



# UAB Geležinkelio tiesimo centras

THE COMPANY'S MANAGEMENT REPORT | FINANCIAL STATEMENTS | INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2025

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—○ 1. OVERVIEW

## 1.1. CEO'S FOREWORD

### Dear partners, employees, clients,

The year 2025 was marked by implementations of significant projects for UAB Geležinkelio tiesimo centras. Reflecting on the past year, I am particularly grateful to the team whose contribution to the long-term success of the company is undeniable.

Last year, we completed numerous important tasks that help ensure the safety and efficiency of the country's railway lines: we finished the capital repair work on the Jašiūnai crossing, the capital repair of the Pavenčiai–Raudėnai railway section, the replacement of switches classified under the category of special structures in the Kaunas region, as well as completed repair work at the Šeduva railway station and the routine repairs of the Šiauliai–Kučiai interstation.

Last year, we laid a solid foundation for the company's future growth. In 2025, we won ten large-scale tenders for railway construction work. The total value of these projects is expected to exceed EUR 29 million. We will also contribute to the implementation of strategically important projects – together with our partner AB Kauno tiltai, we won the tender for the construction of an access railway line in the Rūdninkai training area.

We begin the year by continuing the work we started and have submitted proposals to contribute to future infrastructure projects. Through our daily work, we have already proven that Geležinkelio tiesimo centras is a reliable partner with significant experience in large-scale projects, ensuring compliance with the highest quality and safety standards. For this, I thank every employee of Geležinkelio tiesimo centras and the clients who entrusted us with the implementation of their projects.

The year 2025 demonstrated that consistent, purposeful work, attention to the improvement of services provided, and attentiveness to client needs not only allow us to increase the scope of projects implemented but also significantly contribute to the improvement of the country's entire railway infrastructure.

I look optimistically towards 2026 and believe that in the coming year, we will strengthen the positions of Geležinkelio tiesimo centras in the railway construction, repair, and maintenance market.



**ROLANDAS ZABILEVIČIUS**  
Chief Executive Officer  
UAB Geležinkelio tiesimo centras

## 1.2. THE COMPANY'S ACTIVITY

### MAIN DETAILS ABOUT THE COMPANY

<b>Name</b>	<b>UAB Geležinkelio tiesimo centras</b>
<b>Address</b>	Trikampio g. 10, Lentvaris, Trakų raj.
<b>Legal form</b>	Limited Liability Company, Private legal entity of limited civil liability
<b>Date and place of registration</b>	21 December 2001, Register of Legal Entities
<b>Company code</b>	181628163
<b>Telephone</b>	+370 655 37023
<b>E-mail</b>	<a href="mailto:info@gtc.lt">info@gtc.lt</a>
<b>Website</b>	<a href="http://www.gtc.lt">www.gtc.lt</a>
<b>Main activities</b>	Construction and repair of railway track infrastructure
<b>CEO of the Company</b>	Rolandas Zabilevičius
<b>Shareholders</b>	100% of shares held by AB Lietuvos geležinkeliai

Data about the Company is collected and stored by the Register of Legal Entities of the State Enterprise Centre of Registers.

### THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES ABROAD

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

### THE COMPANY'S ACTIVITY MODEL

The Company's office is located at Trikampio g. 10, Lentvaris, Trakų raj. The Company has two production bases located in strategically convenient locations: in a 10 ha territory in Lentvaris and a 12 ha territory in Šilėnai (Šiauliai district). The Company has implemented and maintains the Integrated Quality, Environmental and Occupational Safety and Health Management System in accordance with ISO 9001:2015, ISO 14001:2018 and ISO 45001:2018 international management standards.

### CORE BUSINESS AND SERVICES

Currently, the Company specialises in construction and repair of railway tracks, maintenance of railway tracks and switches, construction and repair of railway infrastructure buildings as well as installation of railway infrastructure engineering systems.

The principal activity of UAB Geležinkelio tiesimo centras (GTC) is focused on maintenance of railway infrastructure, implementation of construction, repair and modernisation projects.

#### The key segments of GTC principal activities:

- construction and repair of railway tracks;
- maintenance of railway tracks and switches;
- construction and repair of railway infrastructure;
- installation of railway infrastructure engineering systems;
- lease of machinery and plant.



## MARKET AND COMPETITIVE ENVIRONMENT

**LITHUANIAN MARKET.** GTC competes in the sector of construction of engineering structures in Lithuania which includes maintenance and repair of railway infrastructure. The Lithuanian market is consisted of public infrastructure which is controlled by AB LTG Infra and private infrastructure. The public infrastructure covers a significant proportion of market; yet, the Company focuses on public and private infrastructure managers as well as increase of competition of the Company in all markets.

**FOREIGN MARKET.** A modern machinery and plant park, qualified personnel, successful implementation of infrastructure projects, and valuable experience provide for a unique possibility to the Company to take advantage of the experience internationally and to expand the Company's activities geographically through proposal of services in the neighbouring market. The Company utilised part of its free equipment resources in Poland (equipment rental) and plans to continue doing so in the future.

## MAIN CUSTOMERS

Public railway infrastructure managers, large, medium and small companies which own sidings, use rolling stocks and have load bars allocated to them are users of the Company's services. Also, potential clients of GTC are general contractors and subcontractors.

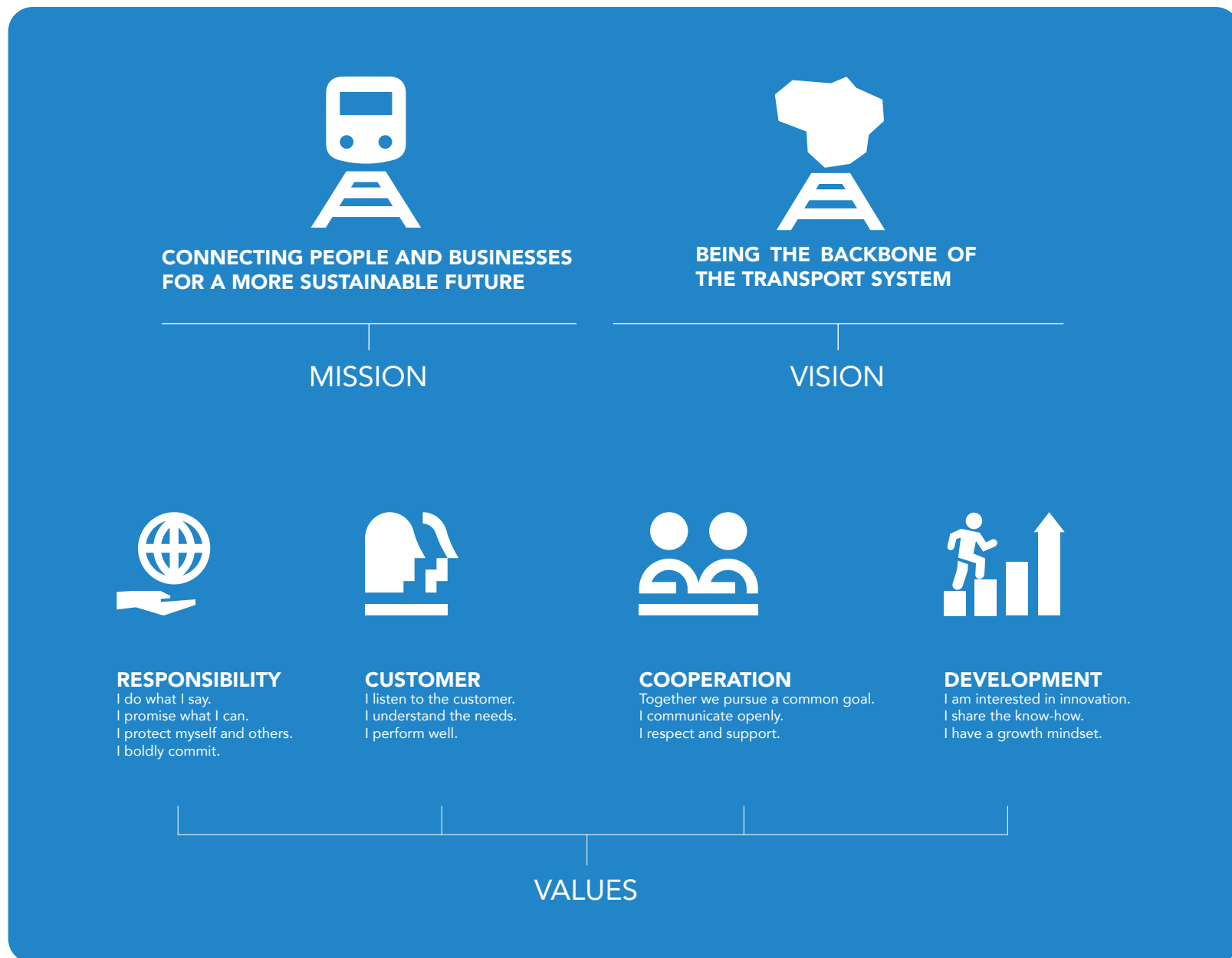
## REGULATORY ENVIRONMENT

The conditions of railway transport activities, requirements for railway transport employees and relations arising from the carriage of passengers, luggage and / or freight by rail of the Republic of Lithuania are established by the Railway Transport Code of the Republic of Lithuania, the provisions of which are in compliance with legislation of the European Union. Under the Article 7 of the Code, public administration of railway transport is conducted by the government of the Republic of Lithuania, the Ministry of Transport and Communications, Lithuanian Transport Safety Administration. The mentioned institutions design strategy of railway transport, coordinate its implementation, perform functions set out by other legal acts, legislate on railway transport matters under its competence, and controls enforcement of legislation either directly or through authorised institutions. The principal regulatory legislation of the Company is the Civil Code, the Construction Act, and the Construction Technical Regulations (CTR).



## 1.3. STRATEGY

The LTG group, together with GTC, plans its activities not only in the short but also in the long term. The long-term strategy is reviewed and updated annually due to the constantly changing environment, both external and internal. In order to ensure that the strategic directions and goals provided for in the long-term corporate strategy were focused on the specific activities of LTG group of companies as much as possible, annually updated and long-term strategies of individual LTG business units are prepared.



## STRATEGIC DIRECTIONS

### Customer experience

**Improving service quality and customer experience:** conducting customer surveys, utilising data to take action, enhancing the clarity and convenience of services, and applying customer experience and metrics.

### Business development

**Diversification of services:** entry into adjacent markets, overall expansion of construction activities, and analysis of customer needs.

**Partnerships and alliances:** establishing contacts and sustainable partnerships.

### Operational efficiency

**Process optimisation:** implementation of LEAN methods, automation, performance monitoring, analysis and setting of KPI (Key Performance Indicators).

**Technology integration:** analysis and monitoring of existing technologies.

**Resource management:** Resource planning and monitoring of resource utilisation.

### Business resilience

**Risk management:** risk identification, risk management plans, risk monitoring.

**Financial stability:** management of working capital; enhancing financial discipline in projects; unified digitalised project and business management system.

**Supply chain:** search for suppliers, management and optimisation of the supply chain.

*In the context of the group of companies, GTC is considered a critical contractor whose services are essential to the operational resilience of the group of companies.*

### Inclusive organisational culture

**Encouraging employees for continuous improvement:** creating an innovative organisation through ongoing employee development, fostering creativity, problem-solving skills, and the ability to adapt to a changing market.

**Ensuring employee well-being:** internal and external initiatives are implemented to ensure employees' emotional well-being, social and community initiatives are carried out, and working conditions are continuously improved.

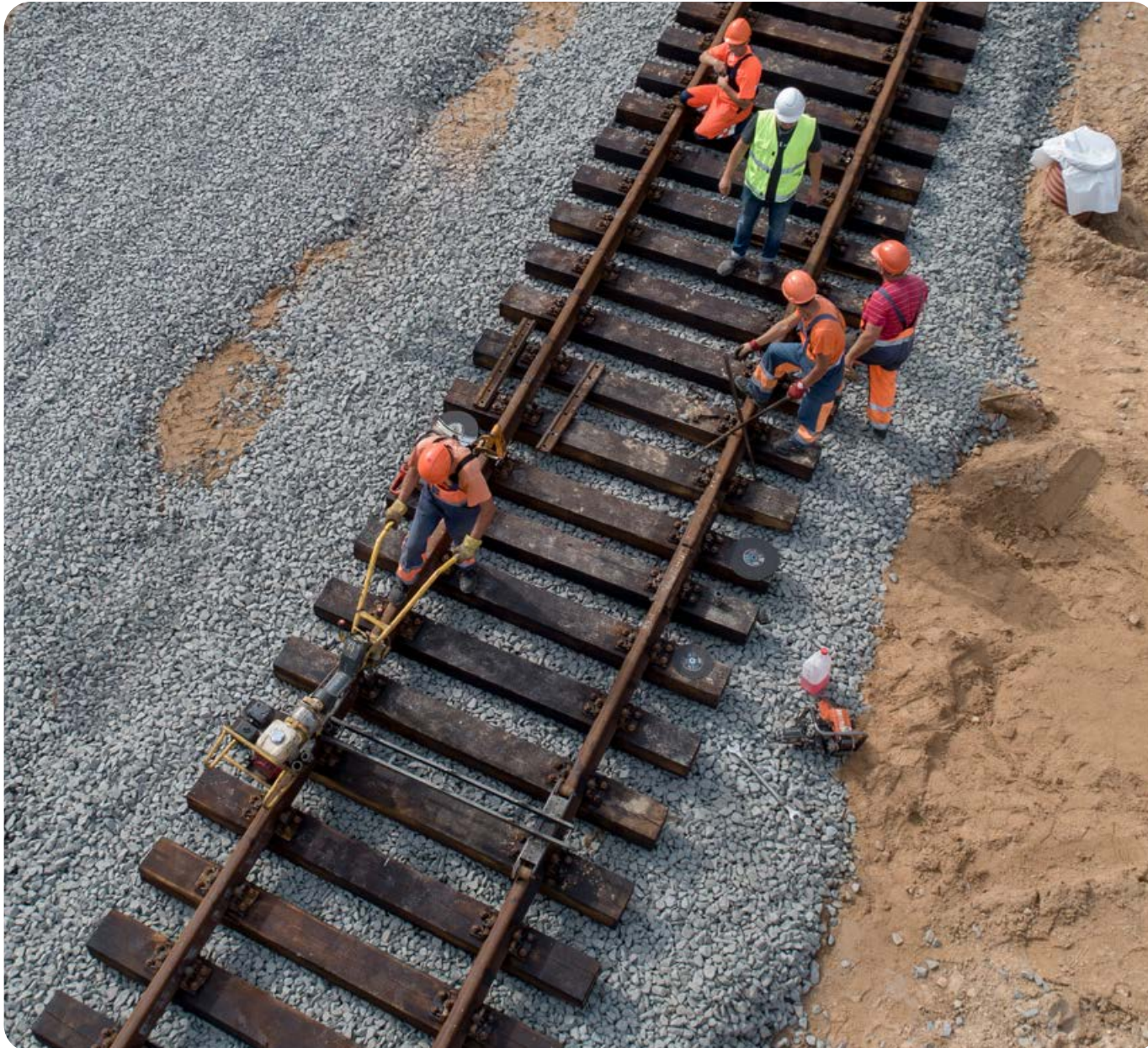
**Organisational image and awareness:** enhancing the recognition and attractiveness of the organisation as an innovative and modern employer.

### Decarbonisation

**Use of "green" electricity:** when purchasing electricity, the goal is to ensure that it is generated solely from renewable sources.

**Reducing energy consumption at production facilities:** the aim is to implement/develop energy-saving technologies, such as LED lighting and smart heating and cooling systems.

**Reducing fuel usage:** the goal is to invest in less polluting vehicles, such as electric and hybrid cars; less polluting railway rolling stock – electrified (hybrid) railway rolling stock.



## BUSINESS PLANS AND FORECASTS

### Forecasts and planned strategic projects until 2030:

- We plan to be active in Rail Baltica's tenders by ensuring significant contribution of GTC to the Rail Baltica project.
- Diversification reduces dependence on AB LTG Infra. Development of new business segments is analysed (construction and maintenance of 1435 mm track, development of co-construction activities, electrification projects, projects of railway management and modernisation of signalling system).
- Optimisation of non-current assets.
- Optimisation and modernisation of the machinery fleet.

### Achievements of strategic initiatives in 2025:

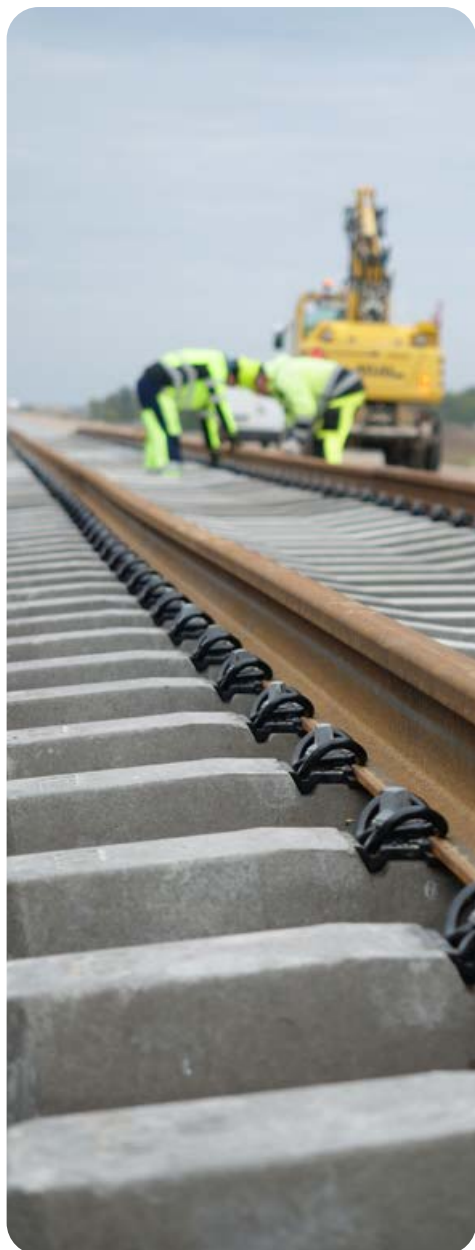
- Efficiency improvement measures for the technology park are implemented (modernisations are in progress, new equipment is purchased).
- Implemented LEAN tools: Asaichi; Gemba for managers; Kaizen problem-solving and 5S implementation in production. A management accounting system tailored to a project-based company has been introduced.

## ANNUAL GOALS IN 2025

The Company's goals for 2025, the indicators against which they are measured and the target values approved by the decision of the sole shareholder of the Company as at 3 January 2025 are linked to the implementation of the Strategy. Considering GTC's ambition and strategic objectives, the annual goals are designed to ensure operational profitability, pursue efficient business development by strengthening the culture of continuous improvement, effectively manage energy costs, maintain the share of won tenders in Lithuania, increase revenue from external clients and strategic projects, and ensure employee safety and engagement. Based on the approved annual objectives, GTC employees have personal goals set. In this way, GTC employees are involved in a structured and coherent process of implementing the LTG group's strategy, linking the achievement of objectives to career, development and incentive plans.

### PERFORMANCE OF ANNUAL GOALS IN 2025

Strategic direction/target	Indicators of achievement of goals	Measurement unit	Weight, %	Guidelines for achievement of goals in 2025	Indicators of achievement of goals in 2025	Achievement of goals in 2025
Value creation while integrating into western markets	Ensured EBITDA margin	%	15%	>10	<b>16.3</b>	<b>Exceeded</b>
Operational efficiency	Achieved Level I maturity of Continuous Improvement	Score	15%	>1.3	<b>1.7</b>	<b>Achieved</b>
	Retaining share of successful tenders in Lithuania	% from value EUR	15%	>40	<b>60.9</b>	<b>Exceeded</b>
Business development	Increasing revenue from external customers and RB in 2025 (for completed work, not from LTG group companies)	EUR million	20%	>3.8	<b>2.0</b>	<b>Not achieved</b>
	The total value of contracts signed in 2026 from RB	EUR million	5%	>3.4	<b>0.0</b>	<b>Implementation postponed to later years</b>
ESG (sustainability)	Total energy costs (electricity, fuel, boiler rooms, buildings) to ensure operations per unit of revenue	MWh/EUR	10%	>0 percent less than the 2024 value	<b>1 percent less than the 2024 value</b>	<b>Achieved</b>
Business resilience	Ensured level of business resilience	%	5%	>80	<b>100</b>	<b>Exceeded</b>
	Improved employee safety (accidents attributable to employer fault)	Accidents at work due to the employer's fault *1 million / total working hours	5%	<5.5	<b>0.0</b>	<b>Exceeded</b>
Inclusive organisational culture	Increased level of employee engagement	%	10%	>76	<b>81</b>	<b>Achieved</b>



## 1.4. MOST SIGNIFICANT EVENTS IN 2025

### January

There were no major events in January and the company carried out business as usual.

### February

There were no major events in February and the company carried out business as usual.

### March

Andrius Latvys joined the GTC leadership team as the Head of Corporate Operations.

A tender for the acquisition of special railway rolling stock was won, and a contract was signed for the sale of a railway track layer and wagons intended for the removal of contaminated railway track ballast.

### April

The capital repair of the Pavenčiai–Raudėnai railway section has commenced.

The capital repair work on the Jašiūnai railway crossing has been completed, with a ballastless crossing surface installed.

A tender was won for the maintenance work of 1985 km of main, station, and access railway tracks in the Vilnius and Kaunas regions, organised by AB LTG Infra.

Additionally, a tender was won for the demolition work of VI category railway tracks 60 and 60b, including design, announced by VJ Ignalina Nuclear Power Plant.

### May

A contract was signed with AB LTG Infra for routine repairs of the first track between Gimbogala and Radviliškis.

Projects for replacing three bridges with culverts in the Šiauliai region have commenced.

The contract for the maintenance of railway tracks at the Klaipėda State Seaport has been implemented.

### June

A contract was signed with AB LTG Infra for routine repairs of the second track between Gimbogala and Radviliškis.

July

The contract work for the replacement of switches classified under the category of special structures has been completed in the Kaunas region.

August

A subcontracting agreement was signed with UAB Leonhard Weiss Lietuva for the replacement of 5 units of switches.

September

The railway construction work at Šeduva railway station has been completed.

October

A tender was won from AB LTG Infra for the repair work of the Kaišiadorys crossing in the Vilnius–Klaipėda section at 68+159 km.

Another tender from AB LTG Infra was won for the contract work involving the replacement of switches in the Vilnius and Kaunas regions.

Additionally, a tender for the replacement of switches in the Šiauliai region, announced by AB LTG Infra, was also won.

November

GTC, together with joint venture partner AB Kauno tiltai, won a strategically important project for the construction of an access railway line at the Rūdninkai training area.

December

The routine repair work of the interstation section between Pavenčiai and Raudėnai has been completed.

A tender announced by AB LTG Infra for the contract work involving the replacement of switches in the Klaipėda region was won.

## 1.5. EVENTS AFTER THE REPORTING PERIOD

### January

There were no major events in January and the company carried out business as usual.

### February

LTG Infra has signed a contract with the joint venture partners AB Kauno tiltai (the lead partner) and UAB Geležinkelio tiesimo centras for the design and construction of the new railway connection to the Rūdninkai military training area.

On February 26, 2026, the subcontracting agreement with UAB "Leonhard Weiss Lietuva" for the replacement of 5 units of switches was completed.

### March

There were no major events in March and the company carried out business as usual.

*All events significant to the financial statements are presented in Note 29 of the Explanatory Notes to the Financial Statements.*





○ 2. RESULTS

## 2.1. OVERVIEW OF KEY PERFORMANCE INDICATORS

The differences in the number of indicators depending on the specifics of the ongoing projects between 2025 and 2024 resulted from:

- In 2025, we carried out a greater volume of railway track dismantling and construction works.
- There was a decrease in the installation and correction of switches in 2025.
- Additionally, in 2025 there was a greater demand for equipment rental both from AB LTG Infra and external companies.

### KEY PERFORMANCE INDICATORS

Indicators	Measurement unit	2025	2024	2025/2024 Δ, %	2023
Assembly / reassembly of railway track	Km	30	30	0%	27
Dismantling of railway tracks	Km	29	24	21%	31
Dismantling of a railway track in individual components	Km	19	22	-14%	18
Construction of railway tracks	Km	29	24	21%	33
Ballasting	1000 m <sup>3</sup>	29	32	-9%	45
Replacement of inventory / existing rails with long-rails	Km	31	39	-21%	43
Chip management	Km	27	29	-7%	39
Road repair	Km	57	79	-28%	107
Installation of switches	Set	5	14	-64%	17
Repair of switches	Set	38	60	-37%	51
Replacement of rails (up to length of 25 km)	100 pcs.	6	6	0%	9
Replacement of railway ties	1,000 pcs.	3	4	-25%	12
Rail welding	100 pcs.	4	4	0%	4
Replacement of clips	1,000 pcs.	11	10	10%	36
Working hours of leased machinery	Hour	971	380	156%	1
Leased wagons	Days	566	378	50%	34

## 2.2. FINANCIAL RESULTS

### REVENUE

Dynamics of sales revenue of GTC in 2023-2025, EUR thousand.

Type of revenue	2025	2024	2023
Construction and repair of railways	8,869	12,080	19,043
Maintenance of railway track and structures	1,706	1,766	2,755
Construction, reconstruction and repair of other structures	838	321	1,266
Lease of plant and machinery	712	267	550
Construction and repair of signalling, automation and electrification	293	595	317
Designing works	0	0	57
Other works (snow removal, sales of current assets, etc.)	386	78	188
<b>Total</b>	<b>12,804</b>	<b>15,107</b>	<b>24,176</b>

GTC's sales revenue amounted to EUR 12,804 thousand in 2025 and EUR 15,107 thousand in 2024. Compared to 2024, sales revenue decreased by EUR 2,303 thousand or 15.2%.

Railway construction and repair accounted for the majority or 69.3% of the Company's operating revenues in 2025. Revenue from this segment amounted to EUR 3,211 thousand in 2025, and they were lower by 26.6% compared to 2024 due to the shrinking market for these works.

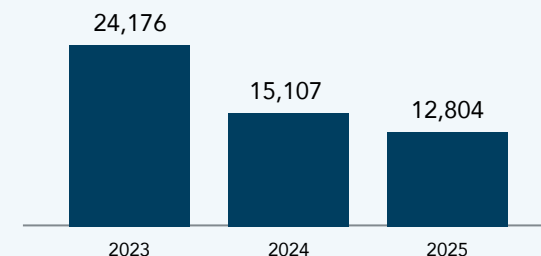
Portion of the revenue from maintenance of railway tracks and structures accounted for 13.3% in 2025. Revenue from this segment in 2025 amounted to EUR 60 thousand or was lower by 3.4% compared to 2024.

In 2025, revenue from repair, reconstruction and construction of other engineering structures was higher by EUR 517 thousand or 161.1% compared to 2024. The difference in revenue resulted from culvert repair projects.

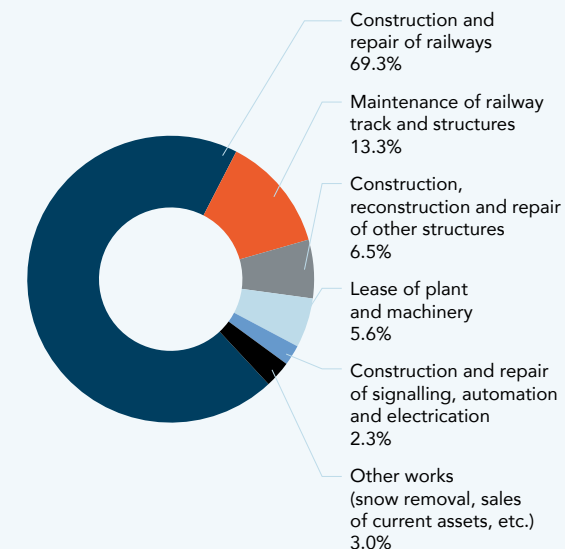
During the reporting period the Company also rendered additional services – lease of assets (machinery and specialised plant) and other.

In 2025, the Company's activity was mostly carried out in Lithuania. The major portion of works (84.3%) was conducted in accordance with the public procurements of the public railway infrastructure manager. The Company's technology park and existing competences make all assumptions of increasing sales volumes of other customers not only in Lithuania but also abroad.

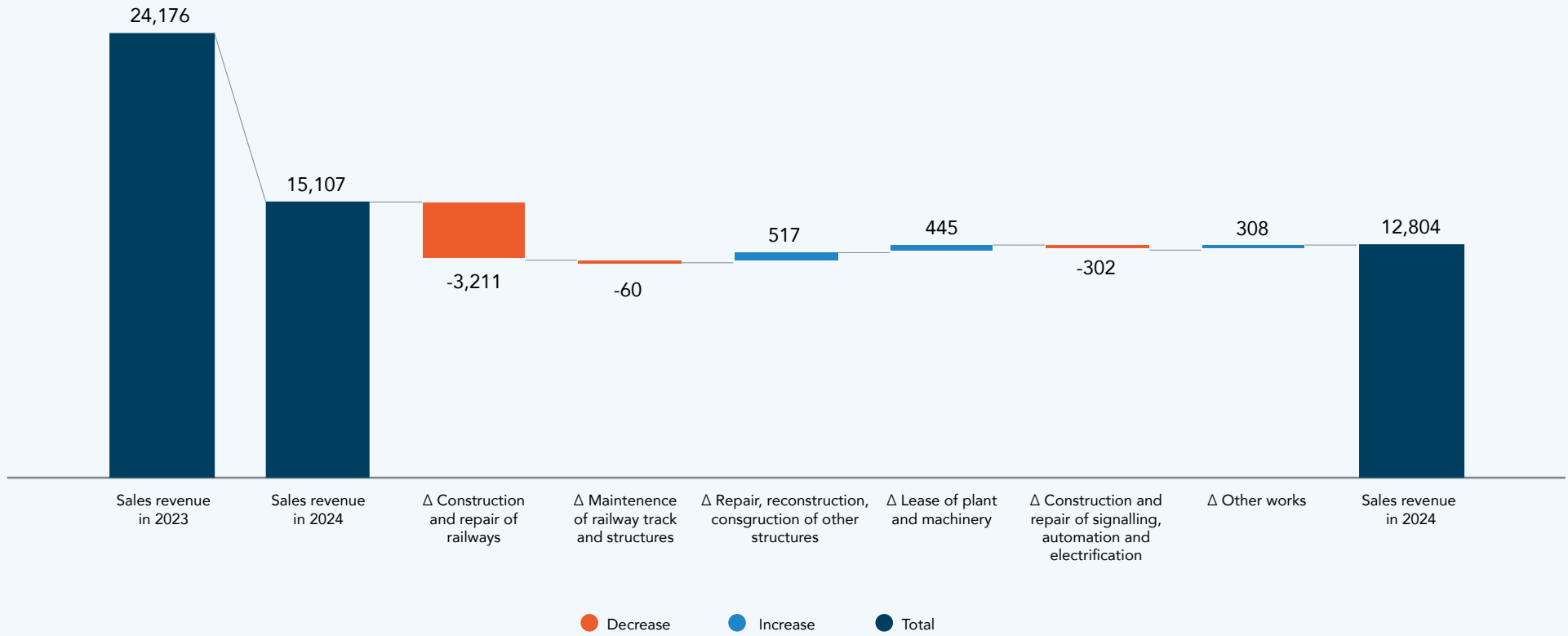
Company's revenue, EUR thousand



Revenue structure in 2025, %



Bendrovės pardavimo pajamų pokytis, tūkst. Eur



## COSTS

Changes in the Company's work volumes directly affected changes in costs; therefore, in 2025 there was reallocation of sales revenue as well as costs.

In 2025, the operating costs of GTC amounted to EUR 14,633 thousand, compared to 2024 costs decreased by EUR 3,126 thousand or 17.6%. The primary decrease in costs is directly associated with a decreased need for subcontracting and lower wage expenses.



### Structure of GTC costs in 2023-2025, EUR thousand

Type of costs	2025	2024	2023
Salaries and related costs	6,521	6,853	8,068
Materials	542	978	2,150
Fuel	453	469	650
Depreciation and amortisation	2,028	1,840	1,985
Subcontracting	748	2,127	4,727
Other costs	4,341	5,492	5,038
<b>Total</b>	<b>14,633</b>	<b>17,759</b>	<b>22,618</b>

In 2025, the major portion of the Company's operating costs – EUR 6,521 thousand or 44.6% – consisted of salaries and related costs, which were EUR 332 thousand lower compared to 2024. The change in costs was driven by a decrease in the average number of employees.

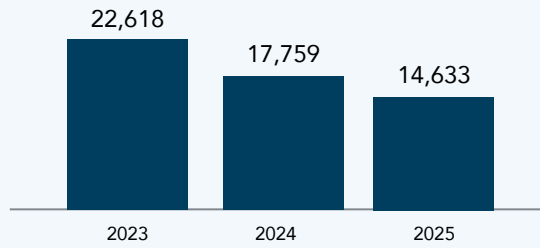
In 2025, other costs of GTC amounted to EUR 4,341 thousand or 29.6% of all costs and it is EUR 1,151 thousand lower as compared to 2024. The decrease was driven by the fact that significant impairments of non-current assets and inventories were recognised and accruals were increased in 2024, whereas no material impairments were recognised in 2025. Additionally, the costs for repair and maintenance services decreased.

In 2025, subcontracting costs comprised EUR 748 thousand or 5.1% of total costs incurred by the Company. These costs are EUR 1,379 thousand lower compared to 2024 as a result of lower work volumes.

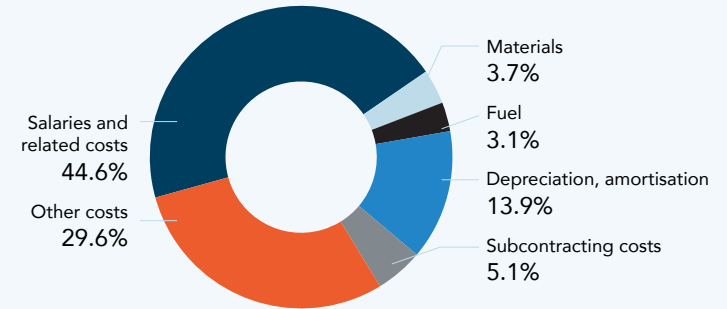
In 2025, materials comprised EUR 542 thousand or 3.7% of total costs incurred by the Company. These costs are EUR 436 thousand lower compared to 2024 as a result of lower work volumes and works carried out using contractor's materials.

Other expenses include operating costs related to freight transport, locomotives and brigades, special rolling stocks, lease of other assets and other costs which proportionally depend on work volumes.

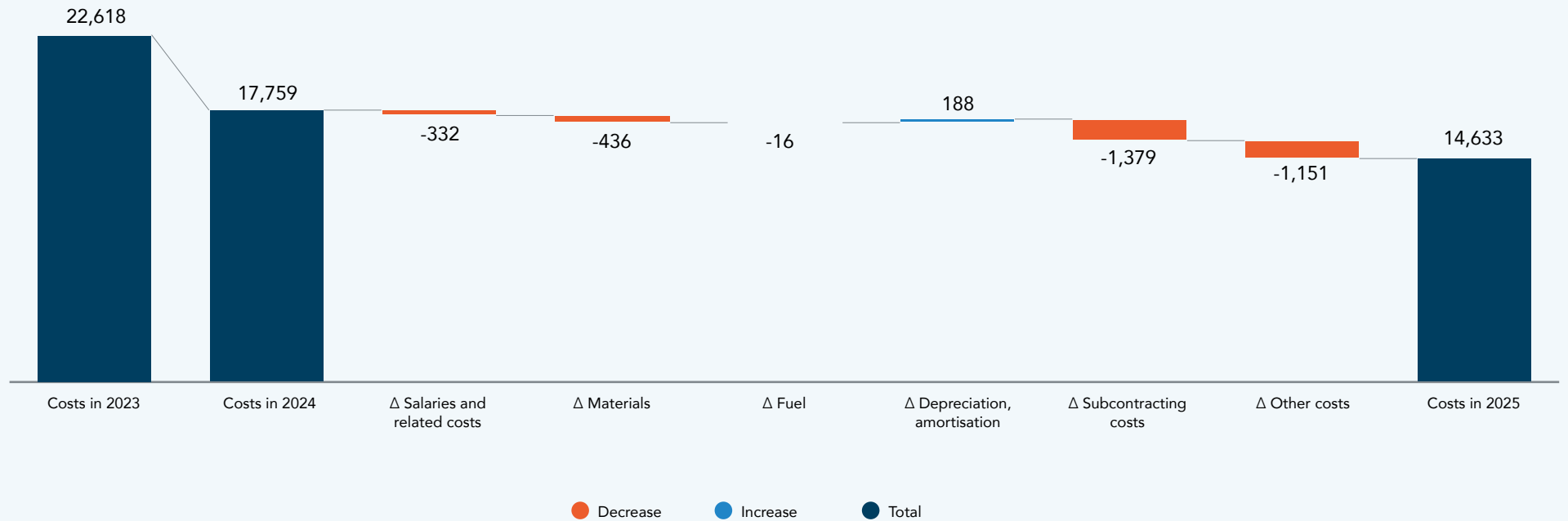
Company's expenses, EUR thousand



Structure of the Company's costs in 2025, %



Change in the Company's costs, EUR thousand



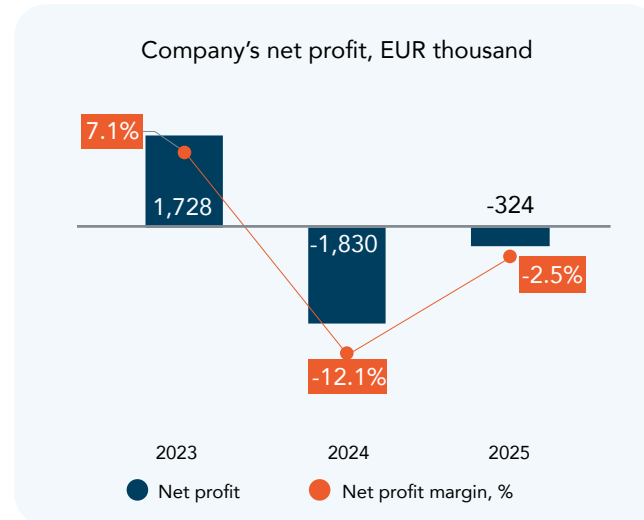
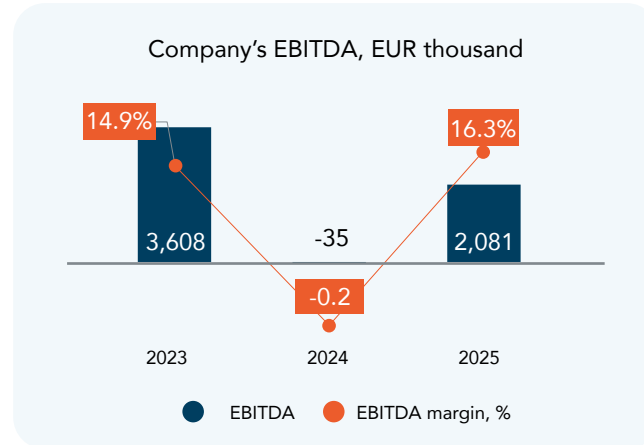
## OPERATING RESULTS

EBITDA (profit after tax, results of financial activities, depreciation and amortisation) of GTC amounted to EUR 2,081 thousand in 2025, and it was higher by EUR 2,116 thousand compared to 2024.

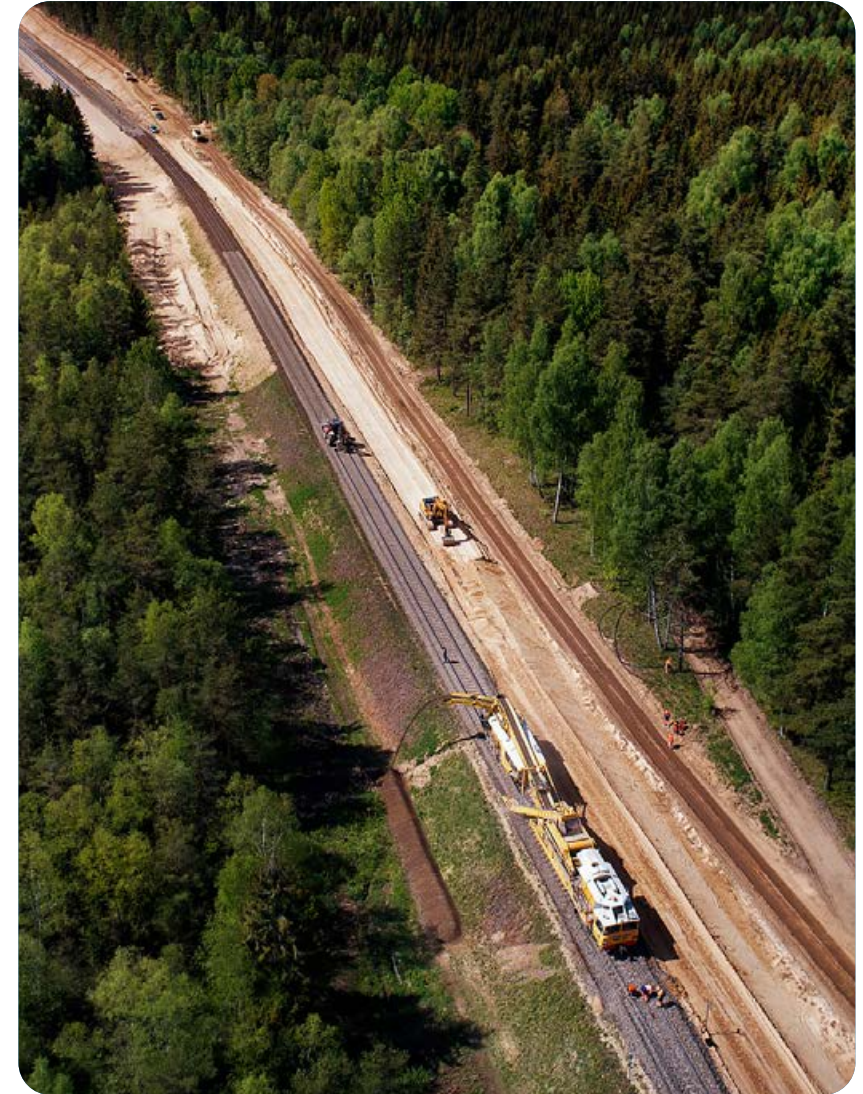
Revenue of GTC amounted to EUR 12,804 thousand in 2025 and it was EUR 2,303 thousand lower compared to 2024. The main revenue contributor was a significant decrease of EUR 3,211 thousand or 26.6% in the revenue from construction and repair of railways due to the decrease in volume of major works.

In 2025, GTC incurred EUR 14,633 thousand in costs with regard to its principal and other activities. Compared to 2024, the costs decreased by EUR 3,126 thousand or 17.6%. In 2025, the major portion of costs comprised salaries and related costs (44.6%), other costs (29.6%), subcontracting costs (5.1%), materials (3.7%), fuel (3.1%) and depreciation (13.9%).

In 2025, the Company incurred a net loss of EUR 324 thousand.



GTC's 2025 result was driven by a contracting market for construction and maintenance of railway track superstructure.



## BALANCE SHEET CHANGES

During the reporting period, the value of the Company's assets increased by EUR 5 thousand or by 0.02% compared to 2024.

Non-current assets of GTC comprised 53.6% of the total asset structure. The carrying amount of non-current assets decreased by EUR 2,832 thousand, or 15.6%, compared to 2024. The decrease was attributable to the disposal of machinery and equipment no longer required for the Company's operations and to depreciation.

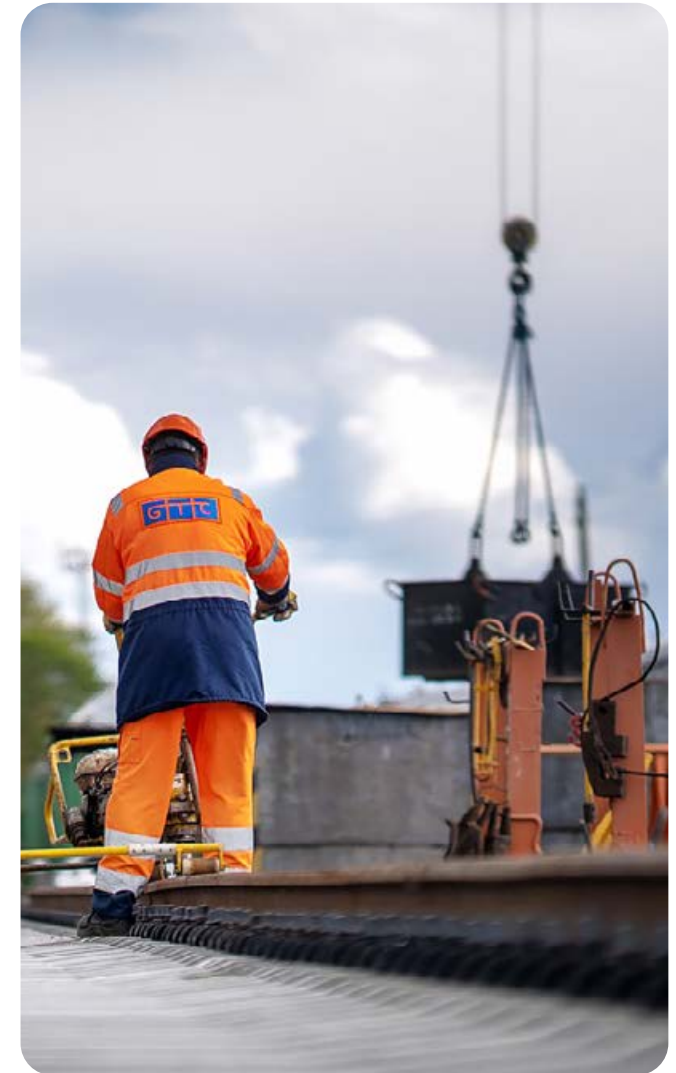
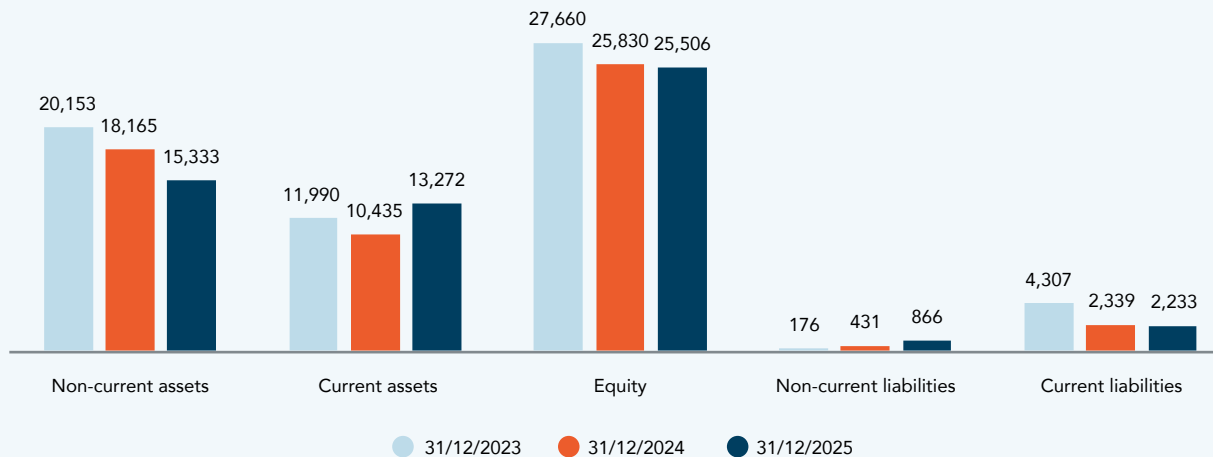
The value of current assets increased by EUR 2,837 thousand in 2025 or by 27.2% compared to the reporting period of 2024, driven by an increase in the Company's cash at bank (up by EUR 5,383 thousand).

Equity in 2025 decreased by EUR 324 thousand and amounted to EUR 25,506 thousand as at 31 December 2025. The changes were due to the result of the Company for the reporting period.

In 2025, non-current liabilities increased by EUR 435 thousand or by 100.9% compared to the end of the reporting year 2024. The changes were due to increased long-term finance lease (leasing) liabilities.

Current liabilities decreased by EUR 106 thousand in 2025 or by 4.5% compared to the end of the reporting year 2024. The changes were due to reduced accrued income and trade payables to related companies, and other payables.

Changes in the main items of the Balance Sheet, EUR thousand



## KEY FINANCIAL INDICATORS

	Measurement unit	2025	2024	2023
Revenue	thousand EUR	12,804	15,107	24,176
Other income	thousand EUR	1,882	777	64
Total revenue	thousand EUR	14,686	15,884	24,240
Costs	thousand EUR	14,633	17,759	22,618
EBITDA	thousand EUR	2,081	(35)	3,608
Adjusted EBITDA	thousand EUR	1,893	703	3,814
EBITDA margin	%	16,3	(0.2)	14.9
Adjusted EBITDA margin	%	14,8	4.7	15.8
EBIT	thousand EUR	53	(1,875)	1,622
EBIT margin	%	0,4	(12.4)	6.7
Net profit	thousand EUR	(324)	(1,830)	1,728
Net profit margin	%	(2,5)	(12.1)	7.1
		<b>31/12/2025</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Non-current assets	thousand EUR	15,333	18,165	20,153
Current assets	thousand EUR	13,272	10,435	11,990
Total assets	thousand EUR	28,605	28,600	32,143
Equity	thousand EUR	25,506	25,830	27,660
Financial debt	thousand EUR	847	383	297
Net debt	thousand EUR	(8,653)	(3,734)	(3,361)

	Measurement unit	2025	2024	2023
Return On Equity (ROE)	%	-1.3	-6.8	6.5
Return On Assets (ROA)	%	-1.1	-6.0	5.5
Return on Investment (ROI)	%	-1.2	-6.8	6.4
Financial debt / EBITDA	Times	0.4	-10.9	0.1
Financial debt / Equity (D/E)	%	3.3	1.5	1.1
Net debt / EBITDA	Times	-4.2	106.7	-0.9
Net debt / Adjusted EBITDA	Times	-4.6	-5.3	-0.9
Equity ratio	%	89	90	86
Asset turnover ratio	Times	0.4	0.5	0.8
Quick liquidity rate	Times	5.7	4.1	2.3
Total liquidity rate	Times	5.9	4.5	2.8

\* For definitions of the indicators, see section 6.5 of the Management Report.

## FINANCING OF THE COMPANY

As at 31 December 2025, the Company did not have any financial liabilities to credit institutions.

In order to ensure prompt financing of its activities and manage liquidity risk, the LTG Group has secured the possibility to borrow from one company to another through a cash pool account. The parent company AB Lietuvos geležinkeliai has entered into a single group account agreement with a commercial bank, and the Company has entered into a mutual lending and borrowing agreement. The lending and borrowing limit has been approved until December 31, 2027, and the terms of the agreement are in line with market conditions.

As of December 31, 2025, the Company had no debt obligations under the mutual lending and borrowing agreement.

## 2.3. INVESTMENTS

In 2025, the investments of GTC in non-current assets amounted to EUR 1.8 million. These investments are intended for the renewal and modernisation of GTC's equipment, wagon and vehicle fleet. In 2025, part of the wagons were repaired, the vehicle fleet was renewed, and an excavator was acquired.

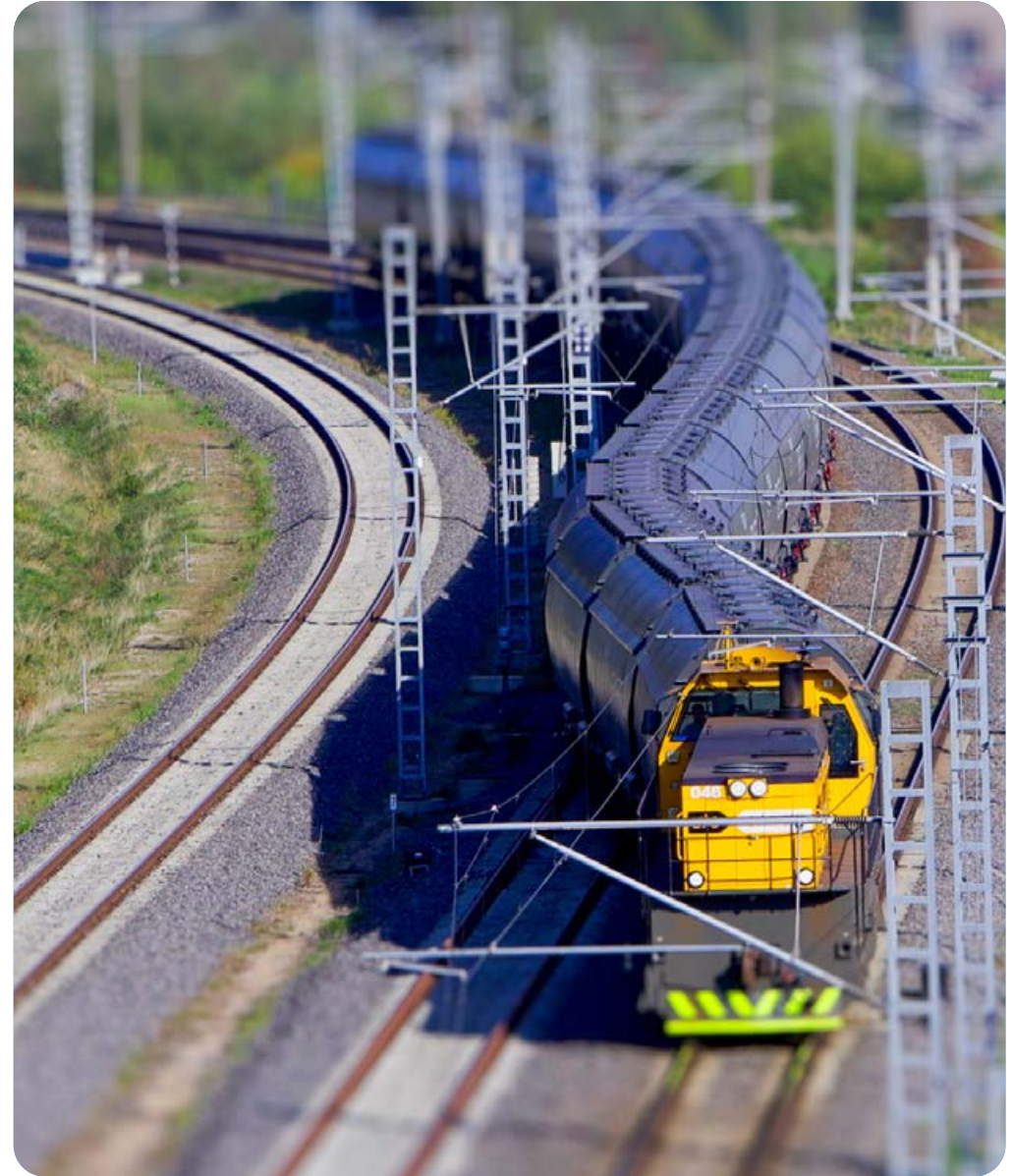
### INVESTMENT POLICY

The unified Project and Investment Management Policy ([PROJEKTU IR INVESTICIJU VALDYMO POLITIKA.PDF](#)), applied within the LTG Group defines the general procedure for managing projects and investments to ensure timely implementation of the projects and investments. The Policy is developed in accordance with the LTG strategy and is applied to all companies within the LTG group.

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

### INVESTMENTS OF THE COMPANY

Investments, EUR thousand	2025	2024	2023
Depot repairs of wagons	565	81	-
GTC equipment upgrades and modernisation	364	-	380
Minor mechanisations etc.	44	28	61
Construction in progress	39	-	-
Replacement of locomotive safety system	-	-	199
Structures	-	24	-
<b>Total</b>	<b>1,012</b>	<b>133</b>	<b>640</b>
Long-term lease (cars)	759	85	-
<b>Total (with long-term lease)</b>	<b>1,771</b>	<b>218</b>	<b>640</b>

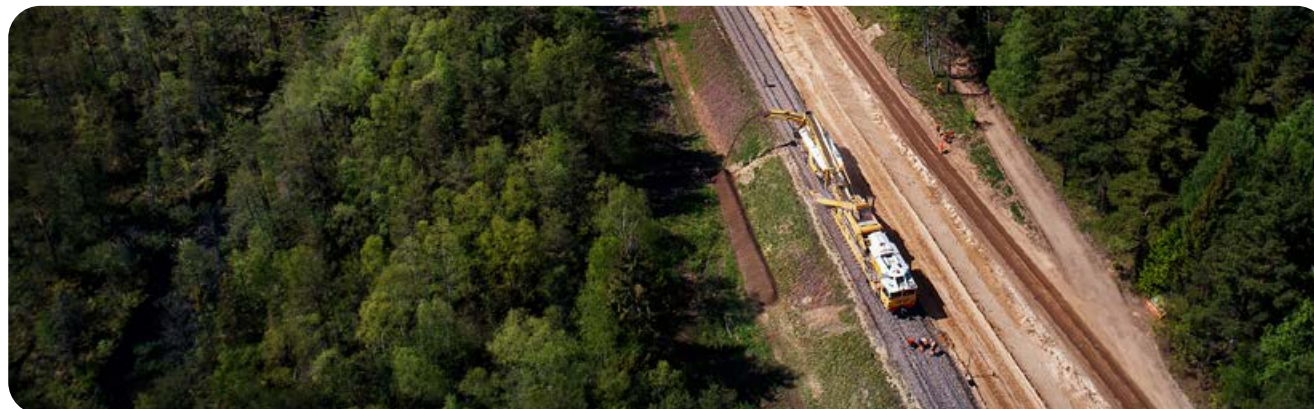


## KEY INVESTMENT PROJECTS

Project / Group of projects	Period	Investments, EUR million	Financing	Expected benefits (profitability)	Strategic direction	Work performed in 2025
<b>Asset upgrade programmes</b>						
GTC equipment upgrades and modernisation 1520	2025	EUR 364 thousand	Company funds	Ensuring smooth implementation of projects	<ul style="list-style-type: none"> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Excavator acquired</li> <li>Repairs and modernisation of equipment</li> </ul>
Wagon repair programmes	2025	EUR 565 thousand	Company funds	Ensuring smooth implementation of projects	<ul style="list-style-type: none"> <li>Business resilience</li> </ul>	<ul style="list-style-type: none"> <li>Repairs of wagons carried out to ensure activities of GTC projects</li> </ul>
Other GTC investments	2025	EUR 44 thousand	Company funds	Ensuring smooth implementation of projects	<ul style="list-style-type: none"> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Investments into mechanisation equipment</li> </ul>
Other (unplanned) investments	2025	EUR 39 thousand	Company funds	Enhancing sustainability, implementation of ESG Goals	<ul style="list-style-type: none"> <li>Decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>Installation of electric vehicle charging stations</li> </ul>
Long-term lease (cars)	2025	EUR 759 thousand	Finance lease (leasing)	Ensuring smooth implementation of projects	<ul style="list-style-type: none"> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Renewal of the car fleet</li> </ul>

## COMPANY INVESTMENTS AND DEVELOPMENT DIRECTIONS PLANNED IN THE NEAR FUTURE

- Renewal of operating machinery, modernisation of equipment; expansion of the universal equipment fleet.
- Renewal and development of depreciated fleet of wagons.
- Renewal and development of the car fleet.
- Replacement of the KLUB-U safety system in rolling stock.
- Renewal and modernisation of IT and accounting systems, replacement of the MSPO solution.



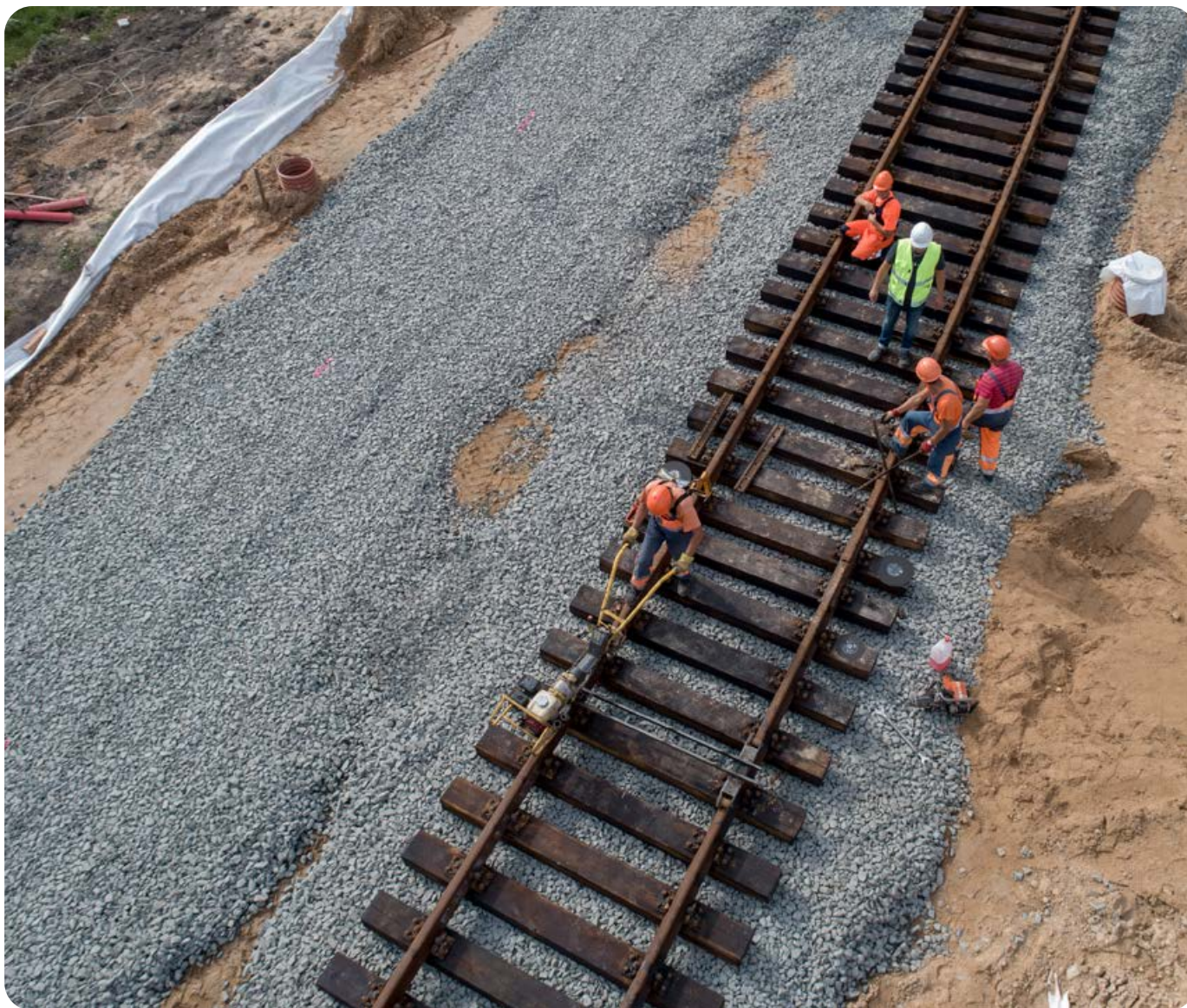
## 2.4. DIVIDEND POLICY

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

Dividend allocation and payment of the LTG group companies are governed by the LTG group's Dividend Allocation Policy, which is prepared on the basis of the aforementioned resolution.

Company's ROE indicator (%)	Portion of distributed profit allocated to dividends (%)
≤ 1	≥ 85
> 1 ir ≤ 3	≥ 80
> 3 ir ≤ 5	≥ 75
> 5 ir ≤ 10	≥ 70
> 10 ir ≤ 15	≥ 65
> 15	≥ 60

The allocation of dividends for the financial year or a period shorter than the financial year is planned based on the return on equity (ROE) indicator. The relationship between the portion of profit allocated for dividends and the ROE indicator is presented in the table. 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. During the recent three years, UAB Geležinkelio tiesimo centras did not pay any dividends.





—○ 3. GOVERNANCE

## 3.1. OVERVIEW

### GOVERNANCE MODEL AND PRINCIPLES

The corporate governance of the LTG group is organised in such a way as to maintain an effective and results-oriented balance between management and control measurements of the LTG group. The governance model of the LTG group is centralised, i.e. the governance bodies of the parent LTG company consider and approve consolidated business strategy, consolidated performance objectives, performance indicators and targets, the consolidated budget and operating plan of the LTG group. LTG establishes rules and procedures for coordination of the operating plans of the LTG group companies, their supervision and control.

LTG group applies the **functional leadership model**, which means that added value is created by centralising operational support, corporate function management as well as the functions themselves, consolidating competencies and introducing functional excellence. The parent company coordinates financial, legal, planning and monitoring, human resources, risk management, auditing, technology, communications and other general areas of the companies of LTG group, within the framework of common policies, regulations and norms applicable to all companies of LTG group.

### THE CORPORATE GOVERNANCE OF THE LTG GROUP IS ORGANISED ACCORDING TO THE FOLLOWING PRINCIPLES:

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

### GOVERNANCE ACKNOWLEDGEMENTS

In the evaluation of the good governance index of state-owned enterprises (SOEs) for 2025/24, in the category of large enterprises, the LTG group was recognised as one of the leaders among SOEs and received the highest A+ rating.

In the assessment of Good Governance Index, the Company received the **highest A+** rating. In the category of strategic governance, it received an A rating; whereas, in the category of transparency it received the rating of A+.



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 the authorised capital, EUR	Number of shares, unit	Nominal value per share, EUR
30,897,354.44	109,748	281.53

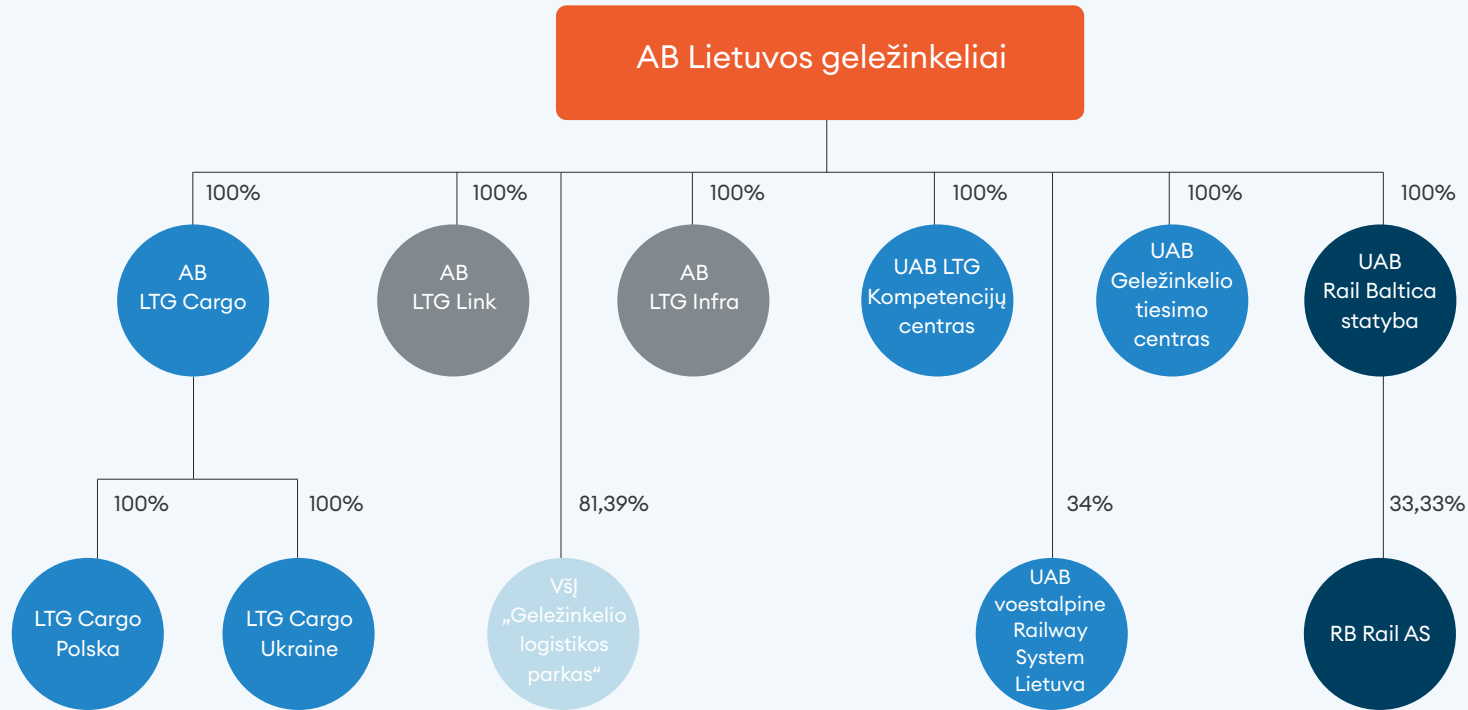
All the shares are of the same class, i.e. ordinary registered shares. The shares are non-certified, and they are recorded in personal securities accounts, in accordance with the procedure established by the legislation.

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



## GROUP STRUCTURE

The Company belongs to the LTG group that is the largest in the Baltic States in terms of freight, passenger transport and infrastructure management. 100% of the Company's shares are owned by the parent company AB Lietuvos geležinkeliai. The shareholder of AB Lietuvos geležinkeliai is the State of Lithuania, it owns 100% of its shares, and the shareholder's rights and obligations are carried out by the Ministry of Transport and Communications of the Republic of Lithuania. The Company had no subsidiaries in the reporting period.



- Subsidiaries and subsequent companies operating in competitive markets at the same conditions as other participants of Lithuanian and foreign markets
- Subsidiaries implementing functions imposed by the State – the special obligations
- UAB Rail Baltica Statyba is a founder and shareholder of RB RAILAS coordinating implementation of the project Rail Baltica
- Public entity

## 3. 2. INTERNAL REGULATION

### THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association is the principal document that the Company follows in its activities.

During the reporting period, the Company's Articles of Association were not amended.

The currently valid Articles of Association of the Company are available on the Company's website <https://gtc.lt/w/bendroves-valdymas/>.

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

### LTG GROUP'S OPERATIONAL POLICIES

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

- **The updated Procurement Policy**, 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, and that stocks are managed in accordance with best stock management practices and techniques.
- **The National Security Compliance Policy** aims to establish LTG group's strategic and unified approach to ensuring compliance with national security requirements. This arises from the status of LTG group of companies, whose respective companies are considered important for ensuring national security, and the resulting obligation to operate in accordance with national security interests.
- **The updated Strategic Planning and Management Policy** establishes the general principles, responsibilities, and key operational processes of strategic planning and management within the LTG group companies. It aims to ensure coordinated strategic planning and management across the group.
- **An updated Risk Management Policy**, which provides a coherent and common principles-based risk management framework for the LTG group to achieve the objectives set out in the LTG Strategy and to maintain and enhance the value of the LTG group.



### 3.3. GOVERNING BODIES OF THE COMPANY

According to the Articles of Association, the management bodies of the Company are as follows:

- **The General Meeting of Shareholders;**
- **Head of the Company (Chief Executive Officer).**

**THE GENERAL MEETING OF SHAREHOLDERS** is the supreme management body of the Company. The competence of and the procedure for convening the General Meeting of Shareholders, along with the procedure for decision making, are established in the Law on Companies of the Republic of Lithuania, other legislation and the Articles of Association of the Company.

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

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

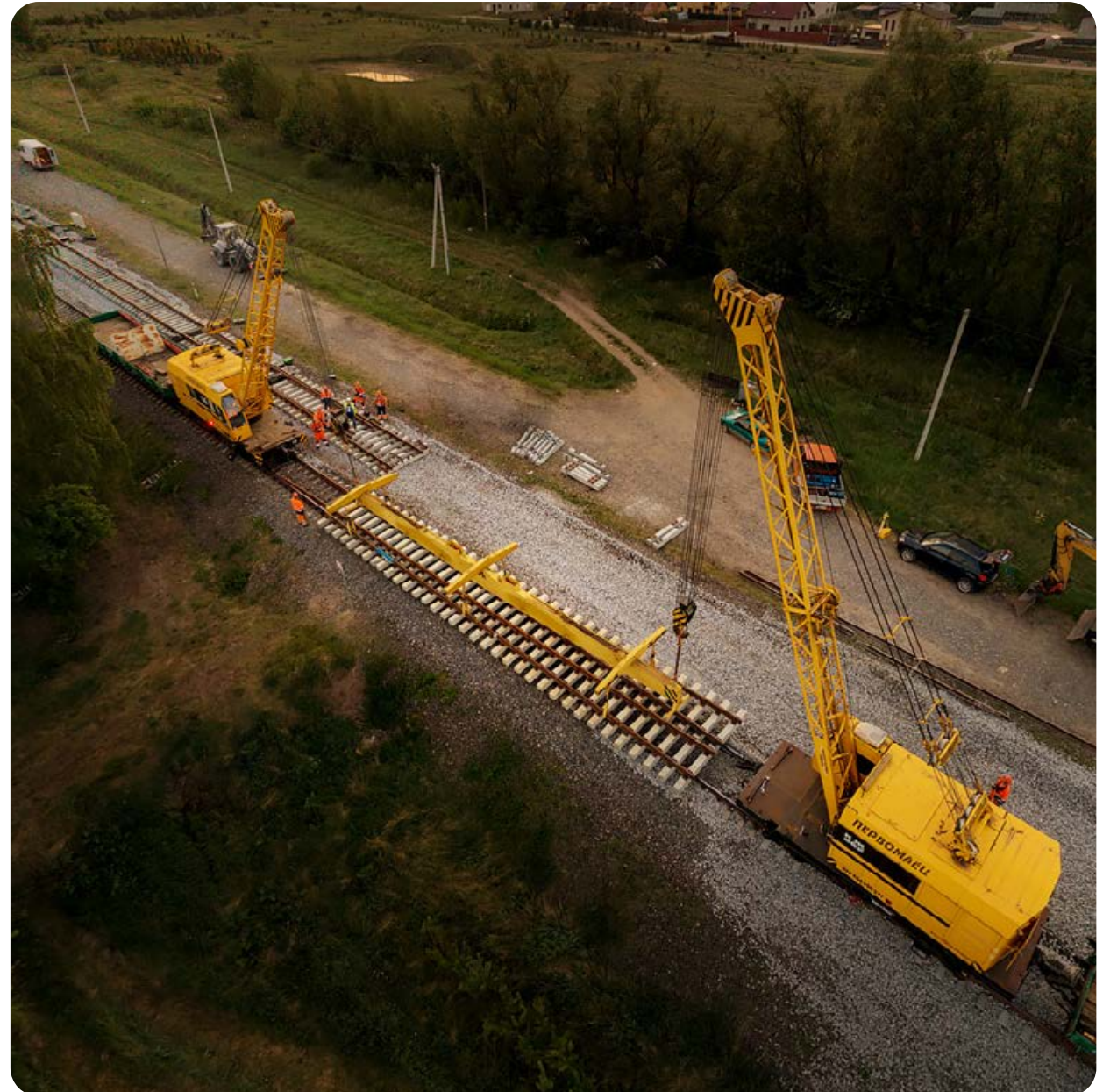
During the reporting period, the property and non-property rights of the shareholder were not restricted, the shareholder was not granted special rights.

#### COMMITTEES AND THEIR ACTIVITIES

The Nomination and Remuneration and Audit Committees of the Board of LTG group acted at group level.

The main objective of the Audit Committee is to submit conclusions, proposals regarding functioning of external and internal audit, risk management and control systems in the LTG and its subsidiaries to the Board of LTG.

The purpose of the Nomination and Remuneration Committee is to provide conclusions, opinions, recommendations and suggestions to the LTG Board on the selection of members of the governing bodies of LTG group and on the remuneration policy.



## COMPETENCIES OF THE GENERAL MEETING OF SHAREHOLDERS

In accordance with the Company's Articles of Association, an additional competency of the General Meeting of Shareholders is to approve the decisions of the Company's CEO regarding the following:

- regarding the approval of operational strategy and long-term goals of the Company;
- regarding the setting the Company's performance indicators;
- regarding the approval of the Company's investment plan;
- regarding the approval of annual budget and operational plan of the Company;
- regarding the investment, purchase and sale of the Company's facilities and assets important for ensuring national security, or any other property transfer, on the revaluated or mortgage transactions;
- regarding the Company's non-current assets, the carrying amount of which is equal to or exceeds EUR 300,000 (three hundred thousand) (without value added tax);
- investment into the Company's group companies or third parties, transfer or lease of these assets (separately for each type of transaction);
- pledge or mortgage (aggregate amount of transactions);
- on surety or guarantee of the fulfilment of the obligations of other persons, the amount of which is equal to or exceeds EUR 300,000 (three hundred thousand) (without value added tax);
- regarding acquisition of non-current assets for the price equal to or exceeding EUR 300,000 (three hundred thousand) (without value added tax);
- regarding the conclusion of transactions for the purchase of goods, services and/or works where the value of such transactions is equal to or exceeds EUR 300,000 (three hundred thousand) (without value added tax) (prior to the announcement by the Company of such a purchase of goods and/or services and/or works, or prior to the initiation by the CEO of the Company of the establishment of a dynamic purchasing system for the conclusion of transactions of the values referred to in this paragraph);
- regarding the approval of the essential conditions of the service contracts provided by the Company, if the planned annual income of the contract or the planned income during the entire period of validity of the contract may be equal to or exceed EUR 300,000 (three hundred thousand) (without value added tax);
- regarding the Company's becoming a founder or participant of other legal entities;
- the Company's decision to start a new type of activity or to terminate the Company's activity, if the relevant decision has not been made when approving the Company's strategy;
- regarding the approval of the total amount of the incentive to be awarded to the Company's employees for their annual performance;
- regarding the establishment of the Company's branches or representative offices and approval of their provisions;
- in other cases set out under the Company's Articles of Association.



## KEY DECISIONS OF THE SOLE SHAREHOLDER IN 2025:

- approved the CEO's decision to approve the operational plan (budget) for 2025;
- approved the CEO's decision to set the goals of the Company for 2025;
- approved the CEO's decision to approve an updated strategy of the Company for 2025-2029;
- approved the set of the Company's financial statements for 2024;
- approved the CEO's decision to initiate the sale of the Company's non-current assets;
- approved the CEO's decision to initiate the procurement of sleeper replacement work;
- approved the CEO's decision to initiate the procurement of locomotive rental services;
- approved the CEO's decision to initiate the procurement of general internal administration services.
- approved the CEO's decision to participate in the public tender for "Installation of the upper railway track structure for the Rail Baltica section Kaunas–Panevėžys", specifically the part "Installation of the upper track structure for the Rail Baltica section Šveicarija–Žeimiai";
- approved the CEO's decision to initiate the creation of a dynamic procurement system for the purchase of unbound mineral materials;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for subcontracting purchases in executing maintenance work contracts;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for railway switch purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for rail purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for sleeper purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for small railway track material purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for filler and mixture purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for railway crossing and passageway surface purchases;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for construction and road construction equipment rental services;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for transportation service purchases;
- approved the CEO's decision to execute the sale transaction for routine repair work of the interstation section Gimbogala-Radviliškis II track;
- approved the CEO's decision to execute the repair work transaction for the main, station, and access railway tracks in the Vilnius and Kaunas regions;
- approved the CEO's decision to execute the transaction for routine repair work of the interstation section Gimbogala-Radviliškis I track;
- approved the CEO's decision to enter into a contract for the sale of contract work;
- approved the CEO's decision to initiate the procurement KASKO insurance for vehicles;
- approved the CEO's decision to initiate the creation of a dynamic procurement system for the disposal of reinforced concrete sleepers, reinforced concrete, and related products;
- approved the CEO's decision to initiate the purchase of a credit line to issue guarantees;
- approved the CEO's decision to execute the transaction for railway switch replacement work in the Šiauliai region;
- approved the CEO's decision to execute the contract work transaction for switch replacement in the Vilnius and Kaunas regions;
- approved the CEO's decision to enter into a joint activity agreement with AB Kauno tiltai for the design and contract work of railway infrastructure at the Rūdninkai training area;
- approved the CEO's decision to execute the contract for the design, contract work, and project supervision of railway infrastructure at the Rūdninkai training area;
- approved the CEO's decision to execute the transaction for transferring the Company's 2022 tax loss to UAB LTG Link;
- approved the CEO's decision to approve the operational plan (budget) for 2026;
- approved the CEO's decision to set the goals of the Company for 2026;
- approved the CEO's decision to approve an updated business strategy of the Company for 2026-2030;

## 3.4. MANAGEMENT

### HEAD OF THE COMPANY

The Chief Executive Officer is a single-person management body of the Company who organises and manages daily operation of the Company in accordance with his/her powers. The competence areas of the CEO are defined in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company. The CEO is elected for a term of 5 years by the Board of the Company which the CEO is accountable to. The same person may be appointed as the CEO for no more than 2 consecutive terms of office.

Rolandas Zabilevičius holds the position of the Chief Executive Officer of the Company. The first five-year term of office of the Chief Executive Officer of the Company began on 17 June 2024.

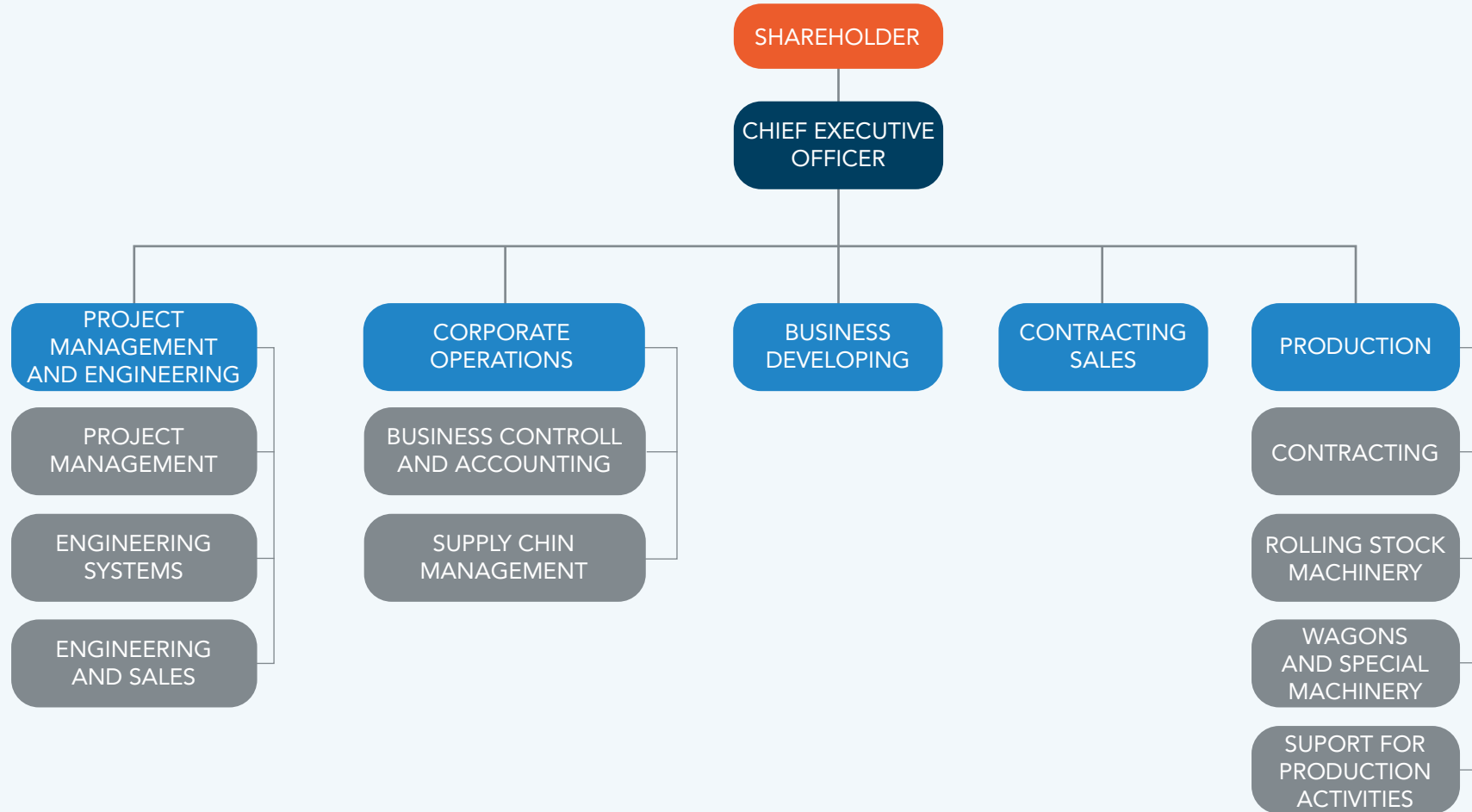
**Education.** R. Zabilevičius acquired Master degree in Management and Business Administration at Kaunas University of Technology.

**Employments.** From 2000 to 2021, R. Zabilevičius held the position of the Director of Commerce at AB Panevėžio keliai. From 2021 to 2023, he held the position of the Chief Executive Officer at AB Panevėžio keliai. During the reporting period, the Company's CEO, Rolandas Zabilevičius, did not hold any other positions.

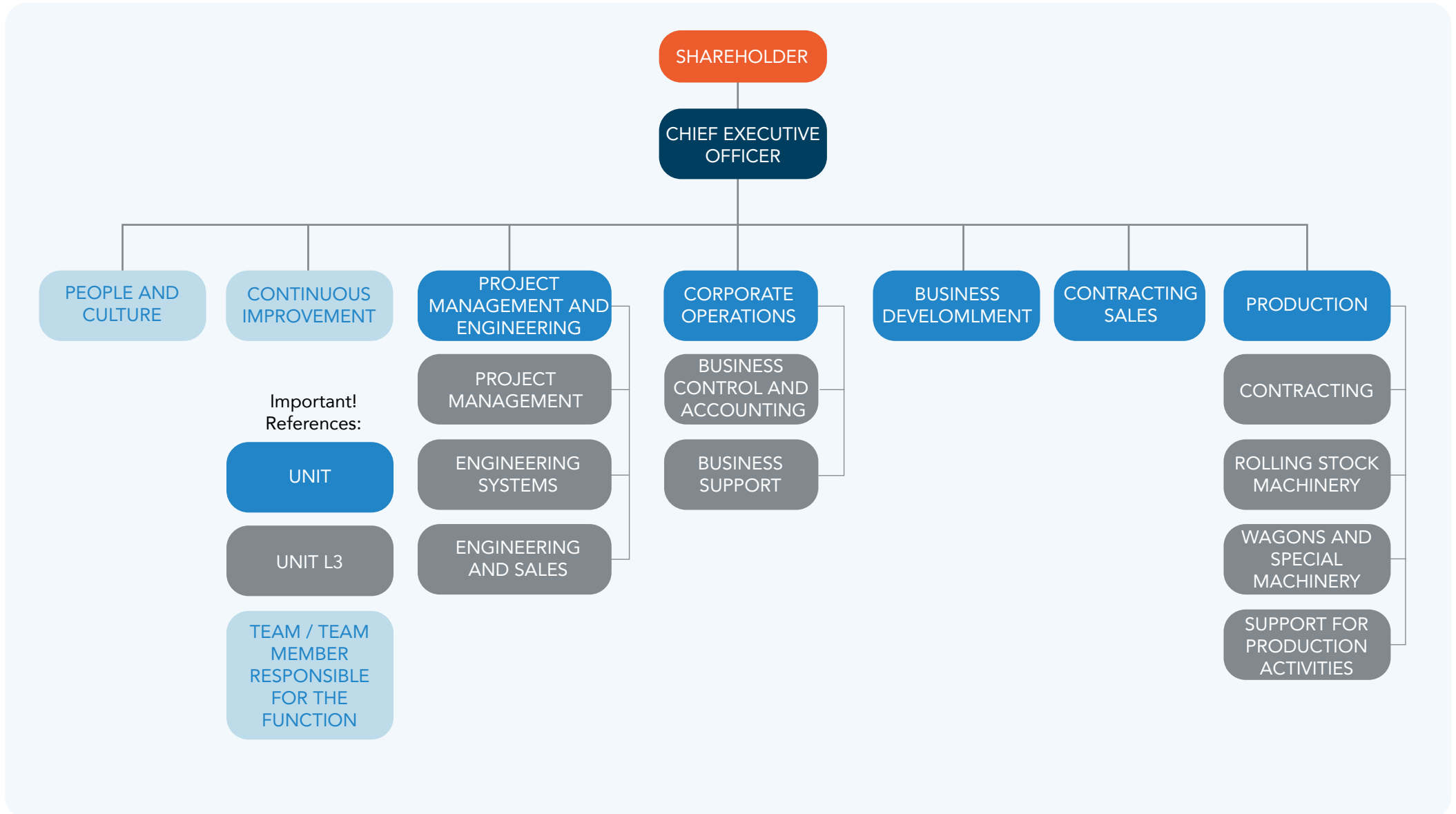


## MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE COMPANY

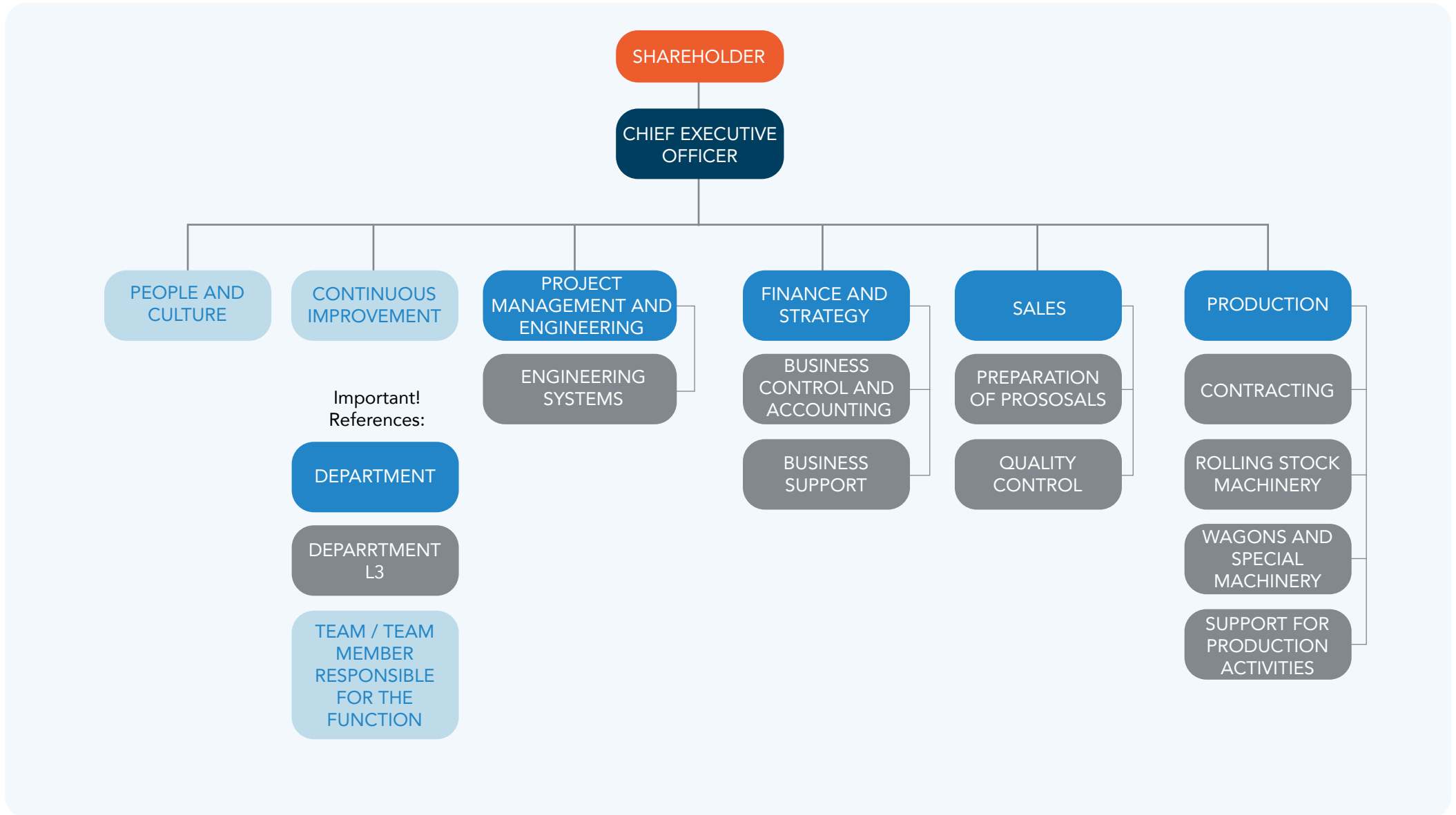
Organisational structure of the Company applicable until 31 January 2025



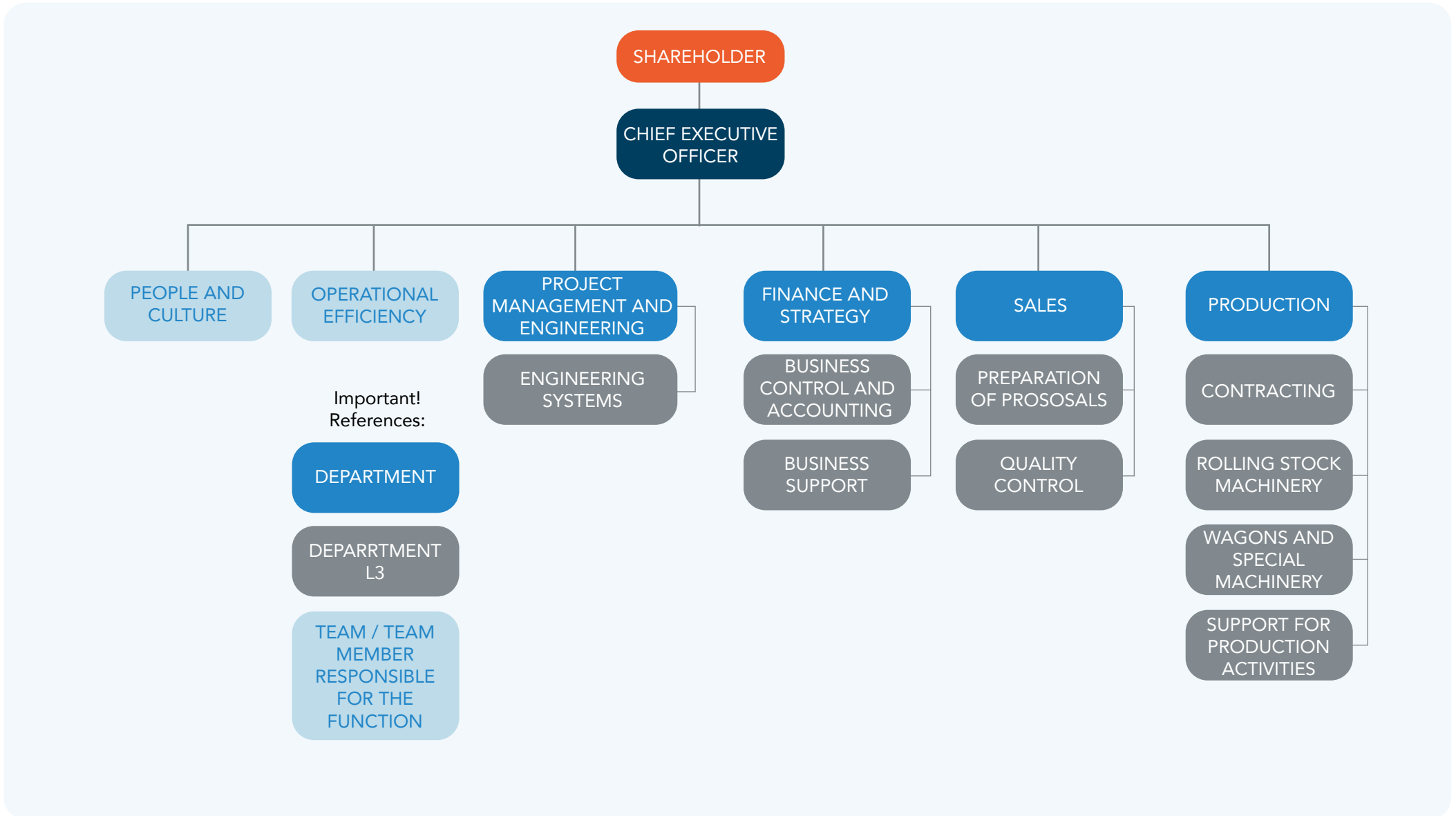
**COMPANY'S ORGANISATIONAL STRUCTURE FROM 1 FEBRUARY 2025 TO 1 SEPTEMBER 2025.**



**ORGANISATIONAL STRUCTURE OF THE COMPANY APPLICABLE FROM 1 SEPTEMBER 2025.**



**ORGANISATIONAL STRUCTURE OF THE COMPANY APPLICABLE FROM 1 FEBRUARY 2026.**



## MANAGEMENT OF THE COMPANY

<b>Rolandas Zabilevičius</b>	Chief Executive Officer	Holds office from 17 June 2024
<b>Nerijus Žėkas</b>	Head of Project Management and Engineering	Holds office from 7 July 2023
<b>Darius Šilius</b>	Head of Production	Holds office from 27 July 2023
<b>Aldona Jakutienė</b>	Head of Corporate Operations Department	Held office from 24 September 2024 until 10 January 2025
<b>Andrius Latvys</b>	Head of Finance and Strategy	Has held the position since 1 September 2025, and previously served as the Corporate Operations Manager from 12 March 2025.
<b>Erikas Stankevičius</b>	Head of Sales	Held the position until 17 February 2026 since 1 September 2025, and previously served as the Business Development Manager from 20 March 2023.
<b>Irmantas Remeika</b>	Head of Contracting Sales	Held office from 1 April 2021 until 1 September 2025.
	Interim Head of Sales	Holds office from 18 February 2026
<b>Faustas Samoilovas</b>	Operational Efficiency Manager	Has held the position since 1 February 2026, and previously served as the Continuous Improvement Project Manager from 1 April 2025.
<b>Inga Rinkevičė</b>	People and Culture Partner	Holds office from 14 January 2023

## 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 UAB Geležinkelio tiesimo 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 the recommendations made and other internal control weaknesses identified by external auditors and supervisory authorities.

## MANAGEMENT OF INTERESTS

At the end of the reporting period, the CEO and the managers of the Company have submitted declarations on private interest, which can be found on the website of the Ethics Commission at <http://www.vtek.lt>.





## —○ 4. EMPLOYEES AND REMUNERATION

## 4.1. 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 MATERIAL EVENTS IN 2025

- In April, discussions were held with trade union representatives regarding the implementation results of the LTG Branch collective agreement for 2024, with detailed presentations and discussions on topics such as remuneration, employee development, organisational culture, training, and workplace safety.
- 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 33 thousand or 7.9 percent, and the salary increase, based on unified review criteria, was implemented for 96 percent of employees.
- In April 2025, by decision of the Company's board, a bonus amounting to EUR 0.26 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 provides 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.
- 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 81 points, satisfaction 79 points, and as many as 95% of colleagues participated in the survey. After analysing the results, areas for improvement were identified and action plans are already being implemented, aimed at enhancing the employee experience and strengthening organisational culture.
- Based on the Company's strategic goals and activity priorities, the top-level and middle management teams have been strengthened and fully formed, with leadership development remaining a consistent investment. In the second half of 2025, a training program for managers at all levels was launched, enhancing leadership competencies and ensuring that managers have the necessary tools for team building and strengthening employee engagement. To establish a Lean culture, in addition to general leadership training, managers were provided with training on Whiteboards, problem-solving, conducted Gemba walks, and other measures.
- As part of the expansion of measures to strengthen responsible leadership and sustainable human resource development, all managers were invited to take a 360-degree assessment of their leadership competences, and the majority of managers participated. The assessment was carried out using the internal SAP SF 360 feedback platform and aims to provide qualitative and constructive feedback on leadership competences, to help identify strengths and behaviours to be improved.
- To ensure new team members successfully integrate into the organisation and feel included, the onboarding processes for new employees were reviewed in 2025. Survey results indicate that employees view the updated onboarding program positively, highlighting its clarity, the information provided, and the assistance for a smooth transition.
- Various educational projects aimed at students of different age groups were actively organised and participated in to promote the railway transport sector and professions within this sector. Lessons were conducted, excursions 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.
- Organisational structure changes were implemented to clarify functions and responsibilities.
- Periodic meetings with employees at the bases were conducted to present company updates and plans.

## 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:

- a competitive remuneration package to attract and retain employees with the necessary competencies;
- equal opportunities and non-discrimination in summarising employee performance and determining remuneration;
- the principle of internal fairness in the remuneration for similar work;
- increasing inclusion;
- an incentive for employees to improve their skills and enhance competencies;
- promoting transparency and responsible governance;
- effective personnel cost management and creation of shareholder value.

The key elements of setting and reviewing remuneration are:

- 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 33 thousand or 7.9 percent, and 96% 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 is an incentive for employees at the initiative of the employer for a job well performed and positive results of the Company, as specified in Article 139(2)(6) of the Labour Code of the Republic of Lithuania, and which is allocated pursuant to Article 142(1)(2) of the Labour Code of the Republic of Lithuania. This incentive is also forward-looking as an incentive for employees, and individual opportunities for such incentive are linked to the corporate levels of positions and the evaluation of each employee's annual performance. In April 2025, the incentive fund distributed to the Company's employees for 2024 performance amounted to EUR 0.26 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 Company's package of fringe benefits includes lump-sum payments in the event of the birth of an employee's child or the death of a close family member, support in the event of natural disasters, loyalty payments for employees who leave the organisation at retirement age, additional holidays and other benefits as provided for in the LTG group's Collective Agreement of the branch and the Remuneration

Methodology. 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 used to define more detailed principles for practical implementation. All relevant documents are published on the LTG group's intranet, a knowledge base for employees, as well as in the news section.

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. At the same time, the update also reveals a comparison of average wages for women and men. The applied objective and unified remuneration management principles that ensure equal opportunities in the Company, reveal that the actual differences between the average remuneration of women and men, as monitored by general groups, remain. These differences are due to the overall distribution of women and men, with more men than women working not only in the railway industry in general, but also in a number of functions, particularly in operational positions. Women predominate in positions related to support/administrative functions, where the remuneration level in the market is relatively lower. Men are concentrated in positions where the field of activity generates more competitive remuneration in the market, or where there is a special type of work - physical exertion, outdoor or other special conditions - where market remuneration is higher.

## 4.2. EMPLOYEES AND REMUNERATION

**The number of employees of the Company** as at 31 December 2025 was 189 (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). The number of employees has decreased by 5 or 2.61%, compared to the data as at 31 December 2024.

**The average monthly salary**, compared to 2024, changed from EUR 2,320 to EUR 2,434. The change was driven by the annual salary review, employee turnover, and changes in the structure of positions.

**The total remuneration fund** amounted to EUR 5.81 million (excluding compensation for unused leave, severance payments, accruals, and capitalised wages).

In addition, in April 2025, as in other LTG group companies, the annual bonus for performance in the amount of EUR 0.26 million were paid to the Company's employees.

### NUMBER OF THE COMPANY'S EMPLOYEES AND AVERAGE SALARY

Position group	31/12/2025**						31/12/2024		31/12/2023	
	Number of employees***			Average salary, EUR			Number of employees	Average salary, EUR	Number of employees	Average salary, EUR
	Total	Women	Men	Total	Women	Men				
Head of the Company*	1	-	1	8,190	-	8,190	1	8,200	1	7,000
High level executives*	1	-	1	7,375	-	7,375	1	7,000	1	6,750
Senior executives and specialists in exceptional fields	6	1	5	5,945			5	5,333	5	4,968
Middle-level managers and individual experts	16	6	10	4,486	4,541	4,457	10	4,186	13	3,669
Team leaders and experienced specialists	39	8	31	2,867	2,603	2,926	38	2,826	43	2,500
Specialists and experienced operational/service staff	62	7	55	2,168	1,968	2,193	65	2,159	73	2,041
Operational/service staff, qualified workers	64	-	64	1,695		1,695	74	1,744	91	1,656
<b>Total</b>	<b>189</b>	<b>22</b>	<b>167</b>	<b>2,434</b>	<b>2,839</b>	<b>2,391</b>	<b>194</b>	<b>2,320</b>	<b>227</b>	<b>2,130</b>

\* Fixed remuneration at the end of the period.

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

\*\*\* Data has been provided for 189 active employees. One employee is inactive (parental leave), resulting in a total of 190 employees at the end of the period.

## THE COMPANY'S AVERAGE SALARY RATIO BETWEEN WOMEN AND MEN BY GENERAL FUNCTION GROUPS

Position group	2025	2024	2023
<b>All employees</b>	<b>1 : 0.94</b>	<b>1 : 1.06</b>	<b>1 : 1.02</b>
High-level managers	-	-	-
Senior executives and specialists in exceptional fields	-	-	-
Middle-level managers and individual experts	1 : 1.02	-	-
Team leaders and experienced specialists	1 : 0.89	1 : 0.83	1 : 0.81
Specialists and experienced operational/service staff	1 : 0.9	1 : 0.83	1 : 0.85
Operational/service staff, qualified workers	-	-	-

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

## INFORMATION ON THE REMUNERATION OF THE HEAD OF THE COMPANY

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

**Basic monthly salary.** The monthly base salary of the Company's Chief Executive Officer at the end of the reporting period, as set out in the employment contract, was EUR 8,200. During the reporting period, the basic monthly salary of the Company's CEO remained unchanged.

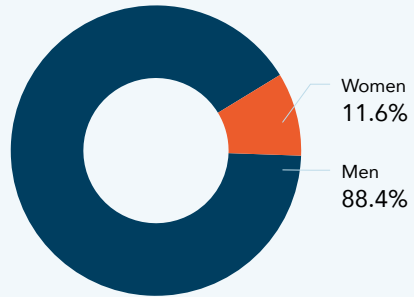
**Annual performance incentives.** In addition to the base salary, the head of the Company may be paid a variable annual salary (annual performance incentive). The scheme of incentives shall be approved by the Company's Board. According to this scheme, 60% of the annual incentive payment is influenced 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. The structure of the Company's annual goals consists of threshold values for achieving each goal and comparative weights. At the end of the year, the achievement results of these goals determine the possibility of awarding incentives for annual performance results. The maximum amount of the variable annual incentive is up to 30% of the annual basic salary. The maximum amount of monthly incentive, i.e. 1/12 of the annual incentive share for 2024, could not exceed EUR 2,460. During the reporting period, the Company's CEO was paid a monthly (1/6) portion of the annual incentive for achieving the goals set for 2024, amounting to EUR 1,632 (total amount divided by 6 months – proportionate to the CEO's appointment starting from 17 June 2024).

The Company's target performance indicators for 2024, which formed the basis for the incentive paid to the Company's manager for the performance results in 2024 are disclosed in [the Company's annual Management Report for 2024](#), in the strategy section of the Review of the Management Report.

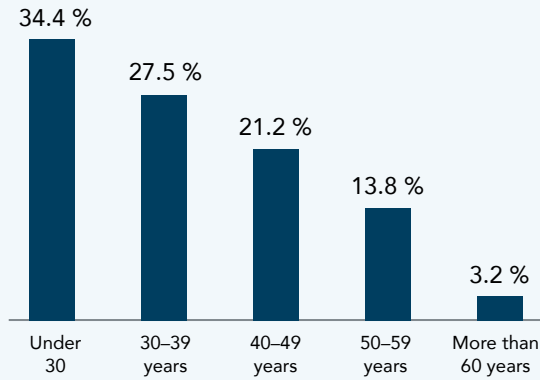
The Company's goals for 2025, which will serve as the basis for the Company's CEO to be eligible for a reward in 2026 for the performance results of 2025, are disclosed in the strategy section of the overview part of the Company's Annual Management Report for 2025.

## DISTRIBUTION OF THE COMPANY'S EMPLOYEES BY AGE, GENDER, LENGTH OF SERVICE AS AT 31 DECEMBER 2025

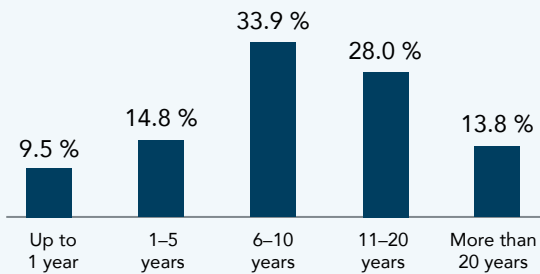
Employee distribution by gender, %



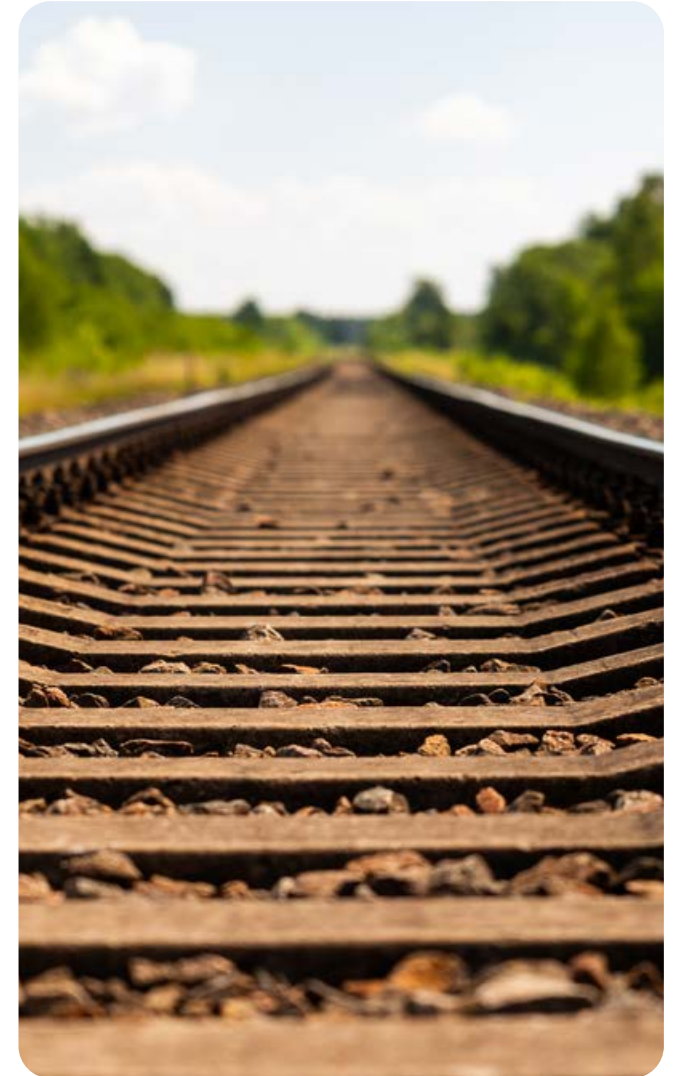
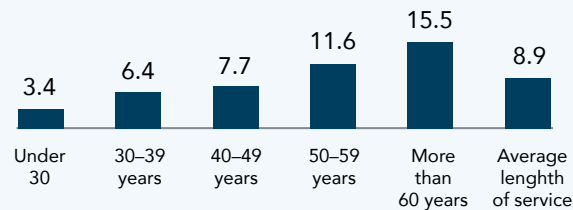
Employee distribution by age groups, %



Employee distribution by length of service, %



Employee distribution by average length of service, years





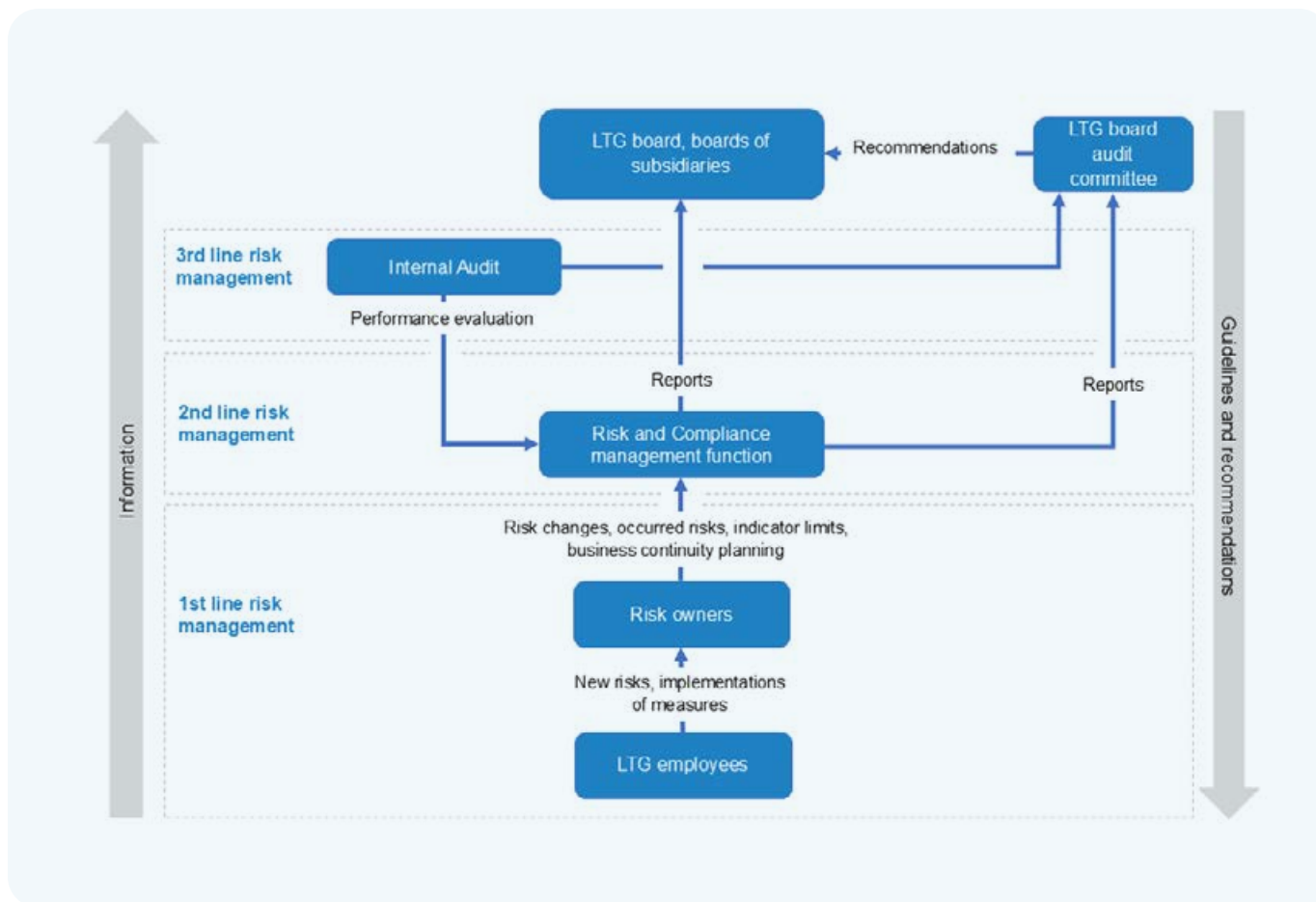
○ 5. REPORT ON RISKS  
AND THEIR MANAGEMENT

The LTG Group's unified risk management system is implemented and continuously improved in the Company. It is defined in the LTG group's risk management policies, methodologies and process standards, which have been developed with reference to the International Organization of Standardization's (ISO 31000) and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO ERM) Enterprise Risk Management (ERM) international standards, as well as best practice examples.

The LTG group allocates risk management responsibilities according to the **Three Lines Model**. It is based on:

- **1st line risk** management activities are performed by the managers and employees of LTG group companies and LTG corporate functions, which identify, assess and manage risks, ensuring the development of continuity plans.
- **2nd line risk** management activities are performed by LTG Risk and Compliance Management, which develops and improves the overall system and performs coordination and control activities, provides advice and education on methodological and expert risk management issues to companies and units performing 1st line risk management activities, and prepares risk management reports to senior management.
- **3rd Line risk** management is performed by the Internal Audit Division of LTG, which carries out an independent assessment of the effectiveness of risk management levels 1 and 2, and provides comments and recommendations.

The figure below discloses the risk management system, detailing the flow of information and distribution of responsibilities.



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

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

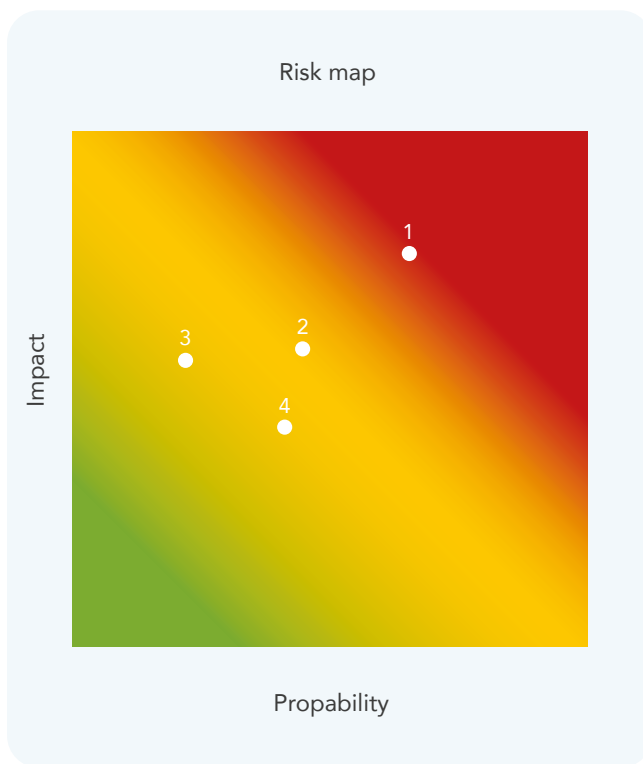
The level of identified risks is assessed by determining their likelihood and potential impact (considering financial, legal, reputational, business continuity and employee safety impacts) and assigning them to one of four risk categories (strategic, operational, financial, compliance). In this context,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

A well-established and settled reporting system ensures the periodic and timely dissemination of risk-related information. On a quarterly basis, the risk management status of each of the companies is reviewed in reports to the management boards of the companies and the LTG group. The Board of the LTG group is informed on a monthly basis about the key risks. This 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. Based on the nature of the Company's business, the main risks that were relevant in 2025 are presented below.

## MAIN RISKS AND THEIR MANAGEMENT MEASURES

1. Loss of competitiveness of the Company
2. Risk of delays in contractual projects
3. Lack of specific competences in the market
4. Risk of safety incidents



Risk	Main sources of risk	Potential impact	Basic risk management measures
<b>Loss of competitiveness of the Company</b>	<ul style="list-style-type: none"> <li>• Relatively increased fixed costs, decreasing volume of work performed</li> </ul>	<ul style="list-style-type: none"> <li>• Financial impact</li> <li>• Ensuring going concern</li> <li>• Reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>• Action plan to maintain operational flexibility</li> <li>• Operational efficiency</li> </ul>
<b>Risk of delays in contractual projects</b>	<ul style="list-style-type: none"> <li>• Lack of efficiency in project management</li> <li>• Delays in the supply of materials</li> </ul>	<ul style="list-style-type: none"> <li>• Financial losses</li> <li>• Ensuring going concern</li> <li>• Reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier reliability assessment</li> <li>• Implementation of efficiency initiatives</li> <li>• Development of project management tools</li> </ul>
<b>Lack of specific competences in the market</b>	<ul style="list-style-type: none"> <li>• National labour market trends</li> <li>• Long training time for specialists</li> <li>• Lack of occupational prestige of certain professions</li> <li>• Ageing of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Potential impact on continuity of critical activities due to lack of human resources</li> </ul>	<ul style="list-style-type: none"> <li>• Improving working conditions</li> <li>• Enhancing the prestige of the position</li> <li>• Creating an employer image</li> </ul>
<b>Risk of safety incidents</b>	<ul style="list-style-type: none"> <li>• Failure to comply with work safety instructions</li> <li>• Failure to comply with technological requirements during repair work</li> </ul> <p><i>Inherent risks that are specific to the performed activity. The management of these risks requires high level of attention, continuous and systemic measures</i></p>	<ul style="list-style-type: none"> <li>• Financial losses due to damage to rolling stock or infrastructure</li> <li>• Damage to reputation due to failure to ensure worker safety</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic training and coaching</li> <li>• Periodic monitoring of physical and technical security</li> <li>• Quality control reviews</li> </ul>



## 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.





—○ 6. ADDITIONAL INFORMATION

## 6.1. EXTERNAL AUDIT INFORMATION

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

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

The audit fee set for the audit of the financial statements for 2025 (including translation services) amounts to EUR 33 thousand (excluding VAT).

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

## 6.2. INFORMATION ABOUT SUSTAINABILITY REPORT

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

Details, goals and indicators related to **environmental protection, personnel, human rights, anti-corruption and anti-bribery** is disclosed in the LTG group's Consolidated 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. GTC does not prepare a separate sustainability report as all its activities directly contribute to LTG group's overall sustainability goals and commitments.

## SUSTAINABILITY MANAGEMENT IN 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 both the group and GTC for 2025, a new strategic direction is introduced – decarbonisation. The decarbonisation plan aims to consistently reduce greenhouse gas (GHG) emissions and thus mitigate the impact on the climate.

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



## 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 GTC, 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](http://www.ltg.lt).

## THE COMPANY'S SUSTAINABILITY ACTIVITIES

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 2025, GTC sought to use environmentally friendly methods and tools in its operations, with the aim of modernising its operations in line with the principles of sustainability as part of its business strategy. Major environmental initiatives included the following projects:

- optimisation of real estate in use: abandonment or conservation of inefficient or unused premises by relocating activities and staff to other premises.
- upgrading lighting systems by replacing existing technologies with more energy-efficient solutions;
- automatic light sensors in common areas to reduce energy consumption;
- upgrading of small machinery used in operations to electric ones (e.g. impact wrenches and other tools).
- vehicle optimisation – in order to ensure responsible resource usage, the existing fleet is continuously reviewed and its efficiency improvement possibilities are assessed. Upon identifying an excessive number of vehicles, decisions are made regarding their disposal.

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. Detailed information about GTC's employee-related indicators, objectives and achievements can be found in the Employees and remuneration section of this annual management report, with comprehensive measures outlined in the LTG group's report.

It is important to note that GTC has valid certificates of Environmental Management System ISO 14001:2018 and Occupational Safety and Health Management System ISO 45001:2018 which confirms that environmental protection and occupational safety management meets the highest standards.

The LTG group follows the **principle of zero tolerance for corruption**, which means that group companies do not tolerate any form of corruption. 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 sustainability activities and projects of the LTG group is also available on the website of the parent company at [www.ltg.lt](http://www.ltg.lt).

## 6.3. INFORMATION ON THE MAIN INTANGIBLE RESOURCES

Information on the main intangible resources and their potential impact on the business model and the value created is disclosed in the sections Strategy, Government Report, Employees and remuneration, Information on Sustainability Report of the Company's management report. More information is disclosed in the integral parts of the Consolidated Annual Management Report: Strategy, Governance Report, Remuneration Report, and Sustainability Report. Information on human resources, working conditions, training and incentive systems, value creation mechanism and value chain participants, use of advanced technologies in operations and ongoing innovative projects, relations with and management of customers, suppliers and investors, uniform policies and standards applied throughout the group, etc. is disclosed.

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

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



## 6.4. INFORMATION ON COMPLIANCE WITH THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES

The Company complies with the requirements of the Guidelines for Transparency of the Activities of State-Owned Enterprises ([link](#)), approved by the Government of the Republic of Lithuania by Resolution No 1052 of July 14, 2010, by disclosing the required information in its annual and interim reports and by ensuring disclosure of the information on its website [www.gtc.lt](http://www.gtc.lt).

### STRUCTURED INFORMATION OF THE COMPLIANCE WITH THE GUIDELINES ON TRANSPARENCY

Clause of the Description	Provision of the description	Yes/No
<b>Section II</b>		
<b>DISCLOSURE OF INFORMATION OF A STATE-OWNED ENTERPRISE</b>		
<b>5.</b>	The following data and information must be announced in the internet website of a state-owned enterprise:	-
<b>5.1.</b>	Name;	Yes
<b>5.2.</b>	Code and register, where data about the company is filed and stored;	Yes
<b>5.3.</b>	Headquarters (address);	Yes
<b>5.4.</b>	Legal status, if a state-owned enterprise is under reformation, reorganization (indicate the way of reorganization), liquidation, is becoming or has become bankrupt;	Legal status not registered
<b>5.5.</b>	The name of the institution representing the State and a link to its website;	Yes
<b>5.5.</b>	Operating goals, vision and mission;	Yes
<b>5.7.</b>	Structure;	Yes
<b>5.8.</b>	Data about the head of the enterprise;	Yes
<b>5.9.</b>	Data about the chairman and members of the Board, if formed according to the Articles of Association;	Yes
<b>5.10.</b>	Data about the chairman and members of the Supervisory Council, if formed according to the Articles of Association;	Not formed
<b>5.11.</b>	Names of committees, if formed; data about their chairmen and members;	Disclosed in the website of the parent LTG
<b>5.12.</b>	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 authorized capital of the state-owned enterprise;	Yes
<b>5.13.</b>	The performed special obligations that are determined as to recommendations approved by the Minister of Economics and Innovations of the Republic of Lithuania: the purpose of the special obligations, state budget appropriations allocated their implementation in the current calendar year and the legal acts entrusting the state-owned enterprise with the performance of the special obligation, the conditions for fulfilment of the special obligations and (or) regulatory pricing;	The Company does not fulfil special obligations
<b>5.14.</b>	Information on social responsibility initiatives and measures, important ongoing or planned investment projects.	Yes
<b>6.</b>	In order to ensure publicity regarding the professionalism of the management and supervisory bodies as well as the members of the committees, formed in a state-owned enterprise, the following data of the persons referred to in sub-points 5.8 – 5.11 of the Description shall be published: name, surname, commencement date of current duties, other current managerial positions in other legal entities, education, qualification, professional experience. If the person stated in sub-points 5.9 – 5.11 of the Description has been elected or appointed as an independent member, this information should be additionally disclosed under his data.	Yes



Clause of the Description	Provision of the description	Yes/No
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
8.	When a state-owned enterprise is a parent company, the structure of the group of companies is to be published on its website as well as the information of its subsidiaries and further subsidiaries as specified in Clauses 5.1–5.3 of the Description, the website addresses, the share (percentage) of the share capital owned by the parent company in their authorized capital, also consolidated financial statements and consolidated annual reports.	Yes
9.	When a state-owned enterprise is a participant of legal entities other than those specified in Clause 8, the details of these legal entities specified in Clauses 5.1–5.3 of the Description as well as their website addresses must be published on its website.	Yes
9 <sup>1</sup> .	When a company is a subsidiary or a subsequent subsidiary of a state-owned enterprise, the details of its parent company specified in Clauses 5.1–5.3 of the Description as well as the link to the parent company's website must be published on its website.	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



Clause of the Description	Provision of the description	Yes/No
<b>SECTION III</b>		
<b>PREPARATION OF SETS OF FINANCIAL STATEMENTS, REPORTS AND ACTIVITY REPORTS</b>		
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 periods of 6 months, and a state enterprise prepares sets of interim financial statements for periods of 3, 6 and 9 months.	Yes
16.	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. A state 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 activity report must additionally prepare a 6-month interim activity 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
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 negotiability, and debt indicators;	Yes
17.5.	The fulfilment of the specific obligations;	The Company does not fulfil special obligations
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 payroll fund, the average monthly salaries according to the positions held and (or) divisions;	Yes



Clause of the Description	Provision of the description	Yes/No
17.11.	Information on the compliance with the provisions of Chapters II and II 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 environmental 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 nondisclosure.	Yes
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 enterprise, which is a parent company, must provide the structure of the group of companies, the details of each subsidiary specified in Clauses 5.1–5.3 of the Description, the equity interest in the subsidiary (the percentage share), the financial and non-financial performance results of a fiscal year in its consolidated annual report, and if it is not obliged to prepare a consolidated annual report, in its annual report. 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.	Yes
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

## 6.5 DEFINITIONS

Item	Formula
<b>Revenue</b>	Sales revenue + Other operating income (excluding income from financial activities)
<b>Sales revenue</b>	Revenue, excluding income from other activities and income from financial activities
<b>Costs</b>	Costs, excluding the Corporate tax and Financial expenses
<b>Financial debt</b>	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
<b>Net debt</b>	Financial debt – Cash and cash equivalent investments
<b>Return On Equity (ROE)</b>	$\frac{\text{Net profit (loss) for the last 12 months period}}{\text{Average equity at the beginning and end of the reporting period}}$
<b>Return On Assets (ROA)</b>	$\frac{\text{Net profit (loss) for the last 12 months period}}{\text{Average assets at the beginning and end of the reporting period}}$
<b>Return On Investment (ROI)</b>	$\frac{\text{Net profit (loss) for the last 12 months period}}{\text{Average of assets at the beginning and end of the reporting period} - \text{Average of current liabilities at the beginning and end of the reporting period}}$
<b>EBIT</b>	Profit (loss) before the corporate tax – the result of financial activities
<b>EBITDA</b>	Profit (loss) before the corporate tax – the result of financial activity + depreciation and amortisation
<b>Adjusted EBITDA</b>	Profit (loss) before the corporate tax + interest expenses – interest income + depreciation and amortisation + (decrease) increase in the value of non-current assets, inventories and investments + (decrease) increase in the value of amounts receivable and contract assets + costs of provisions not related to operating activities
<b>EBIT margin</b>	$\frac{\text{EBIT}}{\text{Sales revenue}}$
<b>EBITDA margin</b>	$\frac{\text{EBITDA}}{\text{Sales revenue}}$

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

## 6.6. ABBREVIATION

**ESG** Environmental, Social and Corporate Governance

**Company, GTC** UAB Geležinkelio tiesimo centras

**EU** European Union

**LTG group, group** AB Lietuvos geležinkeliai and its subsidiaries

**Government of RoL** Government of the Republic of Lithuania

**IFRS** International Financial Reporting Standards

**AS** Average salary

**SOE** State-owned enterprise





**G I C**

# ○ **FINANCIAL STATEMENTS**

Prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and independent auditor's report for the financial year ended 31 December 2025



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# Independent Auditor's Report

To the Shareholders of UAB Geležinkelio tiesimo centras

## ■ Opinion

We have audited the financial statements of UAB Geležinkelio tiesimo 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 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.



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 63 to 65 of this document.*

## STATEMENT OF FINANCIAL POSITION

ASSETS (EUR thousand)	Notes	31/12/2025	31/12/2024
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>		<b>14,963</b>	<b>16,754</b>
Buildings and structures	7	2,610	2,802
Machinery and equipment	7	7,781	9,818
Road vehicles	7	3	6
Railway rolling stocks	7	3,522	3,379
Other equipment, fittings and tools	7	158	173
Right-of-use assets	8	839	375
Construction in progress and prepayments	7	50	201
<b>Intangible assets</b>		5	10
Software	6	5	10
<b>Financial assets</b>		<b>74</b>	<b>0</b>
Other financial assets	25	74	0
<b>Deferred tax asset</b>	<b>24</b>	<b>291</b>	<b>1,401</b>
<b>Total non-current assets</b>		<b>15,333</b>	<b>18,165</b>
<b>Current assets</b>			
Inventories	9	653	779
Non-current assets held for sale	9	43	46
Assets arising from contracts with customers	11	471	85
Prepayments	10, 26	143	10
Trade receivables	12	332	1,245
Receivables from related parties	12, 26	1,827	3,860
Other receivables	13	303	293
Cash and cash equivalents	14	9,500	4,117
<b>Total current assets</b>		<b>13,272</b>	<b>10,435</b>
<b>TOTAL ASSETS</b>		<b>28,605</b>	<b>28,600</b>

ASSETS (EUR thousand)	Notes	31/12/2025	31/12/2024
<b>Equity</b>			
Share capital	15	30,897	30,897
Share premium		-	-
Legal reserve	16	-	-
Other reserves	16	-	-
Retained earnings (loss)		(5,391)	(5,067)
<b>Total equity</b>		<b>25,506</b>	<b>25,830</b>
<b>Non-current liabilities</b>			
Lease liabilities	17	619	201
Provisions	18	247	230
<b>Total non-current liabilities</b>		<b>866</b>	<b>431</b>
<b>Current liabilities</b>			
Liabilities arising from contracts with customers	20	42	114
Lease liabilities	17	228	182
Prepayments received		4	22
Trade debts	21	529	407
Amounts payable to related parties	21, 26	373	502
Provisions	18	83	56
Corporate income tax liabilities	25	16	-
Employment related liabilities	19	661	673
Other payables	21	297	383
<b>Total current liabilities</b>		<b>2,233</b>	<b>2,339</b>
<b>Total liabilities</b>		<b>3,099</b>	<b>2,770</b>
<b>Total equity and liabilities</b>		<b>28,605</b>	<b>28,600</b>

Chief Executive Officer **Rolandas Zabilevičius**  
 Head of Finance and Strategy **Andrius Latvys**  
 Chief Accountant **Dainora Jefremova**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	Notes	2025	2024
Revenue	22	12,804	15,107
Other income	22	1,882	777
<b>Total revenue</b>		<b>14,686</b>	<b>15,884</b>
Depreciation and amortisation		(2,028)	(1,840)
Salaries and related costs		(6,521)	(6,853)
Fuel		(453)	(469)
Materials		(542)	(978)
Repair		(732)	(931)
Electricity		(84)	(41)
(Impairment) increase in value of receivables		99	(94)
(Impairment) reversal of inventories and non-current assets held for sale to net realisable value		(11)	(909)
Change in provisions		(44)	60
Change in vacation accruals and other remuneration-related accruals		14	88
Other costs		(4,331)	(5,792)
<b>Operating profit</b>		<b>53</b>	<b>(1,875)</b>
Finance income	23	148	96
Finance costs	23	(40)	(318)
<b>Profit (loss) before taxation</b>		<b>161</b>	<b>(2,097)</b>
Corporate income tax	24	(485)	267
Net profit		(324)	(1,830)
<b>Other comprehensive income (expenses)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(324)</b>	<b>(1,830)</b>

Chief Executive Officer **Rolandas Zabilevičius**

Head of Finance and Strategy **Andrius Latvys**

Chief Accountant **Dainora Jefremova**

## STATEMENT OF CHANGES IN EQUITY

EUR thousand	Notes	Authorised share capital	Share premium	Legal reserve	Other reserves	Retained earnings (losses)	Total
<b>Balance as at 31 December 2023</b>		<b>30,897</b>	-	-	-	<b>(3,237)</b>	<b>27,660</b>
Impact of initial application of IFRS 16		-	-	-	-	-	-
Net profit (loss)		-	-	-	-	(1,830)	(1,830)
Other comprehensive income, after tax		-	-	-	-	-	-
<i>Total comprehensive income (expenses)</i>						(1,830)	(1,830)
Profit (loss) not recognised in the statement of profit or loss and other comprehensive income		-	-	-	-	-	-
Increase in share capital by contribution of a shareholder		-	-	-	-	-	-
Decrease in share capital		-	-	-	-	-	-
Reserves formed		-	-	-	-	-	-
Reserves used		-	-	-	-	-	-
<b>Balance as at 31 December 2024</b>		<b>30,897</b>	-	-	-	<b>(5,067)</b>	<b>25,830</b>
Net profit (loss)		-	-	-	-	(324)	(324)
Other comprehensive income, after tax		-	-	-	-	-	-
<i>Total comprehensive income (expenses)</i>						(324)	(324)
Profit (loss) not recognised in the statement of profit or loss and other comprehensive income		-	-	-	-	-	-
Increase in share capital		-	-	-	-	-	-
Decrease in share capital		-	-	-	-	-	-
Reserves formed		-	-	-	-	-	-
Reserves used		-	-	-	-	-	-
Dividends		-	-	-	-	-	-
<b>Balance as at 31 December 2025</b>		<b>30,897</b>	-	-	-	<b>(5,391)</b>	<b>25,506</b>

Chief Executive Officer **Rolandas Zabilevičius**Head of Finance and Strategy **Andrius Latvys**Chief Accountant **Dainora Jefremova**

## STATEMENT OF CASH FLOWS

EUR thousand	31/12/2025	31/12/2024
<b>Cash flows from operating activities</b>		
Net profit (loss)	(324)	(1,830)
<b>Adjustment to non-cash items:</b>		
Depreciation and amortisation expenses	2,028	1,840
(Gain) loss from disposal/write-off of non-current assets (except for financial assets)	(1,864)	(653)
Impairment (reversal) of property, plant and equipment and financial assets	-	-
Impairment (reversal) of trade receivables and prepayments	(99)	94
Impairment (reversal) of inventories to net realisable value	11	909
Decrease (increase) in accumulated costs	-	-
Decrease (increase) in accrued income	(444)	(1,268)
Interest (income)	(147)	(86)
Interest expenses	21	23
Lease liability interest	21	13
Increase (decrease) in provisions	44	(60)
Loss (gain) from corporate income tax	485	(267)
Elimination of results from other non-monetary transactions	(6)	81
	<b>(274)</b>	<b>(1,204)</b>
<b>Change in working capital</b>		
Decrease (increase) in inventories	93	293
Decrease (increase) in trade and other receivables and prepayments	2,682	1,788
Increase (decrease) in non-current and current trade payables and prepayments received	(397)	(374)
Increase (decrease) in employment-related liabilities	(13)	(146)

EUR thousand	31/12/2025	31/12/2024
Increase (decrease) in other non-current and current payables	(44)	61
(Paid) corporate income tax	-	(91)
<b>Net cash from operating activities</b>	<b>2,047</b>	<b>327</b>
<b>Cash flows from investing activities</b>		
Disposals of financial assets	-	-
(Acquisition) of non-current assets	(683)	(51)
Disposal of property, plant and equipment	3,362	1,306
Change in prepayments for non-current assets	-	-
Financial assets (acquisition)	-	-
Loans (granted)	-	(1,000)
Repayment of loans granted	1,000	-
<b>Net cash flows from investing activities</b>	<b>3,605</b>	<b>255</b>
<b>Cash flows from financing activities</b>		
Loans received	-	-
Loans (repayment)	-	-
Grants received (repaid)	-	-
Lease payments	(227)	(86)
Interest (paid)	(21)	(23)
Lease liability interest	(21)	(13)
<b>Net cash flows from financing activities</b>	<b>(269)</b>	<b>(122)</b>
<b>Increase (decrease) in net cash flows</b>	<b>5,383</b>	<b>460</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,117</b>	<b>3,657</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,500</b>	<b>4,117</b>

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

Chief Executive Officer **Rolandas Zabilevičius**  
 Head of Finance and Strategy **Andrius Latvys**  
 Chief Accountant **Dainora Jefremova**

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 1. Background information

UAB Geležinkelio tiesimo centras (hereinafter – Company or GTC) is a limited liability company registered in the Republic of Lithuania. The Company was registered in the Register of Legal Entities on 21 December 2001 after termination of the structural branch of AB Lietuvos geležinkeliai – a Railway repair station in Lentvaris. In its activities the Company follows the Constitution of the Republic of Lithuania, Law on Companies of the Republic of Lithuania, the Railway Transport Code of the Republic of Lithuania, and other valid legal acts of the Republic of Lithuania. The Company is a profit-making entity of limited civil liability that is independently organising economic, financial, organisational and legal activities. The Company is a private limited company, and its shareholder is AB Lietuvos geležinkeliai, registration code: 10053842, head office address: Geležinkelio 16, Vilnius. The Company's registration code 181628163, VAT payer's code LT816281610, legal (registration) and head office of the Company is Trikampio g. 10, Lentvaris, LT-25112 Trakų r.

As at 31 December 2025 and 2024, the Company's main activity was construction and repair of railway infrastructure, railway tracks and other traffic facilities, and lease of railway track maintenance equipment and machinery. In 2025 and 2024, the sole shareholder of the Company was AB Lietuvos geležinkeliai owning 100% shares of UAB Geležinkelio tiesimo centras. As at 31 December 2025, the share capital of UAB Geležinkelio tiesimo centras comprised 109,748 ordinary registered shares with par value of EUR 281.53 each. Value of the share capital amounted to EUR 30,897. On 10 November 2020, acting as the sole shareholder AB Lietuvos geležinkeliai made a decision to change the nominal value of shares issued by the Company. Based on the decision, the nominal value of one ordinary registered share (hereinafter – Share) is changed from EUR 289.62 to EUR 281.53. Upon the change of the nominal value of one share, the share capital of GTC was divided into 109,748 shares. The Company did not acquire its own shares. As at the end of the period,

the listed number of the Company's employees (except for employees on parental leave, on military service and in long-term disability) was 190 as a 31 December 2025 (as at 31 December 2024: 194).



## 2. Summary of material accounting principles

**Basis of preparation.** The Company's financial statements have been prepared in accordance with the IFRS Accounting Standards (IFRS) as adopted by the EU.

**The financial statements for the year ended 31 December 2025** have been prepared on a going concern basis and using the historical cost method unless otherwise stated. These financial statements present comparative information for the previous reporting period.

**Changes in accounting policies.** The main accounting policies applied when preparing the financial statements of the Company are provided below. The mentioned policies were applied to all the reporting periods presented in the financial statements unless stated otherwise.

**Functional and presentation currency.** The functional currency of the Company is euro. The amounts in these financial statements have been presented in euros, unless otherwise stated. In these financial statements all amounts have been expressed in euros and rounded down to the nearest thousand (EUR '000).

**Foreign currency.** Transactions in foreign currency are measured in functional currency applying the currency exchange rate applicable at the time 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 statement of profit or loss.

**Property, plant and equipment.** The initial value of non-current tangible assets comprises their acquisition cost, including unrecoverable taxes of acquisition, capitalised borrowing costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the tangible non-current assets have been put into operation are normally charged to profit or loss in the period the costs are incurred. The cost of an item of property, plant and equipment includes the cost

of replacing parts of property, plant and equipment as incurred, provided that these costs meet the criteria for recognition. The carrying amount of the replaced part of the asset is written off. Repair costs are added to the carrying amount of the asset, if it is probable that future economic benefits will flow to the Company from the expenditure and if they can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss. Property, plant and equipment include spare parts, stand-by equipment and servicing equipment when they meet the definition of property, plant and equipment. The residual values and useful lives of the assets are reviewed at least annually and adjusted, if necessary.

**Depreciation.** Depreciation on other groups of property, plant and equipment is calculated using the straight-line method to allocate their cost to their carrying amounts over their estimated useful lives.

Groups of property, plant and equipment	Useful life
Buildings and structures	8-110
Machinery and equipment	5-40
Road vehicles	4-15
Railway rolling stocks (including wagons)	8-46
Computers and hardware	3-15
Other equipment, fittings and tools	4-18

Construction in progress. Construction in progress is accounted for at the cost of acquisition less impairment losses. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until construction is completed and assets

are ready for service. Inventories intended for repair of property, plant and equipment and complying with the provisions of IAS 16 are transferred from inventories to construction in progress. Construction in progress is reclassified to the appropriate groups of non-current assets when construction in progress is completed and asset is ready for its intended use. Prepayments for non-current assets are classified as non-current assets due to their usage in a long-term operation, 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 design, construction work, plant and equipment transferred for installation and other direct expenses. Tangible non-current assets are recorded at acquisition (production) cost.

Intangible assets. The Company's intangible assets have definite useful lives. Intangible assets include capitalised computer software, patents, trademarks 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. All other costs related to software such as software maintenance are recognised as costs as incurred.

## Financial instruments

**Impairment of property, plant and equipment and intangible assets.** At each reporting date, the Company reviews the carrying amounts 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 an indefinite 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 recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

**Assets held for sale.** Assets (or groups of assets) held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets held for sale are reclassified if they meet the criteria for such assets under IFRS 5. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

**Financial assets.** The Company's financial assets include cash, trade receivables and other receivables, loans. 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. The financial asset, which is subsequently measured at amortised cost, is measured by using the effective interest method. The amortised cost is reduced due to impairment loss. 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.

**Write-off of and derecognition of financial assets.** Impairment allowances for financial assets are made in accordance with the provisions of IFRS 9, the Company's Accounting Policies and an assessment of potential risks, based on the likelihood of their occurrence, taking into account possible internal and external factors, which include the customer's significant financial difficulties, defaults of more than 120 days, and the customer's probable bankruptcy. The gross carrying amount of a financial asset is written down when the Company has no reasonable expectations of recovering all or part of the asset. Unrecoverable assets are written off according to the recognised impairment if all necessary actions were taken to recover the assets and the amount of losses 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. Subsequent recoveries of amounts previously written off are credited to the impairment loss item in the statement of profit or loss and other comprehensive income.

**Financial liabilities.** The Company's financial liabilities comprise loans and other financial debts, liabilities arising from contracts with customers, trade and other payables. Financial liabilities are initially carried at fair value less transaction costs. Subsequently, financial liabilities are carried at amortised cost using the effective interest method. Interest expense is recognised using the effective interest method. Financial liabilities are classified as non-current if a financing agreement concluded before the date of the statement of financial position provides evidence that the liability was non-current in nature as at the date of the statement of financial position. Trade payables are the obligation to pay for goods and services purchased from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they are due for payment within one year. Otherwise, they are shown as non-current liabilities.

**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 realize the asset to offset the liability.

**Impairment of financial assets.** Impairment losses on financial assets measured at amortised cost are measured based on the expected credit loss (ECL) model. 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). ECLs are discounted by applying an effective interest rate. At the end of each reporting period, the Company recalculates and records the provision for expected credit losses in accordance with past events, current market conditions and future prospects. The Company applies a three-stage approach based on change in a financial asset's credit risk since the moment of initial recognition. At the initial recognition of financial asset, the Company registers a deferred loss of financial asset measured at fair value for subsequent 12 months. Such recognition is applied to financial assets which may lead to financial loss in the future due to certain events or circumstances during the subsequ-

ent 12 months (not necessarily over 12 months). At the end of each financial period the Company assesses whether there has been a significant change in the credit risk of the financial instrument since initial recognition. The Company assumes that the major risk of default occurs when the outstanding amounts are delayed for more than 90 days of the due date of payment. For financial instruments with low credit risk, the Company applies an insignificant increase in credit risk.

**Trade and other receivables.** Trade and other receivables are initially recognised at transaction price and subsequently at amortised cost. The Company's receivables comprise trade receivables for services rendered and transport lease.

**Trade and other payables.** At initial recognition trade and other payables are recognised when the Company becomes a party to the contractual terms. Trade and other payables are initially measured at fair value plus directly related transaction costs. The Company's payables comprise amounts owed by the Company for transport lease, work carried out by subcontractors, materials, etc.

**Cash and cash equivalents.** Cash comprises cash in bank accounts. Cash equivalents represent short-term highly liquid investments easily convertible to a known amount of cash. The term of such investments does not exceed three months and the risk of changes in value is insignificant.

**Financial guarantees.** Financial guarantee contract is the contract that binds the Company to make specific payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or updated terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by due amounts received.

**Lease** means a contract or part of a contract that gives the right to use the asset (leased property) for a certain period of time for consideration. A contract is a lease contract or includes a lease if, for consideration, it confers the right to control the use of an asset for a certain period of time.

**The Company as a lessee.** The Company shall assess each contract for possible lease items. If the contract is a lease contract or includes a lease, the Company accounts for each lease component of the contract as a lease separately from the non-lease (service) components of the contract. The Company does not apply the lease recognition provisions to short-term leases (leases of up to one year) and leases with low value property (computers, telephones, printers, furniture, etc.). Assets with a value of up to EUR 4 thousand are considered low value assets. The Company applies the provisions of IAS 38 Intangible Assets to such assets. The Company recognises the right-of-use asset and the lease liability in the statement of financial position at the commencement of the lease. At the commencement date, the Company measures the right-of-use assets at cost. Subsequent to initial recognition, right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, and an adjustment to any revaluation of the liability. Subsequent assessment of right-of-use assets. After the commencement date, the Company measures the right-of-use assets at cost: less any accumulated depreciation and any accumulated impairment losses; and adjusted for reassessment of the lease liability. In calculating the depreciation of right-of-use assets, the Company applies the depreciation requirements of IAS 16 Property, Plant and Equipment. Initial assessment of the lease liability. On the commencement date the Company measures a lease liability at the present value of the lease payments outstanding at that date. Lease fees are discounted using the interest rate provided for in the lease contract, if that rate can be readily determined. If this rate cannot be readily determined, the

Company uses the borrowing rate published by the Bank of Lithuania. Reassessment of the lease liability. After initial recognition, the lease liability is reassessed to take into account changes in the lease fees. The Company recognises the amount of the reassessment of the lease liability as an adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset is reduced to zero and the assessment of the lease liability is further reduced, the Company recognises any remaining amount of the reassessment as profit or loss. The Company reports the lease liabilities separately from other liabilities in the statement of financial position. The interest expenditure on the lease liability is presented separately from the depreciation of the right-of-use assets. The interest expenditure on the lease liability is a component of the financial cost presented in the statement of comprehensive income.

**The Company as a lessor.** Every lease of a lessor is classified either as a finance lease or an operating lease. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form.

**Operating lease.** The Company recognises the lease fees related to operating lease, as income on a straight-line basis. Costs (including depreciation) incurred in earning lease related income are recognised by the Company as costs. The initial direct costs incurred in obtaining the operating lease are included by the Company in the carrying amount of the leased assets and are recognised as expenditure during the lease period on the same basis as the lease income. The Company accounts for the change in the operating lease as a new lease from the date of the change entry into force and treats the lease fees paid or accrued in advance in relation to the original lease as part of the new lease.

**Income taxes.** Income tax assets and liabilities for current and prior periods are recorded at the amount expected to be recovered from, or paid to the tax administration authority. The applicable income tax and tax laws are those that are enacted or substantively enacted at the date of the statement of financial position. The income tax rate applicable for the companies of the Republic of Lithuania in 2025 was 16% and 15% in 2024. In the statement of financial position, the income tax prepayment and income tax liabilities of the Company are offset when they relate to the same tax authority.

**Deferred income tax.** Deferred tax is accounted for using the liability method. Deferred tax assets and liabilities are recognised for future tax purposes by marking the differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are recognised for all temporary differences that will subsequently increase taxable profit, and deferred tax assets are recognised only to the extent that it is probable that they will reduce taxable profit in the future. The carrying amount of deferred tax assets is reviewed every time a set of financial statements is prepared, and it is reduced if it is not probable that sufficient taxable profits will be generated in the future to realise the asset or part of it. The amount of the deferred tax asset is reduced to the amount that is probable of reducing future taxable profit. Deferred tax is calculated using the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The Company's provisions include provisions for pension benefits, annual bonuses, warranty repairs and others.

**Employee benefits.** The Company does not have any adopted defined contribution and benefit plans and has no share-based payment schemes. Post-employment obligations to employees retired on pension are borne by the State. Short-term payments to employees are recognised

as current costs in the period the services are rendered by employees. The payments include salaries, social insurance contributions, bonuses, paid leave, etc. There are no long-term payments to employees.

**Provisions for retirement benefits.** Following the legislative requirements of the Republic of Lithuania, each employee at the age of retirement is entitled to a one-off payment in the amount of 2-month salary. The historical cost is recognised as expenses in the statement of profit or loss and other comprehensive income immediately after the assessment of such liability. Any profit or losses which have appeared as a result of a change in benefit conditions are recognised immediately. The above-mentioned employment benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. The obligation is recorded in the statements of financial position and reflects the present value of these benefits on the preparation date of the statements of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial profit and losses are recognised in other comprehensive income. Therefore, provisions are formed for the possible benefits. Actuarial estimates are carried out in order to assess the liability of such retirement payments. The liability is carried at present value discounted using the market interest rate.

**Plans of bonuses.** The Company recognises the liability and expenses of bonuses when a contractual liability is present or a practice which created a constructive liability was applied in the past. Based on the provisions of the Collective Agreement, the liabilities are recognised for possible benefits to employees reaching the jubilees of 50 and 60.

**Provisions for warranty repairs.** The Company is obliged to remedy defects in construction objects over the warranty period and incurs costs but does not earn income. In order to incur expenses in the same period when income in relation to the expenses incurred is earned, the Company forms a provision for potential expenses of remedies for defects over the warranty period. The amount of provision is estimated based on historical data; i. e. the amount of expenses related to warranty repair, remedies of defects and similar expenses the Company incurs every year. In formation of a provision, the Company estimates the period which is covered by the guarantee and during which the Company is obliged to remedy defects.

**Provisions for potential liabilities related to litigation.** The Company is involved in litigation as a creditor, claimant or defendant, examines claims where the Company is in cooperation with external lawyers. As the remuneration for legal services remains fixed regardless of the court decision, the Company forms a provision for potential legal consultation expenses. The amount of provision is estimated based on historical data.

**Revenue recognition.** Revenue from rendering of services is recognised in the reporting period during which the control of services is transferred to a customer; i. e. after provision of services. Revenues of the Company are recognised in accordance with IFRS 15, i.e., the Company recognises income at the time and to such an extent that the transfer of committed goods or services to customers would represent an amount that corresponds to the consideration that the Company expects to obtain in exchange for those goods or services. The Company takes into account the terms of the contract and all relevant facts and circumstances.

## FOR THAT PURPOSE THE COMPANY'S REVENUE IS RECOGNISED USING THE 5-STEP MODEL:

### STEP 1 – Identification of contracts with customers.

An agreement between two and (or) more parties (depends on sale or purchase conditions), which creates enforceable rights and liabilities, is recognised as a contract. A contract subject to IFRS 15 is only recognised if the following criteria are satisfied:

- A.** the parties have approved the contract (in writing, orally or in accordance with other usual business practices) and are bound by the obligations under the contract;
- B.** each party's rights in relation to the goods and/or services to be transferred can be identified;
- C.** the payment terms for the goods and/or services to be transferred can be identified;
- D.** the contract is of commercial nature;
- E.** it is probable to receive remuneration in exchange for the goods and/or services which will be transferred to a customer.

Contracts with the customer may be aggregated or disaggregated into separate contracts, while retaining the criteria of the former contracts. Such aggregation or disaggregation is considered modification of a contract.

### STEP 2 – Identification of the performance obligations in the contract.

The contract establishes a promise to deliver goods and (or) services to the customer. When goods and/or services can be distinguished, the obligations are recognised separately. Each obligation is identified in one of two ways:

- A.** goods and/or a service is distinct;
- B.** a package of distinct goods and/or services which are substantially the same and are transferred to the customer based on the same model.

### STEP 3 – Determination of the transaction price.

The transaction price is the amount to which the Company expects to be entitled in exchange for the transfer of goods and services. Transaction price may be a fixed amount of consideration paid by the customer; yet, sometimes it may also comprise variable compensation. The transaction price is also adjusted considering the time value of money, if the contract includes a significant financing arrangement, and considering any consideration payable to the customer. The Company applies the following sales price calculation methods: adjusted market assessment approach, expected cost plus margin approach and residual approach. Similar transactions are measured equally.

### STEP 4 – Allocation of the transaction price to each performance obligation.

Usually, the Company attributes the transaction price to each performance obligation, based on relative separate sales prices of each promised good or service. If data on separate sales prices is not observed in the market, an entity performs its assessment.

### STEP 5 – Recognition of revenue when the Company satisfies performance obligations.

The Company recognises revenue when it satisfies a performance obligation by transferring promised goods or services to the customer (i.e. when the customer obtains control over the mentioned goods or services). The recognised amount of revenue is equal to the amount of the satisfied performance obligation. Performance obligation may be satisfied at a point of time or over time. Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Company, and when specific criteria have been met for each type of income, as described below. The Company relies on historical results, taking into account the customer type, the transaction type and the terms of each agreement.

#### Revenue is recognised applying the following approaches:

##### Revenue from sale of services

Revenue from the sale of services are recognised based on the invoices issued to customers for the services rendered. Invoices are issued under the deeds of acceptance and delivery of works. At the end of the period, revenue from the services, which were rendered but not invoiced, are accrued on an accrual basis.

##### Revenue from sale of goods

Revenue from the sale of goods are recognised if all the following conditions are met:

- the Company disposed of the control of asset to the customer;
- the Company is unable to continue neither management of goods to the extent that is normally related to ownership nor their effective control;
- the amount of revenue may be reliably estimated;
- it is probable that an economic benefit will be received from the transaction and the transaction-related costs, that were or may be incurred, may be reliably estimated.

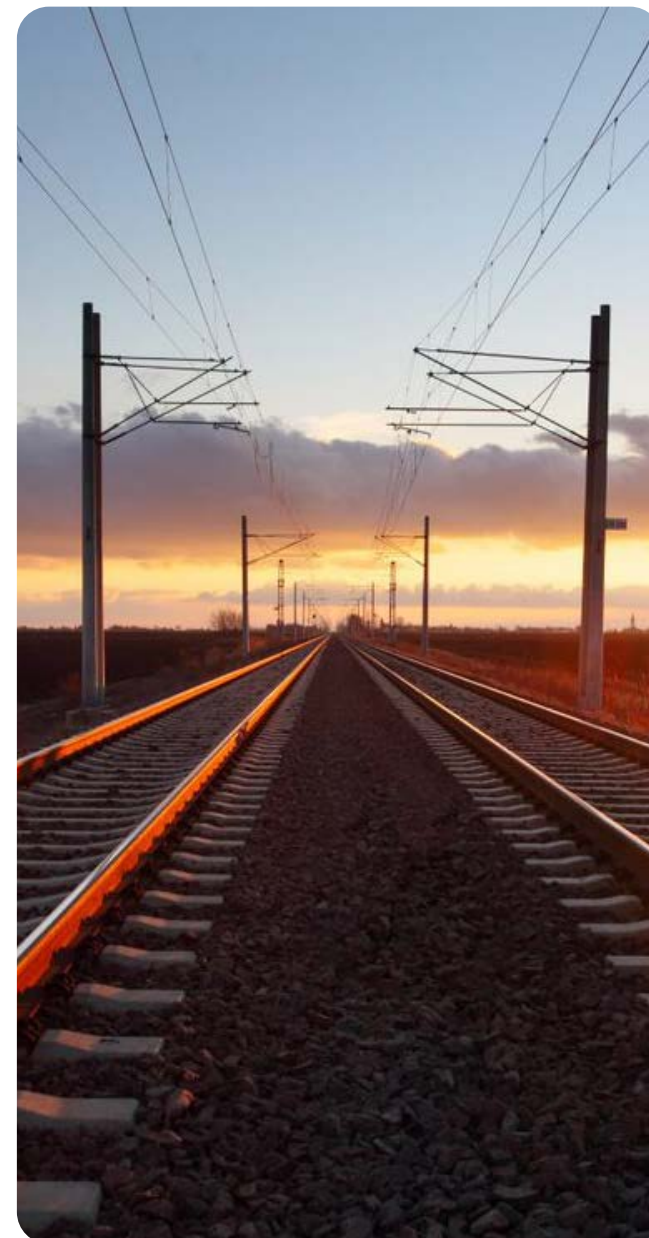
Revenue is recognised applying a uniform principle, based on a five-step model that applies to all customer contracts (IFRS 15).

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

Revenue of the Company is earned through provision of different types of services. Sales revenue is classified into the following groups based on:

#### The type of revenue:

- construction and repair of railways;
- maintenance of railway track and structures;
- construction, reconstruction and repair of other structures;
- construction and repair works in the area of security, automation and electrification;
- lease of machinery and plant;
- other revenue, including snow removal, sales of current assets, and other income.



The Company recognises revenue when goods are transferred to a customer, the deed of acceptance and delivery of works is signed). In 2025 and 2024, the Company's revenue from every transaction in progress is recognised in accordance with the state and extent of completion of works and rendering of services. In applying this approach, transaction revenue is compared to costs resulting from the execution of a current transaction. Transaction losses are recognised at the moment when there is an indication that a transaction will be onerous.

Lease income arising from leases of other assets is accounted for on a straight-line basis over the lease term.

The Company recognises revenue when goods are transferred to a customer, the deed of acceptance and delivery of works is signed). The table below provides information on the nature and timing of the fulfilment of performance obligations provided in contracts with customers, payment terms and accounting policies for revenue recognition:

Type of services	Nature and timing of performance obligation fulfilment, payment terms	Revenue recognition under IFRS 15
Construction and repair of railways	Invoices are issued after the service has been rendered and the deed of acceptance and transfer has been signed. A common term for payment of invoices is 30 days.	Revenue is recognised over a period of time based on stage of completion method. The related costs are recognised in profit or loss and other comprehensive income when incurred. Expected contract related loss is recognised immediately in the statement of profit or loss and other comprehensive income.
Maintenance of railway track and structures		Advances received are included into contractual liabilities.
Construction, reconstruction and repair of other structures		If services under one agreement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone sales prices. The stand-alone sales price is determined based on service prices indicated in the agreement.
Construction and repair works in the area of security, automation and electrification		
Design works		
Lease of machinery and plant	Invoices for additional services are issued immediately after the service has been rendered. Revenue after sale of goods are recognised after the loading of goods from a warehouse. A common term for payment is 30 days.	Revenue is recognised immediately after the service delivery or loading goods from warehouse. Services are considered provided after the deed of acceptance and delivery of works is signed. Revenue after sale of goods are recognised after the loading of goods from a warehouse.
Other revenue		

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

Interest income is recognised on an accrual basis, using the effective interest rate method. Interest income is recognised when it is probable that the Company will receive economic benefit and the amount of income can be reliably estimated.

Delay interest is recognised as income upon receipt.

**Finance costs.** Finance costs comprise interest expense. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method. Currency exchange gain or loss in profit or loss is presented at a net value.

**Events after the reporting period.** Events after the reporting period are events which provide additional information on the Company's standing as at the reporting date. Adjusting events are reported in the financial statements. Non-adjusting subsequent events are described in the notes, if significant.

**Offsetting.** When preparing financial statements, assets and liabilities, as well as revenue and expenses are not offset, except for the cases when a certain standard specifically permits or requires such settlement.

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



### 3. Material judgements and accounting estimates

The preparation of the financial reporting in accordance with IFRS, as adopted by the EU, requires from the Company's management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant estimates and assumptions.** Information on significant estimates and assumptions is provided below:

**The date when assets are brought into use.** An asset is included in operations and its impairment is begun to be calculated when it is prepared for usage, i.e. the assets is in the right place and conditions are set for it to be used according to the management's intended method. The Company's management included the asset into operations after it was properly tested and all permissions to begin activities were obtained.

**Useful lives of intangible assets and property, plant and equipment.** The useful lives are reviewed on an annual basis and, if necessary, are adjusted to reflect the current estimate of remaining useful life, considering technological changes, future

economic use of assets and their physical condition. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate in accordance with IAS 8.

**Impairment losses of property, plant and equipment.** The Company reviews the carrying amounts of its property, plant and equipment at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units) are grouped at the lowest levels for which there are currently no cash flows.

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

**Duration of the lease period.** In determining the lease term, management considers all the facts and circumstances that give rise to the economic incentive to exercise the option to extend the contract or not to exercise the option to terminate it. The possibility of extending the contract (or the periods after the possibility of terminating the

contract) is provided for in the leases only if it can be reasonably expected that the lease will be extended (or not terminated).

**Discount rate.** In assessing value in use, the estimated future cash flows are discounted to their present value using an additional borrowing rate that reflects current market assessments of the time value of money and the risks specific to the asset and have not been assessed for cash flows.

**Impairment losses of amounts receivable.** The Company assesses receivables for impairment on a half-yearly basis. In order to determine whether it is necessary to recognise an impairment loss in profit or loss, the Company assesses whether there is any indication that future cash flows from receivables may be impaired until the impairment of a specific receivable is determined.

**Write-down of inventories to net realisable value.** The Company reviews its inventory list at least annually to determine the net realisable value of inventories. Inventories acquired earlier than a year ago are reviewed to determine whether they can be realised in the future. Impairment is calculated using a formula:

Impairment of inventories = the balance of physically and morally depreciated inventories that are to be written down + (the balance of good inventories held for more than 24 months with no expected date of use \* 0.75) + (the carrying amount of sold inventories – the realisable value of sold inventories).

**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.

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

Contingent assets are not recognised in the financial statements but are disclosed when it is probable that future economic benefits or service potential will flow to the Company.

**Corporate income tax.** Deferred tax assets have been recognised in the statement of financial position to the extent the management believes they will be realised in the foreseeable future based on taxable profit forecasts. When it is probable that a portion of deferred tax will not be utilised, this portion of deferred tax is not recognised in the financial statements. Differed income tax asset of the unused potential income tax incentives is not recognised.

#### 4. New standards, amendments and interpretations not yet adopted

**Non-current assets held for sale.** Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are considered as those held for sale if the carrying amount will be recovered by selling it but not continuing their operation. This condition is met only when the sale is highly probable and the assets are fully ready for a quick sale. The essential conditions for potential sale are the decision to sell approved by the shareholder and signing of irrevocable purchase agreement with the buyer of non-current assets. When non-current assets are reclassified to the assets held for sale, depreciation is no longer calculated.

If the Company's assets are classified as those held for sale, they do no longer meet the above conditions, the Company does not classify the assets as held for sale and measures such non-current assets at the carrying amount before reclassification of the assets to the assets held for sale upon assessment of any depreciation, amortisation or revaluation adjustments that would have been accounted for if the assets are not classified as the assets held for sale or at its recoverable amount determined after making the decision not to sell the assets whichever amount is lower.

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

There are no other new or amended standards or their interpretations, which are not yet effective and which may have material impact on the Company, are present.

## 5. Financial instruments and risk management

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; 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 an orderly 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:

Financial assets (EUR thousand)	31/12/2025	31/12/2024
Assets arising from contracts with customers	457	85
Trade receivables	332	1,245
Receivables from related parties	1,827	3,860
Cash and cash equivalents	9,500	4,117
<b>Total</b>	<b>12,116</b>	<b>9,307</b>

Financial liabilities (EUR thousand)	31/12/2025	31/12/2024
Liabilities arising from contracts with customers	42	114
Lease liabilities	847	383
Trade debts	529	407
Amounts payable to related parties	373	502
Other payables and liabilities	41	61
<b>Total</b>	<b>1,832</b>	<b>1,467</b>

Fair value is defined as the price at which the asset would be disposed of at the date of valuation or a liability settled under current market conditions, independent on whether this price is directly observable or established using valuation techniques.

In determining the fair value of financial instruments, the Company applies such approaches and assumptions and distinguishes three levels of fair value hierarchy.

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

The fair value hierarchy consists of the following levels:

**LEVEL 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

Comparison of the values of all the Company's financial instruments is presented below (EUR thousand):	Total carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
Assets arising from contracts with customers	457	-	-	-
Trade receivables	332	-	-	-
Receivables from related parties	1,827	-	-	-
Cash and cash equivalents	9,500	-	-	-
<b>Total</b>	<b>12,116</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Lease liabilities	847	-	-	-
Trade payables	529	-	-	-
Amounts payable to related parties	373	-	-	-
Liabilities arising from contracts with customers	42	-	-	-
Other long-term and short-term payables and liabilities	41	-	-	-
<b>Total</b>	<b>1,832</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Cash and cash equivalents.** Cash includes cash the value of which approximates to the fair value.

**Loans and other financial debts.** The fair value of long-term loans is determined on the basis of market price of the same or similar loan or based on interest rate applicable at that time to debts of the same term. Fair value of loans is attributable to Level 2 of the fair value calculation approach. Fair value of received loans is equal to their carrying amount.

**Amounts receivable and payable.** The carrying amount of current trade receivables, current trade creditors approximates their fair value.

## Risk management

The Company faces uncertainty about external and internal factors, identifies operational risks, anticipates their impact and likelihood in advance, and seeks to mitigate them at least in part. The Company has risk managers who are trained on a regular basis, and a regular assessment of risks is carried out. Assessment results are provided to the Company's management. Monitoring of implementation of unacceptable risks is performed. Risk management policy and management systems are reviewed on a regular basis to ensure they are in compliance with changes in the Company's activities and market conditions. The Company aims at establishing a disciplinary and constructive risk management environment where all employees are aware of their functions and responsibilities.

According to the strategic goals of the Company, summarized risk groups, which are considered as the most important and are likely to have a large impact on the achievement of the operating objectives of the Company, are determined. Possible impacts of the activity risks, including financial and legal impact as well as impact on reputation, are assessed at the Company.

The Company is exposed to the following financial risks: credit, liquidity, currency exchange, interest rate and capital risks as well as a customer dependency risk. 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 due to cash in bank, issued loans and trade receivables.

Credit risk is a risk that the Company will incur financial losses, if a buyer or other party fails to fulfil its contractual liabilities. This risk is mostly related to receivables from 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.

Various credit risk management and mitigation measures are provided for in bilateral agreements between the Company and service buyers/suppliers: restrictions, guarantees for the fulfilment of contractual obligations and other measures protecting the Company's interests. Credit risk is monitored on an ongoing basis.

The Company assesses probability of non-fulfilment of obligations during the initial recognition of financial assets and on each date of preparation of a balance sheet, considering whether the credit risk has not grown substantially since initial recognition. To assess whether there has been a significant increase in credit risk, the Company compares the risk of default related to assets as at the reporting date to the risk of default on initial recognition.

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

The Company's exposure to credit risk is mainly determined by individual features of each client. However, the management also considers factors that might have impact on the credit risk of its customer base, including the risk of default related to the industry and the country which customers operate in.

Trade receivables from major customers of the Company consisted of:

EUR thousand	2025	2024
Client A	1,827	2,865
Client B	128	1,007
Others	246	1,374
Impairment	(42)	(141)
<b>Total</b>	<b>2,159</b>	<b>5,105</b>

The Company distinguishes each level of the credit risk considering information based on which it is possible to reliably establish the impairment risk (including but not limited to external ratings, audited financial statements, managerial accounting, cash flow forecasts, and available press information about customers) and applying an opinion on creditworthiness. Credit risk levels are defined by means of qualitative and quantitative factors, which show the risk of non-fulfilment of obligations and conforms to external definitions of credit ratings. The probable credit loss rate that is calculated based on experience of actual devaluation has been established of each credit risk level.

The Company's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 by separate external customers:

EUR thousand	Initial value	Expected credit losses, %	Impairment	Balansiné verté
Low risk	2,002	0.4%	(9)	1,993
Fair risk	160	1.25%	(2)	158
Increased risk	0	0%	0	0
High risk	39	79.5%	(31)	8
<b>Total</b>	<b>2,201</b>		<b>(42)</b>	<b>2,159</b>

The Company's exposure to credit risk and ECLs for trade receivables as at 31 December 2024 by separate external customers:

EUR thousand	Initial value	Expected credit losses, %	Impairment	Balansiné verté
Low risk	4,934	0.48%	(24)	4,910
Fair risk	186	1.42%	(3)	183
Increased risk	0	0.0%	0	0
High risk	126	90.0%	(114)	12
<b>Total</b>	<b>5,246</b>		<b>(141)</b>	<b>5,105</b>

**Low risk**  
the buyer does not have any past due invoices

**Fair risk**  
the buyer has at least one past due invoice up to 30 days

**Increased risk**  
the buyer has at least one past due invoice up to 120 days

**High risk**  
the buyer has at least one past due invoice for more than 120 days

The Company applies a simplified method to calculate credit losses over the period of validity and use a provisioning matrix for all trade and other receivables. For calculation of the expected credit losses using the provisioning matrix, trade receivables and other receivables are categorised into separate groups according to credit risk characteristics. The amounts for each group are analysed by the number of days past due. The table below provides information on expected credit losses calculated according to each group of amounts past due. As trade and other receivables usually do not include deposit or other collaterals, the ratio of expected losses coincides with the probability of default.

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

EUR thousand	Expected credit losses, %	Initial value	Impairment	Carrying amount
Not past due	0.4%	2,002	(9)	1,993
Past due for 1 to 30 days	1.25%	160	(2)	158
Past due for 31 to 60 days	0.00%	-	-	-
Past due for 61 to 120 days	0.00%	-	-	-
Past due for over 120 days	79.5%	39	(31)	8
<b>Total</b>		<b>2,201</b>	<b>(42)</b>	<b>2,159</b>

Impairment accounted for by the Company reflects estimated losses caused by doubtful receivables from customers. The principal component of impairment is individually assessed losses from significant doubtful trade receivables. Impairment measurement methods are revised on an ongoing basis in order to minimize differences between estimated losses and actual losses.

The Company's movement of impairment allowance for doubtful trade receivables:

EUR thousand	2025	2024
Balance at the beginning of the period	(141)	(47)
Change in impairment of trade receivables	99	(94)
<b>Balance at the end of the period</b>	<b>(42)</b>	<b>(141)</b>

The expected credit losses with regard to trade and other receivables are calculated according to the requirements of IFRS 9.

As at 31 December 2025, impairment for receivables at the Company has been reflected in the statement of profit or loss and other comprehensive income, in the item of increase (decrease) in value of receivables.

Although economic circumstances may affect the recovery of owed amounts, in the opinion of the management, the Company is not exposed to a significant risk of incurring losses that would exceed the already recognised impairment. Impairment for doubtful receivables is estimated according to ECLs.

The maximum credit risk of cash and cash equivalents is equal to fair value of cash and cash equivalents which are classified under this heading as at the date of the statement of financial position. In the opinion of the Company's management, the risk related to cash in bank and cash equivalents is insignificant as cash are held in Lithuanian commercial banks with a high level of credit rating.

Credit risk concentration at the Company is insignificant.

**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 will always have sufficient liquid assets and will be able to meet its obligations on time. 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.

	31/12/2025	31/12/2024
Debt ratio, %	10.8	9.7
Long-term debt ratio, %	3.0	1.5
Short-term debt ratio, %	7.8	8.2
Asset structure ratio, %	46.4	36.5
Debt-to-equity (leverage) ratio, %	12.2	10.7
Critical liquidity ratio, times	5.7	4.1
Basic liquidity ratio, times	5.9	4.5

Repayment terms of the Company's trade payables and lease liabilities using the undiscounted flow method:

Financial liabilities	Carrying amount	Total	Within one year	From one to five years	After five years
Lease liabilities	847	847	228	619	-
Trade payables	529	529	529	-	-
Amounts payable to related parties	373	373	373	-	-
Other long-term and short-term payables and liabilities	38	38	38	-	-
<b>Total</b>	<b>1,787</b>	<b>1,787</b>	<b>1,168</b>	<b>619</b>	<b>-</b>

Liquidity risk is managed by the Company using the following instruments:

- Current liquidity risk is managed through utilisation of contractual credit lines and overdrafts, borrowing within the LTG group through the Cash pool platform.
- Non-current liquidity risk is managed through constant funding of the Company's activities using loans granted by commercial banks and other instruments. The lending process is performed in a centralised manner; i. e. funds are borrowed on behalf of LTG – the parent company – and, subsequently, LTG lends the funds to companies of the LTG group or arranges borrowing for them, after assessing the terms offered by credit institutions.

Usually, the Company ensures sufficient cash to cover the intended operating costs, including repayment of financial debts. This ensuring does not include impact of potential unpredictable extraordinary circumstances (e. g. natural disasters).

Basically, the Company manages liquidity risk through planning of cash flows which make it easier to manage cash and, if there is a lack of cash, make it easier to choose a way if financing.

Conservative management of liquidity risk at the Company allows retaining sufficient amount of cash, and the Company aims at retaining financing flexibility. Management of liquidity risk in the Company comprises a projection of cash flows. The more comprehensive and accurate this projection, the better liquidity management. Payments for rendered services may be deferred for 30 to 60 days, in rare cases for 60 to 90 days. Payments for services and supply of materials are made within 30 days on average. Such projection foresees the upcoming payments and receipts of cash and allows to plan short-term borrowing and investing. At the end of the current year, the next year's budget is drawn up. A long-term projection (over one year) is part of strategic business planning. Such cash flow projections provide information on the level of cash surpluses and needs, when cash surplus and need will arise, how long the period of cash surplus and need will last, how the cash surplus will be utilized or the need financed.

As at the date of the financial statements, the Company's liquidity risk is insignificant.

**Market risk.** Market risk is the risk that changes in market prices will impact the Company's results or the value of financial instruments held.

**Currency risk.** Currency exchange risk is the risk that changes in market prices due to changes in foreign exchange rates will affect the Company's results or the value of available financial instruments. As at 31 December 2025 and 2024, the Company's monetary assets and liabilities are mainly denominated in euros; therefore, the Company's management believes that the currency exchange risk is insignificant. During 2025 and 2024, the Company did not enter into derivative financial transactions to manage the risk of exchange rate fluctuations with servicing banks.

**Interest rate risk.** All loans received by the Company are subject to variable interest rates related to EURIBOR. Given the situation in the inter-bank interest rate market, the Company has not entered into any financial instrument transactions during the period 2025 and 2024 to manage the risk of interest rate fluctuations.

**Capital management.** Capital includes equity attributable to shareholders. The primary objective of the Company's capital management is to ensure that it meets external capital requirements. The objectives of the Company's capital management is to ensure the Company's ability to continue as a going concern while seeking to earn profit for the shareholders and maintain an optimal capital structure by decreasing capital cost. In order to maintain or change the capital structure, the Company may pay the capital to the shareholders or issue new shares. According to the Law on Companies of the Republic of Lithuania, the share capital of a private limited liability company must be at least EUR 2.5 thousand, and equity at least 50 percent of the Company's share capital.

The Company's management controls compliance with the provisions of the Law on Companies of the Republic of Lithuania stating that if the Company's equity becomes less than 1/2 of the share capital specified in the Articles of Association, the Board must convene a general meeting of shareholders not later than within 3 months from the day on which it became aware or should have become aware of the situation, which must consider the issues referred to in Article 59 (10) (2) and (11) of this Law.

The situation in the Company must be rectified no later than within 6 months from the date on which the Board became aware or should have become aware of the situation.

In 2025 and 2024, the Company complied with the requirements of the above-mentioned provisions of the Law on Companies of the Republic of Lithuania.



## 6. Intangible assets

As at 31 December 2025, intangible assets of the Company consisted of the following:

Indicators (EUR thousand)	Software	Total
<b>Acquisition cost</b>		
<b>31 December 2023</b>	<b>50</b>	<b>50</b>
- acquisitions during the year	-	-
- reclassifications from current assets	-	-
- sold, written off, disposed	-	-
- transferred to current assets	-	-
- reclassifications	-	-
<b>31 December 2024</b>	<b>50</b>	<b>50</b>
- acquisitions during the year	-	-
- reclassifications from current assets	-	-
- sold, written off, disposed	-	-
- transferred to current assets	-	-
- reclassifications	-	-
<b>31 December 2025</b>	<b>50</b>	<b>50</b>
Accumulated amortisation and impairment losses		
<b>31 December 2023</b>	<b>31</b>	<b>31</b>
- depreciation	9	9
- impairment during the year	-	-
- sold, written off, disposed	-	-
- transferred to current assets	-	-
- reclassifications	-	-
<b>31 December 2024</b>	<b>40</b>	<b>40</b>
- depreciation	5	5
- impairment during the year	-	-
- sold, written off, disposed	-	-
- transferred to current assets	-	-
- reclassifications	-	-
<b>31 December 2025</b>	<b>45</b>	<b>45</b>
<b>31 December 2023</b>	<b>19</b>	<b>19</b>
<b>31 December 2024</b>	<b>10</b>	<b>10</b>
<b>31 December 2025</b>	<b>5</b>	<b>5</b>

The Company does not have internally generated intangible assets.

Fully amortised intangible assets used in the Company's activities:

EUR thousand	31/12/2025	31/12/2024
Software	49	49
<b>Total</b>	<b>49</b>	<b>49</b>

The total amount of amortisation costs of the Company's intangible assets included in the statement of profit or loss and other comprehensive income as at 31 December 2025 was EUR 5 thousand (2024: EUR 9 thousand).

Intangible assets which were fully amortised but still used by the Company amounted to EUR 49 thousand (in 2024 – EUR 49 thousand). The major part of amortised assets comprised of software.

## 7. Property, plant and equipment

Property, plant and equipment of the Company consisted of the following:

Indicators EUR thousand	Buildings and structures	Machinery and equipment	Road vehicles	Railway rolling stocks	Other equipment, fittings and tools	Construction in progress and prepayments	Total
<b>Acquisition cost</b>							
<b>31 December 2023</b>	<b>5,237</b>	<b>20,933</b>	<b>655</b>	<b>7,189</b>	<b>740</b>	<b>567</b>	<b>35,321</b>
- acquisitions per year	24	8	-	-	20	81	133
- reclassifications from current assets	-	-	-	-	-	-	-
- sold, written off, disposed	(75)	(581)	(150)	(1,379)	(51)	(193)	(2,429)
- transferred to current assets	-	-	-	-	-	-	-
- reclassifications	-	60	-	194	-	(254)	-
<b>31 December 2024</b>	<b>5,186</b>	<b>20,420</b>	<b>505</b>	<b>6,004</b>	<b>709</b>	<b>201</b>	<b>33,025</b>
- acquisitions per year	-	326	-	4	14	668	1,012
- reclassification / asset split	25	-	-	-	-	-	(25)
- sold, written off, disposed	(93)	(4,612)	(172)	-	(178)	-	(5,055)
- transferred to current assets	-	-	-	-	-	-	-
- reclassifications	-	68	-	751	-	(819)	-
<b>31 December 2025</b>	<b>5,118</b>	<b>16,202</b>	<b>333</b>	<b>6,759</b>	<b>545</b>	<b>50</b>	<b>29,007</b>
Accumulated amortisation and impairment losses							
<b>31 December 2023</b>	<b>2,241</b>	<b>10,043</b>	<b>620</b>	<b>3,162</b>	<b>544</b>	<b>-</b>	<b>16,610</b>
- depreciation	194	1,127	20	276	26	-	1,643
- impairment during the year	-	-	-	-	-	-	-
- sold, written off, disposed	(51)	(568)	(141)	(813)	(34)	-	(1,607)
- transferred to current assets	-	-	-	-	-	-	-
- reclassifications	-	-	-	-	-	-	-
<b>31 December 2024</b>	<b>2,384</b>	<b>10,602</b>	<b>499</b>	<b>2,625</b>	<b>536</b>	<b>-</b>	<b>16,646</b>
- depreciation	192	962	-	612	28	-	1,794
- impairment during the year	-	-	-	-	-	-	-
- sold, written off, disposed	(68)	(3,143)	(169)	-	(177)	-	(3,577)
- transferred to current assets	-	-	-	-	-	-	-
- reclassifications	-	-	-	-	-	-	-
<b>31 December 2025</b>	<b>2,508</b>	<b>8,421</b>	<b>330</b>	<b>3,237</b>	<b>387</b>	<b>-</b>	<b>14,883</b>
<b>31 December 2023</b>	<b>2,996</b>	<b>10,890</b>	<b>35</b>	<b>4,027</b>	<b>196</b>	<b>567</b>	<b>18,711</b>
<b>31 December 2024</b>	<b>2,802</b>	<b>9,818</b>	<b>6</b>	<b>3,379</b>	<b>173</b>	<b>201</b>	<b>16,379</b>
<b>31 December 2025</b>	<b>2,610</b>	<b>7,781</b>	<b>3</b>	<b>3,522</b>	<b>158</b>	<b>50</b>	<b>14,124</b>

## 7. Property, plant and equipment (cont'd)

The Company's depreciation costs, included in the statement of profit or loss and other comprehensive income, amounted to EUR 1,794 thousand (in 2024: EUR 1,663 thousand), excluding depreciation costs of right-of-use assets EUR 229 thousand (in 2024: EUR 188 thousand).

Acquisition cost of fully depreciated property, plant and equipment still in use consisted of the following:

EUR thousand	31/12/2025	31/12/2024
Buildings and structures	1,736	1,710
Machinery and equipment	2,344	1,738
Road vehicles	334	430
Railway rolling stocks	892	885
Other equipment, fittings and tools	907	662
<b>Total</b>	<b>6,213</b>	<b>5,425</b>

The major part of fully depreciated property, plant and equipment consisted of machinery and plant as well as railway rolling stocks.

In 2025, in preparing the financial statements, the Company's management calculated the recoverable amount of property, plant and equipment. Estimation was performed discounting the expected future cash flows from the Company's activity. The forecast of the Company's operating results was made on the basis of the following key assumptions:

- the cash flows are assessed for a period of 5 years up to and including 2030, after which continuous growth is assessed (continuing period);
- the calculation uses data from the Company's approved strategy. The Rail Baltica project is expected to grow the market for the repair and maintenance of the 1435 mm track. Rail Baltica project will have a lasting effect on the labour market by creating jobs in infrastructure management and maintenance, station and terminal management. Taking into account the market growth in Lithuania, the Company's revenue will continue to grow in the continuing period, while maintaining the same EBITDA margin;
- the projected long-term growth rate is 2%;
- the calculation of the asset's recoverable amount uses a weighted average pre-tax cost of capital (pre-tax rate) of 10.91%;
- depreciation of the continuing period is equal to the investments, taking into account that the company must maintain the level of assets available to generate cash flows by renewing them accordingly;
- in the impairment test, sales income amounting to EUR 136.4 million and profit before interest and taxes amounting to EUR 10.8 million are planned for the years 2026-2030, and thereafter, in the continuing period, sales income amounting to EUR 34.8 million and profit before interest and taxes is EUR 3.8 million.

Calculation of sensitivity analysis using more conservative assumptions and values for earnings and pre-tax WACC and comparing the result of the continuing period for 2025.

- if WACC and growth rate increased by 1%, the recoverable amount would decrease by 4% and EUR 1,216 thousand;
- if WACC and growth rate decreased by 1%, the recoverable amount would increase by 4% and EUR 1,273 thousand;
- if the result of the terminal period was the same as in 2025, the recoverable amount would be lower and the carrying amount of all assets would have to be reduced to the liquidation value.

The performed testing of the recoverable amount disclosed that the recoverable amount exceeds the carrying amount by EUR 16.7 million, thus, no impairment was accounted for.

## 8. Right-of-use assets

As at 31 December 2025, the right-of-use assets of the Company consisted of the following:

Indicators (EUR thousand)	Buildings and structures	Vehicles	Total
<b>Acquisition cost</b>			
<b>31 December 2023</b>	<b>61</b>	<b>663</b>	<b>724</b>
- acquisitions during the year	-	298	298
- reclassifications from current assets	-	-	-
- sold, written off, disposed	-	(255)	(255)
- transferred to current assets	-	-	-
- reclassifications	-	-	-
<b>31 December 2024</b>	<b>61</b>	<b>706</b>	<b>767</b>
- acquisitions during the year	-	759	759
- reclassifications from current assets	-	-	-
- sold, written off, disposed	-	(322)	(322)
- transferred to current assets	-	-	-
- reclassifications	-	-	-
<b>31 December 2025</b>	<b>61</b>	<b>1,143</b>	<b>1,204</b>
<b>Accumulated amortisation and impairment losses</b>			
<b>31 December 2023</b>	<b>61</b>	<b>374</b>	<b>435</b>
- depreciation	-	188	188
- impairment during the year	-	-	-
- sold, written off, disposed	-	(231)	(231)
- transferred to current assets	-	-	-
- reclassifications	-	-	-
<b>31 December 2024</b>	<b>61</b>	<b>331</b>	<b>392</b>
- depreciation	-	229	229
- impairment during the year	-	-	-
- sold, written off, disposed	-	(256)	(256)
- transferred to current assets	-	-	-
- reclassifications	-	-	-
<b>31 December 2025</b>	<b>61</b>	<b>304</b>	<b>365</b>
<b>31 December 2023</b>	-	<b>289</b>	<b>289</b>
<b>31 December 2024</b>	-	<b>375</b>	<b>375</b>
<b>31 December 2025</b>	-	<b>839</b>	<b>839</b>

As at the reporting date, the Company has concluded contracts for the lease of vehicles. The remaining lease term is up to 5 years. A discount rate of 3.679% was applied to the lease contracts. Impact on the Company's results in the statement of comprehensive income is insignificant.

## 9. Inventories

As at 31 December 2025, inventories of the Company consisted of the following:

EUR thousand	31/12/2025	31/12/2024
Materials	279	346
Materials of track superstructures	533	558
Spare parts	461	471
Fuel	27	33
Work clothing	14	19
Inventory	18	17
Greases	8	11
Less: decrease in realisable value (-)	(687)	(676)
<b>Total raw materials, materials and component parts</b>	<b>653</b>	<b>779</b>
IT assets held for sale	588	591
Less: decrease in realisable value (-)	(545)	(545)
<b>Total investment assets held for sale</b>	<b>43</b>	<b>46</b>
<b>Total</b>	<b>696</b>	<b>825</b>

As at 31 December 2025, the carrying amount of the Company's inventories, except for non-current assets held for sale amounting to EUR 1,340 thousand was reduced by EUR 687 thousand to the net realisable value and amounted to EUR 653 thousand (as at 31 December 2024, the carrying amount of EUR 1,455 thousand was reduced by EUR 676 thousand to the net realisable value and amounted to EUR 779 thousand). The change in the write-down of the Company's inventories to net realisable value is reflected in the expense item in the statement of profit or loss and other comprehensive income.

As at 31 December 2025, the carrying amount of the Company's non-current assets held for sale of EUR 588 thousand was reduced to net realisable value and amounted to EUR 43 thousand (as at 31 December 2024: EUR 46 thousand).

Although the disposal of this asset had been planned previously, the sale process has been prolonged due to the characteristics of a narrow, specialised market. The asset comprises equipment intended for a niche industrial sector, where the pool of potential buyers is limited and decision-making cycles are longer than is customary. The Company continues to actively pursue the sale: the asset is advertised on specialised auction and equipment disposal platforms, listings are updated regularly, and contact is maintained with prospective purchasers. These circumstances confirm that the disposal process remains active and that the asset is expected to be disposed of in the near term.

Write down to the net realizable value of the Company's non-current assets held for sale, less costs to sell, is represented under impairment and write-off costs in the statement of profit or loss and other comprehensive income. The majority of the Company's non-current assets held for sale consists of machinery and equipment.

## 10. Prepayments

EUR thousand	31/12/2025	31/12/2024
Prepayments to other companies	3	6
Prepayments to related parties	137	-
Deferred costs	17	4
<b>Total</b>	<b>157</b>	<b>10</b>

## 11. Assets arising from contracts with customers

The Company's assets arising from contracts with customers consisted of:

EUR thousand	31/12/2025	31/12/2024
Guaranties paid to suppliers	4	8
Accrued income	453	77
<b>Total</b>	<b>457</b>	<b>85</b>

## 12. Trade receivables

The Company's trade and other receivables consisted of:

EUR thousand	31/12/2025	31/12/2024
Trade receivables	374	1,386
Receivables from related parties	1,827	3,860
Impairment of receivable debts (-)	(42)	(141)
<b>Total trade receivables:</b>	<b>2,159</b>	<b>5,105</b>

As at 31 December 2025 and 31 December 2024, the Company had not pledged trade receivables as collateral. Trade receivables are non-interest-bearing; the normal credit period is 30–45 days.

Under the contracts, a portion of the payments is retained as security (retentions) to ensure the proper performance of contractors' contractual obligations. Typically, customers withhold 5%–10% of the amounts payable as retentions. Retained amounts are returned to the contractor within 30 calendar days after the final handover and acceptance certificate is signed, a certificate of the value of works performed specifying the retention amount is submitted, and a guarantee ensuring the fulfilment of obligations during the warranty period is provided. These retained amounts are treated as a temporary deferral of settlement; however, they do not alter the nature of trade receivables and are not regarded as a significant financing component, as they relate solely to securing the contractor's performance obligations rather than to the timing of payments.

As at 31 December 2025, retained amounts totalled EUR 862 thousand (31 December 2024: EUR 2,149 thousand).

## 13. Other receivables

Other receivables consisted of:

EUR thousand	31/12/2025	31/12/2024
Recoverable VAT	166	204
Other receivables from the budget	137	89
<b>Total</b>	<b>303</b>	<b>293</b>

#### 14. Cash and cash equivalents

EUR thousand	31/12/2025	31/12/2024
Cash in bank	9,500	4,117
<b>Total</b>	<b>9,500</b>	<b>4,117</b>

As at 31 December 2025, the Company held EUR 74 thousand of funds that are not included in cash and cash equivalents, as their use is restricted and they are presented as non current financial assets (see Note "25. Financial assets"). These funds cannot be used in the Company's operations for as long as the guarantee obligations remain in force.

As at 31 December 2025 and 31 December 2024, the Company had no term deposits.

In order to ensure more efficient fund management and the liquidity of the LTG group companies under market conditions, the group's cash-pool agreement was signed with AB Swedbank on 21 December 2018. Under this agreement the members of the group may borrow and lend funds to group members on mutual lending platform for a period shorter than one year.

As at 31 December 2025, group companies did not have any payables to the Company under the group's cash-pool agreement. As at 31 December 2024, the Group companies had a liability of EUR 1 million to the Company under the LTG Group account agreement.

#### 15. Share capital

The nominal value of the Company's shares is EUR 281.53 per share. All shares are paid.

Change in the share capital is presented in the table below:

	Share capital	Number of shares, units
Authorised share capital		
Number of shares as at 31 December 2024	30,897	109,748
Increased	-	-
Decreased	-	-
Number of shares as at 31 December 2025	30,897	109,748
2. Capital structure		
2.1. By type of shares	-	-
2.10. Ordinary shares	30,897	109,748
2.11. Preference shares	-	-
2.2. State capital	-	-
B. Amounts unclaimed and amounts claimed but not yet paid, including therein:		
Shareholders (debtors)	-	-
<b>Total</b>	<b>30,897</b>	<b>109,748</b>

On 10 November 2020, acting as the sole shareholder AB Lietuvos geležinkeliai made a decision to decrease the Company's share capital by reducing the nominal value of issued shares. Based on the decision, the nominal value of one ordinary registered share is changed from EUR 289.62 to EUR 281.53. Upon the change of the nominal value of one share, the share capital of GTC was divided into 109,748 shares. The amount of the share capital in value terms was EUR 30,897 thousand.

#### 16. Reserves

**Legal reserve.** A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the authorised share capital. The legal reserve cannot be distributed as dividends, but can be used to cover future losses.

**Other reserves.** As at 31 December 2025, the Company did not have other reserves.

Allocation of the Company's profit of 2024 was approved by the Shareholder's decision No AS(LTG)-34/2025 dated 16 April 2025.

Legal and other reserves were not formed.

## 17. Lease liabilities

The Company's lease liabilities comprised the following:

EUR thousand	31/12/2025	31/12/2024
Non-current	619	201
Current	228	182
<b>Lease liabilities</b>	<b>847</b>	<b>383</b>

The Company leases vehicles. Lease contracts are usually concluded for a fixed period with or without an option of extending it. In determining the lease term, management considers all the facts and circumstances that give rise to the economic incentive to exercise the option to extend the contract or not to exercise the option to terminate it. The management believes that the possibilities of extending the contract (or the periods after the possibility of terminating the contract) are provided for in the leases only if it can be reasonably expected that the lease 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 leases of 12 months or less and lease payments for low-value assets are recognised directly as expenses in the Statement of profit or loss and other comprehensive income.

The discount rate applied for lease agreements in 2025 amounts to 3.679% (31 December 2024: 3.723%).

## 18. Provisions

The Company's provisions consisted of:

EUR thousand	31/12/2025	31/12/2024
Non-current provisions	247	230
Current provisions	83	56
<b>Total</b>	<b>330</b>	<b>286</b>

Movement of provisions:

EUR thousand	31/12/2025	31/12/2024
<b>Provisions</b>		
Balance at the beginning of the period	286	346
Increase (formed)	45	12
Decreased (used)	(1)	(72)
<b>Balance at the end of the period</b>	<b>330</b>	<b>286</b>

**Provisions for warranty repairs.** The amount of provisions for warranty repairs is estimated taking into account the historical data; i. e. the amount of expenses related to warranty repair, remedies of defects and similar expenses the Company incurs every year. In formation of a provision, the Company estimates the period which is covered by the guarantee and during which the Company is obliged to remedy defects.

**Provisions for received claims.** Provisions for claims are accounted for based on the received claims. The management assesses the reasonableness of the received claims and potential expenses.

**Provisions for pensions and similar liabilities.** Pursuant to the Labour Code of the Republic of Lithuania, each employee leaving the Company at the age of retirement is paid a compensation of up to two-month-average salary. In addition, a compensation of up to one month average salary is paid to an employee in the event of 25 years length of service pursuant to the collective agreement effective in the Company. Jubilee payments also comprise provisions for pensions and similar liabilities.

Key assumptions applied in assessing the Company's non-current liabilities to employees are as follows:

	31/12/2025	31/12/2024
Discount rate	4.374%	3.671%
Employee turnover rate	27.69%	32.54%
Annual salary increase	5.50%	5.0%

## 19. Employment related liabilities

Current employee benefits by type:

EUR thousand	31/12/2025	31/12/2024
Vacation accruals	285	316
Payable remuneration	-	-
Payable personal income tax contributions	-	-
Payable social insurance contributions	117	116
Accrued portion of variable remuneration	259	241
<b>Total</b>	<b>661</b>	<b>673</b>

## 20. Liabilities arising from contracts with customers

As at 31 December 2025, liabilities arising from contracts with customers consisted of:

EUR thousand	31/12/2025	31/12/2024
Accrued income	42	114
<b>Total</b>	<b>42</b>	<b>114</b>

Contract liabilities represent the portion of performance obligations not yet satisfied, where amounts invoiced to customers exceed revenue recognised based on the contract's measure of progress.

## 21. Trade and other payables

Trade and other payables consisted of:

EUR thousand	31/12/2025	31/12/2024
Financial guarantees received	27	20
Other charges payable to the budget	6	17
Trade union membership fee	1	1
Trade payables	529	407
Amounts payable to related parties	373	502
Accrued costs	259	343
Other payables and non-current liabilities	4	2
<b>Total</b>	<b>1,199</b>	<b>1,292</b>

Accrued expenses in the Company consisted of accrued management fee and other atypical accruals formed.

## 22. Sales revenue

Revenue comprised:

EUR thousand	2025	2024
Revenue arising from contracts with customers	12,804	15,107
Other income	1,882	777
<b>Total</b>	<b>14,686</b>	<b>15,884</b>

In 2025, the Company earned EUR 1,878 thousand of other operating income from gains on disposal of property, plant and equipment, of which EUR 1,831 thousand arose from transactions with related group companies, and EUR 47 thousand represented the result of assets sold through auction. In addition, EUR 4 thousand of other operating income from the sale of scrap metal and waste was recognised.

In 2024, other operating income amounted to EUR 675 thousand from gains on disposal of property, plant and equipment sold through auction and EUR 102 thousand from the sale of scrap metal and waste.

Information related to each segment disclosed is presented below. Sales revenue of a segment is used for measurement of operating results of a segment. Information on segments is prepared in accordance with the same accounting policies as those used in the statements of the company's operating results.

EUR thousand	2025	2024
Construction and repair of railways	8,869	12,080
Maintenance of railway track and structures	1,706	1,766
Construction, reconstruction and repair of other structures	838	321
Lease of plant and machinery	712	267
Construction and repair of signalling, automation and electrification	293	595
Other works (snow removal, sales of current assets, etc.)	386	78
<b>Total</b>	<b>12,804</b>	<b>15,107</b>

Sales according to the customer group:

EUR thousand	2025	2024
LTG and group companies	10,497	12,208
Other customers	2,307	2,899
<b>Total</b>	<b>12,804</b>	<b>15,107</b>

Works and services were delivered to group companies of AB Lietuvos geležinkeliai and other customers.

Expected recognition periods of unsatisfied (or partially unsatisfied) performance obligations as of the end of the reporting period as revenue:

EUR thousand	Total transaction price	2026	2027
Contracting works	21,659	12,682	3,171
<b>Total</b>	<b>21,659</b>	<b>12,682</b>	<b>3,171</b>

## Long-term contracts

Revenue in the Company is earned within more than one year; i. e. the Company has long-term selling contracts. Recognition of ongoing projects as the Company's revenue under the signed long-term construction contracts is based on the completion stage of contractual obligations. The stage of completion is measured by comparing actual costs incurred to all the budgeted costs. The table below provides information on the ongoing contracts as of the end of the year:

Ongoing contracts (EUR thousand)	2025	2024
Accrued income under contracts in progress	453	78
Obligations under existing contracts	(42)	(114)
The amount of invoices issued under ongoing contracts	5,518	3,468
<b>Total</b>	<b>5,929</b>	<b>3,432</b>

As at the end of 2025, there were 7 ongoing construction contracts signed, recognition of which was subject to IFRS 15. From the starting date of performance of the contract, the invoices issued for carried out works amounted to EUR 5,518 thousand.

### 23. Result from financing activities

Financing activity results of the Company consisted of:

EUR thousand	2025	2024
<b>Total finance income</b>	<b>148</b>	<b>96</b>
Penalties and default interest for overdue trade receivables	1	10
Interest	147	86
<b>Total finance costs</b>	<b>(40)</b>	<b>(318)</b>
Interest	(21)	(23)
Lease liability interest	(21)	(13)
Fines, penalties, delay interest	12	(281)
Currency exchange loss	(1)	(1)
Other financial operating expenses	(9)	-

### 24. Corporate income tax and deferred tax

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

EUR thousand	31/12/2025	31/12/2024
Corporate income tax of the reporting year	16	-
Effect of transferred tax losses	199	-
Deferred tax expenses (income)	270	(267)
<b>Total income tax expenses (income) recognised in profit or loss</b>	<b>485</b>	<b>(267)</b>

The Company belongs to the AB Lietuvos geležinkeliai group and, in accordance with Article 56(1) of the Law on Corporate Income Tax of the Republic of Lithuania, is entitled to transfer or receive tax losses from other group entities, provided that the statutory conditions are met (including the parent entity's control of at least two-thirds of the shares and membership of the group for more than two years, among others). During the reporting period, the Company transferred a tax loss to other group entities:

- In July 2025, a deed of acceptance and transfer of tax losses was signed for the transfer of a portion of the 2024 tax losses to UAB LTG Cargo. Under this deed, the Company transferred tax losses of EUR 1,403,389 to a group entity for a consideration of EUR 210,508.
- In December 2025, a deed of acceptance and transfer of tax losses was signed for the transfer of the company's tax losses for 2022, which amounted to EUR 3,532,089, to UAB LTG Link. Under this act, the compensation for the transfer of the specified tax losses amounted to EUR 429,813 thousand.

The net effect of the tax losses transferred and the consideration received in 2025 increased income tax expense by EUR 199 thousand. These transfers reduced the Company's balance of unused tax losses carried forward; they did not result in any other significant changes to the Company's tax position.

Income tax calculated on the Company's profit before tax differs from the theoretical amount that would arise by applying the statutory corporate income tax rate applicable to the Company:

EUR thousand	2025	2024
Profit (loss) before tax	161	(2,097)
Corporate income tax at a statutory rate of 16% (2024: 15%)	26	(315)
Expenses not deductible for tax purposes	476	146
Non-taxable income	-	(10)
Change in corporate income tax rate	(17)	(88)
<b>Total income tax expenses (income) recognised in profit or loss</b>	<b>485</b>	<b>(267)</b>
<b>Total</b>		
Effective rate	302.41%	12.74%

Income tax is calculated on profit before tax. The standard corporate income tax rate applicable to companies in the Republic of Lithuania is 16% for 2025, was 15% for 2024, and will be 17% from 2026.

The calculation of the Company's deferred tax asset is set out below:

EUR thousand	31/12/2025	31/12/2024
Components of deferred tax are given below:		
<b>Deferred tax asset:</b>		
Impairment of amounts receivable and write-off of bad debts	7	23
Accrued income	7	6
Impairment of inventories	209	195
Vacation accruals	1	1
Pension accruals	10	10
Warranty repair provisions	46	36
Bonuses	44	39
Other provisions	46	55
Tax loss carry-forward	43	1,098
Valuation of non-current assets (increase and decrease in value) and differences in depreciation rates	(79)	(62)
Other temporary differences	-	-
<b>Deferred tax asset before realisation valuation</b>	<b>334</b>	<b>1,401</b>
<b>Realisation valuation</b>	<b>(43)</b>	<b>-</b>
<b>Deferred tax asset after realisation valuation</b>	<b>291</b>	<b>1,401</b>

- As at 31 December 2025, deferred tax asset was calculated applying a 17% tax rate and amounted to EUR 291 thousand.
- Deferred tax assets and deferred income 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 related to the same tax authority.
- As a result of the tax losses from prior tax periods transferred to group entities in 2025 and the tax losses utilised in 2025, the Company had no unused tax losses carried forward at the end of 2025 (its accumulated tax losses had been fully utilised).

## 25. Financial assets

The Company's financial assets consisted of:

EUR thousand	31/12/2025	31/12/2024
Funds deposited for long-term guarantees under completed Contracting work agreements.	74	-
<b>Total</b>	<b>74</b>	<b>-</b>

At the end of 2025, the Company held EUR 74 thousand of restricted-use funds in a bank account as long-term guarantee retention amounts required under construction contract agreements. These funds are restricted and cannot be used in the Company's ordinary operations; they will be released only upon the expiry of the guarantee obligations. The guarantees were issued for a 3 year period.

As the validity of these guarantees extends beyond 12 months after the end of the reporting period, the amount is presented as other non current financial assets.

At the end of 2024, the Company did not hold financial assets of this type.

## 26. 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. The Company's related parties and transactions with them in 2025 and 2024 were as follows:

31/12/2025 (EUR thousand)	Purchases	Sales	Receivables	Payables
AB Lietuvos geležinkeliai	722	117	21	81
AB LTG Infra	492	13,680	1,810	63
AB LG Cargo	1,191	-	133	28
UAB LTG Link	7	-	-	-
UAB LTG Kompetencijų centras	1,348	-	-	201
UAB voestalpine Railway Systems Lietuva	43	-	-	-
	<b>3,803</b>	<b>13,797</b>	<b>1,964</b>	<b>373</b>

31/12/2024 (EUR thousand)	Purchases	Sales	Receivables	Payables
AB Lietuvos geležinkeliai	1,746	-	1,004	252
AB LTG Infra	614	11,104	2,856	175
AB LG Cargo	764	-	-	58
UAB LTG Link	6	-	-	1
UAB voestalpine Railway Systems Lietuva	578	6	-	16
	<b>3,708</b>	<b>11,110</b>	<b>3,860</b>	<b>502</b>

In 2025, the Company sold non-current assets to related parties for EUR 3,300 thousand. In 2024, the amount of such sales transactions totalled EUR 1,098 thousand.

## 27. Remuneration to management and other benefits

As at 31 December 2025, there were 7 executives; i.e. 1 Chief Executive Officer, 1 People and Culture Partner, 1 Continuous Improvement Projects Manager, 1 Production Manager, 1 Project Management and Engineering Manager, 1 Finance and Strategy Manager, and 1 Sales Manager.

	31/12/2025	31/12/2024
Remuneration employment related remunerations except for employer's social insurance contributions	576	500
Remuneration to other related parties	-	-
Number of management personnel	9	6

During 2025, the Company underwent changes in its organizational structure and part of its management team. As a result, the reported accruals were calculated based on a higher actual number of managers than the number presented at the end of the reporting period.

During 2025 and 2024, no loans, guarantees, or other disbursements or accruals or disposals of assets were made to the Company's management, except for those disclosed above.

## 28. Off-balance liabilities, contingent liabilities and assets

The Company is involved in several legal proceedings with different procedural positions: both as the claimant and the respondent. These cases are related to different legal issues, including fulfilment of contractual obligations, commercial disputes and other aspects of civil law.

An administrative case is of significant importance to the Company where GTC requests to annul part of the decision No. 4S-437(7.4Mr) dated 20/04/2023 of the respondent BĮ Viešųjų pirkimų tarnyba regarding the recognition of UAB Geležinkelio tiesimo centras as a contracting entity and the obligation to conduct procurement in accordance with the provisions of the Law on Procurement by Contracting Authorities in the Field of Water Management, Energy, Transport or Postal Services.

As legal proceedings are dynamic and depend on a number of legal and factual circumstances, the final decisions are not clear. GTC is active in defending its interests, cooperates with lawyers and complies with all legal requirements to achieve the most beneficial results. For the most efficient and rational solution to problems, the Company's management is ready to take additional steps or discuss alternative ways to solve the disputes.

Due to the uncertainties surrounding the possible outcome of legal proceedings and in view of the risks involved, the Company makes provisions to cover the possible outcome of legal proceedings as a precautionary measure. These provisions are calculated by estimating the potential liabilities and estimated costs associated with ongoing disputes. According to the assessment of management and legal advisors, as at 31 December 2025, the Company had one case likely to result unfavourably; therefore, a provision amounting to EUR 4.8 thousand was formed. As at 31 December 2024, a provision amounting to EUR 179 thousand was formed for this purpose.

The Tax Authorities have not performed full-scope tax investigations at the Company. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. Management of the Company is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

As at 31 December 2025, the Company had issued guarantees for the amount of EUR 5,319 thousand, including guarantees of the performance of contracts and guarantees for liabilities of the warranty period.

### 29. Events after the reporting period

On 12 January 2026, the Company recovered a portion of its long term guarantee funds amounting to EUR 55.8 thousand. From this date, the amount is recognized as an off balance sheet guarantee obligation, reflecting the Company's contractual commitments until the end of the guarantee period. This event is classified as a non adjusting event after the reporting period, as the recovery occurred after the reporting date and does not provide additional information about conditions that existed as at that date.

On 29 January 2026, the Company entered into term deposit agreements with two banks, totalling EUR 7.5 million. In addition, on 11 February 2026, the Company placed an additional EUR 1 million into a term deposit with one of the banks. As all these transactions occurred after the reporting period and are not related to conditions existing at the reporting date, they are treated as non-adjusting events after the reporting period.

Until the approval date of the financial statements, there were no other subsequent events which could significantly affect the Company's financial statements.





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