IFRS) as adopted by the EU. These financial statements have been prepared on a going concern basis and valued using the historical cost method unless otherwise stated.

Changes in accounting policies. The accounting policies applied in the preparation of these financial statements are consistent with those used for the preparation of the Company's annual financial statements for the year ended 31 December 2025, with the exception of the new standards that have been issued but are not yet effective.

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 stated, and figures between tables may not match due to rounding. Such mismatches are considered immaterial in the financial statements.

The cash flow statement is prepared using the indirect method.

Foreign currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the profit (loss) and other comprehensive income statement.

Property, plant and equipment. 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 residual value 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.

The assets' residual values and useful lives are reviewed at least annually and, if necessary, adjusted.

Depreciation. Groups of property, plant and equipment are depreciated 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
Machinery and equipment	5
Vehicles	5-6
Computers and hardware	3-5
Other fixtures, fittings and tools	4

The residual value of an asset is the estimated amount that the Company would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress. Construction in progress is accounted for at the cost of acquisition (production) less impairment losses. This includes the cost of construction, structures and equipment, and other directly attributable costs. Construction in progress is not depreciated until construction is completed and assets are ready for service. 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. The item of construction in progress includes property, plant and equipment under construction. The acquisition cost of such assets includes direct costs. 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.

Intangible assets. The Company's intangible assets are assigned an estimated useful life. Intangible assets include capitalised computer software, patents, and licenses. Acquired computer software, licences, patents and trademarks are capitalised on the basis of the costs incurred to acquire and bring them to use. Expenditures related to development of unique software controlled by the Company, are recorded as intangible assets, where it is expected that future economic benefit will exceed expenditures incurred. The Company's capital expenditures include costs of a software development team and related overhead costs. Any other software-related costs, e.g. software maintenance works, are recognised costs when incurred. The Company's intangible assets are amortised on a straight-line basis over their estimated useful lives, which can be from 3 to 15 years respectively. The amortisation period is reviewed at the end of each financial year.

Impairment of property, plant and equipment and intangible assets. On every date of the statement of financial position the Company reviews the residual value of its property, plant and equipment, and intangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is assessed in order to determine the extent of impairment (if any). Where it is not possible to assess the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the Company's assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The Company does not have any property, plant and equipment with unlimited useful life.

The recoverable amount is the higher of fair value less costs to sell and value in use. When assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, assessed under current market conditions, an existing time value of money and risks specific to the asset, which have not been considered in the estimates of future cash flows. 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

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

The Company recognises a financial asset in the statement of financial position only when it becomes a party to the contractual provisions of the financial instrument and the purchase or sale of the financial asset is recognised or derecognised using trade date accounting. On initial recognition, the Company measures financial assets at fair value, except for trade receivables that do not include a significant financing component. When a financial asset is not measured at fair value through profit or loss, an initial measurement of the financial asset includes the fair value of the instrument plus transaction costs directly attributable to the acquisition of the financial asset. Financial assets that are measured at amortised cost in subsequent periods are measured using the imputed interest rate method. Amortised cost is reduced by 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.

Impairment of financial assets due to credit risk. For financial assets measured at amortised cost, impairment losses due to credit risk are measured using the Expected Credit Loss (ECL) model.

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.

The primary objective of the 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 residual value of the financial asset.

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 supervision). Management has assessed that the ECL of cash and cash equivalents is generally not material.

Expected credit losses on trade receivables are recognised in the statement of profit or loss and other comprehensive income throughout the period.

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

Write-off and derecognition of financial assets. Impairment for financial assets is formed in consideration of provisions of IFRS 9, the Company's accounting policies and by carrying out the assessment of possible risks according to the possibility of their occurrence, taking into consideration the likely internal and external factors which include significant financial difficulties of customers, non-fulfilment of obligations for more than 120 days, and the likely case of bankruptcy of the customer. The gross carrying amount of financial assets 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 include obligations under customer contracts, trade and other payables. Financial liabilities are carried at fair value less transaction costs at initial recognition. In subsequent periods, financial liabilities are carried at amortised cost, calculated using the effective interest rate 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 debts are obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Trade debts are classified as current liabilities if they mature within one year. Otherwise, they are shown as non-current liabilities.

De-recognition of financial liabilities. The Company de-recognises a financial liability when the contractual obligations are discharged, cancelled or 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.

Offsetting of financial assets and liabilities. Financial assets and financial liabilities are offset when, and only when, the Company has a legally enforceable right to record the amounts and intend to make an offsetting, or realise the asset, fulfil liabilities and, thus, offset the liability.

Trade and other receivables. Trade and other receivables are recognised at transaction price on initial recognition and measured at amortised cost in subsequent periods. Trade and other receivables are mainly due from related parties.

Trade and other payables. Trade and other payables are recognised on initial recognition when the Company becomes a party to the terms of the contract. Trade and other payables are initially measured at fair value plus directly attributable transaction costs. Most of the payables are related to lease liabilities and employee benefits.

Cash and cash equivalents. It is cash that has a value close to its fair value. Cash consists of money in bank accounts and cash in hand. Cash equivalents are short-term, highly liquid investments that are easily convertible into a known amount of cash. These investments have a maturity of less than three months and the risk of changes in value is negligible.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank, deposits in current accounts and other short-term highly liquid investments.

Loans and other financial debts. The Company had no loans or other long-term financial debts at the date of issue of the financial statements.

Right-of-use assets

Lease. A lease is a contract, or part of a contract, granting the right to use an asset (the leased asset) for a specified period of time for consideration.

Leases where the Company is the lessee

A right-of-use asset is an asset that represents the Company's right to use the leased asset during the lease term. The Company recognises the right-of-use assets for all types of leases, including leases of right-of-use assets under subleases, except for leases of intangible assets, short-term leases and leases of low-value assets.

The Company does not apply the lease recognition provisions to short-term leases (leases of up to one year) and leases with low lease values (computers, telephones, printers, furniture, etc.). Low-value assets are those with a value of up to EUR 1 000.

Leases where the Company is the lessor

Lease. The Company recognises rentals related to operating leases as income on a straight-line basis over the lease term. The Company recognises as an expense the costs (including depreciation) incurred in generating rental income. The Company includes the initial direct costs incurred in obtaining an operating lease in the carrying amount of the leased asset and recognises those costs as an expense over the lease term on the same basis as rental income. The Company accounts for a modification of an operating lease as a new lease from the effective date of the modification and treats prepaid or accrued lease payments related to the original lease as part of the new lease payments.

Sublease. A transaction whereby the lessee (intermediate lessor) subleases the leased property to a third party and the lease (the main lease) remains in force. In classifying a sublease, an intermediate lessor classifies the sublease as a financial lease or an operating lease. Otherwise, subleases are classified based on the right-of-use assets specified in the framework contract, rather than the leased assets (for example, the property, plant and equipment that are the subject of the lease). At the inception date, the Company recognises leased assets under operational leases in the statement of financial position and presents them as a receivable equal to the amount of the net investment in the lease. The Company uses the interest rate provided for in the lease agreement to measure the net investment in the lease. In the case of a sublease, if the interest rate provided for in the sublease agreement is not readily determinable, the Company, as an intermediate lessor, uses the discount rate used for the framework contract (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease. The initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate in the lease agreement is set so that the initial direct costs are automatically included in the net investment in the lease; they are not added separately.

Income taxes. Income taxes are presented in the financial statements in accordance with legislation enacted or substantively enacted at the end of the reporting period. Income tax comprises current tax and deferred income tax and is recognised in the statement of profit or loss and other comprehensive income, except to the extent that the tax is recognised in other comprehensive income or directly in equity because it relates to transactions that are recognised in the same period or in another period in other comprehensive income or directly in equity. In 2024, the corporate income tax rate for companies in the Republic of Lithuania was 15%. The amendment to the Republic of Lithuania Law on Corporate Income Tax, which came into force on 1 January 2025, increased the corporate income tax rate by 1 percentage point, i.e. the standard corporate income tax rate was set at 16%.

Deferred tax. Deferred tax is accounted for using the liability method. Deferred tax assets and liabilities are recognised for future tax purposes by noting differences between the residual values 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 residual value of deferred tax assets is reviewed at each reporting date and is reduced if it is not probable that sufficient future taxable profit will be available to realise the asset or part of it. The amount of the deferred tax asset is reduced to the amount that is expected to reduce 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. As the 16% rate became effective in the jurisdiction on 1 January 2025, the Company's deferred income tax has been recalculated to reflect future accounting periods when the temporary differences giving rise to the deferred tax will reverse.

Employee benefits. The Company does not have defined employee benefit and incentive plans or share-related payments. The state takes over the pension obligations. Short-term employee benefits are recognised as current expenses in the period in which the employees render services. Benefits include salaries, social security contributions, bonuses, paid holidays, etc.

Provisions for pension benefits. Every worker is entitled to a benefit of 2 months' salary if he/she leaves the job at retirement age, in accordance with Lithuanian law. Previously incurred costs were recognised as an expense in the statement of profit or loss and other comprehensive income as soon as the liability is measured. Any profit or losses arising from a change in the terms of benefits (whether a reduction or an increase) are recognised immediately. The employee benefit obligation is calculated based on actuarial valuations using the projected unit credit method. The liability is recorded in the statement of financial position and reflects the present value of those benefits at the statement of financial position date. The present value of employee benefit obligations is determined by discounting the estimated future cash flows based on the interest rate on government securities denominated in the same currency as the benefits and with a maturity date like the expected life of the benefits. Actuarial gains and losses are recognised in other comprehensive income. Provisions are therefore made for these contingencies. Actuarial estimates are carried out in order to assess the liability of such retirement payments. The liability is recorded at the present value discounted at the market interest rate.

Bonus plans. The Company recognises a liability and bonus expense when it has a contractual obligation or a past practice that has created a constructive obligation.

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. Cost is calculated using the FIFO method. The cost of inventories is reduced by discounts and write-downs received from suppliers during the reporting period and applied to inventories held in stock. Inventories that can no longer be realised are written off. The structure of the Company's inventories is presented in note 10.

The change in the Company's write-down of inventories to net realisable value is reflected in the statement of profit or loss and other comprehensive income, under the item "Reversal of inventories (write-down) to net realisable value".

Equity. Equity and reserves related to equity are presented in the statement of financial position.

According to the Law on Companies of the Republic of Lithuania, the authorised capital of a public limited liability company must be at least EUR 25 thousand (private limited liability companies – at least EUR 1.0 thousand), and equity at least 50 percent of the Company's authorised capital.

The management of the Company controls adherence to the provisions of the Law on Companies of the Republic of Lithuania which state that if a company's equity capital becomes less than 1/2 of the size of the authorised capital set out in the company's articles of association, the board, no later than in 3 months since the day they learned or had to be made aware of the situation, shall convene the general meeting of shareholders which shall consider questions on decisions as set out in Article 59, Section 10, Clause 2 and Section 11 of the aforementioned law.

During 2025 and 2024, the Company has complied with the requirements of the provisions of the Law on Companies of the Republic of Lithuania.

Revenue recognition. Operating income generated by the Company: provision of shared internal administration services to the companies of the AB Lietuvos geležinkeliai Group. These include: Procurement services, IT services and development, HR services (recruitment, HR projects, employment relationship administration, training), asset management services (vehicle and asset administration and maintenance, office maintenance), security services (occupational, physical and asset security, insurance, environmental protection, data protection), legal services, accounting services. The revenue from shared services depends on the scope of services provided to the Group companies and the expenses incurred by the Company in providing these services. General services and resale revenues are recognised immediately upon the provision of the service.

Other operating income	Invoices are issued after the service is provided and the acceptance and handover certificate of the completed work is signed. The usual payment term for invoices is 30-45 days.	*Rental income* is recognized in proportion to the period during which the customer uses the service and receives the benefits. *Resale income* is recognized immediately upon rendering the service. *Other income* is recognized immediately upon rendering the service or transferring the goods to the customer. If services are provided in different reporting periods under a single agreement, then the consideration is allocated according to their relative stand-alone selling prices.

Expense recognition. Expenses are recognised in the statement of profit or loss on an accruals basis as they are incurred.

Contingent assets and liabilities. Contingent liabilities are not recognised in the financial statements, except for contingent liabilities related to business combinations. They are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are described in the financial statements when it is probable that income or economic benefits will be received.

Events after the end of the reporting period. All events that are significant but are not adjusting events are disclosed in **Note 24**. Events after the end of the reporting period that provide additional information about the Company's position at the end of the reporting period at the date of the financial statements (adjusting events) are disclosed in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes if they are material.

Related parties. Related parties include shareholders, employees, members of the board, members of their families and entities that directly or indirectly, through one or more intermediaries, control the Group or are controlled by the Group, either in-dividually or jointly with intermediaries, if the relationship enables one of the parties to exercise control or significant influence over the financial and operating decisions of the other entity.

3. Significant judgements and estimates

The preparation of these interim 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, revenue and expenses. The estimates and related assumptions are kept under review and are based on historical experience and other factors, including expectations of future events based on current circumstances.

The significant estimates and assumptions made by management and the key sources of estimation uncertainty used in the preparation of these financial statements that could cause a material change in the carrying amounts of the related assets and liabilities within the next financial year are presented below.

Significant judgements

Date of putting the equipment into operation. Long-term assets are put into operation when they are in the location and conditions that allow them to be used in the manner intended by management, regardless of whether the assets are actually used or not. Depreciation of long-term assets begins to be calculated in the month when the asset is ready for use, i.e., when it is in the appropriate location and condition to operate as intended.

Duration of the lease period. In determining the lease term, management considers all facts and circumstances that give rise to an economic incentive to exercise the option to renew or not to exercise the option to terminate. Lease agreements provide for renewal options (or periods beyond the termination option) only if the lease can reasonably be expected to be renewed (or not terminated).

Significant estimates and assumptions

Useful lives of intangible assets and property, plant and equipment. The Company assesses the useful lives of its property, plant and equipment on an annual basis. There is no indication of impairment of the asset, given the assumptions used in the assessment of the recoverable amount. 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.

Impairment losses on intangible assets and property, plant and equipment. The Company reviews the carrying amounts of intangible assets and property, plant and equipment at the date of each Statement of Financial Position 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. In 2025, no recoverable amount of assets was calculated as there were no risks related to asset recoverability.

Impairment losses on receivables. The Company assesses receivables for impairment on a month basis. In order to determine whether it is necessary to recognise an impairment loss in the Statement of profit or loss and other comprehensive income, 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. The management estimates the expected future cash flows from receivables based on historical loss experience for receivables with similar credit risk. The methods and assumptions used to estimate the expected future cash flows, and their timing are reviewed regularly to minimise differences between the estimated and actual amount of loss.

Write-down of inventories to net realisable value. The Company reviews the inventory list at least annually to determine the net realisable value of inventories. Inventories acquired more than one year ago are reviewed to determine whether they are available for future disposal. In the case of slow-moving spare parts and other materials, an impairment loss is recognised based on detailed operating plans for each item of inventory, its potential realisation period and estimated realisation price.

In making the assessment, the management analyses whether there have been any significant changes, and whether the reassessment of the assumptions used in the recoverable amount assessment have had an insignificant effect on the change in the carrying amount. Inventories that can no longer be realised are written off. 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.

Provisions and contingent liabilities. Provisions are accounted for only when the Company has a legal or irrevocable obligation resulting from an event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects that part or the total amount of the provisions will be reimbursed, the reimbursement receivable shall be recognised as a separate asset, but only when it is virtually certain that reimbursement will be received. The provision-related expenses are recognised in the statement of profit or loss net of any compensation receivable. If the time value of money is significant, provisions are discounted using the effective periodic rate (before tax), if appropriate, taking into account the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses. Provisions are recognised at an amount that reflects the management's best estimate of the expenditure that would be required to restore the asset. Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except where it is not probable that resources will be available to meet them. Contingent assets are not recognised in the financial statements but are described in the financial statements when it is probable that income or economic benefits will be received.

Climate change management measures and impact on the Company's activities. In implementing the strategic goals and sustainability priorities set out in the LTG Strategy 2030: Sustainable Integration into Europe approved by the LTG Group of companies in 2025, the Company integrates climate change management into its strategic planning. Decarbonisation is one of the Group's main strategic directions, with a decarbonisation plan aimed at reducing direct (Scope 1 and 2) greenhouse gas (GHG) emissions by 34% and ensuring a more sustainable supply chain.

More detailed information about the impact of climate change, risks and opportunities, GHG emissions, targets and progress, as well as other environmental, social and governance aspects, is disclosed in the section Sustainability Report of the consolidated management report, prepared in accordance with the European Sustainability Reporting Standards (ESRS).

4. New standards 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 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 Management Performance Measures (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.

5. 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 is the value at which, at the valuation date, an asset or liability would be sold under current market conditions under a transaction on the underlying (or most advantageous) market, regardless of whether this price is directly monitored or determined by the valuation methodology. The Company's financial instruments according to their types:

	31/12/2025	31/12/2024
FINANCIAL ASSETS		
Trade and other receivables	11,642	-
Cash and cash equivalents	10,264	1
Total	**21,906**	**1**
FINANCIAL LIABILITIES		
Lease liabilities	9,145	-
Trade and other payables	8,153	-
Total	**17,298**	**-**

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 – original 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 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The Company had no financial assets measured at fair value. The carrying amounts of the Company's financial assets and financial liabilities are accounted for at amortised cost which 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 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 another 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.

Credit risk is measured as the maximum credit exposure for each group of financial instruments and is equal to their carrying amount. The highest credit risk arises from the carrying amount of each asset group.

The Company distinguishes each level of credit risk in accordance with the information on the basis of which the risk of impairment can be reliably identified (including, but not limited to, external credit rating, audited financial statements, management accounting, cash flow forecasts, press information available to customers) and by applying the opinion on creditworthiness. Credit risk levels are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions. 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. For each of the credit risk level, the rate of expected credit loss is determined, which is calculated based on the experience of actual impairment.

The Company's trade and other receivables subject to credit risk and expected credit loss by individual customers amounted to:

	Gross carrying amount	Expected credit losses, %	Impairment	Net carrying amount
Low risk	5	0.01%	-	5
Fair risk	-	0.00%	-	-
Increased risk	-	0.00%	-	-
High risk	2	100.00%	(2)	-
Total	**7**		**(2)**	**5**

- 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 is analysed according to the number of days past due. As trade and other receivables usually do not include the collateral or any other instruments to secure the credit, the ratio of expected losses corresponds to the probability of default.

The Company determines 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 overdue	0.01%	5	-	5
overdue 1-30 days	0.00%	-	-	-
overdue 31-60 days	0.00%	-	-	-
overdue 61-120 days	0.00%	-	-	-
More than 120 days overdue	100.00%	2	(2)	-
Total		**7**	**(2)**	**5**

The impairment recorded by the Company reflects the estimated losses on doubtful recoverable trade receivables. The main component of this impairment is the individually assessed loss on significant doubtful recoverable trade receivables. The impairment assessment methods are kept under constant review to minimise the differences between the estimated losses and the actual losses.

Cash and cash equivalents

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 Baa2/BBB.

	2025	2024
AA-, Aa3	10,264	1
Total	**10,264**	**1**

The carrying amount of cash and cash equivalents is approximately equal to their fair value. Expected credit losses are not accounted for due to insignificance of the expected risk of change 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 risk is the risk that the Company will be unable to meet its financial obligations as they fall due. Risk management ensures that the Company always has sufficient liquid assets and is able to meet liabilities in a timely manner. Liquidity and solvency risk management involves the planning and control of cash flows and the forecasting of unforeseen events that may adversely affect cash flows and pose a threat to solvency and liquidity. 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, the payment period for suppliers is 45 days.

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

The table below provides for the information on contractual maturity dates of non-derivative financial liabilities of the Company. This information has been prepared on the basis of undiscounted flows of financial liabilities taking into account the earliest dates on which the Company shall settle those liabilities. The balances of liabilities with a maturity of up to 12 months approximate their carrying values.

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

Financial liabilities	Trade and other payables		Lease liabilities	
	2025	2024	2025	2024
Within one year	8,153	-	2,291	-
From one to five years	-	-	6,350	-
After five years	-	-	706	-
Total	**8,153**	**-**	**9,347**	**-**

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

The main sources of foreign currency exchange risk for the Company are various transactions denominated in foreign currencies (CHF, 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.

The main currency of the Company's ticket sales is euro. The Company is not exposed to the risk of incurring losses due to foreign exchange rate fluctuations against the euro.

Interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of fluctuations in market interest rates. All financial debts of the Company are subject to variable interest rates related to EURIBOR.

Risk management tools are only used if there are clear indications in the market that the interest rate may change significantly. The Company did not have derivative financial instruments intended for managing of the interest rate fluctuation risk.

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 management of the Company's capital is aimed at ensuring the Company's going concern in order to generate profit for 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.

In 2025, in order to manage funds more effectively and ensure liquidity, the Company was included in the Group account (Cash-pool). As at 31 December 2025, the Company had no financial liabilities

Revenue and expenses from financial activities. The structure of revenue and expenses from financing activities is presented in **Note 21**. Interest income is recognised on an accrual basis using the imputed interest rate method. Borrowing expenses that is not directly attributable to the acquisition or production of a qualifying asset is recognised in the Statement of Profit or Loss and Other Comprehensive Income, based on the effective interest method. The positive or negative effect of exchange rate changes is presented in the income statement on a net basis.

6. Property, plant and equipment

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

	Machinery and equipment	Vehicles	Other fixtures, fittings and tools	Construction in progress and prepayments	Total
ACQUISITION					
31 December 2024	-	-	-	-	-
acquisitions during the year	-	-	-	3,889	3,889
acquisitions from takeover of a part of business	3	2	132	-	137
assets sold, written off, disposed	-	-	(1)	-	(1)
reclassification from (to) current assets	-	(2)	(1)	-	(3)
reclassifications	18	-	676	(695)	(1)
31 December 2025	21	-	806	3,194	4,021
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
31 December 2024	-	-	-	-	-
depreciation	(9)	-	(94)	-	(103)
assets sold, written off, disposed	-	-	1	-	1
reclassifications	1	-	-	-	1
31 December 2025	(8)	-	(93)	-	(101)
Carrying amount					
31 December 2024	**-**	**-**	**-**	**-**	**-**
31 December 2025	**13**	**-**	**713**	**3,194**	**3,920**

The depreciation charge on property, plant and equipment and right-of-use assets included in the statement of profit or loss and other comprehensive income amounted to EUR 103 thousand for property, plant and equipment, and EUR 2,210 thousand for right-of-use assets (as at 31 December 2024 – EUR 0).

After conducting an analysis of non-current assets, no recoverability risk was identified; therefore, there was no need or indication for asset value impairment.

The cost of the Company's fully depreciated but still in use property, plant and equipment amounted to EUR 14 thousand (31 December 2024: EUR 0). Most of fully depreciated property, plant and equipment comprised other equipment, fittings and tools.

The Company has no pledged assets.

7. Right-of-use assets

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

	Buildings and structures	Vehicles	Other fixtures, fittings and tools	Total
ACQUISITION VALUE				
31 December 2024	-	-	-	-
acquisitions during the year	3,110	4,086	-	7,196
acquisitions from takeover of a part of business	1,349	2,500	1,900	5,749
assets sold, written off, disposed	(1,600)	(382)	-	(1,982)
31 December 2025	2,859	6,204	1,900	10,963
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES				
31 December 2024	-	-	-	-
depreciation	(340)	(1,398)	(472)	(2,210)
assets sold, written off, disposed	49	231	-	280
31 December 2025	(291)	(1,167)	(472)	(1,930)
CARRYING AMOUNT				
31 December 2024	**-**	**-**	**-**	**-**
31 December 2025	**2,568**	**5,037**	**1,428**	**9,033**

The discount rate applicable to lease contracts is 6-month EURIBOR and the market margin estimated by a market survey in accordance with applicable market conditions. During 2025, the Company generated income of EUR 1,320 thousand (EUR 0 in 2024) from the sublease of the right-of-use assets.

Assessment of the recoverable amount of cash-generating units managed by the right-of-use revealed that no risk related to recoverability was identified, therefore, there was no need or indication for impairment of this asset.

8. Intangible non-current assets

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

	Software	Concessions, patents, licences, trademarks	Projects in progress	Total
ACQUISITION VALUE				
31 December 2024	**-**	**-**	**-**	**-**
acquisitions during the year	-	-	106	106
acquisitions from transfer of a part of business	11,890	2,946	35	14,871
reclassifications	35	-	(35)	-
31 December 2025	**11,925**	**2,946**	**106**	**14,977**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES				
31 December 2024	**-**	**-**	**-**	**-**
depreciation	(1,186)	(289)	-	(1,475)
assets sold, written off, disposed	-	-	-	-
reclassifications	1	(1)	-	-
31 December 2025	**(1,185)**	**(290)**	**-**	**(1,475)**
CARRYING AMOUNT				
31 December 2024	**-**	**-**	**-**	**-**
31 December 2025	**10,740**	**2,656**	**106**	**13,502**

The Company's intangible non-current assets (licences and similar rights) which have been fully amortised but continue to be used amounted to EUR 78 thousand (EUR 0 in 2024).

Amortisation of intangible assets of the Company amounting to EUR 1,475 thousand (EUR 0 in 2024) are accounted for in the statement of profit or loss and other comprehensive income.

9. Deferred income tax assets

Income tax was calculated at a rate of 16%. Deferred income tax was calculated at a rate of 17%.

	Company	
	2025	2024
Income tax for the reporting year	518	-
Adjustment to income tax of the previous year	-	-
Deferred income tax expenses (income)	(134)	-
Total income tax expenses (income) recognised in profit or loss	**384**	**-**

The Company's income tax expenses (income) consisted of:

	Company	
	2025	2024
Profit (loss) before tax	2,187	-
Income tax	350	-
Non-allowable (+)/additional allowable (-) deductions	99	-
Non-taxable income (-)	(31)	-
Difference due to percentage change	(34)	-
Total income tax expenses (income)	384	-
Effective rate, %	**17.56 %**	**-**

Deferred income tax assets (liabilities)

Below is the calculation of the Company's deferred income tax

	Company	
	2025	2024
DEFERRED TAX ASSETS:		
Write-off of inventories	1	-
Vacation and bonus accruals	414	-
Liabilities of long-term employee benefits	48	-
Accrued expenses	85	-
Difference between financial and tax value of non-current assets	12	-
Total deferred income tax assets	**560**	**-**
Recognised as deferred income tax assets in the statement of financial position	**560**	**-**

	Company	
	2025	2024
Change in deferred income tax assets during the reporting period	**560**	**-**
The amount of deferred income tax not recognized in the statement of profit or loss and other comprehensive income was calculated due to temporary differences acquired during the business takeover (Note 18)	426	-
Deferred income recognised in the statement of profit or loss and other comprehensive income	134	-

Deferred tax assets and deferred tax liabilities are offset to the extent that the deferred tax liability will be realised at the same time as deferred tax assets. In addition, they are affiliated with the same tax administrating authority.

10. Inventories

The Company's inventories consisted of:

	31/12/2025	31/12/2024
Fuel	1	-
Other	53	-
Total raw materials, supplies and components	54	-
Total	**54**	**-**

As at 31 December 2025, the carrying amount of the Company's inventories amounting to EUR 57 thousand (2024 – EUR 0) was reduced by EUR 3 thousand (31 December 2024 – EUR 0 thousand) to the net realisable value. 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 of inventories to net realisable value.

11. Trade and other receivables

The Company's trade and other receivables comprised:

	31/12/2025	31/12/2024
External trade receivables, gross	7	-
Impairment (-)	(2)	-
Total external trade receivables	**5**	**-**
Receivables from related parties	6,624	-
Total receivables from related parties	**6,624**	**-**
VAT receivable	370	-
Other receivables from the budget	8	-
Accrued income from related parties	4,627	-
Other receivables	8	-
Total other receivables	**5,013**	**-**
Total	**11,642**	**-**

12. Prepayments

The Company's prepayments consisted of:

	31/12/2025	31/12/2024
Prepayments to external suppliers	9	-
Prepayments to related parties	20	-
Vacation deferred costs	12	-
Insurance deferred costs	14	-
Software license deferred costs	3,224	-
Total	**3,279**	**-**

13. Cash and cash equivalents

The Company's cash and cash equivalents consisted of:

	31/12/2025	31/12/2024
Cash in bank	10,264	1
Total	**10,264**	**1**

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

14. Authorised capital and legal reserve

Authorised capital. On 29 January 2025, a Share Subscription Agreement was signed between AB Lietuvos geležinkeliai and UAB LTG Kompetencijų centras. Under the agreement, AB Lietuvos geležinkeliai transfers the property complex – the business part of AB Lietuvos geležinkeliai – the business of Kompetencijų centras. AB Lietuvos geležinkeliai paid for the Company's shares with a non-cash contribution of EUR 25,821 thousand, the value of which was used to increase the authorised capital of UAB LTG Kompetencijų centras on 1 February 2025.

Legal reserve. Legal reserve is compulsory in accordance with the Lithuanian legislation. At least 5% of net profit must be transferred to it each year until the reserve reaches 10% of the authorised capital. The legal reserve cannot be distributed as dividends but can be used to cover future losses. As at 31 December 2025, the Company did not have a legal reserve.

15. Lease liabilities

The Company rents buildings, cars and other equipment. Building rental agreements are usually concluded for a fixed 3 -10 year period. Vehicle rental agreements are concluded for 36 months without a possibility to extend them. In determining the lease term, management considers all facts and circumstances that give rise to an economic incentive to exercise the option to renew or not to exercise the option to terminate. The possibility of extending the contract (or the periods after the possibility of terminating the contract) is provided for in the lease contracts only if it can be reasonably expected that the lease contract will be extended (or not terminated).

Possible future cash payments were not included in the lease obligations as there is no reason to be certain that the leases will be extended (or not terminated). Short-term lease contracts of 12 months or less and lease payments for low-value assets are recognised directly in the statement of profit or loss and other comprehensive income. A discount rate applied to lease contracts in 2025 comprises 6-month EURIBOR and a market margin determined on the basis of a market research according to effective market conditions.

The Company's lease liabilities and their movement:

	31/12/2025	31/12/2024
Carrying amount at the beginning of the period	**-**	**-**
Lease contracts concluded	7,196	-
Lease contracts acquired during business takeover	5,878	-
Lease contracts terminated	(1,818)	-
Interest calculated	231	-
Lease payments (principal amount and interest)	(2,342)	-
Carrying amount at the end of the period	**9,145**	**-**
Long-term lease liabilities	6,904	-
Short-term lease liabilities	2,241	-
Total	**9,145**	**-**

If the discount rate applied by the Company increased or decreased by 1%, the amount of lease liabilities at 31 December 2025 would decrease or increase by EUR 1,621 thousand.

Future lease payments under irrevocable lease agreements:

	31/12/2025	31/12/2024
LEASE LIABILITIES WITH THE FOLLOWING MATURITIES:		
Within one year	2,241	-
From 1 to 5 years	6,214	-
After five years	690	-
Total	**9,145**	**-**

16. 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, under a valid collective agreement, an employee with 25 years of service is paid a benefit of up to 1 month's average salary.

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

	2025	2024
Discount rate	4.37%	-
Employee turnover rate	12.98%	-
Salary accrual rate	5.50%	-

Employee benefits and liabilities by type:

	31/12/2024	Calculated	Taken over during takeover of a part of business	Paid	31/12/2025
NON-CURRENT LIABILITIES					
Pension and severance pay provisions		174	248	(138)	284
Total non-current liabilities:	**-**	**174**	**248**	**(138)**	**284**
CURRENT LIABILITIES					
Accrued vacation pay including compensation for unused vacation		717	843	(757)	803
Payable remuneration		10,828	883	(10,718)	993
Social security contributions payable		4,939	-	(4,513)	426
Personal income tax payable		4,297	-	(3,962)	335
Other employment-related liabilities		974	1,572	(914)	1,632
Total current liabilities:	**-**	**21,755**	**3,298**	**(20,864)**	**4,189**
Total	**-**	**21,929**	**3,546**	**(21,002)**	**4,473**

17. Trade and other payables

The Company's trade and other payables consisted of:

	31/12/2025	31/12/2024
Trade payables	6,835	-
Trade payables to related parties	170	-
Prepayments received	48	-
Other taxes payable to the budget	2	-
Accumulated expenses	636	-
Accrued expenses from related parties	170	-
Deferred income	85	-
Other amounts payable and liabilities	207	-
Total	**8,153**	**-**

18. Business combinations

On 29 January 2025, a Share Subscription Agreement was signed between AB Lietuvos geležinkeliai and UAB LTG Kompetencijų centras. Under the agreement, AB Lietuvos geležinkeliai transfers the property complex – the business part of AB Lietuvos geležinkeliai – the business of Kompetencijų centras. AB Lietuvos geležinkeliai paid for the Company's shares with a non-cash contribution of EUR 25,821 thousand, the value of which was used to increase the authorised capital of UAB LTG Kompetencijų centras on 17 February 2025 (see Notes 1 and 14), a contingent consideration is not stipulated in the agreement. On 1 February 2025, the business of general internal administration services was transferred from AB Lietuvos geležinkeliai to the Company.

The portion of the business taken over by the Company's competency center as of the business takeover date was:

Property, plant and equipment		137
Machinery and equipment		3
Vehicles		2
Other fixtures, fittings and tools		132
Right-of-use assets		5,749
Buildings and structures		1,349
Vehicles		2,500
Other fixtures, fittings and tools		1,900
Intangible non-current assets		14,871
Software		11,890
Licenses and similar rights		2,946
Projects in progress		35
Deferred income tax	9 note	426
Total non-current assets		**21,183**
Current assets		
Inventories		7
Trade and other receivables		12,980
Prepayments		2,059
Cash and cash equivalents		2,000
Total current assets		17,046
TOTAL ASSETS		**38,229**
Lease liabilities		5,878
Employee benefits		248
Total non-current liabilities		6,126
Employee benefits		3,298
Trade and other payables		691
Total current liabilities		3,989
Total liabilities		10,115
NET ASSETS		**28,114**
Net assets of a part of business taken over		28,114
Increase in authorised capital		(25,821)
Profit (loss) unrecognised in the statement of profit or loss and other comprehensive income as a result of transfer of business		**2,293**

No contingent liabilities were taken over or recognised.

19. Sales revenue

The Company's sales revenue consisted of:

	31/12/2025	31/12/2024
Shared service revenue:	41,169	-
Shared internal administration services	41,169	-
Revenue from other services:	1,550	-
Lease of assets	1,320	-
Other revenue	230	-
Total	**42,719**	**-**

Operating income of the Company is generated by provision of shared internal administration services to the companies of the AB Lietuvos geležinkeliai Group.

20. Expenses related to employee benefits

Expenses related to employee benefits by type:

	2025	2024
Wages and salaries	(21,407)	-
Social security costs	(387)	-
Vacation accrual expenses	(111)	-
Pension expenses	(24)	-
Total	**(21,929)**	**-**

21. Result of financial activities

The Company's financial result was as follows:

	31/12/2025	31/12/2024
Total income from financing activities	13	-
Fines and penalties	6	-
Interest	7	-
Total expense of financial activities	(232)	-
Interest	(231)	-
Other expenses	(1)	-
Total	**(219)**	**-**

22. 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 by IAS 24 Related Party Disclosures, the entity is related to a reporting entity if any of the following conditions applies:

- The Government of the Republic of Lithuania acts as the owner of all shares of UAB LTG Kompetencijų centras;
- Companies or institutions are managed by the Government of the Republic of Lithuania;
- Parent company AB Lietuvos geležinkeliai;
- Subsidiaries of the parent company AB Lietuvos Geležinkeliai;
- Affiliated, non-consolidated and associated companies as well as joint ventures of AB Lietuvos Geležinkeliai;
- Board members and their close relatives and companies under their control;
- All key management personnel and the companies they control;
- Persons who are family members of the key management 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 allows a reporting entity to reduce the level of disclosures about transactions and outstanding balances, including liabilities, with:

- 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 aforementioned 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.

The Company's transactions with related parties in 2025 and balances as at 31 December 2025 were as follows:

	Sales	Procurement	Receivables	Payables
AB Lietuvos geležinkeliai	3,199	1,469	817	318
AB LTG Cargo	10,828	-	2,753	-
AB LTG Infra	20,873	36	5,689	11
UAB Geležinkelio tiesimo centras	1,350	-	319	-
UAB LTG Link	5,210	59	1,576	11
LTG Cargo Polska Sp.zo.o.	186	-	47	-
UAB LTG Wagons	7	-	-	-
LTG Cargo Ukraine LLC	6	-	-	-
Other accruals	-	-	70	-
Total	**41,659**	**1,564**	**11,271**	**340**

In 2025, the majority of purchases consist of the strategic management fee, amounting to EUR 1,309 thousand.

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

23. Management remuneration and other benefits

As at 30 June 2025, the Company's Management consisted of the Chief Executive Officer and the heads of the following units: Finance and accounting, People and Culture, Asset Management, Legal, Security, Services and Processes, IT, Procurement, HR.

	31/12/2025	31/12/2024
Management remuneration	923	-
Incentive payments*	124	-
Accrued non-current benefits at the end of the year**	3	-
Number of managers	9	-
Benefits for members of the Board	52	-
Number of Board members	3	-

**Incentive payments include performance bonuses and one-off bonuses.*

***Accrued long-term benefits are provisions for pensions and similar obligations accrued at the end of the reporting period.*

In 2025, there were no loan guarantees granted to the management of the Company, no other amounts paid or accrued and no disposals of assets other than as described above.

24. Events after the end of the reporting period

After the end of the reporting period there were no other significant events which should be recognised or disclosed in the financial statements for the year 2024.

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LTG KOMPETENCIJŲ CENTRAS